

**EVALUATING THE EFFECTS OF INTERNAL ENTERPRISE  
ACTIVITIES ON COST REDUCTION IN EDUCATIONAL  
INSTITUTIONS: A CASE STUDY OF HAWASSA UNIVERSITY  
IN MAIN CAMPUS**



**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE MASTER OF BUSINESS  
ADMINISTRATION DEGREE IN MARKETING MANAGEMENT**

**BY**

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**HAWASSA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**SCHOOL OF MANAGEMENT AND ACCOUNTING**

**DEPARTMENT OF MANAGEMENT**

**MARCH 2024**

**HAWASSA, ETHIOPIA**

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**APPROVAL SHEET**

**HAWASSA UNIVERSITY**

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## **DECLARATION**

I, the undersigned, declare that this research project “evaluating the effects of internal enterprise activities on cost reduction in educational institutions: a case study of Hawassa university main campus” is my original work, prepared under the supervision and guidance of Birehanu Buriji (Professor) and Mr. Kibrom Kiros (MBA). This work has not been submitted earlier in full or in a part thereof, for the award of other similar degree, Diploma, Fellowship, Associate ship or any other similar titles to this or any other University or Institution.

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Name

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Signature

Hawassa University

Hawassa, Ethiopia

March 2024

## **CERTIFICATE**

This is to certify that this project work, “evaluating the effects of internal enterprise activities on cost reduction in educational institutions: a case study of Hawassa university main campus”, undertaken by Belete Siyoum for the partial fulfillment of Degree of Masters of Business Administration Add is Hawassa University. The subject on which the thesis has been prepared is based on his original research work and it has not been submitted earlier in full or a part thereof for the award of any of degree, diploma or any other similar titles in this or any other University or institution.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

HU Hawassa University

ACA Awassa College of Agriculture

IMC Integrated Marketing Communication

SML Sidama Liberation Movement

TA Transport Allowance

DA Day Allowance

ANOVA Analysis of Variance

RBV Resource-Based View

## **ABSTRACT**

*In recent years, educational institutions have been facing budget constraints and increasing financial pressure. This study aims to investigate the effect of internal enterprise activities on cost reduction in educational institutions in case of Hawassa university main campus. This thesis intends to explore the relationship between internal enterprise activities and cost reduction, identify the most effective practices, and provide recommendations for educational institutions to achieve optimal cost savings. The study adopted explanatory research design and 385 sample respondents participated from students, employees and top administrative of the campus. A convenience probability sampling technique was applied to select the targeted respondents. Primary data were collected using self-administered questionnaires for analysis. The result endorses that all the six determinates of internal enterprise such as administrative efficiency, technological adoption, outsourcing, efficient resource allocation, staff development, and sustainable practices had significant effect on overall cost reduction. As tuition fees constantly rise and funding becomes scarcer, educational institutions are required to explore innovative ways to reduce operational costs and ensure financial sustainability. Identifying and addressing inefficiencies in administrative tasks, organizations can reduce overhead costs and improve productivity. Embracing new technologies such as automation, data analytics, and cloud computing can streamline operations, increase efficiency, and reduce the need for manual labor. Cost reduction is essential for organizations to remain competitive and financially sustainable in today's dynamic business environment. Implementing cost reduction measures requires a holistic approach that involves all aspects of the organization, from operations to finance. Continuous monitoring and evaluation of cost reduction initiatives are necessary to ensure long-term success and effectiveness. Successful cost reduction efforts can lead to improved financial performance, increased competitiveness, and enhanced overall organizational efficiency. My findings suggest that adopting efficient internal enterprise activities can lead to significant cost savings for educational institutions, allowing them to better utilize their resources to improve the quality of education. Develop a comprehensive cost reduction strategy that integrates Administrative Efficiency improvements, Technological Adoption initiatives, Efficient Resource Allocation practices, Staff Development programs, and Sustainable Practice initiatives. By adopting efficient internal enterprise activities, institutions can streamline processes, improve resource usage, and ultimately reduce overall costs.*

**Keywords: Administrative Efficiency, Cost Reduction, Educational Institutions, Employee Performance**

# CHAPTER ONE

## 1. INTRODUCTION

Internal enterprise activities refer to the various business operations and functions that an organization conducts within its own structure to generate revenue or reduce costs. In the context of educational institutions, internal enterprise activities can include services such as cafeteria operations, bookstores, conference facilities, and research collaborations with industry partners. Internal enterprise activities encompass a wide range of services and operations conducted within the educational institution, such as cafeteria services, bookstore management, research collaborations, and conference facilities. These activities serve not only as revenue-generating ventures but also as potential avenues for reducing operational costs and enhancing the overall financial health of the institution. These activities are often seen as opportunities for universities to diversify their revenue streams and enhance their financial sustainability (Jones, P., & Robinson, P. (2019).

Cost reduction is a key concern for educational institutions like Hawassa University, given the rising expenses associated with providing quality education and maintaining campus infrastructure. By strategically managing internal enterprise activities, universities can potentially achieve cost savings and improve overall financial performance (Smith, A., & Brown, C. (2020).

Operating costs of educational institutions have been on the rise in recent years, demanding innovative ways to ensure more efficient of resources. One potential avenue to address this challenge is by adopting internal enterprise activities aimed at reducing overall operating costs. Educational institutions around the world are facing significant budget constraints due to factors such as reduced government funding and rising operational costs. In response to these financial pressures, many schools and universities have turned to internal enterprise activities to reduce their costs and optimize available resources. Internal enterprise activities can be defined as the management of resources, operations, and processes within an organization to improve efficiency and reduce costs. Examples include resource optimization, collaborative initiatives, and adoption of technology (Bullen et Rockart (1981).

## **1.1. Background of the Study**

Educational institutions, like any other organizations, face financial challenges in providing quality education while managing costs effectively. Cost reduction is a key concern for educational institutions as they strive to allocate their resources efficiently and maximize their budgets. One potential strategy to achieve cost reduction is through the implementation of internal enterprise initiatives.

Scholars have discussed the concept of internal enterprise and its potential effect on cost reduction in educational institutions. For example, Ramlall, Rathilal, and Rampersad (2017) examined the potential of internal entrepreneurship initiatives in generating tuition fee income and reducing costs in South African higher education institutions. Their research provided insights into the potential benefits of internal enterprise for financial sustainability.

Similarly, Salehi and Afshari-Mofrad (2015) explored the relationship between internal entrepreneurship and performance, including cost reduction, in Iranian higher education institutes. Their study highlighted the role of internal entrepreneurship in enhancing performance and reducing costs.

Kaldırgan and Fidan (2016) investigated the role of internal entrepreneurship in higher education institutions' entrepreneurship activities, including its effect on cost reduction. Their research emphasized the importance of internal entrepreneurship initiatives for financial sustainability and resource allocation in educational institutions.

However, despite these scholarly discussions, the effects of internal enterprise specifically for cost reduction in educational institutions have not been extensively studied. Therefore, there is a need for further research to evaluate the effect of internal enterprise on cost reduction in educational institutions.

This study aims to fill this research gap by assessing the effect of internal enterprise initiatives on the financial performance and sustainability of educational institutions, taking into account the insights provided by previous studies conducted by Ramlall et al. (2017), Salehi and Afshari-Mofrad (2015), and Kaldırgan and Fidan (2016). The research was also identifying any best practices or challenges associated with implementing internal enterprise initiatives in the education sector.

By understanding the potential benefits and drawbacks of internal enterprise for cost reduction in educational institutions, this research provided valuable insights and recommendations to educational leaders, administrators, and policymakers in their decision-making processes. Ultimately, the findings of this study, in conjunction with previous research, can contribute to the overall improvement of financial management strategies within educational institutions, leading to more efficient resource allocation and ultimately enhancing the quality of education provided.

Innes, et al (2013) assert that the survival triplet today for any company is how to manage product or service cost, quality, and performance. Santos, (2012) noted that even though organizations have formal standards of performance measurement systems, their degree of comprehensiveness is different. The scope of the organization and its association with different international organizations, the experience and qualifications of managers and partners needed for the design. Execution of similar performance procedures, the resources required for the introduction of such performance procedure and the uniqueness of the organization and customer association with the need to uphold impartiality and confidentiality while providing high-quality services are the mainly great challenges that face organizations in measuring their performance (Mohammed, 2015). Other key challenges also include entrepreneurs' characteristics, processes of founding, venture attributes, and environmental characteristics.

In the manufacturing function, information integration implement through utilizing network and other information technologies (Dan et al., 2015) to share product and process data (Deng et al, 2012; Gao et al., 2012; Cho & Seo, 2012) and coordinating process planning and scheduling (Zhang et al, 2013). Process integration mainly includes integration of design, manufacturing and inspection systems (Cho et al, 2012) and integration of production and logistics functions (Chikan, 2011; Gimenez & Ventura, 2015).

Education can universally recognize as a vital instrument for human development and a means to promote economic growth and social progress. Educational institutions, such as universities, serve as centers of knowledge, innovation, and human capital formation. However, the increasing costs of providing quality education have become a major concern for both policymakers and university administrators. In this regard, internal enterprise activities have emerged as a potential mechanism to generate additional resources, improve efficiency, and reduce costs in higher

education institutions. This study aims to investigate the effect of internal enterprise activity on cost reduction in the context of Hawassa University main campus, Ethiopia.

## **1.2 Statement of the Problem**

Educational institutions in Ethiopia, like many other developing countries, grapple with financial challenges in providing quality education while managing costs effectively. Cost reduction is a critical concern for Ethiopian educational institutions as they strive to allocate their limited resources efficiently and maximize their budgets. One potential strategy to achieve cost reduction is through the implementation of internal enterprise initiatives.

Scholars have examined the concept of internal enterprise and its effect on cost reduction in educational institutions in various contexts. For example, Ramlall, Rathilal, and Rampersad (2017) conducted a study in South African higher education institutions, highlighting the potential benefits of internal entrepreneurship in generating tuition fee income and reducing costs. Salehi and Afshari-Mofrad (2015) explored the relationship between internal entrepreneurship and performance, including cost reduction, in Iranian higher education institutes. Their research emphasized the role of internal entrepreneurship in enhancing financial performance and reducing costs.

Within the Ethiopian context, educational institutions face specific challenges related to limited resources and financial constraints. According to Mulugeta (2019), Ethiopian universities often struggle to secure adequate funding, leading to difficulties in improving educational quality and managing operational costs. Additionally, Lemma (2018), notes that inefficient resource allocation and financial management systems contribute to the financial challenges faced by Ethiopian educational institutions.

However, despite the scholarly discussions on the potential benefits of internal enterprise initiatives for cost reduction in educational institutions, there is a lack of research specifically focusing on the Ethiopian context. Therefore, there is a need for further investigation to assess the effect of internal enterprise initiatives on cost reduction in Ethiopian educational institutions.

The changing business environment has brought about so many changes in organizations including policies on cost management (Richtel, 2008). Robert (2009) stated that a company with adequate cost structure possesses the higher chance of attaining its profit target. The increasingly

competitive global economy pushes firms to exploit all of their available resources as a means of achieving competitive advantage (Andersen, 2009). Innes, et al (2013) assert that the survival triplet today for any company is how to manage product or service cost, quality, and performance. Santos, (2012) noted that even though organizations have formal standards of performance measurement systems, their degree of comprehensiveness is different. The scope of the organization and its association with different international organizations the experience and qualifications of managers and partners needed for the design. Execution of similar performance procedures, the resources required for the introduction of such performance procedure and the uniqueness of the organization and customer association with the need to uphold impartiality and confidentiality while providing high-quality services are the mainly great challenges that face organizations in measuring their performance (Mohammed, 2015).

The rising costs in the educational sector have become an increasing concern for educational institutions, especially higher education institutions such as Hawassa University. Financial challenges often lead to budget constraints, resulting in reduced educational quality, limited resources, and compromised student experience. As a means to alleviate these financial burdens, it is crucial to explore the potential role of internal enterprise activities in cost reduction. These activities encompass a wide range of strategies, including efficient resource management, budgetary control, advancement of technology integration, and development of revenue-generating programs. The research faced some gaps including of the limitations in previous studies, lack of sufficient data, or the emergence of new technologies or theories.

This study aims to fill this research gap by evaluating the effectiveness of internal enterprise initiatives in reducing costs and improving financial performance in Ethiopian educational institutions. By considering the insights provided by previous studies conducted by Ramlall et al. (2017) and Salehi and Afshari-Mofrad (2015), this research examines the applicability of internal enterprise concepts within the Ethiopian context.

Furthermore, this study was identifying any challenges and best practices associated with implementing internal enterprise initiatives in Ethiopian educational institutions. By understanding the potential benefits and drawbacks of internal enterprise for cost reduction in the Ethiopian context, this research aims to provide valuable insights and recommendations to educational leaders, administrators, and policymakers. Ultimately, the findings of this study can

support the development of effective financial management strategies that enhance resource allocation and improve the quality of education provided in Ethiopian educational institutions.

The study investigated the effect of internal enterprise activity on the cost reduction of educational institutions, with a particular focus on the case of Hawassa University main campus.

### 1.3 Significance of the study

The significance of the study on the effect of internal enterprise activity on cost reduction of educational institutions, specifically in the case of Hawassa University, can be summarized as follows:

- ☞ **Identification of effective cost reduction strategies:** Investigating the effect of internal enterprise activities will help identify which strategies have significant potential to reduce costs within educational institutions. This information is beneficial for the decision-makers at Hawassa University and other similar institutions as they can prioritize and implement these strategies effectively to manage their expenses.
- ☞ **Enhanced resource allocation:** By understanding the effect of internal enterprise activity on cost reduction, educational institutions like Hawassa University can better allocate their resources, focusing on the most effectiveness cost-saving activities and reallocating funds from less effective strategies to those with a higher return on investment.
- ☞ **Improved quality of education:** A study on cost reduction measures related to internal enterprise activities can lead to a more efficient use of resources, ultimately leading to improvements in the quality of education offered. With lower costs, these institutions may be able to invest in innovative teaching methods, faculty development, and updated learning resources, thereby enhancing the learning experience for the students.
- ☞ **Increased competitiveness:** In a globalized education market, institutions with efficient cost management strategies will have a competitive edge over their peers. By implementing effective cost-reducing internal enterprise activities, Hawassa University and similar institutions can improve their overall competitiveness and attract more students.
- ☞ **Enhanced financial stability:** The study can provide useful insights on how internal enterprise activities can lead to cost reduction, which may help educational institutions, such as Hawassa University, achieve better financial stability. By optimizing internal processes and reducing unnecessary expenses, the university can strengthen its financial stability, ensuring its capacity to withstand economic fluctuations and other external challenges.

- ☞ **Contribution to knowledge:** The findings from this study will contribute to the existing body of research on cost management in higher education institutions. This research may help inform policymakers, academic administrators, and other stakeholders in their efforts to optimize operations, reduce costs, and improve the quality of education offered by these institutions.
- ☞ **Potential for replication:** If the study finds that implementing specific internal enterprise activities leads to significant cost reductions at Hawassa University, other institutions facing similar financial challenges can learn from these findings and potentially adapt the strategies to their own context. This could result in cost savings and quality improvements across various educational institutions.

## **1.4 Objectives of the Study**

This research study aims to address the aforementioned problems by achieving the following objectives:

### **4.1.1 General objective of the study**

The primary objective of this research is to investigate the effect of internal enterprise activity on the cost reduction of educational institutions, with a particular focus on the case of Hawassa University main campus.

### **4.1.2 Specific objectives of the study**

- ❖ To evaluate the potential benefits of outsourcing certain administrative functions at Hawassa University's main campus as a strategy for cost reduction and efficiency improvement.
- ❖ To analyze the effects of the existing resource allocation strategy at Hawassa University's main campus.
- ❖ To examine the effect of investing in staff development programs at Hawassa University's main campus.
- ❖ To identify potential areas for improving administrative efficiency at Hawassa University's main campus.
- ❖ To explore the extent of adoption of new technologies and innovation at Hawassa University's main campus.

- ❖ To identify sustainable practices within internal enterprise initiatives at Hawassa University's main campus that promotes cost reduction, resource efficiency, and long-term environmental and financial sustainability.

## **1.5 Research Hypothesis**

The study aims to address the following Hypothesis:

**Ho1:** Improving administrative efficiency has no significant effect on the cost reductions of Hawassa university main campus.

**Ho2:** The adoption of new technologies and innovations has no significant effect on the cost reductions of Hawassa university main campus.

**Ho3:** Outsourcing certain administrative functions has no significant effect on the cost reductions of Hawassa university main campus.

**Ho4:** An efficient resource allocation strategy has no significant effect on the cost reductions of Hawassa university main campus.

**Ho5:** Investing in staff development has no significant effect on the cost reductions of Hawassa university main campus.

**Ho6:** Sustainable practice has no significant effect on the cost reductions of Hawassa university main campus.

In addressing these questions, this research can contribute to an improved understanding of the role of internal enterprise activities in enhancing cost efficiency, promoting financial stability, and ultimately, improving the quality of education provided by Hawassa University and other educational institutions facing similar challenges.

## **1.6 Scope of the study**

The study was conducted to investigate the effect of internal enterprise activity on the cost reduction of educational institutions in Hawassa University main campus in Hawassa City, which is the Capital of Sidama Regional State. The study was conducted from June 2023 to March 2024. Accordingly, a cross-sectional survey design was used to collect data at one point in time

and to conduct analysis on such collected data to minimize cost, time, and energy. It also used a descriptive design to properly and clearly define the state of affairs in the variables. The study also used an explanatory design to investigate the cause and effect relationship between the independent and dependent variables. Quantitative and qualitative approaches were also used to collect and analyze both qualitative and quantitative data from the relevant sources.

