

OPERATIONAL FINANCIAL MANAGEMENT AT THE PLSM STANDARD ENGLISH COURSE: A CASE STUDY OF MANAGING FINANCE

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ABSTRACT

The purpose of this study is to investigate how operational budget management is implemented in a private language institution and assess how it contributes to the long-term viability of English language learning operations. The study specifically looks into the Standard English Course's primary sources of income operational expense distribution, and financial management procedures. In order to investigate financial management procedures in an actual institutional setting, this study uses a qualitative case study design. Semi-structured interviews with the institution's owner served as the main source of information, which was corroborated by financial records and interview recordings. An interview guide and audio recording equipment were among the resources used in this investigation. Thematic analysis, which included data reduction, categorization, and interpretation, was used for analyzing the data. The results show that the institution's main source of income is student tuition payments, with operating costs including teacher salaries, instructional materials, and building maintenance. Without the use of digital financial tools, financial management is carried out applying a straightforward cash-based approach with manual paperwork. The lack of organized planning and systematic monitoring points to a serious flaw in financial management procedures, even while direct communication helps to a certain degree of financial openness. The lack of organized, technologically supported financial management systems is a serious weakness that might risk the institution's long-term sustainability, as this study reveals. To enable more efficient and long-lasting management of English language learning programs, it is advised that the institution implement more systematic financial methods, such as appropriate budgeting, digital financial recording, and frequent evaluation.

Keywords: *Operational Budget Management, Financial Management, Private Language Institution, Qualitative Case Study, Financial Sustainability.*

INTRODUCTION

Financial management plays a crucial role in ensuring the sustainability and effectiveness of educational institutions, including English course institutions. In practice, financial management involves a series of activities such as planning, organizing, directing, and controlling financial resources to achieve institutional goals. Without proper financial management, an institution may face difficulties in maintaining its operational activities, allocating resources efficiently, and achieving long-term sustainability. In educational institutions, financial management is not only related to administrative processes but also directly influences institutional performance. Effective financial planning allows institutions to anticipate future needs, allocate resources strategically, and respond to potential financial risks. Research shows that strategic planning and financial management have a significant impact on institutional performance, as they help organizations align their resources with their objectives and improve overall efficiency.

Frontiers, one of the key components of financial management is budgeting. A budget functions as a financial plan that outlines expected income and expenditures within a specific period. It serves as a guideline for decision-making, resource allocation, and financial control. Without a clear budgeting system, institutions may experience inefficiencies, lack of coordination, and financial instability. Budgeting also provides transparency and accountability, ensuring that financial resources are used appropriately to support institutional activities.

Teachers Institute, In addition to planning and budgeting, financial control is equally important. Control ensures that financial activities are carried out according to the plan and allows institutions to evaluate their performance. It involves comparing actual financial outcomes with planned targets and identifying deviations that require corrective action. In this context, budgeting and control are closely interconnected, as budgets provide the standard against which performance is measured.

The integration of planning, budgeting, and control is widely recognized in financial management theory as a fundamental system for managing organizational resources effectively. According to Robert N. Anthony (1965), financial management should operate as a continuous process where planning establishes goals, budgeting translates these goals into financial terms, and control ensures that implementation aligns with the planned objectives. This integrated system is essential to achieve efficiency, accountability, and long-term sustainability in any organization, including educational institutions. However, in many small-scale educational institutions, especially private English course institutions, financial management practices are often conducted in a simple and informal manner. These institutions tend to rely on limited financial resources, such as student tuition fees, and may not implement structured financial planning or budgeting systems. As a result, financial decisions are frequently based on immediate needs rather than long-term strategies.

This condition creates several potential problems. The absence of structured planning limits the institution's ability to anticipate financial risks. The lack of formal budgeting reduces efficiency and accountability in resource allocation. Furthermore, weak financial control makes it difficult to evaluate financial performance and ensure that financial activities align with institutional goals. These issues may affect the institution's stability and its ability to sustain operations in the long term. Based on these problems, it is important to examine how financial management is actually implemented in English course institutions. Understanding the existing financial management practices can provide insights into the strengths and weaknesses of the system and identify areas that need improvement.

Therefore, this study aims to analyze the financial management practices of an English-based institution using the Planning–Budgeting–Control (PBC) framework developed by Robert N. Anthony (1965).. By applying this framework, the study seeks to

evaluate how planning, budgeting, and control are implemented and how these components contribute to the institution’s financial management condition.

