Influence of Principals’ Management Competencies on Financial Resource Management in Public Secondary Schools in Homa Bay County

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Abstract: Provision of quality secondary education is the foundation of further education, training and the world of work. In Kenya the envisaged goal of education is quality, equity and access, in line with vision 2030. Quality education seems not to have been achieved. This raises the question of competencies of principals. In Homa bay County there is justifiable purpose as evidenced by examination results. This study investigated the influence of Principals’ management competencies on quality of education in public secondary schools in Homa bay county, Kenya. The study adopted the descriptive research design. The target population comprised 298 bursars, from which a sample of 171 Bursars was derived, and 6 Sub County Quality Assurance Officers (SCQASOs). Purposive sampling was used to pick, 13 Bursars from National and Extra-County schools and the 6 SQASOs from the six sub-county. Stratified and proportionate sampling procedures were used to create strata on the county and sub-county schools then proportionately sample the schools to determine the number bursars, from each school category. Simple random sampling technique was then employed to select the remaining 158 bursars who were involved in the study. Reliability of the instruments was established using test-retest method. The instruments were piloted to establish their internal consistency and the general congruence neighbouring kisii county. Cronbach Alpha formula was used to estimate reliabilities of the instruments and it yielded reliability 0.70. The study established that principals’ management competencies influences management of financial resources. The study recommended management skill upgrading courses, workshops, seminars to enhance competencies. Financial training for newly appointed bursars and principals.

Keywords: Competencies, Influence, Financial Resource, Management, Vote heads.

I. INTRODUCTION

Education plays a significant role in the social, political and economic developments of nations and lives of individuals. Governments invest heavily in the education of its citizens because it: reduces social and economic inequality, is a welfare indicator, a key determinant of earnings and an exit route from poverty (Government of Kenya [GOK], 2005). Education also has a role in the promotion of equality and assists in passing cultural values to future generations (Education For All [EFA] Global Monitoring Report, 2005). EFA further notes that education sustains democracies, improves health,
increases longevity, income per capita and influences conservation of environmental resources. According to United States of America International Development [USAID] (2001), educated societies have higher wages, productivity, and increased demand for goods and services that lead to enhanced trade opportunities. United States of America International Development further asserts that countries which are not able to make this critical investment may not nurture social capital for sustainable development, and may suffer reduced economic growth, experience increased conflict, health crises and other social ills. This study considered principals’ management competencies, a significant reason that could influence education outcome.

Studies have shown that quality of education is affected by many factors. Len and Price-Rom (2005) noted that quality of education is dependent on its inputs. In an education system, inputs refer to what is fed into it to function such as students, teachers, managers, administrators, other support staff, supervisors, inspectors, teaching and learning resources and finances. Muchiri (2012) established that quality of education is affected by enrolment, adequate facilities, staff, finance and community involvement in school management.

**Statement of the Problem:**

Secondary school education is envisaged as the most important level in the education cycle since it is the stepping stone to further education, training and the world of employment. It is thus imperative that students are provided with quality education. However, it is not clear whether all schools in Homa bay County have been providing students with quality education over the years. This study therefore examined the influence of principals’ management competencies on financial resource management as an indicator of quality of education in secondary schools in Homa bay County.

This study sought to establish the influence of principals’ management competencies on financial resource management in secondary schools in Homa bay County. It tested null hypothesis at an alpha level of significance of 0.05 which states that:

**H0:** Principals’ management competencies do not significantly influence financial resource management.

**Significance of the Study:**

The study was deemed to be of significance due to the ongoing requirement of every organization, schools included, to offer quality service to the customers. The issue of quality management has been on the agenda of the Ministry of Education and there is a growing demand of increased accountability as a rationale for greater emphasis on quality. Principals are required by the government to: come up with strategic plans; state school’s core values; vision and mission as fundamental statements to show direction and way forward for quality education. Information about the influence of principals’ management competencies on quality of education could be significant to the learners as direct beneficiaries of quality education since it was hoped the study could reveal information on management activities of Principals that could be pointers towards improvement of quality education and may influence students’ academic achievement.

The study could also probably be of significance to stakeholders such as the Board of Management, parents, donors and the community within which the school serves. It could enable them make informed decisions about students’ schooling. Further, the study could probably be significant both to the present principals and future principals in enhancing their insight for effective governance of their schools. It could also be significant to principals in making them more accountable and this could enhance quality education. The study could also be significant to the Ministry of Education (MOE), as policy formulation body, to enable it make realistic education policies and step up monitoring mechanisms that could assist principals to be good implementers of the policies. Lastly, it was also hoped that the study would contribute by bridging of the gap in the body of knowledge in the field of educational management as it would shed light on the intricacies of management that could assist in improving quality of education.