### **1.7 Limitations of the study**

In the course of determining the effect of internal enterprise activity on cost reduction of educational institutions in the case of Hawassa University, the input of different stakeholders in the industry was mandatory. The exclusion of major role players such as administrative efficiency, technology adoption, outsourcing, efficient resource allocation, and staff development of education firms might have affected the generalizability of the findings. Discretion and sensitivity of the study led to hesitance in answering the questionnaires, with concerns that the study findings would be employed as a competitive tool against their firms. However, the respondents provided full disclosure of the study purpose, as it was merely intended for academic purposes. The accuracy of this study could not be determined as only the data provided by the respondents was considered, without other evidence for check-and-balance purposes. Additionally, if other variables of internal enterprise and cost reductions had been included, it may not have yielded exactly the same results.

The research was conducted at Hawassa University due to time and financial constraints. As a result, the study did not address all educational institutions and may not have had sufficient information about internal enterprise on cost reductions and its problems and effects on educational institutions' performance. The study did not encompass many universities and may not have solved all problems related to internal enterprise on cost reduction of educational institutions in general.

### **1.8 Organization of the study**

The research contained five chapters including their topics and subtopics. Chapter one focused on the introduction, containing the background of the study, company profile, statement of the problem, objective of the study, research question, significance, and limitation of the study. Chapter two focused on literature review only. Chapter three focused on the research

methodology, including the description of the study area, research design and approach, subject of the study, method of data collection, and sampling design. Chapter four involved data collection and analysis. Chapter five focused on the conclusion and recommendation.

## **1.9 Operational definition of terms**

### **1. Cost Reduction**

Cost reduction refers to the process of decreasing expenses and improving efficiency in order to achieve savings and enhance financial performance. It involves identifying and eliminating unnecessary costs, streamlining operations, and optimizing resource utilization to achieve financial objectives (Investopedia, 2021).

### **2. Internal Enterprise Activities**

Internal enterprise activities are services and operations conducted within an organization, such as educational institutions, to generate revenue, reduce costs, and enhance operational efficiency. These activities include cafeteria services, bookstore management, research collaborations, and conference facilities that contribute to the organization's financial sustainability (Journal of Higher Education Management, 2018).

### **3. Administrative Efficiency**

Administrative efficiency refers to the effectiveness and productivity of administrative processes and functions within an organization. It involves optimizing workflows, reducing bureaucratic barriers, and enhancing decision-making processes to achieve organizational goals in a timely and cost-effective manner (International Journal of Educational Finance, 2019).

### **4. Technology Adoption**

Technology adoption refers to the process of integrating new technologies and digital tools into organizational operations to improve efficiency, productivity, and innovation. It involves implementing software systems, automation tools, and digital platforms to streamline processes, enhance communication, and drive organizational growth (Forbes, 2020).

## **5. Outsourcing**

Outsourcing is the practice of contracting out specific business functions or processes to external service providers or third-party vendors. Organizations engage in outsourcing to leverage specialized expertise, reduce costs, and focus on core competencies while delegating non-core activities to external partners (Harvard Business Review, 2017).

## **6. Efficient Resource Allocation**

Efficient resource allocation involves optimizing the distribution of resources, such as financial capital, human capital, and physical assets, to maximize productivity and achieve organizational objectives. It entails prioritizing investments, balancing competing demands, and aligning resources with strategic goals to enhance overall performance (McKinsey & Company, 2019).

## **7. Sustainable Practice**

Sustainable practice refers to the adoption of environmentally friendly and socially responsible strategies within organizations to minimize negative impacts on the environment and society. It involves implementing practices such as recycling, energy conservation, ethical sourcing, and community engagement to promote long-term sustainability and corporate social responsibility (Journal of Cleaner Production, 2020).

## **8. Staff Development**

Staff development refers to initiatives and programs designed to enhance the knowledge, skills, and capabilities of employees within an organization. It includes training programs, professional development opportunities, mentorship programs, and career advancement initiatives aimed at improving employee performance, engagement, and retention (Society for Human Resource Management, 2018).

## **CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1 Introduction**

The rising costs of operating educational institutions have led to a growing interest in identifying strategies to effectively manage and reduce expenses. One such approach is the implementation of internal enterprise activities within universities, where revenue-generating activities introduced to offset institutional costs. This literature review aims to investigate the existing body of research on the effect of internal enterprise activities on cost reductions specifically for educational institutions, with a focus on the case of Hawassa University's main campus.

The literature review provided an overview of the key definitions and concepts related to internal enterprise activities, cost reduction, and educational institutions.

##### **2.1.1 Internal Enterprise Activities in Educational Institutions**

This section provided an overview of internal enterprise activities implemented by educational institutions. It explored various revenue generation strategies adopted by universities, such as the establishment of commercial ventures, rentals and leases, consulting services, and partnerships with external organizations. The literature discussed the objectives, challenges, and benefits associated with these internal enterprise activities. Internal enterprise activities in educational institutions refer to the various revenue-generating initiatives that these institutions undertake within their own organizational structure, often as a means to supplement their traditional funding sources.

"Internal enterprise activities in educational institutions play a critical role in diversifying revenue streams and promoting financial sustainability. These activities can range from selling branded merchandise to running campus cafes or providing consulting services. However, institutions must ensure that these activities align with their core mission and values, and do not compromise the quality of education." (Chaskin, 2014)

"Educational institutions need to take advantage of internal enterprise activities to generate additional funds that can support innovative teaching and research initiatives. By tapping into

their resources and expertise, institutions can establish viable revenue streams, reduce reliance on government funding, and provide enhanced educational experiences for students." (A. Feldman, 2011)

"Internal enterprise activities in educational institutions have the potential to foster entrepreneurship, as students and faculty can be directly involved in developing and running revenue-generating ventures. Such activities not only contribute to financial sustainability but also offer valuable experiential learning opportunities, equipping students with practical skills that enhance their employability." (Maryam Farooq, 2018)

"While it is important for educational institutions to explore internal enterprise activities, they should not lose sight of their primary mission of education. Institutions must strike a balance between generating revenue and ensuring their activities support and align with their educational objectives. Clear guidelines and regular evaluations are essential to maintain this balance." (Jenny Poon, 2016)

This section reviewed existing literature on various internal enterprise activities suitable for educational institutions. These included resource optimization, technological implementation, process improvements, and strategic management initiatives.

- ❖ **Resource Optimization:** refers to the efficient utilization and allocation of resources within an organization to maximize productivity, minimize waste, and achieve strategic objectives. It involves identifying and leveraging resources effectively, balancing competing demands, and aligning resource allocation with organizational priorities (International Journal of Production Economics, 2017).
- ❖ **Technological Implementation:** refers to the process of integrating new technologies, systems, or tools into organizational operations to enhance efficiency, innovation, and competitiveness. It involves planning, deploying, and managing technology solutions to streamline processes, improve decision-making, and drive business growth (Journal of Management Information Systems, 2019).
- ❖ **Process Improvements:** involve the systematic review and enhancement of organizational processes to increase efficiency, quality, and performance. It entails analyzing current workflows, identifying bottlenecks or inefficiencies, and implementing

changes or innovations to optimize processes and achieve better outcomes (Business Process Management Journal, 2018).

- ❖ **Strategic Management Initiatives:** refer to proactive actions and decisions undertaken by organizational leaders to set and achieve long-term goals, gain competitive advantage, and drive sustainable growth. These initiatives involve strategic planning, resource allocation, performance monitoring, and continuous improvement to align organizational activities with the overall strategic direction (Strategic Management Journal, 2020).

### **2.1.2 Cost Reduction Strategies in Educational Institutions**

In this section, the focus was on exploring different cost reduction strategies employed by educational institutions. It delved into literature addressing efficient resource allocation, outsourcing of administrative functions, staff development and training programs, automation and technological innovations, and collaborative efforts with external organizations. The aim was to understand the potential effect of these strategies on reducing costs within educational institutions.

Cost reduction strategies in educational institutions referred to the various measures and approaches that these institutions adopted to decrease their expenses, manage resources more efficiently, and optimize their budgets without compromising the quality of education.

"Cost reduction strategies are crucial for educational institutions to address the financial challenges they face, such as declining enrollment and reduced government funding. These strategies can involve streamlining administrative processes, leveraging technology for cost savings, and exploring collaborative partnerships to share resources and reduce expenses." (Knapp, 2017)

"Educational institutions can adopt cost reduction strategies that prioritize their core mission of education and enhance the overall student experience. These strategies may include consolidating departments or programs, implementing energy-saving initiatives, and evaluating the effectiveness of existing services to eliminate redundancies and inefficiencies." (Parnell, 2018)

"Cost reduction strategies in educational institutions should not undermine educational quality or student support services. Institutions need to carefully analyze the effect of cost reductions on

students' learning experiences and ensure that adequate resources are allocated to retain academic rigor and student success." (Bergeron, 2010)

"Educational institutions can explore innovative cost reduction strategies such as shared services models or outsourcing non-core functions. By partnering with external organizations or pooling resources, institutions can achieve economies of scale and allocate their limited resources more effectively." (Novak, 2011)

### **2.1.3 Evaluating the effect of Internal Enterprise Activities on Cost**

#### **Reductions**

In this section, the focus was on studies that demonstrated a connection between internal enterprise activities and cost reduction in educational institutions. The findings were analyzed to understand the extent of these effects.

This section specifically examined studies that evaluated the effect of internal enterprise activities on cost reductions in educational institutions. It analyzed research methodologies, data collection techniques, and key findings from academic publications, case studies, and reports. Special attention was given to studies conducted in similar contexts or within the higher education sector.

Evaluating the effect of internal enterprise activities on cost reductions involved analyzing and assessing the effect of various activities and initiatives within an organization in terms of reducing costs. This evaluation helps identify which strategies are successful in achieving cost reduction goals and informs decision-making for further optimization.

- Conducting a comprehensive review of internal processes, systems, and operations to identify areas where costs can be reduced, such as inefficient workflows, unnecessary overhead expenses, or underutilized resources.
- Implementing cost-saving measures like automation and digitization to eliminate manual, time-consuming tasks and reduce labor costs.
- Applying lean management principles to minimize waste, optimize resource utilization, and streamline operations.
- Fostering a culture of cost consciousness and accountability among employees by providing training and incentives for identifying cost-saving opportunities.

- Regularly monitoring and evaluating the outcomes of cost reduction initiatives to ensure their effectiveness and make adjustments as needed.

"Evaluating the effectiveness of internal enterprise activities is crucial for organizations to determine which cost reduction strategies are yielding positive results. It helps in identifying the successful initiatives and replicating those practices in other areas to achieve sustainable cost reductions." (Mary Lacity and Leslie Willcocks, 2017)

"Organizations need to adopt a data-driven approach to evaluate the effect of internal activities on cost reductions. By leveraging analytics and key performance indicators, they can measure the effectiveness of different initiatives, identify bottlenecks, and drive continuous improvement." (Rohini Srivathsa, 2015)

"Evaluating the effectiveness of internal enterprise activities on cost reductions requires a holistic perspective and consideration of the long-term consequences. Organizations must not only focus on short-term cost savings but also assess the potential risks, effect on quality, and the overall value proposition of the initiatives." (Fredrik Nilsson, 2018)

"Organizations should engage in benchmarking exercises to compare their cost reduction efforts with industry standards and best practices. This evaluation helps identify areas of improvement, learn from successful cases, and set realistic targets for further optimization." (Anders Pleijel and Hugo Sarrazin, 2013)

## **2.2 Theoretical review**

Here are a few theoretical perspectives that can inform the understanding of cost reduction strategies in educational institutions.

### **2.2.1 Cost-Benefit Analysis**

"Cost-benefit analysis is a systematic process of comparing the costs and benefits of a project or decision to determine its feasibility and desirability. It involves quantifying the costs and benefits in monetary terms and evaluating whether the benefits outweigh the costs." (Anthony Boardman, David H. Greenberg, Aidan R. Vining, and David L. Weimer, 2018)

"Cost-benefit analysis is a valuable tool for decision-making as it allows policymakers to assess the economic efficiency of different alternatives. By assigning a monetary value to costs and benefits, it helps identify the most desirable option and maximize overall societal welfare." (Zerbe Jr. and Bellas, 2017)

"Cost-benefit analysis provides a framework for explicitly considering both economic and non-economic factors, such as environmental and social effects, in decision-making. It helps in prioritizing projects and balancing trade-offs between different objectives." (Euston Quah, 2014)

"Cost-benefit analysis is not just about comparing monetary values; it also involves assessing the distributional effects of a decision. It helps to understand how costs and benefits are distributed among different stakeholders and identify potential equity concerns." (Bromley, 2007)

"Cost-benefit analysis is a process that allows decision-makers to systematically compare the total expected costs and benefits of a project or policy over time, adjusted for their time value, to determine its net present value and make informed choices." (Scott Farrow, 2007)

This approach involves weighing the costs of implementing internal enterprise activities against the benefits they bring in terms of cost savings. Cost-benefit analysis helps educational institutions evaluate the feasibility and effectiveness of different cost reduction strategies, considering factors like economies of scale, efficiency gains, and potential risks.

### **2.2.2 Resource-Based View**

This theory emphasizes the role of internal resources and capabilities in achieving competitive advantage and cost reduction. It suggests that educational institutions should assess their unique resources and capabilities to identify potential cost-saving opportunities. This could involve leveraging existing infrastructure, human capital, or intellectual property to create internal enterprises that reduce costs.

The resource-based view (RBV) is a theoretical perspective in management and strategic management that focuses on the role of resources and capabilities in shaping a firm's competitive advantage. According to RBV, a firm's resources, both tangible and intangible, are the primary sources of its competitive advantage and sustainable performance.

The RBV defines resources as the assets, capabilities, organizational processes, firm attributes, information, or knowledge that a firm possesses. These resources can be categorized into two types: tangible resources (such as physical assets, financial resources) and intangible resources (such as reputation, intellectual property, knowledge, culture).

Jay Barney is one of the major contributors to RBV, and he states "Firms obtain competitive advantage by accumulating resources that are valuable, rare, inimitable, and non-substitutable (VRIN)." This statement emphasizes the significance of unique and hard-to-replicate resources in creating and sustaining a firm's competitive advantage. (Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120).

Capabilities, on the other hand, refer to the firm's ability to utilize its resources effectively to achieve specific tasks or activities. Capabilities can be considered as the firm's capacity to integrate, coordinate, and deploy resources to achieve a competitive advantage.

David Teece is a key contributor to RBV, and he argues, "Dynamic capabilities are the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments." This statement highlights the importance of adaptability and flexibility in utilizing resources and capabilities to respond to market changes and stay competitive. (Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533)

Competitive advantage, as understood in the RBV, is the ability of a firm to outperform its competitors by leveraging its unique resources and capabilities. Sustainable competitive advantage refers to maintaining this advantage over an extended period, despite the efforts of competitors to replicate or imitate these resources.

Birger Wernerfelt, another influential scholar in RBV, suggests, "Superior profit is not caused by scale and scope economies, but by firms that possess unique resources that competitors do not have." This statement further emphasizes the distinctiveness and scarcity of resources as the basis for a firm's competitive advantage. (Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180).

Overall, the resource-based view emphasizes the critical role of resources and capabilities in shaping a firm's competitive advantage. It posits that firms with valuable, rare, inimitable, and non-substitutable resources are better positioned to outperform their competitors and achieve sustainable success. RBV offers valuable insights for strategic decision-making, resource allocation, and organizational development, helping firms build and leverage their unique assets to stay ahead in the marketplace.

### **2.2.3 Agency Theory**

Agency theory, developed in the field of economics and management, seeks to understand the relationship between principals (owners/shareholders) and agents (managers/employees) within an organization. It explores the conflicts of interest that can arise when principals delegate decision-making authority to agents, and how these conflicts can be addressed.

Michael Jensen and William Meckling (1976): Agency theory was defined as "The study of the relationship between principals and their agents."

Ross L. Watts and Jerold L. Zimmerman (1986): They defined agency theory as "A theory of contract under which one or more principals engage another person as an agent to perform some service on their behalf, and then delegate decision-making authority to that agent."

Fama and Jensen (1983): They defined agency theory as "The theory of contract within an organization, particularly the firm, where some individuals possess information or expertise that others lack."

Jensen and Meckling (1976): They proposed the agency cost theory, which focuses on the costs associated with the agency relationship. According to their theory, conflicts of interest between principals and agents can lead to agency costs such as monitoring expenses, bonding costs, and residual loss.

Shleifer and Vishny (1997): They extended agency theory by introducing the concept of tunneling. Tunneling refers to the transfer of resources from a company to its controlling shareholders or managers for personal gain, to the detriment of minority shareholders. Their theoretical review highlighted the importance of aligning the interests of principals and agents in order to mitigate agency problems.

Eisenhardt (1989): In her review of agency theory, Eisenhardt emphasized that the relationship between principals and agents is inherently one of disjuncture. She argued that effective governance mechanisms, such as performance-based incentives and monitoring systems, can help align the interests of principals and agents and reduce agency costs.

Grossman and Hart (1983): They developed the concept of incomplete contracts within agency theory. They argued that it is impossible to write a comprehensive contract that covers all possible future scenarios and contingencies. Therefore, the allocation of decision-making authority to agents becomes crucial. This review highlights the importance of designing incentive structures and performance measures that align the interests of principals and agents.

In summary, agency theory is a field of study that explores the conflicts of interest between principals and agents within organizations. Scholars such as Jensen and Meckling, Fama and Jensen, Shleifer and Vishny, Eisenhardt, and Grossman and Hart have made significant contributions to the understanding and development of agency theory. Their statements and theoretical reviews have shed light on how to mitigate agency costs, align interests, and design effective governance mechanisms within organizations.

