

Evaluation of Financial Management Competencies of School Principals and their Impact on Institutional Development at KP, Pakistan

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Abstract

The study aimed at finding the impacts of secondary school principals' financial management competency on the institutional development. All male and female principals of secondary and higher secondary schools of Khyber Pakhtunkhwa were the population of the study and among them a sample of 200 head teachers including 100 male (40 urban & 60 rural) and 100 females (40 urban & 60 rural) from two conveniently selected districts were selected. Two research instruments; one questionnaire for Principals and a checklist was developed. The data were analyzed through frequencies, percentages, mean and standard deviation and t-test. Major findings of the study were; majority of the Principals were competent in planning, organizing, and controlling financial matters of their schools except in the tasks of fund raising, and internal audit. Urban Principals were better in planning than rural Principals. It is recommended that rural Principals may be provided training especially about planning financial matters

Key Words: Financial Management Competencies, School Principals & Institutional Development

Introduction

Management is one of the key elements of educational process. It is the most important part of any organization. In an educational setup, the school administration plays a key role in nourishing the personalities of the learners. School management is meant for achieving all predefined goals and objectives. No organization can achieve its objectives without appropriate management. According to Fayol as cited in Child (2012) management is the combination of managing, organizing, commanding, controlling and coordinating. According to Kochhar (2006), “management is a comprehensive attempt which includes objectives of the educational institutions ranging from school and college level to the secretariat and it involves both human and material assets”(p-3). There are several kinds

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of management like risk management, office management, human resource management and financial management (Lorig & Holman, 2003).

Financial management in any organization is also a very important aspect. General development of the school requires effective financial management. Shilpa, Rakesh, (2013) asserted that financial management deals with financial matters as it is mainly concerned with handling the activities about cash, financial acquisition and assets management with goal in mind. Keown, Martin, Petty, & Scott, (2003) explained that financial management is activity concerning with the decisions about funds how to allocate the monetary resources of a group, how to manage, how to utilize and implementation of educational programs with proper accountability. So, managing finance is to determine, allocate and utilizing financial assets in such a way to achieve fixed targets or objectives (Levišauskait, 2010).

The role of secondary school principals and the educational managers has gain great attention due to its important position in the field of financial management for institutional development. In khyber Pakhtunkhwa province all the public schools have a homogeneous management structure to be followed by the school administration. It has been observed that school Principals play a highly significant role in the operations of the school. It is the basic responsibility of the principals to ensure financial control that includes all the financial resources and expenditure of the school (Dolphin, 2004). It is expected from the principals, as Sisungo (2002) pointed out that they have knowledge of finance, accounting, budgeting, record keeping and maintaining all the concerning facilities of the school. Mohanty (2002) explains that it is necessary for a Principal to ensure proper budgeting, corresponding, checking all the entries in all relevant registers and documents and making sure all the school accounts.

A budget is an educational program which is expressed in financial terms. A budget plan is made for a given period of time, usually one year. The Principals manage the whole school program and they are ultimately responsible for it. Wango (2009) stated that the principals are ultimately answerable for overall effectiveness, performance and competent dealing of the entire school plan. According to Lehal (2000) the most important component in managerial efficiency is the man himself, his leadership qualities and his dedication to the effectiveness in the management of organization. A school head, therefore, needs to have a clear understanding of financial rules and procedures.

Effective financial management requires competent heads of the institutions. No school will operate well for long without a competent administrator. It is a reality that improving and maintaining school quality needs greater potential on the part of the Principals. Defining the term competency, Dubois (1998) explained that the successful performance of any organization depends upon the characteristics, knowledge, skills and thinking patterns of its Principal. Kalara (1997) defined competency as “a demonstrative behavior consisting of several skills, attitudes, knowledge and understandings”. Competence may be called as it is knowledge, attribute and skills of a person who utilizes it in his job for higher performance. All these traits and characteristics having competence are referred as competencies. Financial inputs will definitely lead to the success of the school. So, for the overall development of any school, principal plays a vital role by

providing professional leadership and proper management and dealing all the matters with competence. He/ she is there to provide guidance and direction as he/she ensures to manage and organize for achieving the targets (Dolphin, 2004). One of the foremost purposes of the financial management is to raise, mobilize and utilize funds by ensuring effectiveness (Ogbonnaya, 2000).

Institutional development is the most important business of the school. Schacter (2000) pointed out that one may say that the development of the institution may be seen by its rise and fall. A similar point of view came from Mabonga (2009) that schools are increasingly facing unending social and organizational challenges and tasks and so that there is need for them to develop themselves into self – renovating institutions. There are some causes behind low enrolment in the existing girls' and boys' schools in Pakistan that are lack of clean drinking water, insufficient furniture, absence of functional toilets and improper play grounds.