**Conceptual Framework**

A conceptual framework that guided this study was developed from the concept and variable of the study for easy understanding as is presented in figure 1.
The conceptual framework has three components: the independent variable is principals’ competencies which have components to do with principals’ planning, organizing, supervision abilities, and evaluation capacity. The intervening variables lie between the independent and dependent variables. They include: staff characteristics, location of school; and government policies that are introduced by the ministry from time to time. Since the study was conducted in public secondary schools, it was assumed that staff characteristics, teacher remuneration, government policies, infrastructural facilities are almost standard. Since public schools operate under guidelines laid down by the government. There was minimization of the effect of the intervening variables. The effects of the intervening variables were further minimized through randomization during sampling. Randomization has been recommended as one of the methods of minimizing the effects of intervening variables as it ensures that association between the variables is not attributed to chance (Best & Khan, 2006). Dependent variable is quality of education, with financial resource management as an indicator.

II. LITERATURE REVIEW

Financial management is the process of planning and utilization of school funds in an efficient and effective manner and in accordance with regulations and procedures (Wango, 2009). Wango further noted that financial management is an indispensable part of school management and that prudent financial management is usually a pre-condition of a “good” school, since the way funds are managed largely indirectly determines the overall school academic performance. According to Wagithimu, Muthee and Thinguri, (2014) competence issues of financial management include, among other things, training and professional knowledge in finances, interpretation of financial policies and financial decision making in a school. Wagithimu et al further said it also involves information analysis, like auditing report, preparation and managing school budgets, effective communications and mobilizing of financial resources.

Introduction of Free Education (FE) has transformed Education system in Kenya by increasing enrolments in both public primary and secondary schools. It has consequently changed the roles and added financial responsibilities of the principals. The task requires a person of high integrity in the profession with the right training and skills of handling money, wide knowledge in specific areas like practices and concepts of financial management, risk analysis, debt management, ability to keep current with school developments (Wagithimu et al 2014). Wagithimu et al further highlighted competence issues of financial management that a principal needs to acquire. They include among other things, training and professional knowledge in finances; interpretation of financial policies, financial decision-making in a school; information analysis as in the case of auditing report; preparing and managing school budgets; effective communications and mobilizing of financial resources.

A study conducted in Mafeting district of Lesotho by Motsamai, Jacobs and Corene (2011) revealed that in Lesotho principals are appointed on the basis of their teaching experience, as well as their academic and professional qualifications and that training in or having knowledge of financial management is not considered a prerequisite for appointment to the position of headship. This sometimes make them lack the necessary financial management skills.
A research conducted in South Africa, also revealed that School Act gives the governing bodies a mandate to manage funds of the schools. The Act provides guidelines for the school governing body and the principals on their roles and responsibilities in managing finances of the school (Mestry, 2006). Mestry however observed that some members of the school governing bodies and principals either have little knowledge of schools Act or simply interpret it incorrectly, and this results in mismanagement of finances of many schools.

In Kenyan schools, there are education Acts derived from the constitution that assist in the financial management of institutions’ resources. The principals are served with ministerial guidelines on vote heads and allocation of funds. There can be a small flexibility on how individual schools can deliberate on school issues according to the school needs and prioritise depending on the funds available but it must be within the guiding policy from the ministry (MOEST, 2006).

All learning institution, like any other organisation, must ensure that business has constant and adequate money for smooth running of its operations and sustain it carefully in order to achieve its goals (Wagithimu, Muthee & Thinguri, 2014). Wagithimu et al further highlighted that accounting system of a school is mandated to provide accurate, current and complete disclosure of the financial status of a school. School management has the responsibility of providing and maintaining true and clear records which exhaustively identifies the source of school funds. Records of accounts which are done in accounts books, should confirm information like allocation of funds, transactions made and the purpose of which the transaction was done. In all these the principal should be aware of these documents so as to be able to monitor the recording done by the school finance officer, bursar and advice where need be. In the course of discharging their duties, if the above books are not well prepared and monitored, it is an indicator of poor performance in financial management (MOEST, 2005). Therefore by implication management incompetency on the part of the principal.

