



Financial Management Competence of Head Teachers, Utilization Priorities and Relationship with School Performance

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ABSTRACT

The study aimed at finding the impact of school Head teachers' budget management competencies, utilization priorities and relationship with school performance. The objectives of the study were; (i) to identify the budget management competencies among Head Teachers of secondary schools, (ii) to explore the priorities of head teachers regarding the utilization of Budget in secondary schools and (iii) to find out the relationship of secondary schools Head teacher's budget management competency on school performance. The population consisted of 431 head teachers (202 male & 229 female) working in secondary schools of district Sargodha. All 352 head teachers were taken as sample. Two research instruments i.e., questionnaires for head teachers on a five-point rating scale and a checklist on three points were developed. The reliability coefficient Chronback Alpha value was .904. The major findings of the study were; Majority of Headteachers were good enough in budget management competencies and there was a positive and moderate correlation between the financial competencies of head teachers and their school performance. It is recommended that a committee of senior Head Teachers may be notified by the competent authorities for guidelines on financial issues.



Introduction

One of the most important foundations of the educational process is Management. It is the most crucial aspect of every organization. The school administration plays a vital role in developing the personalities of the students in an educational setting. The school administration is responsible for ensuring that all pre-determined goals and objectives are achieved. Without proper management, no organization can achieve its goals and objectives. The term management refers to the organization and handling of all resources in an efficient and effective style (Raduski, 2016). In the views of Ninlawan & Areerachakul (2015) management is defined as the act, style, or practice of managing, supervising, and controlling an organization's resources in order to attain a desired outcome. Education management also entails effectively managing resources in order to maximize productivity.

Education plays a vital role in any society. It's a process of transformation of knowledge and skills to upcoming generations (Heru, 2017). Education makes the human being aware of the all realities of life. There are some formal and informal institutes of education to make people educated. These institutes are supported in different ways by their controlling departments. According to Robertson, & Verger, (2012) in public educational institute's government provides a large amount of funds for different educational activities and to achieve the set objectives, aims and goals. The government also defines some rules and regulations for the allocation of these funds and also provides proper guidelines for funds utilization.

Finance is the backbone of any institution (Shiller, 2013). The performance and growth of a school depends on the well management of funds. Financial Management plays a vital role in the success of schools but on the other hand poor financial management and misappropriation of funds lead towards failure. According to Bagnoli, & Megali (2011) financial management can be defined as estimated cost or all incomes and expenditures according planning, controlling, directing and organizing the income and expenditures, assets and funds to attain set targets or to achieve the objectives as satisfactorily as possible. Budget is a plan, rough to need base in any institutes for the specific time period to operate the all activities smoothly. In public educational institutes the concerned head teacher make a budgetary plan twice in a year and submit to the district account office (Barr & McClellan, 2011).

A budget is a financial representation of an educational program. In general, a budget plan is established for a specific time period, such as financial year. The Head teachers of schools are ultimately responsible for the school's budget. A similar point of view from Mcber, (2001) indicated that Head teachers are eventually answerable for the overall effectiveness, performance, and competence of the school's comprehensive plan. In many cases, educational institutions do not have access to appropriate funding, and the balance between receipts and payments. These institutions are often hampered by a lack of funding.

Budget Management competencies are necessary abilities of a head teacher. Budget management competencies of a Head teacher refer to ability and skill of handling the financial matters in a school (Thenga, 2012). A good head teacher equipped with these competencies tries to use it in preparation of school base action plan, preparation of school budget, maintenance and keeping of record and he has ability of controlling and monitoring (Esia-Donkoh, 2014).

According to Ali & Arshad, (2019) Head Teachers of the educational institutions have to tackle different kinds of budgetary funds, maintenance of their records, and proper utilization of these limited financial resources. In Pakistan and specially in Punjab, head teachers manage the school finance in the form of Non-Salary Budget, School Management Committee Fund, preparation of school budget, Cash Book, calculation of taxes like general, sale and service and maintenance of all record for audit.