According to Asiabaka (2008) managing school facilities is very important for overall development of any school. These facilities may enhance teaching and learning process. Applying scientific methods in financial management functions i.e. planning, organizing, decision making, coordinating and controlling will definitely lead to achieve the targets and goals of the school. Tariq, John, Ishaque, & Burfat, (2012) described that incompetency of the school Principal is the primary reason behind the inefficiency of a school. It has been observed that principals are competent enough but they are lacking in financial management. Financial management plays a crucial role in the development of any organization. So, this lacking on the part of principals may affect institutional development. The study aimed at finding the impact of secondary school principals' financial management competency on institutional development.

Objectives of the Study

The objective of the study was to find out the impact of financial management competencies of secondary school Principals on Institutional development.

Methodology of the Study

The study was descriptive in nature and survey technique was adopted for the collection of data. All the 2734 principals serving in public secondary and higher secondary schools in the districts Khyber Pakhtunkhwa were taken as the population of the study (Government of the Khyber Pakhtunkhwa, 2013). As the principals, of secondary and higher secondary schools belonged to far flung areas, so convenient sampling technique was adopted. At first, two districts Swabi and Nowshera were selected. Then keeping from each district 100 male (40 urban & 60 rural) and 100 females (40 urban & 60 rural), total 200 schools were selected conveniently in the study. Then from these schools all the 200 principals were selected on availability basis for the sample.

Research Instrument

Three research instruments including one questionnaire for the principals and a checklist was developed by the researcher for the collection of data. The researcher intended to seek

demographic information about the principals such as gender and locality in the first part of the questionnaire and in the second part of the questionnaires for the principals intended to get information about the awareness and perceptions of the principals about their financial management competencies. Four factors of financial management; (i) Planning (ii) Organizing (iii) Decision making (iv) Controlling and different aspects of institutional development were also included in it.

Along with the administration of questionnaires to the principals, a checklist was filled to check school improvement regarding existing physical and instructional facilities, improvement in enrolment and SSC results in last three years, settlement of audit *PARAS* and uniform, books, stationary facility for deserving students. Validity of the research instruments was ensured by advice of five experts having PhD qualification. A pilot testing of questionnaire was conducted on a sample of 50 head teachers (30 male and 20 female). These Principals were not included in the actual sample. Cronbach Alpha values of questionnaire was 0.901.

The researcher personally collected the data by visiting the schools. The data were collected from 200 head teachers from two districts i.e. i.e. Swabi and Nowshera. Frequencies, percentages, mean scores, standard deviation and t-test was applied through Statistical Package for Social Sciences (SPSS version 21) for data analysis.

Table 1. Head Teachers’ Perceptions Regarding Planning

S	Statement	Frequency					Mean	SD
		Always	Often	Some times	Rare	Never		
1	You formally prepare the school budget estimates.	49 (24.5%)	64 (32%)	64 (32%)	12 (6%)	11 (5.5%)	3.64	1.085
2	You prepare the statement of expenditure for the school.	36 (18%)	49 (24.5%)	80 (40%)	28 (14%)	7 (3.5%)	3.40	1.046
3	You coordinate with the concerned higher-level officials for budget planning.	56 (28%)	68 (34%)	40 (20%)	22 (11%)	14 (7%)	3.65	1.198
4	You clarify any differences or errors in the reconciliation process.	42 (21%)	81 (40.5%)	41 (20.5%)	29 (14.5%)	7 (3.5%)	3.61	1.079

5	The allocation of funds in recent years was sufficient for your school.	28 (14%)	80 (40%)	57 (28.5%)	19 (9.5%)	16 (8%)	3.43	1.096
6	In your tenure in this school there were any laps of budget.	6 (3%)	8 (4%)	77 (38.5%)	55 (27.5%)	54 (27%)	2.29	1.004
7	At the end of a financial year demanded budget was according to school needs.	36 (18%)	65 (32.5%)	72 (36%)	17 (8.5%)	10 (5%)	3.50	1.042
Factor Total							3.36	1.07

