



# Self-Financing Management in Non-Governmental Schools: Resources, Challenges, and Practical Strategies of Principals

Fatemeh Izadiyan<sup>1</sup>, Mohammad Ali Nadi<sup>2\*</sup> and Mohsen Amini Khozani<sup>3</sup>



- <sup>1</sup> PhD Student, Department of Educational Management, Isf.C., Islamic Azad University, Isfahan, Iran;   
<sup>2</sup> Department of Educational Management, Isf.C., Islamic Azad University, Isfahan, Iran;   
<sup>3</sup> Department of Financial Management, ShQ.C., Islamic Azad University, Tehran, Iran; 

\* Correspondence: nadi1297@iau.ac.ir

**Citation:** Izadiyan, F., Nadi, M. A., & Amini Khozani, M. (2026). Self-Financing Management in Non-Governmental Schools: Resources, Challenges, and Practical Strategies of Principals, *Marketing, and Finance Open*, 3(6), 1-15.

Received: 04 November 2025  
 Revised: 10 March 2026  
 Accepted: 17 March 2026  
 Initial Publication: 07 April 2026  
 Final Publication: 01 November 2026



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**Abstract:** The present study was conducted with the aim of elucidating how self-financing is managed in non-governmental schools in Iran, with a specific focus on identifying financial resources, existing constraints and challenges, and the practical strategies employed by school principals. The study adopted a qualitative approach and employed descriptive phenomenology based on Colaizzi's method. The research participants consisted of 15 successful principals of non-governmental schools who were selected through purposive sampling, and data were collected via in-depth semi-structured interviews. The data analysis process was conducted in accordance with the seven-step procedure of Colaizzi's method using MAXQDA software. The findings indicated that self-generated financial resources in non-governmental schools are diverse in nature and include student tuition fees, parental contributions, support from benefactors, economic utilization of school physical spaces, provision of supplementary educational services, sale of products and digital content, as well as interaction and collaboration with the private sector. The results demonstrated that diversification of these resources and movement toward entrepreneurial management play a fundamental role in achieving the financial sustainability of schools. Furthermore, managerial actions and operational steps—such as assessing and analyzing financial status, formulating strategic plans, designing educational business models, expanding communication networks with stakeholders, developing digital services, and enhancing financial transparency—have a decisive impact on increasing and stabilizing school financial resources. Conversely, obstacles such as regulatory instability, banking and tax restrictions, high maintenance costs, limited financial literacy among principals, and negative societal perceptions pose significant challenges to the self-financing process of non-governmental schools. The findings suggest that the coherent and systematic implementation of managerial strategies can mitigate the severity of these challenges and contribute to strengthening schools' resilience and financial autonomy. Overall, self-financing management in non-governmental schools is a multidimensional phenomenon that emerges from the interaction between internal organizational capacities, managerial agency, and the policy environment. The results of this study may serve as a foundation for supportive policymaking and for the design of capacity-building programs for principals of non-governmental schools.

**Keywords:** Educational financial management, self-financing, non-governmental schools, income diversification, financial resilience, descriptive phenomenology.

## 1. Introduction

The sustainability of non-governmental and private schools has emerged as a pressing issue in contemporary educational policy and management discourse, particularly in contexts characterized by fiscal constraints, regulatory volatility, and heightened stakeholder expectations. Globally, education systems are experiencing increasing pressure to deliver high-quality learning outcomes while simultaneously ensuring financial accountability and institutional resilience. According to the OECD's comprehensive indicators, educational institutions are expected not only to enhance student performance and equity but also to optimize resource allocation and strengthen financial governance mechanisms [1]. In this context, private and non-governmental schools occupy a distinctive position. While they are often perceived as more flexible and innovative than public schools, they typically lack guaranteed state funding and therefore must rely on a combination of tuition, internal revenue generation, and external support mechanisms. Empirical evidence from diverse regions indicates that private schools frequently confront financial instability due to limited internal funding sources and fluctuating enrollment patterns [2]. Similarly, comparative analyses of educational management highlight that private secondary schools encounter unique financial and administrative challenges distinct from their public counterparts, particularly in resource mobilization and long-term financial planning [3]. These realities underscore the urgency of examining self-financing management as a strategic and operational concern within non-governmental schools.

Self-financing in education extends beyond the mere collection of tuition fees; it encompasses a comprehensive set of strategies aimed at mobilizing internal and community-based resources to ensure institutional continuity and quality improvement. Research on school self-reliance projects demonstrates that income-generating initiatives implemented at the school level can positively influence academic performance and institutional sustainability when properly managed [4]. In parallel, studies on financing management strategies in Islamic and private educational institutions reveal that systematic planning, diversification of funding streams, and transparent financial administration are critical determinants of quality enhancement [5]. The importance of internal revenue mobilization is further reinforced by analyses of effective education funding strategies, which show that deliberate financial planning contributes to improved student achievement and institutional competitiveness [6]. In this regard, self-financing can be conceptualized as a multidimensional managerial practice that integrates budgeting, entrepreneurial initiatives, stakeholder engagement, and performance monitoring. The literature on education financing planning also emphasizes that strategic alignment between financial planning and educational development goals is essential for sustainable growth, particularly at the secondary level [7]. Consequently, the concept of self-financing management demands a holistic understanding that connects financial autonomy with pedagogical mission and organizational resilience.