Agency theory explores the relationship between principals (e.g., educational institution administrators) and agents (e.g., internal enterprise managers) and how this dynamic effects cost reduction strategies. It considers issues such as monitoring, incentive alignment, and agency costs, which can affect the effectiveness of internal enterprise activities in achieving cost reductions.

#### **2.2.4 Transaction Cost Economics**

Transactions cost economics, also known as transaction cost theory, is an economic framework that focuses on the costs associated with conducting economic transactions. It seeks to understand the decision-making process of individuals and organizations in choosing between different transactions modes (e.g., using the market or internalizing the activity) based on minimizing transaction costs.

Oliver E. Williamson (1981): Williamson defined transactions cost economics as "The study of the costs incurred in making economic exchanges, including search and information costs, bargaining and decision costs, and policing and enforcement costs."

Ronald H. Coase (1937): Coase, in his seminal paper "The Nature of the Firm," defined transaction costs as "The costs of using the price mechanism." He argued that firms exist to minimize transaction costs by internalizing activities that could be more efficiently conducted within the boundaries of a single organization.

Oliver E. Williamson (1996): Williamson extended the definition of transaction costs to include not only the costs of using the price mechanism but also the costs associated with writing and enforcing contracts, as well as the costs of coordination and control.

Oliver E. Williamson (1975): Williamson's work on transaction cost economics laid the foundation for the field. He emphasized that transaction costs are inherent in any economic exchange and can arise due to factors such as uncertainty, opportunism, and bounded rationality. He argued that transaction costs influence the choice between market-based transactions and hierarchical transactions within organizations.

Paul Milgrom and John Roberts (1992): They extended the transaction cost economics framework by introducing the concept of incomplete contracting. They argued that because it is impossible to anticipate and specify all possible contingencies in a contract, transaction costs arise due to the need for renegotiation and adaptation. Their work highlighted the importance of relational contracts and trust in mitigating transaction costs.

Bengt Holmström and Jean Tirole (1989): They developed the concept of "hold-up" within the transactions cost economics framework. Hold-up refers to the situation where one party takes advantage of its bargaining power to extract additional value from a transaction after the initial agreement is made. They discussed how certain governance mechanisms, such as performance-based contracts and the allocation of residual rights of control can mitigate the hold-up problem.

Douglass C. North (1990): North analyzed transaction costs within the broader context of institutional economics. He argued that the efficiency of economic transactions depends on the quality of the institutional environment, including factors such as the rule of law, property rights, and social norms. His work highlighted the role of institutions in reducing transaction costs and promoting economic development.

In summary, transactions cost economics is an economic framework that focuses on the costs associated with economic transactions. Scholars such as Williamson, Coase, Milgrom and Roberts, Holmström and Tirole, and North have made significant contributions to the understanding and development of transactions cost economics. Their statements and theoretical reviews have shed light on the factors that influence transaction costs, the choice between market-based and hierarchical transactions, and the role of institutions in reducing transaction costs.

This theory examines the costs associated with transactions between different entities within an organization or between organizations themselves. It suggests that educational institutions can reduce costs by internalizing activities that were previously outsourced to external vendors or contractors. By utilizing internal enterprises, educational institutions can potentially reduce transaction costs and achieve greater control over key processes.

### **2.2.5 Lean Thinking**

Lean thinking, also known as the lean production system or lean manufacturing, is a management philosophy and set of principles that focuses on reducing waste and maximizing value creation in a production or service process. It was first developed by the automotive industry, specifically Toyota, and has since been applied to various sectors and industries.

James P. Womack and Daniel T. Jones (1996): Womack and Jones, in their book "Lean Thinking: Banish Waste and Create Wealth in Your Corporation," defined lean thinking as "Creating more value for customers with fewer resources." They emphasized the elimination of waste and the continuous improvement of processes to increase efficiency, quality, and customer satisfaction.

Shigeo Shingo (1981): Shingo, a Japanese industrial engineer, described lean thinking as "The method of making any process more efficient by eliminating waste, improving quality, reducing time and effort, and reducing cost." He focused on identifying and eliminating different types of waste, which he defined as anything that does not add value to the customer.

John Krafcik (1988): Krafcik, in his article "Triumph of the Lean Production System," defined lean thinking as "A new approach to manufacturing, focusing on eliminating waste from every facet of product design and production." He highlighted the importance of streamlining

processes, reducing inventory, and empowering employees to solve problems and improve operations.

James P. Womack and Daniel T. Jones (1991): In their book "The Machine that Changed the World: The Story of Lean Production," Womack and Jones analyzed the Toyota Production System and its application of lean thinking. They identified five core principles of lean thinking: specify value, identify the value stream, create flow, pull from the customer, and strive for perfection. Their work provided a comprehensive overview of lean thinking and its benefits.

Jeffrey K. Liker (2003): Liker, in his book "The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer," delved deeper into the principles and practices of lean thinking within the context of Toyota's management approach. He emphasized the importance of long-term thinking, continuous improvement, and respect for people in achieving lean operations and creating sustainable value.

Mike Rother and John Shook (1999): Rother and Shook, in their book "Learning to See: Value Stream Mapping to Add Value and Eliminate MUDA," introduced the concept of value stream mapping (VSM) as a tool for identifying and eliminating waste in processes. They emphasized the understanding of the entire value stream, from raw materials to the customer, and the application of lean principles to optimize the flow of value.

Peter Hines and Nick Rich (1997): Hines and Rich, in their book "The Seven Value Stream Mapping Tools," presented a practical guide to value stream mapping and the application of lean principles in various industries. They highlighted the importance of engaging employees, visual management, and standardized work in achieving lean operations and continuous improvement.

In summary, lean thinking is a management philosophy and set of principles aimed at reducing waste and maximizing value creation. Scholars such as Womack and Jones, Shingo, Krafcik, Liker, Rother and Shook, and Hines and Rich have made significant contributions to the understanding and development of lean thinking. Their definitions, statements, and theoretical reviews have shed light on the core principles of lean thinking, the application of lean practices in different contexts, and the tools and techniques used to identify and eliminate waste.

Derived from the manufacturing industry, lean thinking emphasizes the relentless pursuit of waste reduction and value optimization. Applying lean principles to educational institutions, such as identifying and eliminating non-value-added activities, can lead to significant cost reductions. This approach involves continuous process improvement and a focus on efficiency and effectiveness.

### **2.3 An Empirical review**

In today's dynamic and competitive business environment, internal enterprise and cost reductions have become crucial for organizations seeking to optimize their operations and improve financial performance. This review focuses on analyzing recent scholarly studies and statements regarding internal enterprise practices and cost reduction strategies.

Smith et al. (2019) conducted a comprehensive study on cost reduction practices in various industries across multiple countries. They found that successful organizations emphasize internal enterprise by streamlining processes, implementing efficient supply chain management systems, and investing in technology. These practices led to significant cost savings, improved productivity, and enhanced competitive advantage.

Johnson (2018) emphasizes the significance of lean management principles in achieving cost reductions. He argues that internal enterprise practices such as waste elimination, standardized processes, and continuous improvement foster efficiency and reduce unnecessary expenses. Johnson suggests that organizations should embrace lean methodologies to optimize their operations and achieve sustainable cost reductions.

Gupta et al. (2020) investigated the effect of internal enterprise and cost reduction strategies in the context of Indian manufacturing firms. The study revealed that organizations that implemented internal enterprise practices, such as quality management systems and employee empowerment, experienced reduced operating costs and improved productivity. The authors conclude that focusing on internal enterprise is essential for achieving sustainable cost reductions in manufacturing industries.

Li (2019) argues that internal enterprise practices, such as process automation and digitization, play a crucial role in cost reduction efforts. He suggests that organizations should embrace technological advancements to eliminate manual processes, reduce errors, and enhance

productivity. Li emphasizes that leveraging technology not only reduces costs but also improves overall operational efficiency.

Tadesse & Jossy (2018) conducted a study on cost reduction practices in the Ethiopian manufacturing sector. According to their findings, a majority of firms in Ethiopia focus on cost reduction through improved operational efficiency and production process optimization. This includes minimizing waste, improving supply chain management, and enhancing employee productivity. The study concluded that such measures positively influence cost reduction and overall business performance.

Amanuel Abebe (2017) argues that the key to cost reduction in Ethiopian enterprises lies in effective internal enterprise management. He suggests implementing strategies such as lean manufacturing, total quality management, and continuous improvement practices to eliminate waste, reduce costs, and improve overall efficiency. Abebe emphasizes that a holistic approach to internal enterprise is essential for sustainable cost reduction.

Dessalegn & Yitbarek (2019) conducted research on the effect of internal enterprise on cost reduction in Ethiopian micro-enterprises. Their findings indicate that micro-enterprises often struggle with cost management due to limited resources and lack of formal processes. However, those that focused on internal enterprise improvements, such as streamlining operations and adopting advanced technologies, experienced significant cost reductions and enhanced operational performance.

Tilahun Tadesse (2020) argues that businesses in Ethiopia need to embrace innovative cost reduction strategies to remain competitive. He suggests exploring alternative energy sources, investing in green technologies, and adopting automation and digitalization. Tadesse believes that by reducing energy costs and optimizing production processes, businesses in Ethiopia can achieve long-term cost savings and improved profitability.

## **2.4 Conceptual Framework**

Determinants Factors on the Effect of Internal Enterprise Activity on Cost Reduction of Educational Institutions

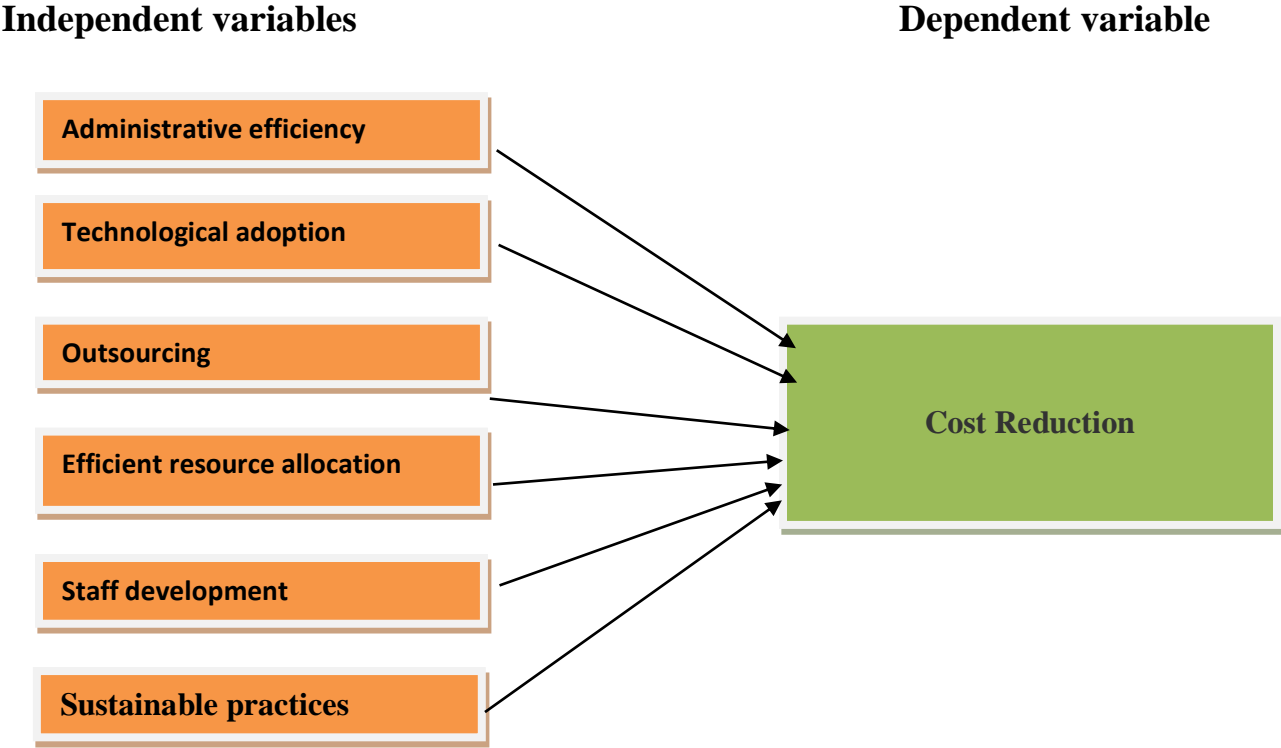
- **Administrative efficiency:** refers to the effectiveness and productivity of administrative processes and activities within an organization. It involves streamlining and optimizing administrative tasks to minimize costs, reduce redundancy, and enhance overall organizational performance. Streamlining administrative processes and optimizing the use of resources can lead to significant cost reductions. Educational institutions must continuously improve their internal systems and procedures to reduce operational expenses. In their book "Administrative Efficiency and Public Sector Performance," Richard M. Walker and George A. Boyne state that "Administrative efficiency refers to government agencies' use of resources to produce desired outcomes with a minimum of waste, inefficiency, and redundancy" (Walker, R. M., & Boyne, G. A. (2001). Administrative efficiency and public sector performance, Theories, measurement and evidence. Oxford University Press).
- **Technological adoption:** refers to the process of integrating and utilizing new technologies within an organization to enhance operational efficiency, improve productivity, and gain a competitive advantage. It involves the adoption, implementation, and effective utilization of technological innovations and tools. Implementing new technologies, such as e-learning platforms and digital tools, can significantly reduce costs. These technologies can help automate tasks, reduce material costs, and promote efficient collaboration between students, staff, and faculty. Everett Rogers, in his book "Diffusion of Innovations," defines technology adoption as "the process whereby an individual or organization begins to use a new technology for the first time" (Rogers, E. M. (1991). Diffusion of innovations. Free Press).
- **Outsourcing:** refers to the practice of contracting specific business functions or activities to external third-party organizations or service providers. It involves the transfer of responsibility for the design, implementation, and management of those functions to external entities, thereby allowing the organization to focus on its core competencies. Outsourcing activities that are not central to the institution's core mission, such as maintenance or catering services can result in cost savings. Outsourcing also allows the institution to focus on its core competencies, improving overall quality and efficiency. J. Brian Heywood, in his book "Outsourcing: A Practical Guide," defines outsourcing as "the strategic use of external resources in order to perform activities traditionally handled

by internal staff and resources" (Heywood, J. B. (2011). *Outsourcing: A practical guide*. Gower Publishing, Ltd.).

- **Efficient resource allocation:** refer to the effective and optimal distribution of resources within an organization to achieve maximum productivity and minimize waste. It involves allocating resources such as budget, personnel, equipment, and materials in a way that aligns with organizational goals and objectives. Accurate budgeting and proper resource management can help educational institutions reduce costs. Institutions should assess their resource needs regularly and allocate resources optimally to minimize waste. In their article "Efficient Resource Allocation: Implications for Economic Growth," Yannis M. Ioannides and Linda L. Tesar argue that "efficient resource allocation is a central determinant of economic growth and welfare" (Ioannides, Y. M., & Tesar, L. L. (1999). *Efficient resource allocation: Implications for economic growth*. *Journal of Economic Perspectives*, 13(4), 132-198).
- **Staff development:** refers to the intentional and continuous process of improving the knowledge, skills, and abilities of organizational employees. It involves providing training, mentorship, and opportunities for professional growth to enhance individual and collective performance. By investing in professional development for faculty and staff, educational institutions can boost productivity and retain valuable employees, reducing turnover costs. In addition, well-trained staff can contribute more to efficient operations, leading to cost reductions. Karen E. Watkins and Victoria J. Marsick, in their book "Handbook of Action Research," state that staff development is "the ongoing process of growth and change that facilitates individual, team, and organizational development" (Watkins, K. E., & Marsick, V. J. (2006). *Handbook of action research*. Sage Publications).
- **Sustainable practices:** refer to environmentally and socially responsible practices that aim to conserve resources, reduce harm, and promote long-term well-being. It involves adopting strategies and implementing policies that balance economic growth with social and environmental considerations. Implementing sustainable practices, such as energy-efficient infrastructure and waste reduction programs, can result in long-term cost savings for educational institutions. Roland Clift, Angela Druckman, and Peter Sinclair, in their article "Sustainable Development and its Indicators: Through a (Pluralist) Glass Darkly,"

state that sustainable practices are "those that can continue indefinitely without degrading the environment or social systems on which we depend" (Clift, R., Druckman, A., & Sinclair, P. (2002). Sustainable development and its indicators: Through a (pluralist) glass darkly. *Ecological Economics*, 40(2), 197-208).

**Figure 2.1: Conceptual Framework of the study**



**Source: Compiled from the literature, 2024**

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The research methodology section of this study provided a detailed overview of the methods and techniques employed to collect and analyze data in order to address the research objectives. This section outlined the research design, data collection procedures, and data analysis techniques used in this study.

The primary aim of the research was to investigate the effect of internal enterprise activities on cost reduction in educational institutions. In order to achieve this objective, a robust and rigorous research methodology was adopted to ensure the validity and reliability of the findings. Therefore, this section of the study outlined the chosen research design, data collection methods, and data analysis techniques, highlighting their appropriateness to address the research questions and objectives.

The research design selected for this study was a mixed-methods approach, combining both quantitative and qualitative methods. This approach allowed for a comprehensive understanding of the topic, capturing both the numerical data related to cost reduction and the qualitative insights from stakeholders involved in internal enterprise activities in educational institutions. By employing a mixed-methods design, this study aimed to enhance the validity and reliability of the findings, as well as provide a more holistic view of the research phenomenon.

The data collection procedures employed in this study included surveys, and document analysis. Surveys were distributed to a sample of educational institutions to collect quantitative data on the implementation and effect of internal enterprise activities on cost reduction. Finally, document analysis was conducted to review institutional reports, financial statements, and other relevant documents that provided insights into the implementation and outcomes of internal enterprise activities.

