Financial Management Competence of Selected and Promoted School Heads: A Demographic Comparison

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Abstract
This study intended comparing the financial management competence of selected and promoted school principals (heads). It was quantitative and comparative in nature. The population was principals of government high schools in Upper Punjab. Purposive sampling technique was applied for sampling the size of 213 school heads from district Sahiwal. A self-developed questionnaire comprising 34 items was used to collect data. The reliability of the questionnaire was found to be .82. Data were analyzed using advanced statistics using SPSS. The study established that school heads have awareness planning procedures and implementation processes but school heads are not confident to coordinate with stakeholders in financial matters of school. The significant difference appeared in financial management competence of promoted and selected school heads and males and females school principals. It was recommended that financial management orientation and training may be arranged for school heads of public secondary schools to improve their financial management competence.

Key Words

Introduction
Education is the main conspicuous indicator that leads a nation to a progressive way. Educations hold the investment of the future of a country. A well-managed educational institute brings desired result (Zahroh, 2015). Along with structured curriculum, supportive infrastructure, highly qualified human resource and intelligent management of finances; schools can excel to promote excellence in education. It is observed, school head possesses a significant role as a leader, administrator, supervisor, counselor, and manager in school education department. Along with many other resources, finance is an important resource in a school. It is needed to carry out running expenditures of a school. Administrative tasks of School heads in public sector secondary schools also include financial management (Farooq & Haffizullah, 1990; Hill, 2018; Solangi, 2017). Though in Pakistan, education is a service and schools are working under federal and provincial governments. The public schools in Pakistan charge no fee until secondary education. So finance involves in schools is limited to the running expenditure of the school only. Financial management is also main duty of the school heads. Financial management involves awareness of financial management, financial planning for the school, dealing with disbursement of funds, proper utilization of funds, managing record and collaboration with stakeholders of the school.

Financial management contains the crucial objectives of the institute, developing programs that will accomplish these objectives into quantifiable terms. It is consequently the controlled organization that regulates why to usage the accessible assets especially to generate the superiority of the outcomes (Mutua, 2013). The significance of the controlled organization lies initially in the plan of the programs charted to accomplish the objectives and furthermore in the talents and capabilities of the persons consuming it. In the current world Education sector has become the backbone of growing industry as all human resources to grow, are the outcomes of the education sector so the education sector devours an abundant treaty of the management financial plan (Ntseto, 2009). Funds for an educational institution are concerned with financial management (Thenga, 2012). The finance management system in the school by school heads includes the arrangement and the execution of a financial strategy, the security of resources from loss,
accounting, reporting, harm, and fraud. The schools can control their financial system of the management with interior directions (Nyanyuki, et al. 2013).

The expected sources of funds and income from the ‘Frog-i Taleem Fund’ (FTF), Non-Salary Budget (NSB) are considered the aspects of financial management in secondary schools by the school heads. Osuala, (2007) argues that the best utilization of funds and income by the school heads is one of the main objectives of financial management. Mostly in Pakistan the financial managers of schools accused that they have no proper training for assessing needs, planning, budgeting, programming, and stock taking. This problem was generally identified by the promoted school heads. They also blame higher authorities for not giving guidance about financial matters, strategies of banks, keeping of financial record, accountability, and procedure of auditing in secondary schools which are considered independent in financial matters to control the expenditures effectively (Tafida, 2005).

Younas, 2014 states “Education in Pakistan has experienced numerous problems such as low investment, low access, and quality as well as high wastage in terms of human resources, materials, money and time.” All the schools in Pakistan are funded by Ministry of Finance for the developmental project of secondary schools. All school heads including direct selectees and promoted manage finance according to developmental needs of the schools that include the purchase of furniture, purchase of machinery, repair of building, repair of furniture, repair of machinery and mini purchases at school. In addition to this, by using the non-salary budget, a teacher can be hired on need base and a sweeper can also be hired on daily wages. In this respect financial management is the most important responsibility of the school head in an educational institution. The best use of all available financial resources can help to achieve the related objectives. There are few types of research in literature that address the financial management competence of school heads in secondary schools of Pakistan. The current study is taken up to bridge the gap by exploring and comparing the financial management competence of school heads.