Table 1 show that according to their claim 56.5% principals with supporting mean score 3.63 and SD= 1.09 always or often, 32% sometime and 11.5% rarely or never prepare the school budget estimates formally. It is shown that 42.5% principals with supporting mean score 3.40 and SD= 1.05 always or often, 40% principals sometime and 17.5% never or rarely prepared the statement of expenditure for the school According to 62% Principals with supporting mean score 3.65 and SD= 1.20 they always or often, 20% sometime and 18% rarely or never coordinate with the concerned higher level officials for budget planning. It is indicated that claim of 61.5% principals with supporting mean score 3.61 and SD= 1.08 always or often, 20.5 % Principals sometime and 18% never or rarely clarify any differences or errors in the reconciliation process and clarify differences. It is the claim of 54% principals with supporting mean score 3.43 and SD= 1.20 was always or often, 28.5% Principals said that it was some time, 17.5% never or rarely did allocation of funds in recent years sufficient for their schools. It was explanation of 54.5% Principals with mean score 2.29 and SD= 1.05 of never or rarely, 38.5% admitted for some time and 7% always or often faced budget laps in their tenure. It is shown that 50.5% Principals with supporting mean score 3.50 and SD=1.04 claimed for always or often, 36% told for some time and 13.5% opined for never or rarely that at the end of a financial year demanded budget was according to school needs. Overall factor mean score 3.36 and SD=1.07 showed that majority of the principals were competent enough in planning financial management as many of them were formally preparing school budget, similarly they claimed for rarely or no laps of budget in their schools and demand of budget was according to the school needs, majority have the ability to coordinate with the concerned officials for budget planning, clarify differences in reconciliation, funds allocation was sufficient and a handsome number of them were having the ability to prepare the statement of expenditure. So, it indicates that majority of the principals were showing competency in planning financial matters.

Table 2. Principals’ Perceptions Regarding Organizing Financial Tasks

S	Statement	Frequency					Mean	SD
		Always	Often	Some times	Rare	Never		
1	You get maintained proper record in cash book.	120 (60%)	58 (29%)	8 (4%)	11 (5.5%)	3 (1.5%)	4.41	.91
2	You ensure proper fund utilization.	109 (54.5%)	71 (35.5%)	10 (5.0%)	7 (3.5%)	3 (1.5%)	4.38	.85
3	You seek School Councils’ approval for fund utilization.	112 (56%)	64 (32%)	15 (7.5%)	4 (2%)	5 (2.5%)	4.37	.90
4	You manage purchasing of necessary items for your school.	88 (44%)	82 (41%)	18 (9%)	10 (5%)	2 (1%)	4.22	.88
5	You try to solve any hurdle /problem in financial matters.	61 (30.5%)	61 (30.5%)	45 (22.5%)	32 (16%)	1 (.5%)	3.75	1.07
6	You manage internal audit.	62 (31%)	73 (36.5%)	46 (23%)	11 (5.5%)	8 (4%)	3.85	1.05
7	You involve senior teachers in financial matters of school.	104 (52%)	61 (30.5%)	26 (13%)	9 (4.5%)	0 (0%)	4.30	.862
8	You fulfill codal formalities to purchase things for your school.	82 (41%)	82 (41%)	28 (14%)	6 (3%)	2 (1%)	4.18	.855
9	You properly manage auditable documents.	97 (48.5%)	73 (36.5%)	16 (8%)	13 (6.5%)	1 (.5%)	4.26	.898
10	You maintain stock registers.	139 (69.5%)	41 (20.5%)	10 (5%)	8 (4%)	2 (1%)	4.54	.844
	Factor total						4.23	0.931

The table 2 shows that claim of 89% principals with highly supporting mean score 4.41 and SD =.91 always or often got maintained proper record in cash book. It is shown that 90% principals with highly supporting mean score 4.38 and SD=.85 claimed that they always or often ensure proper fund utilization. According to 88% Principals with highly supporting mean score 4.37 and SD=.91 they always or often seek School council approval for fund utilization. It is indicated that 85% principals with highly supporting mean score 4.22 and SD=.88 claimed that they always or often manage purchasing of necessary items for their school. It is shown that 61% principals with supporting mean score 3.75 and SD= 1.075 said for always or often, 22.5% told for some time while 16.5% stated for never or

rarely try to solve any hurdle /problem in financial matters. It is indicated that claim of 67.5% principals with supporting mean score 3.85 and SD= 1.05 was of always or often, 23% claimed for some time while 9.5% claimed for rarely or never managed internal audit and manage internal audit. The table pointed out that 82.5% Principals, with highly supporting mean score 4.30 and SD=.86, always or often, and 13% Principals sometime involved senior teachers in financial matters of school. It is indicated that 82% principals with highly supporting mean score 4.18 and SD=.86 expressed for always or often, 14% told for some time fulfill final formalities to purchase things for their schools. It is shown that 85% Principals with highly supporting mean score 4.26 and SD=.91 have always or often, properly managed auditable documents. It is shown that 90% principals with highly supporting mean score 4.54 and SD= .844 claimed that they always or often maintained stock registers. Overall factor mean score is 4.23 which showed that most of the principals were competent enough in organizing financial tasks as they got proper record in cash book, ensured proper fund utilization and maintained stock registers, moreover majority of them have the ability to seek School Councils' approval, managed to purchase necessary items, try to solve problems of financial matters, managed internal and external audit, involved senior teachers in financial matters and fulfilled final formalities to purchase. So, majority of the Principals were capable of organizing financial tasks.