The policy environment within which non-governmental schools operate significantly shapes their financial trajectories. Decentralization reforms in various European contexts have illustrated how shifts in public management structures influence school-level financial autonomy and accountability mechanisms [8]. Similarly, European integration processes have affected national financing models of secondary education by redefining fiscal responsibilities and regulatory standards [9]. In developing countries, public-private partnerships and school chains have demonstrated mixed impacts on access, quality, and financial sustainability, highlighting the complexity of market-oriented reforms in education [10]. Accreditation systems and quality assurance frameworks further intersect with financial management, as schools must allocate resources to meet standards and maintain legitimacy [11]. Evidence suggests that quality assurance parameters significantly influence teacher motivation and,

by extension, institutional performance, thereby linking financial resource allocation to human capital outcomes [12]. These findings indicate that financial management in non-governmental schools cannot be disentangled from regulatory, accreditation, and accountability systems. Rather, it must be understood as embedded within broader governance architectures that simultaneously enable and constrain school-level decision-making.

Community participation and stakeholder engagement have emerged as pivotal components of sustainable school financing. Studies on parent–teacher councils demonstrate both opportunities and challenges in mobilizing community support for school management and resource generation [13]. Faith-based financing models illustrate how community mobilization can enhance the sustainability of religious and private educational institutions through collective contributions and shared ownership structures [14]. Similarly, the integration of cash waqf and business model innovations into educational funding programs reveals the potential of hybrid financial instruments to support social objectives while maintaining fiscal prudence [15]. The survival of private religious schools in Malaysia has been linked to the strategic utilization of waqf and ijarah mechanisms, demonstrating the adaptability of traditional financial concepts to contemporary institutional needs [16]. Cooperative and co-design practices in educational and cultural sectors further show how collaborative governance can generate additional resources and enhance institutional legitimacy [17]. These insights suggest that self-financing management is not solely an internal administrative function but also a relational process that depends on trust, transparency, and reciprocal engagement with stakeholders.

Entrepreneurial orientation within educational institutions has also gained prominence as a means of strengthening financial resilience. Entrepreneurship-based financing management in Islamic boarding schools highlights the transformative potential of income-generating ventures when aligned with institutional values and community expectations [18]. Micro-funding enterprises rooted in sharia principles have demonstrated capacity to increase income and stimulate economic participation among beneficiaries [19]. Self-help group models further illustrate how collective economic initiatives can empower communities and diversify income streams [20]. In technical and vocational contexts, innovative management approaches have been associated with progress toward sustainable development goals, underscoring the role of entrepreneurial leadership in education [21]. Historical analyses of vocational education financing reveal that diversified funding structures have long been instrumental in maintaining institutional stability during periods of transformation [22]. Moreover, legal and administrative frameworks supporting professional education for marginalized populations highlight the necessity of structured governance to secure financial and operational sustainability [23]. Collectively, these studies reinforce the argument that entrepreneurial and diversified financing strategies are essential to navigate fiscal uncertainty and evolving educational demands.

Recent global disruptions have further intensified the need for robust financial management systems in education. The COVID-19 pandemic exposed vulnerabilities in funding structures and underscored the importance of efficiency and adaptability in educational financing [24]. Public health crises have compounded existing inequities and strained school budgets, particularly in alternative and equivalency education contexts [25]. In response, schools have adopted multidimensional approaches to resource mobilization, including sports funding strategies and extracurricular revenue generation initiatives [26]. Research on private high schools demonstrates that financial resilience is closely tied to strategic diversification and proactive leadership [27]. Systematic reviews identify persistent managerial challenges faced by school heads in allocating and monitoring financial resources, especially under reform pressures [28]. School leaders in reform contexts, such as Ghana’s free secondary education policy, have relied on coping mechanisms that combine innovation, negotiation, and community engagement to

sustain operations [29]. Leadership environment quality in private family business schools has also been shown to affect educator engagement and organizational sustainability [30]. Furthermore, digital transformation and inclusive education policies demand sustainable management practices that integrate stakeholder collaboration and technological investment [31]. Effective utilization of education funding sources, particularly in private high schools, has been linked to enhanced institutional performance [32]. Administrative information systems for managing school operational funds highlight the value of transparency and technological integration in financial governance [33]. Broader analyses of financial self-insurance models in organizational contexts illuminate the strategic considerations involved in balancing risk and resource allocation [34]. Finally, studies on educational management reforms and institutional development underscore the importance of strategic alignment between financial planning and quality improvement efforts [24, 35]. Together, these strands of evidence converge on the necessity of comprehensive, context-sensitive, and participatory approaches to self-financing management.