The principal works closely, but independently, from the finance officer - bursar. Principals have to ensure legal policies on procurement and tendering are adhered to. They have to safeguard school assets from loss or authorized use and ensure school finances are administered correctly (Wagithumu, et al). The principal is the Accounting officer of the school, meaning he/she has the Authority to Incur Expenditure (AIE) in the school and is the AIE holder (Wango, 2009).

According to UNESCO (2009) mismanagement of funds by principals often lead to shortage of critical resources in school making money to be unavailable for the purchasing of the necessary items like books, student lockers, laboratory equipment and the like. This leads to unsatisfactory performance of teachers and students. Thus quality of education is compromised.

Issues of financial management are a big challenge to many Principals in Kenyan schools especially when they are newly appointed to the position of a principal, perhaps because the appointments are based on academic experience and seniority and not on any knowledge or training of financial management prior to this.

III. RESEARCH METHODOLOGY

Research Design:

This study employed the descriptive survey research design. The design was deemed appropriate as it examined the nature of prevailing conditions or relationships and state of affairs as they exist without manipulating variables (Gall, Borg & Gall, 2007); (Cohen, Manion & Morrison (2007); (Wiersma & Jurs 2005). The study was conducted in public secondary schools in Homa bay County, Kenya, in 2016.

The county had a total of 298 public secondary schools, 2 national schools, 11 extra county, 43 county and 242 sub-county schools.

The target populations of this study were the 298 bursars, 4,795 public secondary school teachers and the 6 Sub-County Quality Assurance and Standards Officers (SCQASO). The bursars were chosen because they are the technical persons in-charge of school accounts while the SCQASOs were chosen because it is their mandate to ensure that quality education is provided to students in their respective sub-counties.

Sampling Procedure and Sample size

Purposive sampling was used to select the 6 SCQASOs, while a sample size of bursars were determined using slovin’s formula (Dionco-Adetayo, 2011) given as:
\[ n = \frac{N}{1 + NE^2} \]

Where:
- \( n \) = sample size
- \( N \) = population size
- \( E \) = margin of error or error tolerance (5%)
- \( I \) = is a constant value

The distribution of the the bursars samples by school category were conducted using purposive, stratified, proportionate and simple random sampling techniques to ensure that all categories of schools were represented. Serakin and Bougie (2010) contended that purposive sampling allows a researcher to get information from those who are best placed to provide it. The number of bursars drawn from county and sub-county schools was determined using proportionate sampling procedures. This translated to 24 bursars from county and 134 bursars from sub county schools. Simple random sampling was employed to identify the schools from which the bursars who participated in the study were picked.

The study used three Bursars’ questionnaires and SCQASOs interview schedule to collect data. According to Potter (2003) interviews generate quality data because fewer respondents refuse to take part in them. Further, interviews allow the researcher to interpret the body language of the respondent and make a fair judgment.

Principals’ management competencies was measured by data provided by the HODs questionnaire. The variable was measured with respect to its five dimensions namely: Planning, organizing, coordinating supervising and controlling. A set of 22 close ended items constructed using 5 points (1: Very Poor to 5: Very Good) scale was used to measure the variable. The responses to the items were averaged and transformed into indices of the five management competencies dimensions. The overall index was derived from the indices of the five dimensions of management competencies and used to measure principals’ management competencies.

Financial resource management was determined by data gathered from the bursars’ questionnaire. They were also transformed into an index which was later used in testing the hypothesis. The relationship between the two variables was determined using simple regression analysis. Further analysis to corroborate bursars’ information on financial resource management was gathered from the SQASOs interview schedule.

**IV. RESULTS AND DISCUSSIONS**

The principals’ management competencies was determined with respect to planning, organizing, coordinating, supervising and controlling. The indices of the 5 aspects of management and the variable index are given on Table 1

<table>
<thead>
<tr>
<th>Management Dimension</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>197</td>
<td>3.84</td>
<td>0.54</td>
</tr>
<tr>
<td>Organising</td>
<td>195</td>
<td>3.87</td>
<td>0.48</td>
</tr>
<tr>
<td>Coordinating</td>
<td>196</td>
<td>3.74</td>
<td>0.38</td>
</tr>
<tr>
<td>Supervising</td>
<td>193</td>
<td>3.92</td>
<td>0.48</td>
</tr>
<tr>
<td>Controlling</td>
<td>194</td>
<td>4.09</td>
<td>0.13</td>
</tr>
<tr>
<td>Management competency index</td>
<td>199</td>
<td>3.90</td>
<td>0.40</td>
</tr>
</tbody>
</table>

The results in Table 1 show that the means of the 5 dimensions of management ranged from 3.74 (SD =0.38) to 4.09 (SD =0.13) while the principals’ management competencies index was 3.90 (SD =0.40). The means of the 5 aspects of management and principals’ management competencies indices were high given that they were out of a maximum of 4. This indicates that principals are competent managers.