Review of Related Literature

School budgeting starts in 1960 by the machinery schools to meet institutional needs and changing the social behavior to promote social mobilization and economic progress. Madugu, (1993), concludes that how grants and allocation of funds change the institutional climate. He also found the financial issues in the institutions. He stated that orientations and adequate funds more budgeting are the needs of financial managers.

Why, how and when the money invested to achieve objectives is related to the management of finance in which the term ‘finance’ is considered as dealing with money (Newcombe, et al 2001). The branch of economics in which investment, allocation, management of resources related to money to achieve the financial goals is called financing (Costrell, et al 2008). Discipline deals with investing, making decisions, deterring the facts and values with theories and principles in an organization are considered as management of finance (Cambell, 2004).

The best use of resources to deal with finance avoiding wastage of resources and time is known as management. Controlling with manners, to handle and direct with authority is the main part of management (Jacobs, 2000). Activities with best coordination and organization according to policies with clear objectives of an institution are defined as management (Southworth, 2004). Management is the discipline that includes formulation of function under policy, cooperation, directing, controlling, organizing and planning with the best use of available resources set by authorities to achieve objectives (Wylie, 2013). Ogbonnaya, (2000) defined management in financial matters as the efficient use with cost maximization of funds and money resources that make institutions productive enhancing welfare of staff by the use of planning, directive and controlling.

Education requirements to be supplementary proficient and the productivity should reflect a progressive replication of the feedback in the schools. Saliba, (2006) explains that the evaluation and development are the two main phases in cycle of procedure pointed at improving an instructive administration’s capability to assist its customers who are pupils, the parents, and the community. For effective evaluation and development, there is essentially required suitable budgeting as a practical link among the development and evaluation. Therefore the budget symbolizes the financial illustration of the administration’s objectives. Through budgeting process a school can make decision that in which way an organization planned objectives (Lydiah & Nasongo, 2009).

School, heads make decisions for organizing school events which include student enrollment, planning of time table and managing finances using different techniques. Managing school records, teacher and student attendance registers, logbooks, and visitors’ books are also the responsibility of the head. He has to manage all that along with updating his staff members with the ministry of education. Bush and Bell (2002).

Financial management is the presentation of a predictable school head in un-wasteful outlay of legislative resources with the purpose of attaining influential strategies and objectives. Van, (2013) describes that financial management is a process that is concerned with the development and supervisory of administration’s financial possessions. Ojo and Olaniyan, (2008) explain that the financial management indicates legal responsibility to be termed upon to interpretation for or response for assets delegated to one’s attention.
Financial management is a key responsibility of a school head in secondary schools. Though in the public sector, provision of funding is the responsibility of government but managing the funds and keeping the record is the responsibility of the school heads (Oche, 2009). Usually, school heads consider financial management as a challenge. There are many studies in literature that address the challenges faced by secondary school heads to manage finance. Like, "Atieno and Simatwa (2012) conducted an analytical study to explore the challenges faced by newly appointed principals. The study concluded that newly appointed principals faced a number of challenges by various sides. They noted that parents were unwilling to pay school fees, to buy books for their children and also did not participate in PTA meetings. In addition, they were uncooperative with principals and often made threats to them. Heads lacked financial management skills.

A study conducted by Cardno and Collett (2003) in secondary schools regarding different workloads of school managers in which they found school heads deficiencies in their financial management. Obi (2004) explores the school heads’ problems regarding funds disbursing practices of corruption and procedures of financial management in secondary schools. Ochai (2005) conducted a study on the practices of financial management in secondary schools of Benue State. He found that authorities did not allocate sufficient funds. He also found the practices of corruption in horizontal and vertical levels in financial management.