Despite the expanding body of scholarship on education financing, significant gaps remain in understanding how non-governmental school leaders operationalize self-financing strategies within specific national contexts characterized by regulatory instability, economic fluctuations, and societal scrutiny. While prior research has examined internal funding struggles [2], accreditation and quality assurance dynamics [11], entrepreneurial financing models [18], and community-based resource mobilization [14], fewer studies have provided an integrated, phenomenological account of how school principals navigate these interrelated dimensions in practice. Moreover, the interaction between strategic financial planning, stakeholder collaboration, digital innovation, and institutional resilience remains underexplored. Therefore, this study aims to explore and conceptualize the management of self-financing in non-governmental schools by identifying financial resources, practical managerial strategies, contextual challenges, and their implications for financial sustainability and institutional resilience.

## **2. Methodology**

This study was conducted using a qualitative approach grounded in descriptive phenomenology based on Colaizzi's method. Descriptive phenomenology, rooted in Husserl's philosophy, emphasizes describing the essence of a phenomenon based on the lived experiences of participants and the suspension of the researcher's presuppositions. Within this approach, the researcher seeks to extract the shared meaning structure embedded in participants' experiences without imposing predetermined theoretical frameworks. Given that the phenomenon of "self-financing management in non-governmental schools" is experience-based, context-dependent, and reliant upon the perceptions of actors, and is directly associated with managerial practices and stakeholders' interpretations within the real-life school environment, the use of descriptive phenomenology was deemed appropriate for uncovering the essence of this experience. The field of study comprised lower and upper secondary non-governmental schools in Iran.

Participants were selected through purposive sampling based on predefined criteria. Inclusion criteria consisted of a minimum of three years of managerial or executive experience in non-governmental schools, direct involvement in planning or implementing school financing-related activities, and informed willingness to participate voluntarily in the study. Consistent with the phenomenological design, sampling continued until data saturation was achieved. It was estimated that 15 successful principals of non-governmental schools would participate in the study. The criterion for terminating sampling was the repetition of data and the absence of emerging new concepts or themes in subsequent interviews.

Data were collected through in-depth semi-structured interviews. The interview guide was developed based on the research objectives and questions and included themes such as participants' experiences regarding self-generated financial resources of schools, practical measures undertaken to increase or diversify revenue streams, perceived barriers and constraints, and evaluations of the role of managerial actions in mitigating challenges. Each interview lasted between 45 and 90 minutes. Interviews were audio-recorded with participants' informed consent and subsequently transcribed verbatim. To enrich the data and deepen the understanding of experiences, probing questions were employed during the interviews.

Data analysis was conducted in accordance with Colaizzi's descriptive phenomenological procedure using MAXQDA software and included the following steps:

1. Repeated reading of the transcribed texts to obtain a comprehensive understanding of the experiences.
2. Identification and extraction of significant statements related to the phenomenon of self-financing.
3. Formulation of meanings embedded within the key statements.
4. Clustering of meanings and organizing them into themes and common categories.
5. Development of an exhaustive description of the phenomenon based on the extracted themes.
6. Returning to participants for validation and confirmation of the findings.
7. Extraction of the fundamental structure of the phenomenon of self-financing management in non-governmental schools.

Throughout the analytical process, the researcher applied the principle of bracketing in order to suspend personal assumptions and beliefs regarding school financial management, ensuring that the final description was grounded in participants' lived experiences. To enhance the rigor, credibility, and trustworthiness of the findings, Lincoln and Guba's criteria for trustworthiness were employed (Lincoln & Guba, 1985). Additionally, peer debriefing was utilized to examine the coherence of the coding process and the interpretation of the data.

### 3. Findings and Results

**Research Question 1: What are the self-financing resources of non-governmental schools in Iran from stakeholders' perspectives?**

**Table 1. Thematic Map of Self-Financing Resources in Non-Governmental Schools in Iran from Stakeholders' Perspectives**

Formulated Meanings	Theme Clusters
Reducing exclusive dependence on tuition fees; Identifying non-governmental revenue sources; Utilizing parents' and benefactors' capacities; Investing in cultural and sports activities; Designing revenue-generating ancillary services	Diversification of revenue sources
Creating opportunities for financial participation in educational projects; Ensuring return on investment through transparent contracts; Promoting advantages of investment in education; Holding investment opportunity introduction sessions; Establishing school support and development funds; Providing tax exemptions or financial incentives for investors	Attracting educational investors
Establishing language, soft skills, and arts classes; Providing academic and psychological counseling services for students; Organizing specialized workshops for parents; Utilizing expert teachers for extracurricular services; Collaborating with accredited educational institutions	Development of supplementary educational services
Renting sports halls outside instructional hours; Organizing cultural events or exhibitions at school; Using workshops for adult skill-training programs; Creating co-working spaces within the school; Leasing spaces to partner educational institutions; Organizing educational or summer camps	Income generation through utilization of school physical spaces
Producing specialized educational videos; Publishing educational podcasts for families; Selling electronic content packages through school platforms; Establishing online stores for educational materials; Collaborating with digital publishers; Selling annual subscriptions for exclusive content	Sale of digital educational content
Delivering distance education to underserved regions; Offering online language and soft-skills courses; Designing virtual learning platforms; Utilizing guest teachers and educational experts; Conducting online examinations and issuing certificates; Promoting courses through social media	Organization of online courses