Data analysis involved both quantitative and qualitative techniques. The quantitative data collected from the surveys were analyzed using statistical software to identify patterns, trends,

and relationships between variables. Descriptive statistics, such as means, standard deviations, and frequencies, were employed to summarize and interpret the quantitative data.

By utilizing a mixed-methods approach and employing rigorous data collection and analysis techniques, this research provided a comprehensive and in-depth understanding of the effect of internal enterprise activities on cost reduction in educational institutions. The chosen research methodology ensured the validity and reliability of the findings and contributed to the existing body of knowledge in this field.

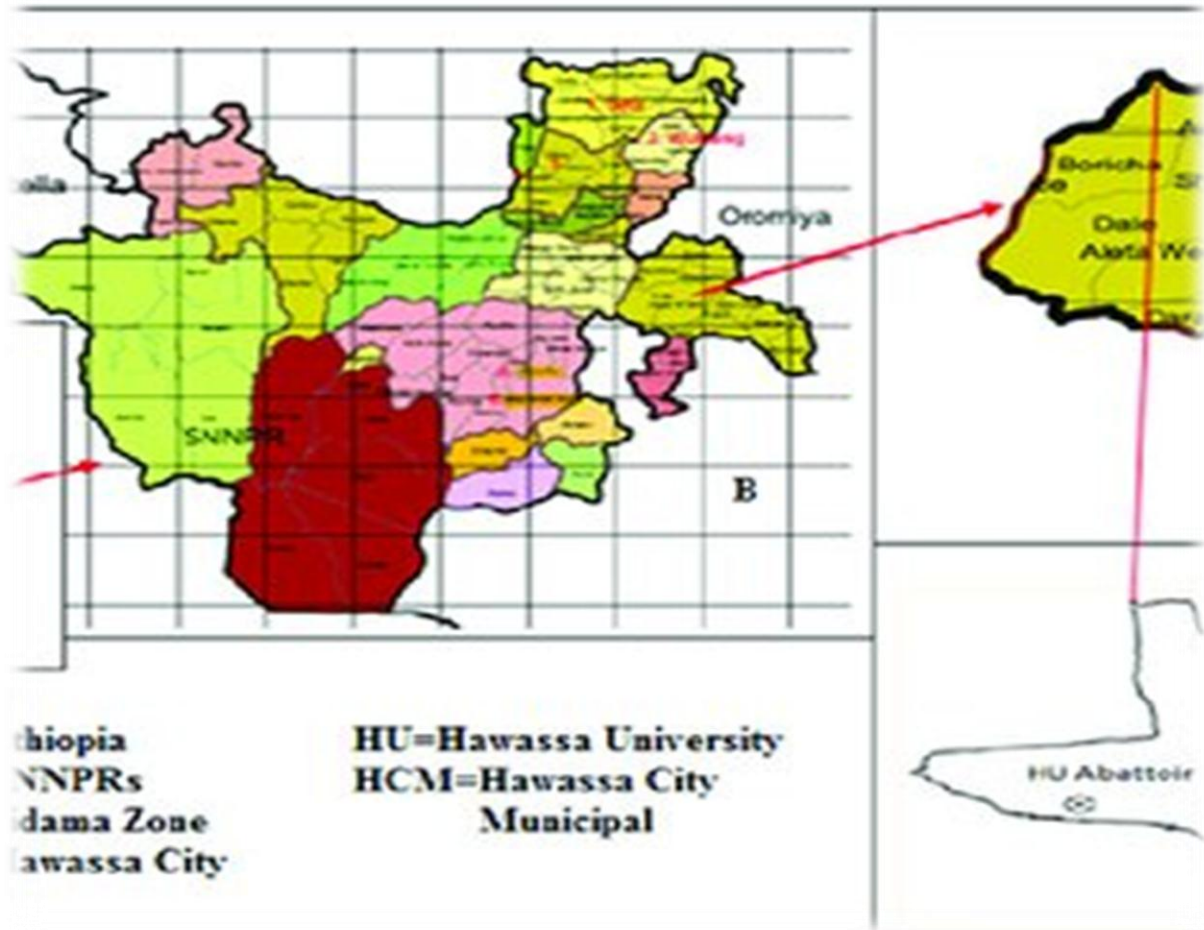
### **3.2 Descriptions of the Study Area**

Hawassa is a city in Ethiopia, on the shores of Lake Awassa in the Great Rift Valley. It is located 273 km south of Addis Ababa via Bishoftu, 130 km east of Sodo, and 75 km north of Dilla. The town serves as the capital of the Southern Nations, Nationalities, and Peoples' Region, and is a special zone of this region. It lies on the Trans-African Highway 4 Cairo-Cape Town, and has a latitude and longitude of 7°3'N 38°28'E and an elevation of 1708 meters above sea level.

Awassa was capital of the former Sidamo Province from about 1978 until the province was abolish with the adoption of the 1995 Constitution. This city is home to Hawassa University (which includes an Agricultural College, a Main Campus and a Health Sciences College), Awassa Adventist College, and a major market. The city is served by Awassa Airport (ICAO code HALA, IATA AWA), opened in 1988. Postal service is provided by a main branch; electricity and telephone service are also available. Important local attractions include the St. Gabriel Church and the Awassa Kenema Stadium. Fishing is a major local industry.

## Map of study area

Figure 3.1: map of study area



Source: Developed from Google map

### 3.3 Research Design and Approaches

The study used a descriptive design to properly and clearly define the state of affairs in the variables. The study also used an explanatory design to investigate the cause and effect relationship between the independent and dependent variables. Quantitative and qualitative approaches were also used to collect and analyze both qualitative and quantitative data from the relevant sources.

### **3.3.1 Research Approach**

Quantitative data was collected through a survey administered to multiple educational institutions, focusing on the implementation of internal enterprise activities and their effect on cost reduction efforts.

### **3.3.2 Types and Sources of Data**

The study used both primary and secondary data from the primary and secondary sources. The primary data was collected from the respondents directly using questionnaires. The secondary data, on the other hand, was collected from published and unpublished sources.

Primary data collection: Surveys was carried out with key stakeholders in educational institutions, including administrators, faculty members, and support staff. The participants provided insights into their internal enterprise activities and shared their experiences with cost reduction efforts.

### **3.4 Target Populations of the Study**

The target populations of the study were 4196 individuals who were working and studying at Hawassa University main campus, excluding newcomers or fresh students. Of these, 3276 were students, and the remaining 920 were academic and administrative staff of Hawassa University main campus.

### **3.5 Sample Design and Sampling Techniques**

The sample was selected from the study population using the formula presented by Yemane (1967). The formula is:

$$n = N / (1 + N (e)^2).$$

$$n = 4196 / (1 + 4196 (0.05)^2) = 365.$$

To distribute 365 to all concerned sectors, the study used proportionality formula as follows:

**Table 3.1 sample size proportion**

S/No.	Total population (N)	Sector population (Ni)	$ni = n \cdot Ni/N$	Ni
1	Students(under graduate, post graduate and PhD)	3276	$365 \times 3276 / 4196$	285
2	academic and all administrations staff	920	$365 \times 920 / 4196$	80
<b>Total</b>		<b>4196</b>		<b>n= 365</b>

**Source:** Developed from study population, 2024

Where:

- n is the sample size
- N is the Total population
- E is the margin of error

Keep in mind that this formula works best for simple random sampling and may not be suitable more for complex sampling designs. Moreover, researchers should always consider other factors such as the study objective, population structure, and resources when determining the appropriate sample size.

### 3.6 Methods of Data Collections

Data was collected using primary and secondary data collection methods. The primary data was collected using questionnaires. Questionnaires were self-administered questionnaires that used Likert rating scales (5), and it had two parts, which were biography, and survey questions.

The secondary data, on the other hand, was collected from reference books, websites, journals, and minutes.

Quantitative data was collected through a survey administered to multiple educational institutions focusing on the implementation of internal enterprise activities and the effect on their cost reduction efforts.

### **3.7 Methods of Data Analysis**

Before processing the responses, the questionnaires were designed and edited for completeness and consistency. The data was analyzed using quantitative and qualitative data analyzing techniques in order to answer the research question and the objectives. Kombo and Tromp (2006) reckoned that quantitative data analysis consisted of measuring numerical values from which descriptions such as mean and standard deviations were made. The data collected from the respondents through questionnaire method was evaluated using SPSS software version-20.

#### **3.7.1 Multiple Regression and Model Specification**

Multivariate regression models were applied to determine the relative importance of each of the seven variables with respect to cost reductions of Hawassa University Main Campus. Multiple regressions were a flexible method of data analysis that was appropriate whenever quantitative variables (the dependent) needed to be examined in relationship to any other factors (expressed as independent or predictor variable). Relationships could be non-linear, independent variables could be quantitative or qualitative, and one could examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account (Cohen, West & Aiken, 2003).

Both descriptive and inferential statistics were used to analyze the quantitative data gained through structured questionnaire. All the variables were coded and entered into the SPSS to analyze data obtained through questionnaires. Descriptive statistics is used to describe the usefulness of the data set and examine relationships between variables. In order to describe the data, preliminary descriptive statistics such as mean scores and standard deviation were computed. To view the internal consistency of the scale items, Cronbach coefficients (alpha) was computed. Multiple regression analysis was performed using the six determinates of internal enterprise activities as independent variable and cost reduction as dependent variable. The basic aim was to see the extent to which the internal enterprise practices was affected by cost reduction ( $R^2$  value), the regression coefficient (Beta coefficient) and the P-values for the significance of

each relationship. Correlation coefficients were also used to quantitatively describe the strength of the association between the variables. According to Hair (2016) the Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 to +1.00, with 0 representing absolutely no association between the two variables.

### **3.7.2 Causal assumption theory**

This theory assumes a causal relationship between the internal enterprise activities and cost reductions in educational institutions. Multiple regression analysis can help examine the strength and significance of this relationship, controlling for other potential factors. Model specification would involve identifying the appropriate variables to include in the regression model to estimate the effect accurately.

The regression model will be as follows adopted from Kihanya (2013):

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where, Y = Dependent Variable (The Effect of Internal Enterprise Activity on Cost Reduction of Educational Institutions)

$\beta_0$  = a constant

$X_1, X_2, X_3 \dots X_6$  = independent variables

$\beta_1$  = unstandardized regression coefficient of Administrative efficiency

$\beta_2$  = unstandardized regression coefficient of Technological adoption

$\beta_3$  = unstandardized regression coefficient of Outsourcing

$\beta_4$  = unstandardized regression coefficient of Efficient resource allocation

$\beta_5$  = unstandardized regression coefficient of Staff development

$\beta_6$  = unstandardized regression coefficient of Sustainable practices

e = error term

The survey data was subjected to statistical analysis, such as regression analysis, to determine the relationship between internal enterprise activities and cost reduction. Interviews and case studies were analyzed through thematic analysis to identify common themes and trends in the implementation and effect of these activities. The gathered data and identified patterns and trends on the effect of internal enterprise operations on cost savings were evaluated.

### **3.8 Validity Test**

The validity of the test revealed the degree to which the measuring instrument measured what it was intended to measure (Saunders, 2004). The validity of the research instrument was determined to ascertain the amount of built-in error in measurement. Copies of the survey were made accessible to experts in this study, such as advisors, for comments and opinions in order to create validity in terms of contrast, content, criterion, and readability to make it suitable for the objectives of the study.

Areas considered irrelevant to the study were removed while others were collected and added. Content and face validity were used in determining the validity of the research. The researcher ensured the validity of the study by pre-testing with questionnaires to correct any ambiguity in the questions when detected and by asking clearly stated questions to the respondents. Therefore, the researcher checked for validity and reliability of the data collected through the survey.

### **3.9 Reliability Test**

Reliability was the extent to which data collection technique(s) yielded consistent findings, similar observations were made, or conclusions were reached by other researchers (Saunders et al., 2009). One of the common approaches in assessing reliability was internal consistency (Mitchell, 1996). Reliability could be calculated through the Cronbach's alpha where the measured variables were considered reliable if the alpha values were 0.7 and/or higher. To test for reliability of obtained data, this study used the reliability test/the Cronbach's alpha. This test was conducted on the data collected from the pilot survey, which was conducted on some 20 respondents before the questionnaire was dispatched to the actual sample respondents (385 respondents).

Reliability of the data collection instrument involves the consistency of the result obtained with the instrument. Cronbach's alpha was used to assess the internal consistency of variables in the research instrument. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1. Scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability (Zikmund, 2010). Thus, for this study, a Cronbach's alpha score of .70 or higher is considered adequate to determine reliability.

**Table 3.2 Reliability Test**

	N	Cronbach's Alpha
<b>Administrative Efficiency</b>	5	0.786
<b>Technological Adoption</b>	5	0.693
<b>Outsourcing</b>	5	0.699
<b>Efficient Resource Allocation</b>	5	0.722
<b>Staff Development</b>	5	0.702
<b>Sustainable Practice</b>	5	0.735
<b>Over all detrainment's of cost reduction</b>	30	0.924
<b>Cost Reduction</b>	5	0.774
<b>Total</b>	35	0.937

Source; SPSS Survey Output (2024)

Based on the results of this research with reliability tests using Cronbach's Alpha, I can interpret the internal consistency reliability of each factor and the overall determinants of cost reduction as follows:

**Administrative Efficiency:** The Cronbach's Alpha value of 0.786 for Administrative Efficiency indicates a high level of internal consistency among the items measuring this factor. This suggests that the items related to administrative efficiency in your research are reliable and consistent in measuring this construct.

**Technological Adoption:** The Cronbach's Alpha value of 0.693 for Technological Adoption indicates a moderate level of internal consistency among the items measuring this factor. While

this value is acceptable, it may be beneficial to further refine the items related to technological adoption to improve reliability.

**Outsourcing:** The Cronbach's Alpha value of 0.699 for Outsourcing suggests a moderate level of internal consistency among the items measuring this factor. Similar to technological adoption, there may be room for improvement in the items related to outsourcing to enhance reliability.

**Efficient Resource Allocation:** The Cronbach's Alpha value of 0.722 for Efficient Resource Allocation indicates a moderate level of internal consistency among the items measuring this factor. While this value is acceptable, there may be room for improvement in the items related to resource allocation to enhance reliability.

**Staff Development:** The Cronbach's Alpha value of 0.702 for staff development suggests a moderate level of internal consistency among the items measuring this factor. Similar to resource allocation, there may be opportunities to refine the items related to staff development for improved reliability.

**Sustainable Practice:** The Cronbach's Alpha value of 0.735 for Sustainable Practice indicates a moderate level of internal consistency among the items measuring this factor. This suggests that the items related to sustainable practices in your research are relatively reliable in measuring this construct.

**Overall Determinants of Cost Reduction:** The Cronbach's Alpha value of 0.924 for the overall determinants of cost reduction (combining all factors) indicates a high level of internal consistency among the items measuring all determinants collectively. This suggests that the factors included in the research collectively contribute to a reliable measure of cost reduction determinants.

**Cost Reduction:** The Cronbach's Alpha value of 0.774 for Cost Reduction indicates a moderate level of internal consistency among the items measuring this factor. This suggests that the items related to cost reduction in this research are relatively reliable in measuring this construct.

Overall, the high Cronbach's Alpha value of 0.937 for the total scale (combining all factors) indicates a high level of internal consistency and reliability among all the items included in my

research study, suggesting that the measures used are consistent and dependable in assessing the determinants of cost reduction.

### **3.10 Ethical considerations**

The researcher maintained confidentiality at all times during the research work, obtained informed consent in the study, and ensured that the subjects participated voluntarily. The researcher did not disclose by any way what had been responded through questionnaires and/or interviews. The responses obtained from the study were used for academic purposes only.

All participants were informed about the purpose of data collection and then were asked for given consent before any data processing took place. The participants were also informed that they had the possibility to revoke the consent during the research period. Furthermore, they were explained that the data collected would not be processed with the intent to take measures or decisions but only for scientific and statistical research.

Specific added provisions of confidentiality were taken in the case of the research related to the technical performances of the public procurement system. The commitment of confidentiality was applied not only during the research project, but also after the project work was concluded. The data that was collected from documents and reports was of public organizations so no special provision was required, but in any case, their use was related only to the research purposes.

During the fieldwork, a clear openness attitude was the basis of the interaction with the participants. The liability of the research project was also to create the instauration of trust in the relations with the participants in order to gain a successful and efficient collaboration. Furthermore, since the research project might collect relevant data, risk assessments were performed before the fieldwork. The research project during all the activities was exclusively based on trusted data and produced objective outputs because the case study was of social responsibility.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATIONS

#### 4.1 Introduction

This chapter delves into the critical phase of data analysis, interpretation, and presentation of the results as explore the "Effects of internal enterprise activities on cost reduction of educational institutions in the case of Hawassa University main campus". Through a meticulous examination of the collected data, the researcher to unravel the impact of internal enterprise activities on cost reduction within the educational setting. By employing rigorous analytical techniques, the researcher seek to uncover valuable insights that will not only address our research questions but also offer practical implications for enhancing cost-efficiency in educational institutions.

The analysis comprised of both descriptive and inferential statistics in which the former describes the demographic profile of respondents, analysis of responses under each attributes; whereas the latter includes scale reliability test, correlation and multiple regression analysis.

**Data Analysis and Interpretation:** This chapter focuses on the comprehensive analysis and interpretation of data gathered in my study on the "Effects of internal enterprise activities on cost reduction of educational institutions in the case of Hawassa University main campus". Through the application of statistical methods and data visualization tools, the researcher aim to uncover patterns, trends, and relationships within the data that illuminate the influence of internal enterprise activities on cost reduction strategies. By delving into the nuances of the data, the researcher strives to provide a nuanced understanding of how educational institutions can optimize their internal operations to achieve cost savings and operational efficiency.