The Non-Salary Budget a kind of school welfare fund was announced in 2014. It started in 9 districts of Punjab as pilot project and after that in second phase is was started into all 36 districts of Punjab in 2016 by abolishing the School Management Committee (NSB Manual (2015)). Another improvement in this regard was very important for Head teachers that uninterrupted transfer of NSB fund to direct school bank account by get rid of all other unnecessary procedures. In addition, NSB fund allocation in 2013-14 was formula-based allocation. This formula was need-based and associated to infrastructure, basic facilities and enrollments ratio of the school (Nadeem, 2018).

To deal with financial matters in the schools, Head Teachers are responsible for proper utilization of Non Salary Budget (NSB) and maintaining its record. The fund is taxable and auditable also. Head teachers have to clarify that before purchasing something, they should calculate GST (General Sales Tax) 20% and Income Tax 9%. They are also responsible to classify purchased things into taxable and non-taxable goods (Akhter, Khan & Rehman, 2018). The school budget is a fiscal managerial document of an organization containing a plan of expenditures during a scheduled period of time. That time period is also called the fiscal year (Rahayu et al., 2015). According to Punjab Procurement Rules (2014), the fundamental objective of the guide was to assistance for the school managers to know and prepare yearly budget. Additionally, a segment on expensive monitoring was mentioned that could prove a source of overall budgeting sequence in the schools.

According to Engagement (2017) a head teacher makes financial school based action plan and make decisions according to school needs after consulting with School Council members and senior staff members. The Government transferred NSB funds in Bank accounts quarterly according to fiscal year the head teacher can with draw the expenditure amount with the help of co-signatory after purchasing the items or completion of work by the approval of School Council members. He also maintains register of proceedings of committee's suggestions and directions for the best use of non-salary budget. A head teacher maintains all the relevant registers like cashbook, main stock register, consumable and non-consumable registers, vouchers and utility bills. A head teacher tries to utilize the funds according to rules and regulations declared by the governments (Fitzgerald, 2013). A Head teacher follows the PEPRA rules for purchasing of different items from registered firms. He calculates all the taxes on different items and submitted it to the FBR office. The head teacher involves his senior and experienced colleagues in the maintenance of the record and to achieve the desire objectives of the fund (Solangi, 2017).

School performance indicators which are declared by the Government of Punjab are academic achievements of the students, increase in enrollment, positive contribution from the community, attractive school culture, decrease in drop out, retention of students, provision of quality education, motivational

environment, secure and happy place for the children's show the overall performance of the school. Proper utilization of fund and financial management competencies of a head teacher directly affects the school performance.

Management of financial matters is the basic and essential competency of a Head teacher to run any public school. The government provides funds in the form of Non-salary budget (NSB) to Public schools for ensuring the maximum utilization of available resources and to enhance the school performance. Due to lack of budget management competencies, knowledge about financial rules and capability about the fund utilization priorities among Head teachers causes the wastage of Government funds. A Head teacher who has the competency to deal the financial matters tries to use it in the preparation of school-based action plan, maintenance and keeping of record and he can set utilization priorities according to school needs. There are many pieces of research on the topic of how proper utilization of finance can affect the school performance. However, little has been focused on the question what is the improper utilization of resources and how the lack of management competencies affect the whole performance in schools? So, it is need of the hour to find the budget management competencies, utilization priorities of head teachers and relationship with school performance.

Objectives of the Study

Following were the objectives of this study:

1. To identify the budget management competencies among Head Teachers of secondary schools.
2. To explore the priorities of head teachers regarding the utilization of budget of secondary schools.
3. To find out the relationship of secondary schools Head teacher's budget management competencies and school performance.

Delimitations of the Study

Due to the time and financial restraints the study was delimited to management and utilization of Non salary budget (NSB), its utilization and performance of Public schools of Sargodha district.