Signing educational contracts with companies and cultural institutions; Attracting sponsors for school activities; Implementing joint programs with educational brands; Exchanging educational services and facilities with private entities; Establishing joint skill and entrepreneurship training centers; Developing collaborative projects with local companies; Forming educational consortia among non-governmental schools	Collaboration with the private sector
Designing visual identity and educational slogans; Emphasizing educational quality and academic outcomes; Active digital presence and online promotion; Building a positive reputation among parents and society; Expanding successful alumni networks; Participating in educational exhibitions and events	Building an educational brand to attract students

Analysis of the extracted data presented in Table 1 indicates that, from stakeholders' perspectives, the financial sustainability of non-governmental schools in Iran primarily depends on the schools' capacity to diversify revenue streams and move beyond exclusive reliance on tuition fees. Participants emphasized that through systematic identification and purposeful utilization of internal and external capacities—including structured parental participation, philanthropic support, efficient use of physical infrastructure, and leveraging professional human resources—schools can develop relatively stable and independent financing models. Within this framework, expanding cultural, sports, and supplementary educational activities; providing counseling and skill-development services; organizing educational programs and workshops for families; and producing and distributing digital educational content were identified as practical pathways for strengthening income flows and reducing financial instability. These findings suggest that achieving financial sustainability requires non-governmental schools to transcend the traditional tuition-based model and adopt value-added service designs that position schools as active actors within the broader educational ecosystem. At a macro level, stakeholders highlighted the decisive role of attracting educational investors and strengthening engagement with the private sector. Establishing mechanisms such as school development funds, organizing investment promotion sessions, and concluding educational contracts with companies and institutions were identified as strategies capable of creating sustainable financial infrastructures. Furthermore, developing a credible educational brand and communicating educational quality and outcomes effectively not only enhances parental trust but also indirectly increases student enrollment capacity and strengthens the school's financial foundation. Overall, the findings demonstrate that stakeholders conceptualize financial management in non-governmental schools as a transition toward an entrepreneurial, participatory, and technology-driven model that redefines the school from a purely educational institution into a value-creating organization within the learning services market.

**Research Question 2: What practical procedural steps should school principals take to increase and diversify self-financing resources in non-governmental schools?**

**Table 2. Practical Procedural Steps for Increasing and Diversifying Self-Financing Resources**

Formulated Meanings	Theme Clusters
Assessing exploitable assets and facilities; Analyzing local and regional capacities; Identifying educational market needs surrounding the school; Evaluating staff skills and competencies; Monitoring competitors and benchmarking successful schools	Establishing connections with benefactors and supporting institutions
Developing a school business model; Estimating costs and expected profits; Preparing implementation timelines; Identifying project risks; Defining financial performance evaluation indicators; Documenting experiences for future projects	Utilizing students' and parents' capacities in educational entrepreneurship
Conducting technical and vocational courses outside formal school hours; Using school facilities for practical skills training; Collaborating with vocational organizations and educational institutions; Generating income through open enrollment; Enhancing students' competencies through production-oriented activities	Establishment of skill workshops and ancillary educational services
Signing memoranda of understanding with language, arts, and skills institutes; Implementing joint cultural and scientific projects; Exchanging educational services and physical spaces; Participating in research and entrepreneurial initiatives; Attracting financial support from cultural and scientific brands; Utilizing non-governmental institutions to improve educational quality	Contracting collaborative partnerships with educational and cultural institutions

Organizing scientific, cultural, and sports festivals with ticket sales; Selling student-produced and educational products; Attracting sponsors for events; Engaging families and local communities; Showcasing school capabilities through events	Organization of educational festivals and learning marketplaces
Developing dedicated school websites or applications; Providing online academic counseling services; Selling educational content and digital subscriptions; Designing online payment systems for tuition and services; Promoting services via social media; Optimizing user experience to enhance audience engagement	Development of online systems for enrollment and educational service sales

The findings presented in Table 2 demonstrate that principals of non-governmental schools must adopt a program-oriented approach grounded in realistic assessment of institutional capacities in order to strengthen and diversify self-financing resources. Accordingly, the initial stage of this process involves the systematic identification of revenue-generation opportunities through assessment of school assets, usable physical spaces, professional competencies of human resources, and analysis of educational market demand at local and regional levels. Following this stage, designing an educational business model and developing a coherent business plan—including cost estimation, forecasting economic benefits, scheduling implementation activities, and defining financial performance indicators—emerges as a managerial necessity. Such an approach enables revenue-generating initiatives to evolve from temporary and unstable actions into institutionalized components of the school’s financial system. In subsequent stages, the strategic utilization of social capital and surrounding communication networks plays a crucial role in strengthening self-financing capacity. Establishing purposeful relationships with benefactors and supporting institutions, organizing parental participation through entrepreneurial approaches, and designing student-centered innovation projects were emphasized as key strategies. Moreover, implementing programs such as skill workshops, concluding cooperation agreements with educational and cultural institutions, and organizing educational festivals and learning marketplaces simultaneously enhance students’ competencies while generating supplementary and relatively stable revenue streams for schools. Finally, the development of digital infrastructures—including online enrollment systems, digital educational content sales platforms, and e-learning services—expands audience reach and reinforces financial independence. Collectively, these measures outline a model of entrepreneurial, forward-looking, and innovative financial management that enables non-governmental schools to move beyond exclusive dependence on tuition-based financing.