METHODOLOGY

Research Design

This study employs a qualitative descriptive research design. Qualitative research is used to understand and analyze social phenomena based on detailed and contextual data, particularly when the research aims to explore processes and practices rather than test hypotheses. This design is considered appropriate because the study focuses on analyzing financial management practices within an English course institution, specifically how planning, budgeting, and control are implemented in real conditions. The study does not aim to generalize findings statistically but to provide an in-depth understanding of the financial management system applied in the institution.

Research Subject and Object

The subject of this study is an English course institution, namely the Standard English Course. These components are analyzed using the Planning–Budgeting–Control (PBC) framework proposed by Robert N. Anthony (1965). The object of this study is the financial management system applied in the institution, particularly focusing on three main components:

- Financial planning
- Budgeting practices
- Financial control

Data Source

The data used in this study are derived from the mini research document, which serves as the primary data source. The data include:

1. Information on sources of income
2. Types of operational expenditures
3. Financial recording practices
4. Financial management procedures applied in the institution

The study does not use estimated or fabricated data. All findings are strictly based on the available data obtained from the interview that already held before.

Data Collection Technique

The data in this study are collected using documentation and interview-based data from the mini research. Documentation is used to obtain written and recorded information related to financial activities, while interview data provide explanations of financial management practices carried out in the institution. These techniques are commonly used in qualitative research to obtain detailed and contextual data that reflect real conditions.

Research Instrument

The main instrument in this study is an indicator-based evaluation framework derived from the Planning–Budgeting–Control (PBC) concept.

Table 1. PBC Parameters and Indicators

No.	Percents	Criteria
1.	0–24%	Very weak
2.	25–49%	Weak
3.	50–74%	Moderate
4.	75–100%	Strong

These indicators are used to evaluate the extent to which financial management practices are implemented in the institution.

Data Analysis Technique

The data are analyzed using a descriptive analysis combined with quantitative scoring. Each indicator is evaluated using a scoring system adapted from the Likert scale developed by Rensis Likert (1932), which allows qualitative data to be converted into numerical values. The scoring criteria are:

1 = fully implemented

0.5 = partially implemented

0 = not implemented

The score for each parameter is calculated using the formula:

$$\text{Score (\%)} = (\Sigma \text{Indicator Score} / \text{Maximum Score}) \times 100$$

The results are then interpreted using the following criteria:

Table 2. Criteria Indicators

No.	Percents	Criteria
1.	0–24%	Very weak
2.	25–49%	Weak
3.	50–74%	Moderate
4.	75–100%	Strong

This method enables the study to evaluate financial management practices systematically and objectively, even though the data are qualitative in nature.

Data Validation Technique

To ensure the validity of the data, this study applies data consistency and source-based validation, where all findings are strictly based on the mini research data. The analysis is conducted by matching empirical findings with theoretical indicators from the PBC framework. This approach ensures that the results are not based on assumptions but on actual data that can be traced and verified.

FINDINGS AND DISCUSSION

Findings

Financial management practices in the Standard English Course are analyzed using the Planning–Budgeting–Control (PBC) framework developed by Robert N. Anthony (1965). In this framework, management control is defined as a process that ensures organizational resources are obtained and used effectively and efficiently to achieve institutional objectives. The framework emphasizes that planning, budgeting, and control are interrelated processes, where planning establishes direction, budgeting translates plans into resource allocation, and control ensures that implementation aligns with objectives.

To operationalize this framework, each parameter is broken down into measurable indicators and assessed using a quantitative scoring approach adapted from Rensis Likert (1932). Each indicator is scored as 1 (fully implemented), 0.5 (partially implemented), or 0 (not implemented), and calculated using the formula:

$$\text{Score (\%)} = (\Sigma \text{Indicator Score} / \text{Maximum Score}) \times 100$$

The interpretation criteria are:

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Financial Planning

The findings reveal that financial planning is entirely absent in the institution. None of the planning indicators are fulfilled, including written financial planning, income forecasting, expenditure forecasting, budgeting schedules, and revision mechanisms. Financial decisions are made based solely on immediate operational needs without reference to structured plans.