Methodology

The current study was descriptive in nature, and the data was collected by using survey technique.

Population of the Study

Head teachers of all the secondary schools in the district Sargodha were included as the population of the study. There were 352 schools including (187 female & 165 male) schools (Government of the Punjab, 2019). The population of interest was widely spread in different tehsils. Lists of Head teachers of the secondary schools were obtained from the office of District Education Officer (DEO) Secondary, Sargodha. All the 352 male and female Head Teachers of secondary schools were included in the sample.

Research Instrument

A self-developed questionnaire for head teachers consisting three sections; one for budget management competencies of the head teacher, second budget utilization priorities was used for data collection whereas a checklist for school performance was constructed.

For the purpose of the face and content validation of the instrument, both the questionnaire and check list was discussed with seven (07) Ph.D. university teachers. The suggestions and opinions of experts were incorporated to finalize of the instruments. The questionnaire was administered to 100 secondary school heads of District Khushab adjacent to Sargodha district for pilot testing. The calculated value of Cronbach Alpha was 0.904, which shown very high reliability of the tool.

Questionnaire and checklist were administered to 352 Head teachers from Sargodha district of Punjab province for collection of data but number of responded was 276 (132 male & 144 female) and response rate was (78%). Descriptive Statistics was applied to calculate the sums, frequencies, percentages, mean and standard deviation, t-test and Pearson's Correlation was used to find the relationship between overall Budget management competencies of Head teachers and School performance.

Table 1

Budget Management Competence of Head Teacher

S#	Factor	Mean	SD
1	Action plan and Decision making	4.16	.511
2	Procedure & Maintenance of Record	4.27	.464
3	Rules & Regulation Process	4.19	.554
4	Utilization Priorities	4.10	.525
5	School Performance	2.43	.510

Table 1 indicates that according to mean score and SD (M=4.16, SD=.511) majority of the head teacher were effectively preparing school base action financial action plan and many of them consulted with school council regarding financial action plan and for decision making. Overall mean score and SD (M=4.27, M=.664) also shows that most of the head teachers were involved in organizing financial tasks as they got

proper record in cash book, ensured proper fund utilization and maintained stock registers. Overall mean score and SD (M=4.19, SD=.554) shows that majority of the head teachers were competently following the rules and regulation in financial matters of their schools as they regularly follow the described rules in fund utilization. Overall mean score and SD (M=4.10, SD=.525) shows that mostly head teachers set priorities for utilization of school funds. They were involved in improving school infrastructure and they make sure the maximum utilization of available resources. For the utilization priorities, overall mean score and SD (M=2.43, SD=.510) shows that majority of the head teacher provide all available basic facilities, all necessary equipment in functional form to all students and ensure students participated in co-curricular activities.

Table 2

Over all competency levels of Head Teachers

Category	Frequency	Percent
Poor
Satisfactory	38	13.8 %
Good	238	86.2 %
Total	276	100.0 %

Range of the responses was calculated and equally divided into three categories i.e., poor, satisfactory and good. Table 2 shows that total number of the head teachers of the sample was 276. It is indicated that majority (86%) of Head teachers were good enough in budget management competencies and 13% Head teachers claimed that their competencies were at satisfactory level.

Table 3

Gender based Analysis of Budget Management Competencies

Factor	Gender	N	Mean	SD	t-value	df	Sig. (p-value)
School based financial action plan and decision making	Male	132	4.16	.472	.137	274	.891
	Female	144	4.16	.547			
Procedure and record maintenance	Male	132	4.23	.430	-1.463	274	.145
	Female	144	4.31	.491			
Rules and Regulation followed by Heads	Male	132	4.22	.505	.746	274	.457
	Female	144	4.17	.596			
Fund utilization priorities of Head Teachers	Male	132	4.13	.473	.928	274	.354
	Female	144	4.07	.569			
Overall head teachers' Competencies	Male	132	146.89	13.481	-.281	274	.779
	Female	144	147.39	16.003			