Data generated by the QASOs interview schedule indicated that the principals’ management competencies levels were high. Two of the QASOs noted that principals have good working relations in their schools while three reported that principals involve stakeholders in management of the schools. Two of the SQASOs reported that most of the schools were well organized as they have well laid structures with clear line of responsibilities. One QASO observed that, most principals in old, established schools had well-kept records. The observations of the QASOs is an indication that principals practice aspects of management, organizing, delegation and team work.
Principals’ Financial Resource Management:

Principals’ financial resource management was measured with respect to financial management items on a likert scale. The supervision index was $M = 4.12$ (SD = 0.72) out of a maximum of 5 and was rated above average. Data generated by QASOs interview guide highlighted both positive and negative qualities /attributes. Three of the SQASOs said that most principals do make well prepared budgets and they try to ensure that books of accounts are well maintained. However the SQASO also noted that some principals do not sign payment vouchers neither do they have supporting documents. In some cases they came across poorly maintained books of accounts and un-procedural procurement processes. “It is very common to find no storekeepers, no procurement plans and poor stock control in a number of schools.” Quality Assurance Inspection Report for Secondary Schools (2015) also showed that there are several schools grappling with issues of financial management. However the general observation from bursars, and SQASOs seems to allude to the fact that the positive attributes on management of financial resources out way the negative.

Testing the hypothesis

Simple Regression Analysis on the Influence of Principals’ Management Competencies and Management of Financial Resources

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.174</td>
<td>.226</td>
<td>9.616</td>
<td>.000</td>
</tr>
<tr>
<td>Principals' management competencies</td>
<td>.518</td>
<td>.059</td>
<td>.536</td>
<td>8.729</td>
</tr>
</tbody>
</table>

$R = .536$, $R^2 = .287$,  Adjusted $R^2 = .284$, $F(1, 189) = 76.194$,  $p < 0.05$

The results in table 2 indicate that the relationship between principals' management competencies and management of financial resources was positive ($R = .536$). They also indicate that the explanatory variable accounts for 28.7 % ($R^2 = .287$) variance in the outcome of financial resource management that can be explained from the principals’ management competencies. However, adjusted $R^2 = .284$, means that 28.4% of the variability in financial resource management can be explained from the principals’ management competencies. The rest of the variation in financial resource management may be attributed to other factors not investigated in this study.

The beta coefficient ($\beta = .536$, $p < .05$) shows that principals' management competencies is a significant predictor of management of financial resources. This is an indication that principals’ management competencies significantly influence management of financial resources. Since $P< .000$ is less than $P< .05$. Based on these results the null hypothesis, principals’ management competencies does not influence financial resource management in public secondary schools in Homa bay county was rejected.

The experience to manage finances comes with time and that is why many heads , as observed earlier, have problems managing finances effectively when they are newly appointed to the position of headship. An institution’s management is required to prepare, records, account and maintain and financial statements which show how the institution’s resources have been acquired and utilized, and also the financial position of the institution at specific dates. Ogbonnaya, 2000 as cited in Adegbemile, Oluwadare (2011) concurred that success of any school programme depends very much on the way the financial inputs are managed. Further, the central purpose of the financial management is the raising of funds and ensuring that funds which are mobilized are utilized in the most effective and efficient manner. In a school set up, the principal is accountable, and non-compliance with these guidelines constitutes a breach of duty that is liable to disciplinary action under the provisions of the Teachers Service Commission (TSC) Act, the code of regulations and the Penal code (MOEST, 2006).

V. CONCLUSIONS AND RECOMMENDATIONS

The results from the hypothesis revealed that the relationship between principals’ management competencies and management of school financial resources was positive and statistically significant. The results also indicate that the explanatory variable accounted for a significant variation in the mean of the outcome. Consequently, it was concluded that principals' management competencies positively influence management of school financial resources.
Based on the results, it is recommended that bursars and principals should be equipped with financial skills and procurement processes through training upon appointment as requisite for good financial management of schools and putting proper mechanisms in place to ensure that the set procedures are adhered to by the principals.

REFERENCES