**Research Question 3: What challenges do principals of non-governmental schools face that limit the increase and diversification of self-financing resources?**

**Table 3. Challenges Limiting the Increase and Diversification of Self-Financing Resources in Non-Governmental Schools**

Formulated Meanings	Theme Clusters
Frequent changes in educational directives; Instability in tuition policy; Interference of ministerial decisions with school autonomy; Lack of coordination among supervisory bodies; Pressure arising from fluctuating tax regulations	Instability of governmental laws and regulations
Lack of credible guarantees for obtaining loans; High interest rates on bank facilities; Absence of education-specific financial instruments; Administrative complexity of loan procedures; Lack of targeted governmental support schemes; Low willingness of banks to finance schools	Limited access to banking facilities and financial support
Lack of transparency regarding schools’ tax status; Absence of supportive tax exemptions; Perception of schools as for-profit enterprises; Fluctuations in income tax rates; Lack of specific tax regulations tailored to non-governmental educational activities	Inadequate tax system for non-governmental schools
Deterioration of buildings and educational equipment; Rising energy and utility costs; High costs of technology and school digitalization; Continuous need for renovation and maintenance; High costs of recruiting specialized human resources; Growth in insurance and tax expenses	High costs of maintenance and upgrading educational facilities
Weak financial literacy among school principals; Absence of formal training in school economic management; Lack of qualified accounting personnel in small schools; Excessive focus of principals on instructional affairs; Lack of professional development workshops in school economics	Shortage of specialized human resources in educational financial management

Unreasonable tuition discounts to attract students; Misleading advertising regarding educational quality; Cost reduction at the expense of quality; Competition based solely on price rather than quality; Hiring teachers with lower salaries; Lack of cooperation among peer schools	Unhealthy competition among non-governmental schools
Public perception of private education as commercialized; Parental dissatisfaction with tuition fees; Distrust in the actual quality of private education; Negative comparisons with public schools; Ineffective communication regarding school performance	Negative societal perceptions toward non-governmental schools
Absence of non-governmental schools in national media; Limited public relations activities; Lack of cultural campaigns explaining the role of non-governmental schools; Neglect of educational achievements in media; Weak engagement with civil and cultural institutions; Scarcity of positive narratives about successful schools	Lack of media and social support for private education

Analysis of the data presented in Table 3 indicates that a substantial portion of the barriers experienced by principals of non-governmental schools in Iran in expanding and diversifying self-financing resources originates from macro-level policy conditions and the governing financial and administrative system. Regulatory instability, frequent amendments to directives, and insufficient coordination among decision-making and supervisory institutions have generated uncertainty and heightened financial risk, thereby constraining long-term strategic planning. In addition, limited access to banking facilities, absence of targeted financial support, high interest rates, and stringent collateral requirements significantly restrict schools' capacity to invest in revenue-generating activities. Furthermore, the lack of a tax framework aligned with the educational and non-profit nature of non-governmental schools, combined with an exclusively economic perception of these institutions, imposes additional financial pressure and weakens incentives for financial innovation. Alongside these structural barriers, the findings reveal notable intra-organizational and social challenges. Escalating costs associated with maintenance, renovation, technological development, and recruitment of qualified teachers impose continuous financial burdens that often exceed revenue capacity. Simultaneously, limited financial competencies among principals, shortage of specialized personnel in educational economics and management, and lack of systematic training in school financial management reduce the ability to design and implement sustainable revenue models. From a social perspective, unhealthy competition among non-governmental schools, negative societal perceptions of private education, and insufficient media and cultural support undermine public trust and reduce schools' social capital. Collectively, the interaction of these structural, managerial, and social factors prevents many non-governmental schools from fully leveraging their potential to achieve financial self-reliance and sustainability.

**Research Question 4: What is the role of principals' practical procedural steps in mitigating the challenges associated with increasing and diversifying school self-financing?**