Score = (0 / 5) × 100 = 0% (Very Weak)

This result indicates that the institution does not engage in planning activities as conceptualized by Anthony (1965), where planning is expected to define organizational objectives and guide future financial actions. The absence of planning demonstrates that financial management is not conducted strategically, but rather reactively. This condition has several implications. First, the institution lacks predictive capacity, meaning it cannot anticipate financial risks such as declining student enrollment or increasing operational costs. Second, the absence of planning eliminates the foundation for budgeting, as budgeting requires predefined targets and projections. Third, the institution operates without measurable financial goals, making it impossible to evaluate performance over time.

Furthermore, planning in financial management is not only about preparing documents but also about establishing a forward-looking perspective. The findings show that the institution operates in a short-term orientation, where financial decisions are made only when problems arise. This reactive behavior indicates a fundamental weakness in financial management structure, as the institution does not prepare for uncertainty but instead responds to it after it occurs.

Budgeting System

The findings indicate that budgeting is partially implemented, but only in an informal and non-systematic manner. The institution demonstrates awareness of its main expenditure categories, including teacher salaries, learning materials, administrative needs, and facility maintenance. Among these, teacher salaries are identified as the most prioritized expenditure, reflecting the institution's focus on maintaining instructional quality. In addition, financial transactions are recorded manually using a cash-based system, indicating that basic financial documentation exists. However, the institution does not prepare a formal written budget, does not assign numerical allocations to each expenditure category, and does not establish a structured budgeting framework. Based on the indicator measurement:

Score = (2.5 / 5) × 100 = 50% (Moderate)

This result indicates that budgeting exists only at an operational level and has not yet developed into a formal financial planning system. In theory, budgeting serves as a mechanism that translates planning into measurable financial targets. However, in this case, budgeting is not linked to planning because planning itself is absent. The absence of quantified allocation is particularly critical. Without numerical targets, the institution cannot determine whether spending is efficient or excessive. Additionally, the lack of a written budget document means that financial decisions are not standardized and may vary depending on situational judgment. This condition reduces consistency and increases the risk of inefficient resource allocation. Moreover, the reliance on manual recording reflects a low level of financial system development. While manual systems may function in small-scale institutions, they limit transparency, accuracy, and accessibility of financial data. As a result, budgeting in this institution is better described as experience-based allocation rather than a structured financial management process.

Financial Control

The findings show that financial control is weak and not systematically implemented. The institution performs basic monitoring of financial activities, meaning that there is awareness of incoming and outgoing funds. However, this monitoring is not supported by

structured financial reporting, formal evaluation processes, or comparison between planned and actual expenditures. Based on the indicator measurement:

$$\text{Score} = (1.5 / 5) \times 100 = 30\% \text{ (Weak)}$$

This indicates that financial control exists only at a minimal level. According to Anthony (1965), control is a process that requires measurable standards and continuous evaluation. However, since the institution does not implement planning and budgeting properly, it does not have the necessary benchmarks for effective control. As a result, control in this institution is limited to direct observation rather than analytical evaluation. Financial decisions are adjusted based on available funds, but there is no systematic effort to identify inefficiencies or improve financial performance. This condition prevents the institution from developing a feedback mechanism, which is essential in management control systems. In addition, the absence of financial reporting reduces accountability. Without documented reports, financial activities cannot be reviewed, verified, or evaluated over time. This limits transparency and makes it difficult to ensure that financial resources are used effectively.

Income Structure

The findings indicate that the institution relies entirely on student tuition fees as its sole source of income. There are no alternative income sources such as sponsorship, partnerships, or government funding. This creates a single-source income structure, which significantly increases financial vulnerability. The institution's financial condition is directly dependent on student enrollment, meaning that any fluctuation in student numbers will immediately affect income. This condition also limits financial flexibility. Without additional revenue streams, the institution does not have financial reserves or backup systems to handle unexpected situations. As a result, financial sustainability is not supported by a strong system but depends heavily on stable enrollment conditions.

Financial Management Condition

The overall results of the PBC analysis are summarized as follows:

Table 2. The Result of Financial Management Conditions

No.	Component	Score	Percentage	Category
1.	Planning	0/5	0%	Very Weak
2.	Budgeting	2.5/5	50%	Moderate
3.	Controlling	1.5/5	30%	Weak

The findings indicate that the institution does not implement an integrated financial management system. Planning is completely absent, budgeting is partially implemented in an informal manner, and control is weak due to the lack of structured evaluation mechanisms.