Table 3 shows that overall, no significant difference of financial management competencies is there between male and female head teachers. Factor wise analysis shows that male and female head teachers are equally competent and there is no significant difference the in financial management competencies of making of school based financial action plan and decision making (t=-1.463, df=274 & p-value .891); male and female are equally competent in financial procedures and record maintenance (t=.137, df=274 & p-value .145) and also equally competent in rules and regulation (t=.746, df=274 & p-value .457). Further analysis reveals that male and female head teachers are equivalent in funds utilization priorities (t=.928, df=274 & p-value .354).

Table 4

Gender based comparison of School performance

Factor	Gender	N	Mean	SD	t-value	df	Sig.
Last three-year enrollment of school	Male	132	2.64	.481	-1.139	274	.256
	Female	144	2.71	.456			
Last three-year results	Male	132	2.46	.558	6.781	274	.000
	Female	144	2.03	.501			
Overall, School Performance	Male	132	1.71	.273	2.357	274	.019
	Female	144	1.63	.260			

Table 4 shows that overall, there is significant difference of performance between male and female schools ($t=2.357$, $df=274$ & p -value .019); overall female schools ($M=1.71$, $SD=.273$) are better than male schools ($M=1.63$, $SD=.260$). factor wise analysis shows that there was no significant difference of increase in enrolment between female and male schools ($t=-1.139$, $df=274$ & p -value .891). But there is significant of last three-year results difference between male and female schools ($t=6.781$, $df=274$ & p -value .000). Female ($M = 2.46$ & $SD = .558$) are better performer as compare to male schools.

Table 5

Overall, School Performance Levels

Category	Frequency	Percent
Poor	2	.7%
Satisfactory	154	55.8%
Good	120	43.5%
Total	276	100.0%

Table 5 shows indicates that 55% schools' performance was at satisfactory level and 13% schools' performance was at good level .7% schools showed poor performance.

Table 6

Relationship between budget management competencies and school performance

Competencies	N	Pearson r	Sig. (p-value)
School performance	276	.368	.000

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6 shows there was positive and moderate correlation between financial competencies of head teachers and their school performance as $r = .368$ & p -value = .000.

Conclusions and Discussion

1. Majority of Head teachers were good enough in budget management competencies. They were competent in preparing school-based financial action plans, organizing financial tasks, maintain proper records in cash book, stock registers, and maintain records, competently follow the described rules and regulations. They set utilization priorities and make sure the maximum utilization of available resources. The result is in line with findings of Ogbonnaya's (2000) "*Budgeting and Financial Management in Education*," financial management and its procedure are an integral aspect of any organization's general management process." Finding of the study was that competent head teachers manage finances effectively. The possible reason is that government is providing proper guidelines through official letters and social media about the utilization of funds so they can maintain the record efficiently.
2. A handsome number of schools' performance was at a satisfactory level whereas a few schools' performance was at good level. Overall female schools are better than male schools. Factor-wise analysis shows that male and female school has an equivalent increase in enrolment. But with respect to the last three-year results, female schools were better performers as compared to male schools. The possible reason is that female Head teachers are more conscious about their working and progress.
3. There was a positive and moderate correlation between the financial competencies of head teachers and their school performance. Similar results were found by the study of Malik & Akram (2020) found a

moderate positive relationship between head teacher's effectiveness scores and school performance.

Recommendations

1. It is recommended that an operational committee of senior Head teachers may be established at every tehsil level to provision of proper guidelines to all Head teachers regarding the financial based issues at school level.
2. In every financial year, before the transmission of funds in school account finance department may also published a handbook regarding the utilization of funds, purchasing process, restriction, limitations of amounts and taxes ratio on different items.
3. It is suggested that similar research should be done comparing public and private sectors and elementary and college level in Punjab as well as in other provinces of Pakistan. Further research may involve larger samples wherever possible.

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