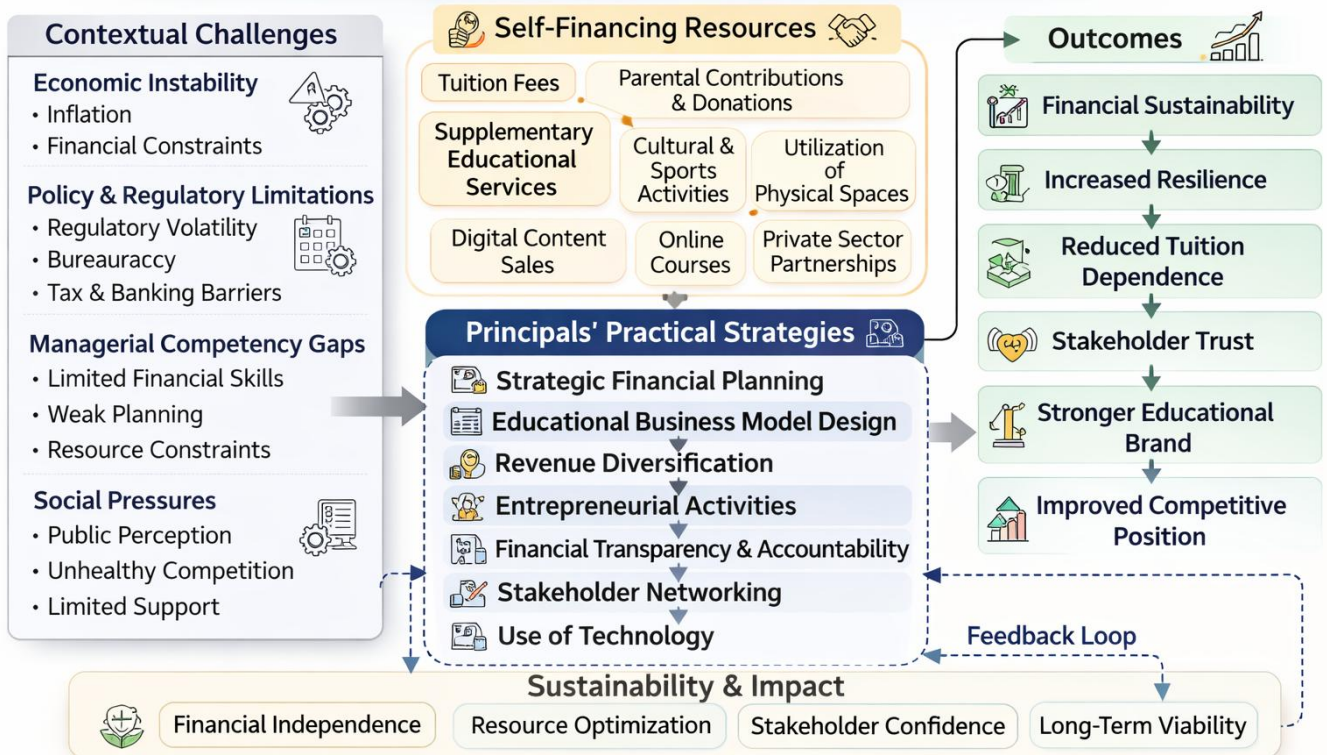
**Table 4. Role of Principals' Practical Procedural Steps in Strengthening and Diversifying Self-Financing**

Formulated Meanings	Theme Clusters
Analyzing the current financial status of the school; Defining short- and long-term financial objectives; Designing a financial resource allocation roadmap; Establishing financial performance indicators; Annual revision of financial strategy based on actual outcomes; Aligning financial goals with educational mission	Development of a strategic financial plan
Conducting budget management workshops; Training principals in school accounting principles; Developing specialized financial personnel in education; Promoting a culture of efficiency and cost-saving; Sharing financial experiences among successful principals; Employing educational financial consultants	Financial management capacity-building for principals and staff
Establishing associations or cooperative networks among non-governmental schools; Creating joint financial funds to support smaller schools; Sharing human and financial resources among peer schools; Participating in joint educational projects; Coordinating tuition policies to promote fair competition; Developing platforms for sharing managerial experiences	Development of inter-school collaboration and network formation
Determining tuition levels proportionate to service quality; Designing installment and flexible tuition schemes; Separating base tuition from specialized service fees; Establishing incentive-based tuition for high-achieving students; Providing discounts for low-income families based on educational equity principles	Designing value-added tuition models
Digitalizing enrollment and reporting processes; Reducing paper consumption and administrative costs; Holding online meetings to reduce transportation expenses; Monitoring expenditures through financial software; Utilizing learning management systems to reduce instructional costs	Use of technology to reduce costs and enhance efficiency

<p>Outsourcing transportation, catering, and cleaning services to reputable contractors; Reducing personnel costs through outsourcing; Allowing principals to focus on educational and strategic functions; Improving service quality through professional contractors; Using long-term contracts to ensure financial stability</p> <p>Publishing annual financial reports for parents and stakeholders; Documenting revenues and expenditures; Building trust through financial transparency; Using independent auditors for financial validation; Displaying key financial indicators publicly; Designing internal financial dashboards for intelligent resource management</p>	<p>Outsourcing non-core activities to specialized firms</p> <p>Financial transparency and annual stakeholder reporting</p>
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The findings presented in Table 4 indicate that principals’ practical actions and procedural decisions can function as moderating mechanisms that alleviate a portion of the pressures and constraints associated with expanding and diversifying self-financing resources. Effective financial management requires moving beyond short-term reactive responses toward strategic planning. Developing a comprehensive strategic financial plan—based on analysis of current conditions, realistic financial goal-setting, structured resource allocation pathways, and clearly defined performance indicators—enables principals to respond more proactively to regulatory instability and environmental fluctuations. Such an approach ensures that financial decisions are coherent, forward-looking, and aligned with the educational mission of the school. At the intra-organizational level, enhancing financial competencies among principals and staff and cultivating specialized human capital in educational economics significantly improves the quality of financial decision-making. Simultaneously, expanding inter-school collaboration networks through resource-sharing and coordinated policies enhances financial flexibility and resilience in the face of unhealthy competition and cost pressures. Revising tuition models based on value-added educational services and leveraging technological tools to reduce administrative and operational costs further contribute to efficiency and expenditure control. Finally, outsourcing non-core activities and institutionalizing financial transparency through systematic reporting and documentation strengthen stakeholder trust, which serves as an intangible yet influential resource in attracting and stabilizing sustainable financial flows. Overall, the results demonstrate that the coordinated implementation of realistic and integrated procedural measures by school principals can mitigate structural, financial, and social challenges and ultimately enhance the financial independence, sustainability, and efficiency of non-governmental schools.