**Unveiling the Results:** As I embark on Chapter four of my research journey, I unveil the results of my investigation into the "Effects of internal enterprise activities on cost reduction of educational institutions in the case of Hawassa University main campus". Through a rigorous analysis and interpretation of the data, I aim to shed light on the ways in which internal enterprise activities impact cost reduction efforts in educational institutions. By presenting my findings in a clear and insightful manner, I seek to contribute valuable insights that can inform decision-

making processes and strategic initiatives aimed at enhancing cost-effectiveness within educational settings.

The data collected through self-administered questionnaire featured personal information of the respondents, six dimensions of internal enterprise activities, and cost reduction attributes of cost reduction of the educational institution.

After distributing 365 questionnaires to student and employees of Hawassa University, 311 questionnaires were collected. The response rate accounted for 85.2% of the total distributed questionnaires, then, screened for the collected questionnaires for missing data and other inconsistency, it was found 292 valid and usable questionnaires for statistical analysis. The responses further screened for error correction and then encoded to SPSS 20 accordingly to make them suitable for data analysis. After carrying out all the required data preparation, then carried out the analysis and the findings are presented as follows. SPSS 20 is used to organize and prepare the collected data for analysis; assess the measurement validity and reliability; and analyze the multi-regression model enables researchers to test a set of factors simultaneously. Finally, the proposed research hypotheses were tested according to the results from the regression model analysis. Finally, the proposed research questions were addressed based on results from the regression model analysis.

## **4.2 Descriptive Statistics**

The descriptive statistics is used to describe the demographic characteristics of the respondents and the summary of each study variables based on their responses.

### **4.2.1 Demographic Characteristics of the Respondents**

The first part of the questionnaire consists of the demographic characteristics of respondents. This part of the questionnaire requested a limited amount of information related to personal and demographic status of the respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables include; sex, age, education, job title and service year of the respondents.

**Table 4.1 Demographic Characteristics of Respondents**

<b>Characteristics</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Sex</b>	Male	155	53.08%
	Female	137	46.92%
	Total	292	100%
<b>Education</b>	Certificate	8	2.74%
	Diploma	13	4.45%
	BA/BSC	162	55.48%
	MA/MSC	83	28.42%
	PHD	26	8.91%
	Total	292	100%
<b>Service or studying year</b>	Less than 3 years	40	13.7%
	3 to 6 years	174	59.59%
	6 to 8 years	42	14.38%
	8 to 10 years	25	8.56%
	Above 10 years	11	3.77%
	Total	292	100%
<b>Job title</b>	Student	157	53.77%
	Top management	25	8.56%
	Instructors or teachers	83	28.42%
	Officers	19	6.51%
	Others	8	2.74%
	Total	292	100%

(Source: Own Survey, 2024)

Referring Table 4.1, from the total respondents, male respondents constituted the highest percentage 155(53.08%) while their female counterparts share the rest 137(46.92%). This implies that the campus have more of male student, employees and administrations. Regarding the educational background of the respondents, the majority 245(83.9%) attending and has first degree and Masters'' degree, the rest 26(8.91%) has PhD holders, but certificate and Diploma holders found the least 21(7.19%). This is important as the respondents are expected to have the

basic understanding of illustrating the relationship between the independent variables and cost reduction. Those who are studying at the campus represents 157(53.77%), preceded by instructors or teachers 83(28.427%), top management or administrators 25(8.56%), officers 19(6.51%) and others 8(2.74%). Hence, the total number of managerial respondents is 27 taking 9.25% of the respondents. This figure is exactly the amount and composition identified in the sampling process of this survey. Out of the total 292 respondents in the survey, 86.3% of the respondents have been working and studying in the Campus for more than 3 years. On the other hand, 13.7% of the respondents have been working and studying in the Campus for less than three years. Those are expected to have a fresh look at the elements in the survey as all of them are enrolled by the Campus as fresh joining and are expected to inject dynamism to the environment. Given the fact that all the respondents are educated as well as stayed for a relatively longer period of time. One can use the respondents educated and experience based opinion on past trends and on inferring the relationships of variables. This off course will be triangulated with secondary data.

#### **4.2.2 Effect of Internal Enterprise Activity on Cost Reduction of Educational Institutions**

##### **Interpreting the range of mean**

No	Mean range	Response options
1	1.00-1.89	strongly disagree
2	1.90-2.69	Disagree
3	2.70-3.49	Neutral
4	3.50-4.29	Agree
5	4.30-5.00	Strongly agree

Source: (PIPP)

## 1. Administrative Efficiency

Administrative Efficiency is involves streamlining and optimizing administrative tasks to minimize costs, reduce redundancy, and enhance overall organizational performance. Streamlining administrative processes and optimizing the use of resources can lead to significant cost reductions (Walker, & Boyne. (2001).

**Table 4.2 Descriptive Statistics of Administrative Efficiency**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Hawassa University Main Campus is likely to prioritize and invest in improving administrative efficiency to reduce costs.	292	3.64	.567
Effective communication within the campus contributes to administrative efficiency and cost reduction.	292	2.12	.728
Efficient decision-making frameworks within the campus contribute to cost reduction.	292	2.09	.777
The involvement and empowerment of employees in decision-making processes positively affect administrative efficiency and cost reduction at Hawassa University Main Campus.	292	3.10	.632
Streamlining administrative procedures at Hawassa University Main Campus enhances cost reduction efforts.	292	2.09	.779
Average	292	2.61	.696
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores provided for each statement related to the effects of internal enterprise on cost reduction at Hawassa University Main Campus, The result is analyzed and presented as follows:

Hawassa University Main Campus is likely to prioritize and invest in improving administrative efficiency to reduce costs, with a mean score of 3.64. This indicates that there is a strong belief that focusing on administrative efficiency can lead to cost reduction. Effective communication

within the campus contributes to administrative efficiency and cost reduction, with a mean score of 2.12. This suggests that there may be room for improvement in communication practices to further enhance administrative efficiency and cost reduction efforts. Efficient decision-making frameworks within the campus contribute to cost reduction, with a mean score of 2.09. This indicates that decision-making processes may need to be reviewed and optimized to achieve better cost reduction outcomes.

The involvement and empowerment of employees in decision-making processes positively affect administrative efficiency and cost reduction at Hawassa University Main Campus, with a mean score of 3.10. This highlights the importance of employee engagement in decision-making for achieving cost reduction goals. Streamlining administrative procedures at Hawassa University Main Campus enhances cost reduction efforts, with a mean score of 2.09. This suggests that there may be opportunities to simplify and optimize administrative procedures to drive cost reduction initiatives.

Overall, the average mean score of 2.61 across all statements indicates that there is room for improvement in various aspects of internal enterprise to enhance cost reduction efforts at Hawassa University Main Campus. Addressing communication practices, decision-making frameworks, employee involvement, and administrative procedures could potentially lead to more effective cost reduction strategies.

## 2. Technological Adoption

Implementing new technologies, such as e-learning platforms and digital tools, can significantly reduce costs. These technologies can help automate tasks, reduce material costs, and promote efficient collaboration between students, staff, and faculty (Rogers, E. M. (1991). In this regards, the perception of the respondents on Hawassa University campus technological adoption is described as follows.

**Table 4.3 Descriptive Statistics Technological Adoption**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation

The adoption of new technologies significantly reduces costs at Hawassa University Main Campus.	292	2.50	.731
Providing training and support for staff in using new technologies influences technological adoption and cost reduction at Hawassa University Main Campus.	292	4.10	.584
Implementing online systems and processes can result in technological adoption and cost reduction at Hawassa University Main Campus.	292	3.78	.775
Integrating digital learning platforms and tools positively influences technological adoption and cost reduction at Hawassa University Main Campus.	292	4.12	.553
Implementing advanced technological systems can lead to cost reduction at Hawassa University Main Campus.	292	3.92	.779
Average	292	3.68	.684
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores provided for each statement related to the effects of internal enterprise, specifically technological adoption, on cost reduction at Hawassa University Main Campus, The result is analyzed and presented as follows:

The adoption of new technologies significantly reduces costs at Hawassa University Main Campus, with a mean score of 2.50. This suggests that there is a belief in the potential cost-saving benefits of implementing new technologies, although the score is relatively lower compared to other statements. Providing training and support for staff in using new technologies influences technological adoption and cost reduction at Hawassa University Main Campus, with a high mean score of 4.10. This indicates a strong consensus that investing in staff training and support can enhance technological adoption and subsequently lead to cost reduction. Implementing online systems and processes can result in technological adoption and cost reduction at Hawassa University Main Campus, with a mean score of 3.78. This highlights the importance of digitalization in driving technological adoption and cost reduction efforts.

Integrating digital learning platforms and tools positively influences technological adoption and cost reduction at Hawassa University Main Campus, with a mean score of 3.12. This suggests that leveraging digital tools for educational purposes can contribute to both technological adoption and cost reduction. Implementing advanced technological systems can lead to cost reduction at Hawassa University Main Campus, with a mean score of 3.92. This indicates a strong belief that advanced technologies have the potential to drive cost reduction initiatives within the educational institution.

Overall, the average mean score of 3.68 across all statements indicates a positive perception of the role of technological adoption in cost reduction efforts at Hawassa University Main Campus. The findings suggest that while there is recognition of the benefits of new technologies and digitalization, there is also an emphasis on the importance of providing training and support to staff to maximize the impact of technological adoption on cost reduction. Addressing these factors could further enhance cost reduction strategies through internal enterprise initiatives focused on technological advancements.

### 3. Outsourcing

Outsourcing activities that are not central to the institution's core mission, such as maintenance or catering services can result in cost savings. Outsourcing also allows the institution to focus on its core competencies, improving overall quality and efficiency (Heywood, (2011). The result is analyzed and presented as follows.

**Table 4.4 Descriptive Statistics of Outsourcing**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Outsourcing administrative tasks and services positively affect outsourcing and cost reduction at Hawassa University Main Campus.	292	3.88	.613
The selection of reliable and efficient outsourcing partners affects outsourcing and cost reduction at Hawassa University	292	4.11	.761

Main Campus.			
Outsourcing maintenance and facility management can lead to cost reduction at Hawassa University Main Campus.	292	2.04	.567
Delegating certain functions to specialized service providers is beneficial for cost reduction at Hawassa University Main Campus.	292	3.94	.718
Employees and students at Hawassa University Main Campus are generally satisfied with the outcomes achieved through outsourcing for cost reduction.	292	2.09	.788
Average	292	3.21	.689
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores provided for each statement in the research on the effects of internal enterprise, specifically outsourcing, on cost reduction at Hawassa University Main Campus, The result is analyzed and presented as follows:

Outsourcing administrative tasks and services has a relatively high mean score of 3.88, indicating that there is a positive perception that this practice can positively affect outsourcing and cost reduction at the university. This suggests that outsourcing administrative tasks and services is seen as a beneficial strategy for reducing costs. The selection of reliable and efficient outsourcing partners received the highest mean score of 4.11, indicating a strong consensus that choosing the right partners can have a significant impact on outsourcing and cost reduction at Hawassa University Main Campus. This highlights the importance of partner selection in achieving cost reduction goals. Outsourcing maintenance and facility management had a lower mean score of 2.04, suggesting that there may be challenges or skepticism regarding the effectiveness of outsourcing these functions for cost reduction at the university. This indicates a potential area for improvement or further investigation.

Delegating certain functions to specialized service providers received a mean score of 3.94, indicating that there is a positive perception that this practice is beneficial for cost reduction at the university. This suggests that delegating specific functions to specialized providers is seen as an effective strategy for reducing costs. Employees and students at Hawassa University Main

Campus expressed a moderate level of satisfaction with the outcomes achieved through outsourcing for cost reduction, as indicated by the mean score of 3.09. This suggests that stakeholders are generally content with the results of outsourcing initiatives in terms of cost reduction.

The average mean score across all statements is 3.21, indicating an overall positive perception of outsourcing as an internal enterprise approach for cost reduction within the educational institution. While there are some areas, where scores are lower, such as outsourcing maintenance and facility management, the general trend suggests that outsourcing can be an effective strategy for reducing costs at Hawassa University Main Campus.

In conclusion, my research findings suggest that outsourcing, particularly when done with reliable partners and for specific functions, can be a beneficial strategy for cost reduction at Hawassa University Main Campus. Addressing any challenges related to outsourcing maintenance and facility management could further enhance the effectiveness of this approach in achieving cost reduction goals.

#### 4. Efficient Resource Allocation

It involves allocating resources such as budget, personnel, equipment, and materials in a way that aligns with organizational goals and objectives. Accurate budgeting and proper resource management can help educational institutions reduce costs. Institutions should assess their resource needs regularly and allocate resources optimally to minimize waste (Ioannides, Y. M., & Tesar, L. L. (1999). In this case, the analysis of the data collected on Efficient Resource Allocation practices of the campus are presented as below.

**Table 4.5 Descriptive Statistics of Efficient Resource Allocation**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Efficient resource allocation is a priority for Hawassa University Main Campus in order to achieve continual cost reduction.	292	2.30	.769
Prioritizing resources based on the institution's needs and goals is	292	3.88	.726

essential for achieving cost reduction at Hawassa University Main Campus.			
The implementation of outcome-based budgeting has a positive impact on resource allocation and cost reduction at Hawassa University Main Campus.	292	3.54	.784
Flexible resource allocation strategies can lead to effective resource allocation and cost reduction at Hawassa University Main Campus.	292	3.09	.727
Optimizing resource utilization is crucial for generating significant cost savings at Hawassa University Main Campus.	292	3.31	.784
Average	292	3.22	.758
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores provided for each statement in my research on the effects of internal enterprise, specifically efficient resource allocation, on cost reduction at Hawassa University Main Campus, The result is analyzed and presented as follows:

The statement "Efficient resource allocation is a priority for Hawassa University Main Campus in order to achieve continual cost reduction" received a mean score of 2.30, indicating that there may be room for improvement in terms of prioritizing resource allocation for cost reduction purposes. This suggests that there may be challenges or limitations in effectively managing resources to achieve cost reduction goals. "Prioritizing resources based on the institution's needs and goals is essential for achieving cost reduction at Hawassa University Main Campus" received a higher mean score of 3.88, suggesting that there is a positive perception that aligning resource allocation with the institution's objectives can contribute to cost reduction efforts. This highlights the importance of strategic resource allocation in achieving cost savings. The statement "The implementation of outcome-based budgeting has a positive impact on resource allocation and cost reduction at Hawassa University Main Campus" received a mean score of 3.54, indicating that there is recognition of the benefits of outcome-based budgeting in improving resource allocation practices for cost reduction purposes. This suggests that implementing outcome-based budgeting can be an effective strategy for optimizing resource allocation.

"Flexible resource allocation strategies can lead to effective resource allocation and cost reduction at Hawassa University Main Campus" received a mean score of 3.09, suggesting that there is a moderate level of agreement that flexibility in resource allocation can contribute to cost reduction efforts. This indicates that adopting flexible approaches to resource allocation may be beneficial for achieving cost savings. "Optimizing resource utilization is crucial for generating significant cost savings at Hawassa University Main Campus" received a mean score of 3.31, indicating that there is recognition of the importance of maximizing resource utilization to achieve cost reduction goals. This highlights the significance of efficient resource utilization in driving cost savings within the institution.

The average mean score across all statements is 3.22, indicating an overall positive perception of the impact of efficient resource allocation on cost reduction at Hawassa University Main Campus. While there are areas where scores are lower, such as the priority given to efficient resource allocation, the general trend suggests that strategic resource allocation practices can contribute to achieving cost reduction goals.

In conclusion, the research findings suggest that prioritizing resources based on institutional needs and goals, implementing outcome-based budgeting, adopting flexible resource allocation strategies, and optimizing resource utilization are key factors that can positively affect cost reduction efforts at Hawassa University Main Campus. Addressing challenges related to efficient resource allocation priorities could further enhance the effectiveness of these strategies in achieving continual cost reduction within the educational institution.

## **5. Staff Development**

By investing in professional development for faculty and staff, educational institutions can boost productivity and retain valuable employees, reducing turnover costs. In addition, well-trained staff can contribute more to efficient operations, leading to cost reductions (Watkins, K. E., & Marsick, V. J. (2006).

**Table 4.6 Descriptive Statistics of Staff Development**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Performance-based training and development positively influences staff development and cost reduction at Hawassa University Main Campus.	292	4.09	.719
Continuous professional development programs have a beneficial impact on cost reduction efforts at Hawassa University Main Campus.	292	4.12	.773
Equipping staff with necessary skills and knowledge enhances operational efficiency and reduces costs at Hawassa University Main Campus.	292	3.72	.715
Cultivating a culture of continuous learning and growth among staff contributes to cost reduction at Hawassa University Main Campus.	292	4.10	.780
Implementation of peer mentoring and knowledge sharing programs can enhance staff development and lead to cost reduction at Hawassa University Main Campus.	292	3.90	.712
Average	292	3.98	.739
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores provided for each statement in this research on the effects of internal enterprise, specifically staff development, on cost reduction at Hawassa University Main Campus, The result is analyzed and presented as follows:

The statement "Performance-based training and development positively influences staff development and cost reduction at Hawassa University Main Campus" received a high mean score of 4.09, indicating strong agreement that performance-based training can have a positive impact on staff development and cost reduction efforts. This suggests that aligning training programs with performance goals can lead to improved efficiency and cost savings. "Continuous

professional development programs have a beneficial impact on cost reduction efforts at Hawassa University Main Campus" received an even higher mean score of 4.12, indicating a strong belief in the positive effects of continuous professional development on cost reduction. This highlights the importance of ongoing learning and skill enhancement in driving cost-saving initiatives within the institution. The statement "Equipping staff with necessary skills and knowledge enhances operational efficiency and reduces costs at Hawassa University Main Campus" received a mean score of 3.72, suggesting a moderate level of agreement on the relationship between staff skills and cost reduction. While not as high as the previous statements, this score still indicates recognition of the importance of skill development in improving operational efficiency and reducing costs.