These results show that financial management in the institution operates in a fragmented manner, where each component does not function as part of an integrated system. The absence of planning disrupts budgeting, and weak budgeting reduces the effectiveness of control. This creates a chain of weaknesses that affect overall financial performance. Despite these limitations, the institution is still able to maintain its operations. However, this sustainability is not supported by strong financial management practices, but rather by operational simplicity and adaptive decision-making. Therefore, the institution's financial condition can be categorized as operationally stable but structurally weak, meaning that it can survive in the short term but remains vulnerable in the long term.

Discussion

The findings indicate that the financial management practices of the institution are not aligned with the theoretical framework proposed by Anthony (1965), particularly in the integration of planning, budgeting, and control. The absence of financial planning (0%)

shows that the institution operates without strategic direction, which contradicts the fundamental role of planning as the basis for all financial decisions. The moderate score in budgeting (50%) suggests that the institution has basic awareness of financial allocation but fails to formalize it into measurable and structured financial plans. This condition limits the institution's ability to evaluate efficiency and control financial performance, as budgeting does not function as a standard for measurement. While the weak implementation of financial control (30%) indicates that financial activities are not systematically evaluated. Without comparison between planned and actual performance, the institution cannot identify financial inefficiencies or implement corrective actions. This confirms that control cannot operate independently but depends on the existence of planning and budgeting.

The reliance on a single income source reinforces the institution's financial vulnerability. While the institution is able to sustain its operations, this sustainability is conditional and dependent on stable student enrollment. This suggests that the institution's financial management is oriented toward short-term survival rather than long-term stability. Overall, the findings highlight a gap between theoretical financial management principles and actual practices in the institution. The lack of integration among planning, budgeting, and control results in a financial management system that is reactive, informal, and not fully accountable. This condition indicates the need for more structured financial management practices to achieve long-term sustainability.

CONCLUSION AND SUGGESTION

Based on the findings of this study, it can be concluded that the financial management practices in the English course institution are not implemented as an integrated system as proposed in the Planning–Budgeting–Control (PBC) framework by Robert N. Anthony (1965). The results show that financial planning is not implemented at all, as indicated by a score of 0%, which falls into the very weak category. This means that the institution does not have a written financial plan, does not conduct income and expenditure forecasting, and does not establish financial targets. As a result, financial decisions are made based on immediate needs rather than strategic considerations. Budgeting is partially implemented, with a score of 50%, categorized as moderate. The institution shows awareness of financial allocation by prioritizing expenditures such as teacher salaries, learning materials, and operational needs. However, budgeting is not formalized into a structured system, as there is no written budget document and no quantified financial allocation. This indicates that budgeting is conducted informally and based on experience rather than systematic planning. Financial control is weak, with a score of 30%. Although basic monitoring is conducted, the institution does not implement financial reporting, performance comparison, or corrective action mechanisms. This indicates that financial control is not carried out systematically and cannot function effectively due to the absence of planning and structured budgeting.

In addition, the institution relies entirely on student tuition fees as its only source of income, which creates a single-source income structure. This condition increases financial vulnerability, as the institution's financial stability depends heavily on student enrollment. Overall, the study concludes that financial management in the institution is operationally functional but structurally weak. The institution is able to maintain its activities; however, its financial management system is reactive, informal, and not aligned with theoretical principles. This condition indicates that the institution lacks strategic financial direction and remains vulnerable in the long term.

Suggestions

Based on the findings and conclusions, several suggestions are proposed to improve financial management practices in the institution:

First, the institution should develop a structured financial planning system. This includes preparing a written financial plan, conducting income and expenditure forecasting, and establishing financial targets. Planning is essential to provide direction and reduce uncertainty in financial decision-making. Second, the institution should formalize its budgeting system. A written budget document with clear numerical allocation for each expenditure category should be developed. This will improve financial transparency, accountability, and efficiency in resource allocation. Third, the institution needs to strengthen its financial control system by implementing regular financial reporting, comparing planned and actual financial performance, and establishing corrective action mechanisms. Effective control will allow the institution to evaluate its financial performance and identify inefficiencies. Fourth, the institution is encouraged to diversify its sources of income. Relying solely on student tuition fees increases financial risk. Therefore, alternative income sources such as partnerships, training programs, or external funding should be considered to enhance financial sustainability. Finally, future researchers are suggested to conduct further studies with more comprehensive data and multiple institutions to provide broader insights into financial management practices in educational settings. As highlighted by there is still a lack of comprehensive research on best practices in financial management in education, indicating the need for more empirical studies in this field.

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