Ogbonnaya (2000) concluded that mishandling of school resources lead to the following aspects: interruption in assets of schools, misconduct of reserves, departure of reserves to other areas of the economy, deficiency of preparation or insufficient preparation of school heads, financial negligence of clerks, outright appointments by politicians of unqualified personnel; teachers negligence in fee collecting and due to delay or non-payment of their salaries. Literature reports that there are many factors that influence the financial management competence of school heads. Including these are the qualification of school heads, experience, age, training and orientation on financial management and school heads’ financial literacy (Matula, Malwa & Kyalo, 2018; Wagithunu, Muthee & Thinguri, 2014; Pandy, 1995; Baraka, 2010). Some studies report inadequate funding as a source of mismanagement in financial control and problem for school heads in secondary schools (Onye, 1990). A study reports that the allocation of funds is not according to the budget allocations and it is also a challenge for the school heads (Tafida, 2005).

**Methodology**

The study is quantitative in nature. The study intended to explore and compare the financial management competence of directly selected and promoted school heads in secondary schools of upper Punjab. A multistage sampling technique was used to select the sample. At first stage, district Sahiwal was conveniently selected. At the second stage, 213 public sector high schools of two Tehsils of district Sahiwal were selected purposively i.e. Tehsil Sahiwal (111) and Tehsil Chichawatni (102). School heads working in these schools were purposively selected. The sample size of the study was 213 school heads. A self-developed questionnaire exploring the financial management competence of school heads was administered. Before administration questionnaire was validated by expert opinion and reliability was established by Cronbach Alpha coefficient value of 82.

**Findings**

The major objective was accomplished by using different data analysis techniques. Table 1 represents the demographic distribution of the data.

<table>
<thead>
<tr>
<th>Sample Spread</th>
<th>Promoted Urban</th>
<th>Promoted Rural</th>
<th>Direct selected Urban</th>
<th>Direct selected Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>10 (4.69)</td>
<td>80 (37.55)</td>
<td>3 (1.40)</td>
<td>22 (10.32)</td>
<td>115 (53.99)</td>
</tr>
<tr>
<td>Female</td>
<td>13 (6.10)</td>
<td>65 (30.51)</td>
<td>5 (2.34)</td>
<td>15 (7.04)</td>
<td>98 (46.00)</td>
</tr>
<tr>
<td>Total</td>
<td>23 (10.79)</td>
<td>145 (68.07)</td>
<td>8 (3.75)</td>
<td>37 (17.37)</td>
<td>213</td>
</tr>
</tbody>
</table>

(Values in parenthesis are the percentages)

It is reflected from table 1 that there are 31 school heads from urban area schools and 182 school heads are selected from rural areas in district Sahiwal. It also reflects that male teachers who participated in the study were 115, female teachers participated in the study were 98 so total was 213.
Table 2 reflects the demographic characteristics and response rate of sample of the study. It is shown in table 2 that 45 (21.1%) school heads are direct selectees and 168 (78.9%) school heads are promoted. Further, table 2 shows that 182 (85.4%) teachers are from rural area schools and 31 (14.6%) are from rural area schools. Table 2 also reflects that 115 (54%) samples of the study were males and 98 (46%) were females school heads.

Table 3. Financial Management Competence of School Heads

<table>
<thead>
<tr>
<th>Financial Management</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>213</td>
<td>3.72</td>
<td>1.18</td>
</tr>
<tr>
<td>Follow Planning procedures</td>
<td>213</td>
<td>3.83</td>
<td>1.20</td>
</tr>
<tr>
<td>Administrative Approval</td>
<td>213</td>
<td>4.52</td>
<td>1.08</td>
</tr>
<tr>
<td>Authority</td>
<td>213</td>
<td>4.45</td>
<td>1.22</td>
</tr>
<tr>
<td>Collaboration with staff</td>
<td>213</td>
<td>2.80</td>
<td>.75</td>
</tr>
<tr>
<td>Financial Record Keeping</td>
<td>213</td>
<td>4.39</td>
<td>.85</td>
</tr>
<tr>
<td>Implementation</td>
<td>213</td>
<td>4.01</td>
<td>1.32</td>
</tr>
<tr>
<td>Delays in disbursement</td>
<td>213</td>
<td>4.24</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Table 3 describes the financial management competence of school heads. The table reflects that mean score (3.72, 3.83 and 4.01) shows an agreement of school heads towards awareness of financial planning, to follow planning procedures and implementation of the financial management practices. Further mean score (2.80) shows that school heads are undecided about collaboration with staff in financial management process. Furthermore, table 3 reflects that mean score (4.01, 4.24, 4.39, 4.45 and 4.52) shows strong agreement towards implementation of financial planning, handling delays in financial disbursements, financial record keeping, consulting authority for guidance and for administrative approvals.