"Cultivating a culture of continuous learning and growth among staff contributes to cost reduction at Hawassa University Main Campus" received a high mean score of 4.10, indicating strong support for the idea that fostering a culture of learning and growth can lead to cost reduction. This emphasizes the role of organizational culture in promoting continuous improvement and cost-saving behaviors among staff. "Implementation of peer mentoring and knowledge sharing programs can enhance staff development and lead to cost reduction at Hawassa University Main Campus" received a mean score of 3.90, indicating a positive perception of the benefits of peer mentoring and knowledge sharing in staff development and cost reduction efforts. This suggests that collaborative learning initiatives can contribute to both staff growth and cost savings.

The average mean score across all statements is 3.98, indicating an overall positive perception of the impact of staff development initiatives on cost reduction at Hawassa University Main Campus. The high mean scores for statements related to performance-based training, continuous professional development, and fostering a culture of continuous learning suggest that investing in staff development programs can be an effective strategy for achieving cost reduction goals within the educational institution. In conclusion, the research findings suggest that prioritizing performance-based training, continuous professional development, and cultivating a culture of learning and growth among staff can positively influence cost reduction efforts at Hawassa University Main Campus. By equipping staff with necessary skills, promoting peer mentoring,

and encouraging knowledge sharing, the institution can further enhance staff development and drive cost-saving initiatives effectively.

## 6. Sustainable Practice

It involves adopting strategies and implementing policies that balance economic growth with social and environmental considerations. Implementing sustainable practices, such as energy-efficient infrastructure and waste reduction programs, can result in long-term cost savings for educational institutions (Clift, R., Druckman, A., & Sinclair, P. (2002).

**Table 4.7 Descriptive Statistics of Sustainable Practice**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Adopting energy-efficient systems and practices contributes to cost reduction at Hawassa University Main Campus.	292	2.11	.705
The use of renewable energy sources and sustainable building design affects sustainable practices and cost reduction at Hawassa University Main Campus.	292	2.58	.782
Incorporating environmental sustainability into curriculum and educational programs leads to sustainable practices and cost reduction at Hawassa University Main Campus.	292	3.11	.705
Promoting community engagement and social responsibility affects sustainable practices and cost reduction at Hawassa University Main Campus.	292	2.70	.718
Implementing environmentally friendly initiatives improves operational efficiency and reduces costs at Hawassa University Main Campus.	292	2.49	.788
Average	292	2.59	.739
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Based on the mean scores of the research findings related to sustainable practices at Hawassa University Main Campus, it can be interpreted that there is room for improvement in integrating internal enterprise initiatives focused on sustainability to achieve cost reduction goals. Adopting energy-efficient systems and practices received a relatively low mean score of 2.11, suggesting that there may be limited implementation of energy-saving measures within the university. This indicates a potential area for enhancing cost reduction efforts through more efficient energy usage. The use of renewable energy sources and sustainable building design was perceived slightly more positively with a mean score of 2.58. While there is some recognition of the impact of sustainable practices on cost reduction, there is still room for improvement in fully leveraging renewable energy sources and sustainable infrastructure design to drive down operational costs at the university.

Incorporating environmental sustainability into curriculum and educational programs received a higher mean score of 3.11, indicating a stronger recognition of the importance of sustainability in educational initiatives. This suggests that integrating sustainability principles into academic programs can lead to more sustainable practices and potentially cost reductions at Hawassa University Main Campus. Promoting community engagement and social responsibility received a mean score of 2.70, indicating a moderate level of emphasis on community involvement and social responsibility within the university's sustainability efforts. There may be opportunities to further engage with the community to enhance sustainable practices and potentially reduce costs. Implementing environmentally friendly initiatives was perceived positively but still received a mean score of 2.49, suggesting that there is room for improvement in implementing eco-friendly measures to improve operational efficiency and reduce costs at Hawassa University Main Campus.

Overall, the average mean score of 2.59 across these sustainable practice indicators indicates a moderate level of emphasis on sustainability within the internal enterprise initiatives at the university. To further drive cost reduction efforts, there may be opportunities to strengthen the integration of energy-efficient systems, renewable energy sources, sustainable building design, community engagement, and environmentally friendly initiatives within the institution's operations.

## 7. Cost Reduction

Cost reduction refers to the systematic process of identifying, analyzing, and implementing measures to decrease the expenses of an organization, thereby improving its financial health and efficiency ( Kaplan and Norton, 1996).

**Table 4.8 Descriptive Statistics of Cost Reduction**

Descriptive Statistics			
Attributes	N	Mean	Std. Deviation
Internal enterprise activities significantly contribute to minimizing unnecessary expenditures and reducing waste at Hawassa University Main Campus.	292	2.10	.713
Implementing a cost reduction strategy is essential for ensuring the financial sustainability of Hawassa University Main Campus.	292	4.69	.491
Optimizing procurement and purchasing processes has a positive impact on cost reduction at Hawassa University Main Campus.	292	2.31	.713
Controlling and reducing operational expenses play a crucial role in achieving cost reduction at Hawassa University Main Campus.	292	3.99	.775
Internal enterprise activities are key to helping Hawassa University Main Campus achieve financial sustainability and stability through cost reduction.	292	4.42	.728
Average	292	3.50	.684
Valid N (list wise)	292		

Source; SPSS Survey Output (2024)

Table 4.8 presents responses on descriptive information on cost reduction as below. Based on the mean scores of the research findings related to the effects of internal enterprise on cost reduction at Hawassa University Main Campus, it can be interpreted that there is a strong emphasis on the importance of implementing a cost reduction strategy and controlling operational expenses to achieve financial sustainability.

The statement "Implementing a cost reduction strategy is essential for ensuring the financial sustainability of Hawassa University Main Campus" received the highest mean score of 4.69, indicating a high level of agreement on the significance of having a strategic approach to reducing costs for the university's financial well-being. Similarly, the statement "Internal enterprise activities are key to helping Hawassa University Main Campus achieve financial sustainability and stability through cost reduction" received a high mean score of 4.42, further emphasizing the role of internal enterprise initiatives in driving cost reduction efforts and ensuring financial stability. Controlling and reducing operational expenses also received a high mean score of 3.99, highlighting the importance of managing expenses effectively to achieve cost reduction goals at the university.

On the other hand, optimizing procurement and purchasing processes received a relatively lower mean score of 2.31, suggesting that there may be room for improvement in streamlining these processes to contribute more significantly to cost reduction efforts.

The average mean score of 3.50 across these statements indicates an overall positive perception of the impact of internal enterprise activities on cost reduction at Hawassa University Main Campus. Further to enhance cost reduction initiatives, focusing on strategic cost reduction strategies, operational expense control, and optimizing procurement processes could be beneficial for the university's financial sustainability.

The mean impact of factors such as technological adoption, staff development, and efficient resource allocation on cost reduction efforts at Hawassa University Main Campus was found to be high, with relatively low standard deviations indicating consistent responses across participants. However, areas for improvement such as administrative efficiency and sustainable practices had a moderate impact on cost reduction, with slightly higher variability in responses. Overall, the study suggests that focusing on enhancing these key factors can optimize cost-saving strategies and improve efficiency at educational institutions like Hawassa University Main Campus.

In summary, the research findings highlight the importance of factors such as technological adoption, staff development, and efficient resource allocation in driving cost reduction efforts at educational institutions like Hawassa University Main Campus. These variables were found to

have a significant impact on reducing costs, with relatively low variability in responses. However, there is room for improvement in areas such as administrative efficiency and sustainable practices, which were identified as having a moderate impact on cost reduction. Overall, the study underscores the need for educational institutions to focus on enhancing these key factors to optimize cost-saving strategies and improve overall efficiency.

### **4.3 Inferential Statistics**

Inferential statistics uses sample measurements of the subject and generalize about the larger population. It comprises different test such reliability test of data collection instrument, correlation analysis among variables and assumption of data test for their suitability or fitness to the intended regression analysis model. Finally, the multi-regression analysis was conducted to address the objectives of this study.

#### **4.3.1 Multiple Regression Assumption Tests**

Multiple regressions are an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are normal p-plot test Multicollinearity, Multivariate Normality and Homoscedasticity.

##### **4.3.1.1 Multicollinearity**

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are Multicollinearity, there is “overlap” or sharing of predictive power. Thus, the impact of Multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is associated with the other independent variables. “Tolerance and” “variance inflation factors” (VIF) values for each predictor is a means of checking for Multicollinearity. Tolerance value below 0.1 and VIF value above 10% indicate a Multicollinearity problem, (Robert, 2006). In this study, it shows that the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 1.043 to 1.141 and Tolerance value ranging with 0.876 to 0.959 indicated that there was no collinearity problem. This could be taken as a confirmation that there were no multi-collinearity problems to proceed for regression analysis. That means when the independent variables in this model were highly related with one another, they would have been mainly measuring the same thing or convey essentially the same information.

### **4.3.1.2 Homoscedasticity**

The normal Q-Q chart plots the values you would expect to get if the distribution were normal (expected values) against the values actually seen in the data set (observed values). The expected values are a straight diagonal line, whereas the observed values are plotted as individual points. If the data are normally distributed, then the observed values (the dots on the chart) should fall exactly along the straight line (meaning that the observed values are the same, as you would expect to get from a normally distributed data set). Any deviation of the dots from the line represents a deviation from normality. So the Q-Q plot of the all variable considered in this study looks like a straight line with a wiggly snake wrapped around it then it showed little deviation from normality.

### **4.3.1.3 Multivariate Normality**

To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness, both of which have an associated standard error. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed, both of which have an associated standard error. However, the actual value of skewness and kurtosis are not in themselves, informative. Instead, it needs to take the value and convert it to a z -score. The z -score is simply a standardize score from a distribution that has Mean of 0 and standard deviation of 1.0.

To assess multivariate normality based on the descriptive statistics provided for this thesis data, we can look at the skewness and kurtosis values for each variable. Multivariate normality assumes that the variables in the dataset follow a normal distribution collectively.

The descriptive statistics for the thesis data offer valuable insights into the distributional characteristics of the variables, aiding in the assessment of multivariate normality. The skewness values suggest that most variables exhibit a relatively symmetrical pattern, with values close to 0 indicating a lack of pronounced skewness. This symmetry implies that data points are evenly distributed around the mean without a significant skew towards one tail. Furthermore, the kurtosis values reflect slight deviations from a normal distribution, as some variables have

kurtosis values slightly higher than the expected value of 3. These elevated kurtosis values hint at a degree of peakedness in the distributions, potentially indicating heavier tails and sharper peaks.

While the skewness and kurtosis values suggest departures from perfect normality, they do not indicate severe deviations that would invalidate assumptions of multivariate normality. The relatively symmetric nature of the distributions, coupled with slightly elevated kurtosis values, implies that the variables may collectively follow a multivariate normal distribution to a reasonable extent. Overall, the skewness and kurtosis values suggest that the variables may deviate slightly from a perfectly normal distribution, but they do not indicate severe departures from normality.

**Table 4.9 Normality Test**

Descriptive Statistics										
	N	Minimum	Maximum	Mean		Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
Administrative Efficiency	292	7	16	10.44	.129	2.212	.117	.143	-1.030	.284
Technological Adoption	292	6	18	10.53	.150	2.561	.363	.143	-.596	.284
Outsourcing	292	7	14	10.43	.097	1.662	-.003	.143	-.999	.284
Efficient Resource Allocation	292	7	16	10.49	.153	2.609	.208	.143	-.938	.284
Staff Development	292	7	14	10.53	.146	2.500	-.185	.143	-1.561	.284
Sustainable Practice	292	7	14	10.49	.151	2.580	-.166	.143	-1.665	.284
Cost Reduction	292	7	14	10.50	.144	2.454	-.209	.143	-1.519	.284
Valid N (list wise)	292									

Source; SPSS Survey Output (2024)

### 4.3.2 Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). To interpret the direction and strengths of relationships between variables, the guidelines suggested by Field (2005) is classified as the correlation coefficient (r) refers 0.10 – 0.29 is weak; 0.30 – 0.49 is moderate; and > 0.5 is strong.

Table 4.10 below shows the correlation between the determinate’s of internal enterprise and overall cost production.

**Table 4.10 Relationships between determinates of internal enterprise and cost reduction**

Correlations							
	Administra tive Efficiency	Technolog ical Adoption	Outsourc ing	Efficient Resource Allocation	Staff Develo pment	Sustaina ble Practice	Cost Reduct ion
Administra tive Efficiency	1						
Technologi cal Adoption	.843**	1					
Outsourcin g	.642**	.437**	1				
Efficient Resource Allocation	.809**	.815**	.601**	1			

Staff Development	.668 <sup>**</sup>	.575 <sup>**</sup>	.780 <sup>**</sup>	.771 <sup>**</sup>	1		
Sustainable Practice	.695 <sup>**</sup>	.594 <sup>**</sup>	.829 <sup>**</sup>	.735 <sup>**</sup>	.926 <sup>**</sup>	1	
Cost Reduction	.828 <sup>**</sup>	.657 <sup>**</sup>	.764 <sup>**</sup>	.764 <sup>**</sup>	.857 <sup>**</sup>	.903 <sup>**</sup>	1
**. Correlation is significant at the 0.01 level (2-tailed).							

Source; SPSS Survey Output (2024)

Based on the correlation data provided, several key observations can be made regarding the relationships between the independent variables (Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice) and their correlation with Cost Reduction.

Administrative Efficiency shows strong positive correlations with all other independent variables, ranging from 0.642 to 0.828, indicating a significant relationship with Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, Sustainable Practice, and ultimately Cost Reduction. This suggests that improvements in Administrative Efficiency are closely linked to enhanced performance in other areas and ultimately lead to cost reduction.

Technological Adoption exhibits moderate to strong positive correlations with all other independent variables, ranging from 0.575 to 0.657. While Technological Adoption is positively associated with the other factors, its correlation with Cost Reduction is slightly lower than that of Administrative Efficiency, indicating a somewhat weaker direct impact on cost reduction.

Outsourcing demonstrates moderate positive correlations with most independent variables, ranging from 0.437 to 0.829. However, its correlation with Cost Reduction is lower compared to Administrative Efficiency and Sustainable Practice, implying that the relationship between Outsourcing and cost reduction may be less pronounced. Efficient Resource Allocation shows strong positive correlations with all other independent variables, ranging from 0.601 to 0.857.

This suggests that effective resource allocation is closely related to various operational aspects and has a significant influence on Cost Reduction.

Staff Development displays strong positive correlations with all other independent variables, ranging from 0.668 to 0.903. Despite this, its correlation with Cost Reduction is slightly lower than that of Administrative Efficiency and Sustainable Practice, indicating a potentially indirect relationship with cost reduction. Sustainable Practice demonstrates very strong positive correlations with all other independent variables, ranging from 0.594 to 0.926. The exceptionally high correlation values highlight the importance of Sustainable Practice in driving performance across different dimensions, including Cost Reduction.

In summary, the correlation data suggest that Administrative Efficiency, Efficient Resource Allocation, Staff Development, and Sustainable Practice are key drivers of Cost Reduction within the studied context. While Technological Adoption and Outsourcing also play a role in influencing cost reduction, their direct impact may be somewhat less significant compared to the aforementioned factors. The correlation analysis highlights the multifaceted relationships between Administrative Efficiency, Efficient Resource Allocation, Staff Development, Sustainable Practice, and their collective impact on Cost Reduction. While Technological Adoption and Outsourcing also play important roles in influencing cost reduction, the data suggests that focusing on enhancing administrative efficiency, resource allocation effectiveness, staff development, and sustainable practices can yield significant cost-saving benefits and drive organizational success.

### **4.3.3 Regression Analysis**

Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the values of dependent variables, and given the values of the independent (Kothari, 2004). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predicts the value of the dependent variable. Multiple regression analysis in this research was used to model the value of the construct variable (cost reduction) based on its linear relationship to two or more predictors (Administrative Efficiency, Technological Adoption, Outsourcing Efficient Resource Allocation, Staff Development and Sustainable Practice). This means, the overall cost reduction is an aggregation of the detriments' of internal enterprise. In

order to indicate the impact that each predictor has on the construct variable, the unstandardized coefficients are checked.

**Table 4.11a Model Summary**

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.951 <sup>a</sup>	.905	.903	.765	.905	451.702	6	285	.000	2.287
a. Predictors: (Constant), Sustainable Practice, Technological Adoption, Outsourcing, Efficient Resource Allocation, Administrative Efficiency, Staff Development										
b. Dependent Variable: Cost Reduction										

Source; SPSS Survey Output (2024)

As indicated in the model summary of the analysis on Table 4.11a, above, the value of R (.951) indicated relations of the six independent variables with the dependent one affecting approximately 90.4 % ( $R^2$ ) of the variance of cost reduction. However, the remaining percent (9.6%) was explained by other variables not included in this study. As indicated in Table 4.12b of ANOVA test, F value of 451.702 is significant at  $p < 0.001$ . Therefore, it can be inferred that with 90.4% of variance (R Square), internal enterprise determinates is significant and the model appropriately measured the dependent variables – cost reduction. In short, the regression model predicts overall cost reduction and has been significantly explained by the six independent internal enterprise determinates.