## Conceptual Model of Self-Financing Management in Non-Governmental Schools in Iran



**Figure 1. Conceptual Model of Self-Financing Management in Non-Governmental Schools in Iran**

This figure illustrates the conceptual model of self-financing management in non-governmental schools in Iran based on the lived experiences of principals and stakeholders. The model demonstrates that non-governmental schools operate within a context shaped by environmental challenges, including economic instability, policy and regulatory constraints, managerial financial competency gaps, and social pressures. In response to these contextual challenges, schools mobilize diverse self-financing resources such as tuition fees, parental and philanthropic contributions, supplementary educational services, cultural and sports activities, economic utilization of physical infrastructure, production and sale of digital educational content, organization of online courses, and collaboration with the private sector. At the core of the model are principals' practical and strategic actions, which play a pivotal and activating role in mobilizing financial resources and mitigating contextual constraints. These actions include strategic financial planning, development of educational business models, purposeful revenue diversification, promotion of entrepreneurial activities, financial transparency and accountability, stakeholder networking, and effective use of technological capacities. The outcomes of implementing these strategies include enhanced financial sustainability, increased institutional resilience, reduced exclusive reliance on tuition, strengthened stakeholder trust, improved educational branding, and enhanced competitive positioning. These outcomes, in turn, create a feedback loop that reinforces managerial and financial capacities and institutionalizes self-financing as a dynamic, interactive, and sustainable process within non-governmental schools.

#### 4. Discussion and Conclusion

The findings of this study provide a comprehensive understanding of how non-governmental schools conceptualize and operationalize self-financing management within a context characterized by economic uncertainty, regulatory instability, and social scrutiny. The results indicate that financial sustainability in non-governmental schools is fundamentally linked to diversification of income streams, strategic financial planning, stakeholder engagement, entrepreneurial orientation, and the integration of technology. These findings align closely with prior scholarship emphasizing that reliance on a single funding source—primarily tuition—renders private schools vulnerable to fluctuations in enrollment and macroeconomic pressures [2]. By contrast, schools that systematically mobilize internal and external resources through diversified strategies demonstrate greater resilience and long-term viability, as also observed in studies on private high school financial resilience [27] and effective funding strategies for student achievement [6].

The study's first major result—highlighting the centrality of diversified self-financing resources such as supplementary services, digital content, utilization of physical spaces, and collaboration with the private sector—corroborates evidence that internal revenue generation contributes positively to institutional performance and sustainability [4, 32]. These findings extend the argument that educational institutions must move beyond traditional tuition-based models and embrace entrepreneurial and innovative funding approaches [18]. In line with research on micro-funding enterprises and alternative financial instruments [19], the present study demonstrates that schools can leverage community-based contributions and market-oriented services to stabilize their financial base. Furthermore, experiences from waqf-based and hybrid financing models illustrate that integrating diverse financial instruments within educational governance structures enhances sustainability [15, 16]. The results therefore reinforce the proposition that diversified financing ecosystems, rather than isolated revenue initiatives, underpin sustainable school management.

Another key finding concerns the decisive role of principals' practical strategies in activating financial resources and mitigating contextual challenges. The data indicate that strategic financial planning, educational business model design, revenue diversification, stakeholder networking, financial transparency, and technology utilization function as core managerial mechanisms. This result is consistent with literature emphasizing the importance of structured financing management strategies in improving educational quality [5, 7]. The alignment between financial planning and institutional mission identified in this study reflects broader policy recommendations advocating coherent governance and accountability frameworks in education systems [1]. Moreover, the finding that accreditation pressures and quality standards influence financial decision-making echoes research demonstrating the interdependence of accreditation processes and resource allocation [11]. Transparent financial management practices observed in this study resonate with evidence that administrative information systems and digital tools enhance accountability and efficiency in fund management [33]. Thus, the results suggest that managerial agency is not merely reactive but can actively reshape institutional trajectories through deliberate and coordinated strategies.

The study also reveals that contextual challenges—including regulatory instability, banking and tax constraints, managerial competency gaps, unhealthy competition, and negative societal perceptions—constitute significant barriers to financial sustainability. These findings are strongly supported by comparative analyses of educational management challenges in public and private sectors, which underscore the vulnerability of private schools to policy volatility and financial uncertainty [3]. Decentralized governance reforms and evolving public management

models have likewise been shown to influence school autonomy and fiscal accountability [8, 9]. Systematic reviews of school heads' financial management difficulties confirm that leaders frequently encounter structural constraints beyond their immediate control [28]. In reform-intensive contexts, school leaders rely on adaptive coping mechanisms to navigate financial pressures and regulatory demands [29]. The present findings expand this literature by illustrating how such coping strategies can be integrated into a coherent entrepreneurial model rather than remaining fragmented responses.