To compare the financial management competence of direct selectee and promoted male and female, rural and urban area school heads, independent sample t-test is applied.

Table 4. Independent Sample T-Test (Direct Selectee and Promoted School Heads)

<table>
<thead>
<tr>
<th>School heads</th>
<th>N</th>
<th>Mean</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct selectee</td>
<td>45</td>
<td>132</td>
<td>211</td>
<td>.000</td>
</tr>
<tr>
<td>Promoted</td>
<td>168</td>
<td>116</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of table 4 present that the significant value (p-value) for financial management competence is .00 which is P<0.05. Which means that there is a statistically significant difference between financial management competence of direct selectee and promoted school heads. The table also reflects that the financial management competence of direct selectees is very slightly higher than that of promoted school heads.

Table 5. Independent Sample T-Test (Gender Wise Difference of School Heads)

<table>
<thead>
<tr>
<th>School heads</th>
<th>N</th>
<th>Mean</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>115</td>
<td>133.33</td>
<td>211</td>
<td>.000</td>
</tr>
<tr>
<td>Female</td>
<td>98</td>
<td>97.76</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of table 4 present that the significant value (p-value) for financial management competence is .00 which is P<0.05. This means that there is a statistically significant difference between financial management competence of male and female school heads. Table 4 also reflects that the financial management competence of males is higher than that of female school heads.
Table 6. Independent Sample T-Test (Rural and Urban area School Heads)

<table>
<thead>
<tr>
<th>Area</th>
<th>N</th>
<th>Mean</th>
<th>Df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>31</td>
<td>117.5</td>
<td>212</td>
<td>.54</td>
</tr>
<tr>
<td>Rural</td>
<td>182</td>
<td>116.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of table 5 present that the significant value (p-value) for financial management competence is .54 which is P>0.05. This means that there is no statistically significant difference between financial management competence of rural and urban school heads. Table 5 also reflects that the financial management competence of school heads in urban area is slightly higher than that of rural area school heads.

Discussion

In Pakistan, there is five levels set up in education system like Primary, Elementary, Secondary, Graduation and Post-graduation levels. The secondary schools in the educational set up have prime importance because it provides the raw material for higher education. Moreover, it plays the role of bridge between elementary and higher education. The present study was carried out to explore the financial management competence of selected and promoted school heads. The study revealed that school heads have strong agreement towards implementation of financial planning, handling delays in financial disbursements, financial record keeping, consulting authority for guidance and for administrative approvals .the findings are in line with study conducted by Origa (2013) and it concluded that most school heads are conversant with budget preparation, budget presentation, and record keeping. Likewise, School heads also show an agreement towards awareness of financial planning, to follow planning procedures and implementation of the financial management practices. These findings are paradoxical to the findings as reported by Origa(2013) that most school heads have challenges in bookkeeping, budget implementation, and procurement, While, school heads remained undecided about collaboration with staff in financial management process and this agrees with study findings by Ogbonnaya (2005) where he stated that some administrators do not involve their subordinates in budget making and preparation..The study also reflects that there is a significant difference in financial management competence of male, female and directly appointed or promoted school heads. Paradoxically a study reported that the newly appointed principals are not good in financial management to a very large extent. The study also found that there is no significant difference between financial management competence of urban and rural school heads. The study recommends offering training to the school heads. The study also recommends that there might be a course regarding financial management in schools in teacher education programs.
References