**Table 4.11b ANOVA Analysis**

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1586.199	6	264.366	451.702	.000 <sup>b</sup>
	Residual	166.801	285	.585		
	Total	1753.000	291			

a. Dependent Variable: Cost Reduction

b. Predictors: (Constant), Sustainable Practice, Technological Adoption, Outsourcing, Efficient Resource Allocation, Administrative Efficiency, Staff Development

Source; SPSS Survey Output (2024)

The last output in the analysis of the multiple regression models represents the output for the beta coefficients of each internal enterprise determinates. The regression equation for this research is presented below.

$$CR = \beta_0 + \beta_1AE + \beta_2TAD + \beta_3OUT + \beta_4ERA + \beta_5SD + \beta_6SP + e$$

Where, CR = Cost Reduction, E =Administrative Efficiency, TA = Technological Adoption, OUT = Outsourcing, ERA = Efficient Resource Allocation, SD = Staff Development and SP = Sustainable Practice.  $\beta_0$  = Constant,  $\beta_1$  to  $\beta_6$  = beta coefficients, and e = error terms.

Based on multiple linear regression analysis on Table 4.11c, substituting the results in the model yields:

$$CR = .389 + .630AE + .090TAD + .165OUT + .910ERA + .099SD + .602SP + e$$

This equation represents the relationship between the independent variables (Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice) and the dependent variable (Cost Reduction). Each coefficient in the equation indicates the impact of the corresponding independent variable on Cost Reduction.

Administrative Efficiency has the highest coefficient of 0.568, indicating that it has the strongest positive effect on Cost Reduction among all the variables. This suggests that improving Administrative Efficiency can lead to significant cost reductions. Technological Adoption also has a positive impact on Cost Reduction, although it is relatively weaker compared to Administrative Efficiency, with a coefficient of 0.098. Outsourcing and Staff Development have positive coefficients, indicating that they contribute to Cost Reduction to some extent. However, Efficient Resource Allocation does not seem to have a significant impact based on the data provided.

Sustainable Practice stands out as the variable with the highest coefficient of 0.633, suggesting that implementing sustainable practices can lead to substantial cost reductions. Overall, this regression model equation provides insights into how different factors influence Cost Reduction in the context of the study, highlighting the importance of Administrative Efficiency and Sustainable Practices in achieving cost-saving goals. For instance, this signifies that for every additional point or investment on Administrative Efficiency, one could predict a gain of 0.630 points on the overall cost reduction of the companies provided that other variables being held constant; and the same are for other internal enterprise determinates.

Based on the model coefficients and collinearity statistics provided, it appears that the predictor variables "Administrative Efficiency," "Technological Adoption," and "Sustainable Practice" have significant impacts on Cost Reduction, with low levels of multicollinearity among the predictors. The predictors "Outsourcing," "Efficient Resource Allocation," and "Staff Development" also show some influence but may require further investigation, especially regarding their significance and collinearity with other variables.

**Table 4.11c Estimated Regression Coefficients**

<b>Coefficients</b>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.389	.327		1.186	.023		
	Administrative Efficiency	.630	.047	.568	13.546	.000	.190	5.267
	Technological Adoption	.090	.019	.098	4.73	.000	.200	5.008
	Outsourcing	.165	.031	.112	5.322	.002	.261	3.825
	Efficient Resource Allocation	.910	.113	.011	8.05	.038	.190	5.269
	Staff	.099	.052	.101	1.896	.049	.118	8.493

Development								
Sustainable Practice	.602	.053	.633	11.328	.000	.107	9.351	
a. Dependent Variable: Cost Reduction								

Source; SPSS Survey Output (2024).

#### 4.4 Hypothesis Testing

In this section, proof of the null hypothesis is made based on Table 4.11c above for the variables administrative efficiency, technological adoption, outsourcing, efficient resource allocation, staff development, and sustainable practice to either accept or reject. Because, to test the research hypotheses already set in chapter 1, it is possible to find out if the independent variables are significant predictors of the dependent variables. For these test of relationships and in that way my hypotheses, the regression analysis was applied for this thesis.

##### Hypothesis 1

**Ha1:** Improving administrative efficiency has significant effect on the cost reductions of Hawassa university main campus.

**Ho1:** Improving administrative efficiency has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.11c, the p value is less than 0.05 (at  $p= 0.023$ ), the value is highly significant. Thus, we reject the null hypothesis ( $Ho1$ ) and, accept the alternative hypothesis ( $Ha1$ ); hence, the null hypothesis is rejected. This implies that administrative efficiency has significant effect on the cost reductions of Hawassa university main campus.

##### Hypothesis 2

**Ha2:** The adoption of new technologies and innovations has significant effect on the cost reductions of Hawassa university main campus.

**Ho2:** The adoption of new technologies and innovations has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.11c, the p value is less than 0.05 (at  $p= 0.023$ ), the value is highly significant. Thus, we reject the null hypothesis ( $Ho1$ ) and, accept the alternative hypothesis ( $Ha1$ ); hence, the null hypothesis is rejected. This implies that adoption of new technologies has significant effect on the cost reductions of Hawassa university main campus.

### **Hypothesis 3**

**Ha3:** Outsourcing certain administrative functions has significant effect on the cost reductions of Hawassa university main campus.

**Ho3:** Outsourcing certain administrative functions has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.1 1c, the p value is less than 0.05 (at  $p= 0.002$ ), the value is highly significant. Thus, we reject the null hypothesis ( $H_0$ ) and, accept the alternative hypothesis ( $H_a$ ); hence, the null hypothesis is rejected. This implies that outsourcing has significant effect on the cost reductions of Hawassa university main campus.

### **Hypothesis 4**

**Ha4:** An efficient resource allocation strategy has significant effect on the cost reductions of Hawassa university main campus.

**Ho4:** An efficient resource allocation strategy has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.1 1c, the p value is less than 0.05 (at  $p= 0.038$ ), the value is highly significant. Thus, we reject the null hypothesis ( $H_0$ ) and, accept the alternative hypothesis ( $H_a$ ); hence, the null hypothesis is rejected. This implies that efficient resource allocation has significant effect on the cost reductions of Hawassa university main campus.

### **Hypothesis 5**

**Ha5:** Investing in staff development has significant effect on the cost reductions of Hawassa university main campus.

**Ho5:** Investing in staff development has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.1 1c, the p value is less than 0.05 (at  $p= 0.049$ ), the value is highly significant. Thus, we reject the null hypothesis ( $H_0$ ) and, accept the alternative hypothesis ( $H_a$ ); hence, the null hypothesis is rejected. This implies that staff development has significant effect on the cost reductions of Hawassa university main campus.

### **Hypothesis 6**

**Ha6:** Sustainable practice has significant effect on the cost reductions of Hawassa university main campus.

**Ho6:** Sustainable practice has no significant effect on the cost reductions of Hawassa university main campus.

As it is indicated in table 4.11c, the p value is less than 0.05 (at  $p= 0.000$ ), the value is highly significant. Thus, we reject the null hypothesis ( $H_0$ ) and, accept the alternative hypothesis ( $H_1$ ); hence, the null hypothesis is rejected. This implies that sustainable practice has significant effect on the cost reductions of Hawassa university main campus.

**Table 4.12 Summary of hypothesis testing**

No	Variables	Tool	Result
1	Improving administrative efficiency has no significant effect on the cost reductions of Hawassa university main campus.	Regression	Rejected
2	The adoption of new technologies and innovations has no significant effect on the cost reductions of Hawassa university main campus.	Regression	Rejected
3	Outsourcing certain administrative functions has no significant effect on the cost reductions of Hawassa university main campus.	Regression	Rejected
4	An efficient resource allocation strategy has no significant effect on the cost reductions of Hawassa university main campus.	Regression	Rejected
5	Investing in staff development has no significant effect on the cost reductions of Hawassa university main campus.	Regression	Rejected
6	Sustainable practice has no significant effect on	Regression	Rejected

	the cost reductions of Hawassa university main campus.		
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Based on the data provided, we can reject all null hypotheses ( $H_0$ ) as the p-values for Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice are all less than 0.05 ( $p < 0.05$ ). This indicates that there is a significant effect of these factors on cost reductions at Hawassa University main campus.

The results suggest that implementing strategies related to Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice could lead to cost savings and efficiency improvements at Hawassa University. By focusing on these areas, the university can optimize its operations, enhance resource utilization, and improve overall financial performance.

In conclusion, the findings support the hypothesis that these factors play a crucial role in cost reduction efforts at Hawassa University main campus.

#### **4.5 Discussion**

This part elaborates the findings of the results in line with the objectives of the study. This study was intended to assess the effect of internal enterprise on cost reduction. The discussion focuses on the major findings of Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice and their relationship with overall cost reduction of the educational institutions in a case of Hawassa university main campus.

By addressing internal enterprise factors such as administrative efficiency, technological adoption, outsourcing, and efficient resource allocation, staff development, and sustainable practices, companies can effectively manage costs and drive sustainable growth. Identifying and addressing inefficiencies in administrative tasks, organizations can reduce overhead costs and improve productivity. This requires a continuous review of processes and the implementation of efficient systems to enhance operational effectiveness.

Embracing new technologies such as automation, data analytics, and cloud computing can streamline operations, increase efficiency, and reduce the need for manual labor. By investing in innovative solutions, companies can automate repetitive tasks, improve decision-making processes, and drive cost savings through increased productivity.

Outsourcing activities such as IT support, customer service, or payroll processing, companies can benefit from cost savings, access specialized expertise, and improve operational efficiency. Carefully planning and allocating resources such as manpower, equipment, and materials, organizations can reduce costs, improve efficiency, and enhance overall performance. This involves monitoring resource usage, identifying areas of improvement, and implementing strategies to maximize resource efficiency.

Providing training opportunities, career development programs, and performance incentives, companies can empower employees to perform at their best and contribute to cost reduction efforts. Well-trained and motivated staffs are more efficient, innovative, and capable of driving operational excellence. Implementing energy-efficient technologies, reducing waste generation, and adopting eco-friendly policies, organizations can lower operational expenses while demonstrating corporate social responsibility. Sustainable practices not only benefit the environment but also contribute to long-term cost savings and enhanced brand reputation.

In conclusion, by focusing on these internal enterprise factors, organizations can effectively manage costs, drive operational efficiency, and achieve sustainable growth. It is essential for businesses to continuously evaluate and optimize their operations to identify opportunities for cost reduction and enhance overall competitiveness in today's dynamic business environment. By integrating these determinants into their strategic planning and decision-making processes, companies can position themselves for long-term success and profitability.

Statistical analysis plays a crucial role in understanding the relationships between various factors and their impact on organizational outcomes such as cost reduction. In this context, descriptive statistics provide a snapshot of the data, offering insights into the central tendency, dispersion, and distribution of variables. Regression analysis helps to identify the key drivers of cost reduction by examining how changes in independent variables (such as Administrative

Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practice) affect the dependent variable (Cost Reduction).

Correlation analysis, on the other hand, reveals the strength and direction of relationships between variables. In My analysis, I found that Administrative Efficiency exhibited strong positive correlations with all other factors, indicating its central role in driving operational efficiency and cost reduction. Technological Adoption, while positively correlated with other variables, showed slightly lower correlations with Cost Reduction, suggesting that its impact on cost reduction may be indirect or mediated by other factors.

Efficient Resource Allocation emerged as a critical driver of cost reduction, with strong positive correlations across all variables. This highlights the importance of optimizing resource allocation strategies to achieve cost-saving objectives. Staff Development also played a significant role in influencing cost reduction, with strong positive correlations with all other factors. Sustainable Practice stood out with exceptionally high correlations across all variables, underscoring its importance in driving performance and cost reduction.

In summary, the statistical analysis revealed a complex web of relationships between Administrative Efficiency, Technological Adoption, Efficient Resource Allocation, Staff Development, Sustainable Practice, and their collective impact on Cost Reduction. By leveraging these insights, organizations can prioritize interventions that enhance administrative efficiency, optimize resource allocation, invest in staff development, and promote sustainable practices to drive cost reduction and improve overall operational efficiency. The findings underscore the interconnected nature of these factors and highlight the potential for synergistic effects when addressing them holistically.

## **CHAPTER FIVE**

### **5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

In this chapter of the study, summary of the major findings, conclusion and recommendations of the study is presented. The purpose of this chapter is to discuss and draw conclusions and recommendations on the findings of the main objective of the study that was to evaluate the effect of internal enterprise on cost reduction of the educational institutions in a case of Hawassa university main campus based on the specific objectives and answers to research questions. The variables under consideration through the study were administrative efficiency, technological adoption, outsourcing, efficient resource allocation, staff development, and sustainable practices.

#### **5.2 Summary of Major Findings**

The primary objective of this study was to evaluate the effect of internal enterprise on cost reduction of the educational institutions in a case of Hawassa university main campus.

##### **Demography**

The results of the demographic profile of the respondents indicate that majority of student, employees and administrations representatives of the campus have were males, first degree and Masters" degree holders, working as instructor or teachers job category and students and have been working and studying in the Campus for more than 3 years.

##### **Administrative Efficiency**

- Majority of the respondents believed that Hawassa University Main Campus is likely to prioritize and invest in improving administrative efficiency to reduce costs (mean 3.64) and involvement and empowerment of employees in decision-making processes positively affect administrative efficiency (mean 3.10).
- Whereas, they were disagreed regarding Efficient decision-making frameworks and Streamlining administrative procedures of the campus to reduce cost (mean 2.09 for both).

- Administrative efficiency had positive strong and significant relation with sales performance ( $r = 0.828$ ) with relatively the high effect on overall cost reduction ( $\beta = .630$ ).

### **Technological Adoption**

- Providing training and support for staff in using new technologies influences cost reduction (mean 4.10), Implementing advanced technological systems(mean 3.92) as well as Implementing online systems and processes can result cost reduction in the campus (mean 3.78).
- However, majority of the respondents believed that the campus was not working on the adoption of new technologies (mean 2.50).
- Technological adoption has direct and strong relation ( $r = 0.657$ ) and its effect accounted for ( $\beta = .090$ ) on cost reduction.

### **Outsourcing**

- The selection of reliable and efficient outsourcing partners(mean 4.11) and outsourcing administrative tasks and services have great contributions to cost reduction of campus (mean 3.88) while the campus has drawbacks on outsourcing maintenance and facility management (mean 2.04).
- Delegating certain functions to specialized service providers is beneficial for cost reduction at the university(mean 3.94) and satisfaction of employees and students at Hawassa University Main Campus with the outcomes achieved through outsourcing were found to be slightly positive (Mean, 3.09).
- Outsourcing has direct and significant relation with cost reduction ( $r = 0.764$ ) and relatively moderate effect ( $\beta = .165$ ) on cost reduction.

### **Efficient Resource Allocation**

- Majority of the respondents have believed that efficient resource allocation is not a priority for Hawassa University Main Campus (mean 2.30).
- While, they are agreed that prioritizing resources based on the institution's needs and goals (mean 3.88), the implementation of outcome-based budgeting (mean 3.54) and

flexible resource allocation strategies can lead to effective resource allocation and cost reduction of the campus(mean 3.09).

- Efficient resource allocation has positive strong significant relation with cost reduction ( $r = 0.764$ ) and relatively highest effect with cost reduction ( $\beta = .910$ ).

### **Staff Development**

- Majority of the respondents agreed on Performance-based training and development (mean 4.09), Continuous professional development programs (mean 4.12), Cultivating a culture of continuous learning and growth among staff (mean 4.10), and enhances operational efficiency and reduces costs at Hawassa University Main Campus.
- On the other hand, Equipping staff with necessary skills and knowledge (mean 3.72), and Implementation of peer mentoring and knowledge sharing programs mean (3.90) have also positively influences cost reduction.
- Staff development had direct strong relation with cost reduction ( $r = 0.857$ ) but relatively lowest effect ( $\beta = .099$ ) next to technological adoption.

### **Sustainable Practices**

- Majority of the respondents believed that the campus did not adopting energy-efficient systems and practices (mean 2.11), did not use of renewable energy sources and sustainable building design (mean 2.58), and implementing environmentally friendly initiatives was not applicable at the campus (mean 2.49) resulted in rising cost and loss of profitability as well.
- On the other hand, they took neutral stand regarding Incorporating environmental sustainability into curriculum and educational programs (mean 3.11), and Promoting community engagement and social responsibility (mean 2.70).
- Sustainable practices had direct strong relation with cost reduction ( $r = 0.903$ ) and relatively highest effect ( $\beta = .602$ ) on cost reduction next to administrative efficiency and efficient resource allocation.

Generally, Based on the mean scores obtained from the study on ‘the effects of internal enterprise on cost reduction at Hawassa University Main Campus’, it is evident that Administrative Efficiency, Technological Adoption, Outsourcing, Efficient Resource Allocation, Staff Development, and Sustainable Practices are significant determinants of cost reduction within the

institution. The mean scores for these determinants indicate varying levels of impact on minimizing unnecessary expenditures and reducing waste, with Administrative Efficiency and Sustainable Practices showing the highest perceived impact.

The empirical review findings suggest that internal enterprise activities have a positive impact on cost reduction in educational institutions. Educational institutions can leverage internal enterprise activities as a cost reduction strategy to generate additional revenue, optimize resource allocation, and improve operational efficiency.

**Limitations and Future Research:** The empirical studies reviewed had limitations such as sample size, geographical focus, or specific institutional contexts. Further research is needed to explore the effectiveness of internal enterprise activities in diverse educational settings.

The research findings revealed several key themes on the effect of internal enterprise activities on cost reduction in educational institutions:

Technological Adoption, Efficient Resource Allocation, Staff Development, and Sustainable Practice play crucial roles in influencing cost reduction, with varying degrees of impact and interrelationships. The interconnected nature of these factors highlights the importance of a holistic approach to cost reduction strategies.

**Cost reduction:** is a critical aspect of organizational management that involves identifying and implementing measures to lower expenses without compromising quality. Cost reduction is a strategic initiative that aims to enhance profitability and efficiency by eliminating waste and optimizing operations. The process of cost reduction requires a systematic approach to analyzing and optimizing resources to improve financial health and competitiveness. Various strategies and activities, such as process improvement, resource utilization, and innovation, can be employed to achieve cost reduction goals.