The role of stakeholder engagement identified in this study further aligns with research on parent–teacher councils and community participation in school governance [13]. Faith-based and community-mobilized financing models demonstrate that collective ownership and trust are critical for institutional sustainability [14]. Collaborative governance practices, including co-design and co-programming, have been shown to generate additional social and financial capital within educational and cultural sectors [17]. The findings also resonate with evidence that healthy leadership environments and participatory management enhance organizational resilience in private educational settings [30]. In addition, stakeholder-oriented and inclusive management practices are integral to sustainable digital transformation in education [31]. These converging strands of research suggest that self-financing management is inherently relational and dependent upon trust-building, transparency, and network formation.

The technological dimension identified in this study is particularly salient in light of post-pandemic shifts toward digital education and efficiency-oriented management. Research on post-COVID educational financing underscores the need for cost-effective and efficient resource allocation mechanisms [24]. The compounded effects of public health crises have demonstrated the fragility of traditional funding structures and the necessity of adaptive strategies [25]. Digital systems not only reduce administrative costs but also facilitate broader outreach and revenue opportunities. Furthermore, multidimensional funding strategies—such as appropriating sports and extracurricular initiatives—illustrate innovative avenues for revenue mobilization [26]. By integrating digitalization, outsourcing, and performance monitoring, schools enhance efficiency and optimize resource utilization, reflecting principles of strategic self-insurance and risk management in financial planning [34]. Collectively, these findings confirm that technological integration is not peripheral but central to sustainable financial governance.

Importantly, the study's results reveal that self-financing management is a dynamic, interactive, and feedback-driven process. This conceptualization is consistent with evidence that institutional reforms and sustainable management require continuous learning, adaptation, and strategic alignment [36]. Lessons drawn from systemic management experiences in other sectors highlight the importance of long-term planning and resilience-oriented governance [35]. Additionally, empowerment-based economic initiatives such as self-help groups illustrate how collective agency strengthens sustainability and institutional capacity [20]. Historical perspectives on diversified vocational education financing confirm that adaptive funding structures have long enabled institutions to survive periods of transition and reform [22]. Legal-administrative considerations in professional education also underscore the need for structured frameworks to ensure equitable and sustainable provision [23]. Taken together, these studies reinforce the study's central proposition that self-financing management operates as a systemic and evolving phenomenon shaped by contextual, managerial, and relational factors.

While previous research has explored discrete aspects of educational financing—such as internal funding struggles [2], public–private partnerships [10], accreditation [11], or community mobilization [14]—this study integrates these strands into a unified conceptual model grounded in the lived experiences of school leaders. The

discussion therefore advances the literature by articulating a multi-layered framework that connects contextual challenges, diversified resources, managerial strategies, and sustainability outcomes within a feedback loop structure. The findings substantiate that financial sustainability in non-governmental schools is neither accidental nor solely dependent on external funding; rather, it is constructed through strategic action, entrepreneurial thinking, and collaborative governance. This integrated perspective contributes to a more nuanced understanding of how private educational institutions can balance financial autonomy with educational mission under complex environmental conditions.

This study has several limitations that should be acknowledged. First, the qualitative design, while providing rich and contextualized insights, limits the generalizability of the findings beyond the specific group of participants and educational context examined. Second, the reliance on principals' self-reported experiences may introduce subjective bias, as perspectives from teachers, parents, policymakers, and students were not directly incorporated. Third, the dynamic nature of regulatory and economic conditions means that financial management strategies may evolve over time, and the findings represent a snapshot rather than a longitudinal account. Finally, variations across regions and types of non-governmental schools may influence financial practices in ways not fully captured in this study.

Future research could adopt mixed-method or quantitative designs to test the proposed conceptual model across broader samples and diverse regional contexts. Longitudinal studies would be valuable in examining how self-financing strategies evolve in response to regulatory reforms and economic fluctuations. Comparative research between public and non-governmental schools may further clarify the distinct mechanisms influencing financial resilience. Additionally, incorporating the perspectives of parents, teachers, and policymakers could provide a more holistic understanding of stakeholder dynamics in self-financing management. Investigating the role of emerging digital technologies and innovative financial instruments in shaping sustainable school funding models also represents a promising avenue for further inquiry.

For practitioners, the findings underscore the importance of moving from reactive budgeting toward strategic, entrepreneurial financial management. School leaders should systematically diversify income streams, strengthen stakeholder networks, and institutionalize transparent financial reporting to build trust and credibility. Capacity-building initiatives focused on financial literacy and business model innovation can enhance managerial effectiveness. Establishing collaborative networks among non-governmental schools may reduce unhealthy competition and foster shared learning. Finally, purposeful integration of digital tools for financial monitoring, service delivery, and communication can improve efficiency and support long-term financial sustainability.

### **Authors' Contributions**

Authors equally contributed to this article.

### **Ethical Considerations**

All procedures performed in this study were under the ethical standards.

### **Acknowledgments**

Authors thank all participants who participate in this study.

## Conflict of Interest

The authors report no conflict of interest.

## Funding/Financial Support

According to the authors, this article has no financial support.

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