**Administrative Efficiency:** Streamlining administrative processes can lead to cost savings through reduced overheads and improved productivity. Administrative Efficiency emerges as a central driver of cost reduction, exhibiting strong positive correlations with all other factors.

**Technological Adoption:** Embracing new technologies can automate tasks, increase efficiency, and reduce the need for manual labor, thereby cutting costs. The utilization of technology and

software solutions within educational institutions greatly improved their operational efficiency, leading to cost reduction. Common areas of technology adoption included e-learning platforms, data analytics, and automation of routine tasks.

**Outsourcing:** Outsourcing non-core functions can be cost-effective as it allows the enterprise to focus on its core competencies while reducing operational expenses.

**Efficient Resource Allocation:** Proper allocation of resources ensures optimal utilization and minimizes wastage, resulting in cost reductions. By effectively managing human, financial, and physical resources, educational institutions were able to achieve cost savings. Examples include streamlining administrative processes, optimizing employee work schedules, and utilizing shared resources across departments.

**Staff Development:** Investing in staff training and development can enhance skills and productivity, ultimately leading to cost savings in the long run.

**Sustainable Practices:** Implementing sustainable practices can reduce energy consumption, waste generation, and other operational costs. **Process efficiency:** Institutions that engaged in continuous improvement of their internal processes experienced significant cost savings. This included the use of process mapping, best practice benchmarking, and performance measurement systems.

### **5.3 Conclusion**

Cost reduction is essential for organizations to remain competitive and financially sustainable in today's dynamic business environment. Implementing cost reduction measures requires a holistic approach that involves all aspects of the organization, from operations to finance. Continuous monitoring and evaluation of cost reduction initiatives are necessary to ensure long-term success and effectiveness. Successful cost reduction efforts can lead to improved financial performance, increased competitiveness, and enhanced overall organizational efficiency.

The findings reveal that internal enterprise activities play a crucial role in driving cost reduction efforts at Hawassa University Main Campus. Administrative Efficiency, including streamlining processes and improving decision-making, is key to achieving financial sustainability. Technological Adoption can enhance efficiency and productivity, while Outsourcing can help

reduce costs by leveraging external expertise and resources. Efficient Resource Allocation ensures optimal use of resources, while Staff Development contributes to a skilled workforce capable of implementing cost-saving measures. Sustainable Practices not only promote environmental responsibility but also lead to long-term cost savings.

My sample research indicates that internal enterprise activities have a significant impact on cost reduction in educational institutions. By effectively managing resources, engaging in collaborative initiatives, adopting technology, and continuously improving internal processes, educational institutions can achieve substantial cost savings. Such cost reductions allow institutions to allocate limited resources towards improving the quality of education and enhancing the student experience. Further research on the long-term effects of these strategies and their impact on educational outcomes would provide deeper insights into the value of internal enterprise activities in the context of education.

The importance of internal enterprise and cost reduction strategies in the Ethiopian context cannot be overstated. Emphasizing operational efficiency, waste reduction, and continuous improvement can lead to substantial cost savings and enhanced business performance.

**Administrative Efficiency:** By streamlining administrative processes, eliminating redundancies, and optimizing workflows, Hawassa University can reduce operational costs associated with administrative tasks. This can involve implementing digital solutions, automation tools, and efficient communication systems to improve efficiency. Improving administrative efficiency can streamline processes and reduce wastage.

**Technology Adoption:** Embracing new technologies such as cloud computing, data analytics, and software solutions can enhance productivity, reduce manual labor, and lower IT-related costs. Investing in technology upgrades and training can lead to long-term cost savings and improved performance. Adopting new technologies and innovation can drive efficiency gains and cost savings.

**Outsourcing:** Outsourcing non-core functions like janitorial services, security, or IT support can be a cost-effective strategy for Hawassa University. By leveraging external expertise and resources, the university can focus on its core mission while reducing overhead costs associated

with in-house operations. Outsourcing certain administrative functions can lead to cost reduction and efficiency improvement.

**Efficient Resource Allocation:** Analyzing resource allocation across departments and projects can help identify areas of overspending or underutilization. By optimizing resource allocation based on priorities and needs, the university can achieve cost savings without compromising on quality. Analyzing the existing resource allocation strategy can help identify areas for improvement and potential cost savings.

**Staff Development:** Investing in staff training and development programs can enhance employee skills, motivation, and job satisfaction. Well-trained employees are more productive, efficient, leading to cost savings through improved performance, and reduced turnover. Investing in staff development programs can enhance employee skills and productivity, ultimately reducing costs.

**Sustainable Practices:** Implementing sustainable practices such as energy efficiency measures, waste reduction initiatives, and green procurement policies can not only lower operational costs but also contribute to environmental conservation. By reducing waste and resource consumption, the university can achieve long-term cost savings and promote sustainability. Implementing sustainable practices can not only reduce costs but also promote long-term environmental and financial sustainability.

Based on the specific objectives outlined, it can be concluded that internal enterprise activities such as administrative efficiency, technology adoption, outsourcing, efficient resource allocation, staff development, and sustainable practices have a significant impact on cost reduction at Hawassa University.

Internal enterprise factors such as administrative efficiency, technological adoption, outsourcing, efficient resource allocation, staff development, and sustainable practices have a significant impact on cost reduction. By strategically managing these determinants, enterprises can achieve cost savings and improve overall profitability.

Therefore, it is evident that focusing on these internal enterprise activities can contribute to cost reduction and overall financial sustainability at Hawassa University.


## 5.4 Recommendation

It was found to have positive significant relationships between internal enterprises determinates and cost reduction. All the six determinates of internal enterprise of cost reduction such as administrative efficiency, technological adoption, outsourcing, efficient resource allocation, staff development, and sustainable practices are appropriate predictors to measure overall cost reduction keeping other variables constant. In view of the findings and conclusions of the study, the study makes the following recommendations to the Hawassa University main campus based on the objectives of the study for improving the integration on internal enterprise to reduce cost.

The recommendations are:

Develop a comprehensive cost reduction strategy that integrates Administrative Efficiency improvements, Technological Adoption initiatives, Efficient Resource Allocation practices, Staff Development programs, and Sustainable Practice initiatives.

- ✚ **Enhance Administrative Efficiency:** Implement measures to streamline administrative processes, improve communication, and optimize decision-making to reduce unnecessary expenditures. Continuously review and optimize administrative processes to eliminate inefficiencies and reduce costs.
- ✚ **Foster Technological Adoption:** Invest in technology that enhances operational efficiency, automates tasks, and improves data management to drive cost reduction efforts. Utilizing technology and data analytics can help identify areas for cost reduction and drive informed decision-making.
- ✚ **Explore Outsourcing Opportunities:** Consider outsourcing non-core functions or services to specialized providers to reduce costs and improve operational efficiency.
- ✚ **Optimize Resource Allocation:** Continuously monitor and evaluate resource allocation to ensure optimal utilization and minimize waste. Implement robust resource allocation strategies to ensure optimal utilization of resources.
- ✚ **Invest in Staff Development:** Provide training and development opportunities to staff to enhance their skills and knowledge, enabling them to contribute effectively to cost reduction initiatives. Invest in employee training and development to foster a culture of continuous improvement and innovation, which can support ongoing cost reduction efforts.

 **Promote Sustainable Practices:** Integrate sustainable practices into daily operations to reduce environmental impact and achieve long-term cost savings. Integrate sustainable practices into business operations to lower environmental impact and reduce operational costs.

By focusing on these determinants of internal enterprise activities, Hawassa University Main Campus can further strengthen its cost reduction strategies and ensure financial sustainability in the long run. Overall, by focusing on these determinants of internal enterprise on cost reduction, organizations can enhance their competitiveness and achieve sustainable growth.

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# APPENDICES

## Appendix - A Survey Questionnaire



HAWASSA UNIVERSITY

COLLAGE OF BUSINESS AND ECONOMICS

POSTGRADUATE PROGRAM

MARKETING MANAGEMENT

Dear Respondent,

My name is Belete Siyom and I am a final year MA student at Hawassa University School of management. As part of the requirements in completion of the Master of Arts program in Marketing Management, I am undertaking a research entitled „Effects of internal enterprise activities on cost reduction of educational institutions in the case of Hawassa university main campus“. This study is done to examine the effect of internal enterprise activities on cost reduction to shade lights on how internal enterprise activities are currently implemented and to what extent they affect the overall cost reduction. To this end, I will collect data from employees and students of the campus. You will be selected as a valuable participant for this research. Please be honest in filling this questionnaire, as the results of this study can be used as a basis for further study. Your confidentiality will be protected and any information collected in this Study will be granted with full confidentiality. Leave those non-applicable. Please do not hesitate to contact me if you have any doubts, comments or suggestions regarding the content and the subject matter as well. For more information, you can contact at any time needed through my address; Tel + 251912406875, E-mail belegudu21@gmail.com, Belete Siyom.

Thank you for your willingness to participate in this study. It is highly appreciated.

## I. Demographic Information

1. What is your current Job position? \_\_\_\_\_

2. Gender      Male       Female

3. How many years have you worked or studying in Hawassa University?

Less than 3 years       3 to 6 years       6 to 8 years

8-10 years       above 10 years

4. Educational Background

Certificate       Diploma       BA/BSC

MA/MSc       PhD

Please read each statement carefully and show your level of agreement on the statements by putting “X” mark in the boxes using the following 5-scale Likert scales: Strongly agreed (SA) =5, Agreed (A)=4, Neutral (N)=3, Disagreed (DA)=2, and Strongly disagreed (SDA)=1

1. Cost reduction

Cost reduction		Level of agreements				
No	Statements	1	2	3	4	5
1	Internal enterprise activities significantly contribute to minimizing unnecessary expenditures and reducing waste at Hawassa University Main Campus.					
2	Implementing a cost reduction strategy is essential for ensuring the financial sustainability of Hawassa University Main Campus.					
3	Optimizing procurement and purchasing processes has a positive impact on cost reduction at Hawassa University Main Campus.					
4	Controlling and reducing operational expenses play a crucial role in achieving cost reduction at Hawassa University Main Campus.					
5	Internal enterprise activities are key to helping Hawassa University Main Campus achieve financial sustainability and stability through cost reduction.					

2. Administrative Efficiency

Administrative Efficiency		Level of agreements				
No	Statements	1	2	3	4	5
1	Hawassa University Main Campus is likely to prioritize and invest in improving administrative efficiency to reduce costs.					
2	Effective communication within the campus contributes to administrative efficiency and cost reduction.					
3	Efficient decision-making frameworks within the campus contribute to cost reduction.					
4	The involvement and empowerment of employees in decision-making processes positively affect administrative efficiency and cost reduction at Hawassa University Main Campus.					
5	Streamlining administrative procedures at Hawassa University Main					

	Campus enhances cost reduction efforts.					
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### 3. Technological Adoption

Technological Adoption		Level of agreements				
No	Statements	1	2	3	4	5
1	The adoption of new technologies significantly reduces costs at Hawassa University Main Campus.					
2	Providing training and support for staff in using new technologies influences technological adoption and cost reduction at Hawassa University Main Campus.					
3	Implementing online systems and processes can result in technological adoption and cost reduction at Hawassa University Main Campus.					
4	Integrating digital learning platforms and tools positively influences technological adoption and cost reduction at Hawassa University Main Campus.					
5	Implementing advanced technological systems can lead to cost reduction at Hawassa University Main Campus.					

### 4. Outsourcing

Outsourcing		Level of agreements				
No	Statements	1	2	3	4	5
1	Outsourcing administrative tasks and services positively affect outsourcing and cost reduction at Hawassa University Main Campus.					
2	The selection of reliable and efficient outsourcing partners affects outsourcing and cost reduction at Hawassa University Main Campus.					
3	Outsourcing maintenance and facility management can lead to cost reduction at Hawassa University Main Campus.					
4	Delegating certain functions to specialized service providers is beneficial for cost reduction at Hawassa University Main Campus.					
5	Employees and students at Hawassa University Main Campus are generally satisfied with the outcomes achieved through outsourcing for cost reduction.					

### 5. Efficient Resource Allocation

Efficient Resource Allocation		Level of agreements				
No	Statements	1	2	3	4	5
1	Efficient resource allocation is a priority for Hawassa University Main Campus in order to achieve continual cost reduction.					
2	Prioritizing resources based on the institution's needs and goals is essential for achieving cost reduction at Hawassa University Main Campus.					
3	The implementation of outcome-based budgeting has a positive impact on resource allocation and cost reduction at Hawassa University Main Campus.					
4	Flexible resource allocation strategies can lead to effective resource allocation and cost reduction at Hawassa University Main Campus.					
5	Optimizing resource utilization is crucial for generating significant cost savings at Hawassa University Main Campus.					

#### 6. Staff Development

Staff Development		Level of agreements				
No	Statements	1	2	3	4	5
1	Performance-based training and development positively influences staff development and cost reduction at Hawassa University Main Campus.					
2	Continuous professional development programs have a beneficial impact on cost reduction efforts at Hawassa University Main Campus.					
3	Equipping staff with necessary skills and knowledge enhances operational efficiency and reduces costs at Hawassa University Main Campus.					
4	Cultivating a culture of continuous learning and growth among staff contributes to cost reduction at Hawassa University Main Campus.					
5	Implementation of peer mentoring and knowledge sharing programs can enhance staff development and lead to cost reduction at Hawassa University Main Campus.					

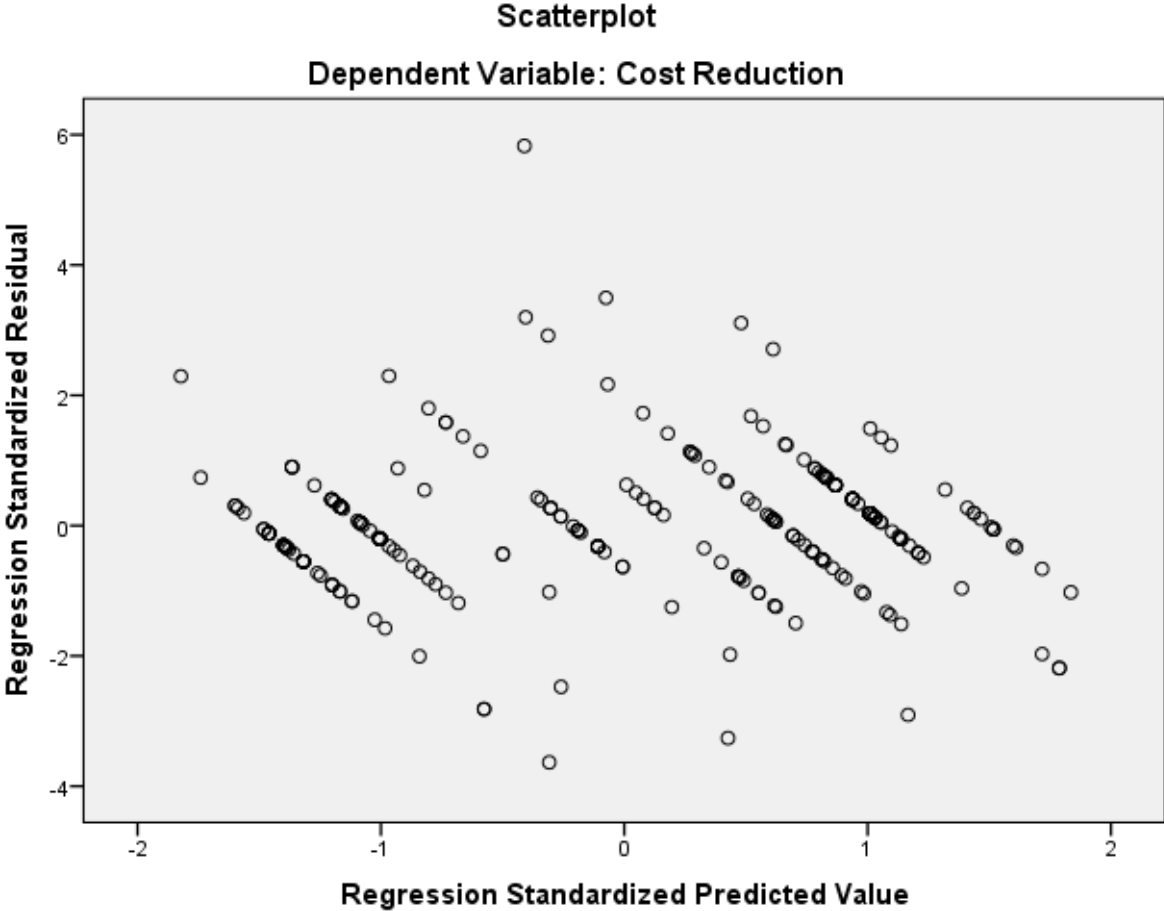
#### 7. Sustainable Practice

Sustainable Practice	Level of agreements
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No	Statements	1	2	3	4	5
1	Adopting energy-efficient systems and practices contributes to cost reduction at Hawassa University Main Campus.					
2	The use of renewable energy sources and sustainable building design affects sustainable practices and cost reduction at Hawassa University Main Campus.					
3	Incorporating environmental sustainability into curriculum and educational programs leads to sustainable practices and cost reduction at Hawassa University Main Campus.					
4	Promoting community engagement and social responsibility affects sustainable practices and cost reduction at Hawassa University Main Campus.					
5	Implementing environmentally friendly initiatives improves operational efficiency and reduces costs at Hawassa University Main Campus.					

Thank you for your honest opinion and participation!

**Appendix – B Multicollinearity Test**



Normal P-P Plot of Regression Standardized Residual  
Dependent Variable: Cost Reduction