Table 3. Principals' Perceptions Regarding Financial Decision Making

S. N	Statement	Frequency					Mean	SD
		Always	Often	Some times	Rare	Never		
1	You decide priorities for fund utilization.	88 (44%)	91 (45.5%)	11 (5.5%)	4 (2%)	6 (3%)	4.26	.885
2	You guide your subordinates in decisions about financial management.	78 (39%)	92 (46%)	19 (9.5%)	10 (5%)	1 (.5%)	4.18	.837
3	You decide purchasing of necessary items in the best interest of your school.	94 (47%)	68 (34%)	25 (12.5%)	10 (5%)	3 (1.5%)	4.20	.946
4	You respond promptly to financial issues of your school.	58 (29%)	62 (31%)	68 (34%)	11 (5.5%)	1 (.5%)	3.83	.932
5	You decide to generate local funds for improvement of your school.	28 (14%)	27 (13.5%)	50 (25%)	49 (24.5%)	46 (23%)	2.71	1.33 6

6	You prioritize improving school infrastructure.	47 (23.5%)	57 (28.5%)	63 (31.5%)	27 (13.5%)	6 (3%)	3.56	1.08 3
7	You prioritize improving instructional material for school effectiveness.	47 (23.5%)	90 (45%)	43 (21.5%)	19 (9.5%)	1 (.5%)	3.82	.919
Factor Total							3.79	0.99

Table 3 indicates that 89.5% principals with highly supporting mean score 4.26 and SD=.89 opined for always or often decide priorities for fund utilization. It is shown that 85% principals with highly supporting mean score 4.18 and SD= .84 claimed that they always or often guide their subordinates in decisions about financial management. It is shown that 81% Principals with highly supporting mean score 4.20 and SD= .95 told that they always or often decide purchasing of necessary items in the best interest of their school. It is shown that 60% principals with supporting mean score 3.83 and SD= .93 claimed for always or often, while 34% claimed for some time used to respond promptly to financial issues of their school. It is revealed that 47.5% principals with mean score 2.71 and SD= 1.34 told that they never managed, 25% stated sometime and 27.5% claimed for always or often about generation of local funds for school’s improvement. It was the claim of 52% principals with supporting mean score 3.56 and SD= 1.08 for always or often, 31.5% for some time while 16.5% for rarely or never used to decide priorities to improve school infrastructure. It is shown that 68.5% principals with supporting mean score 3.82 and SD= .92 opined that they always or often and 21.5% give sometime while 10% rarely or never priority to improve instructional material for school effectiveness. Overall factor mean score is 3.79 which showed that majority of the principals have the ability to decide financial matters effectively as most of them decide priorities for fund utilization, have the skills to guide their subordinates in decisions about financial management, decide purchasing of necessary items, respond promptly to financial issues, and give priority to improve school infrastructure as well as instructional material. However, a handsome number of principals rarely or never shown the competency of generating local funds for school improvement which points out that the principals were not talented and were not competent enough in generating local funds.

Table Error! No text of specified style in document.. Principals’ Perceptions Regarding Controlling of Financial Matters

S. N	Statement	Frequency					Mean	SD
		Always	Often	Some times	Rare	Never		
1	You check and duly sign on the paid vouchers regularly.	98 (49%)	72 (36%)	18 (9%)	9 (4.5%)	3 (1.5%)	4.27	.910

2	You stick to the rules in fund utilization.	112 (56%)	61 (30.5%)	15 (7.5%)	12 (6%)	-	4.37	.863
3	You monitor the procedure of recording entries in the cash book.	96 (48%)	70 (35%)	22 (11%)	10 (5%)	2 (1%)	4.24	.909
4	You get prepared and follow reconciliation statements.	80 (40%)	77 (38.5%)	28 (14%)	14 (7%)	1 (.5%)	4.11	.926
5	You check all the financial documents with all respects.	84 (42%)	77 (38.5%)	24 (12%)	15 (7.5%)		4.15	.906
6	You check the pay entries of each official working under your control in his/ her service book.	66 (33%)	95 (47.5%)	27 (13.5%)	11 (5.5%)	1 (.5%)	4.07	.854
7	All deductions like GP fund, income tax, Benevolent fund are personally checked by you.	50 (25%)	92 (46%)	36 (18%)	18 (9%)	4 (2%)	3.83	.973
	Factor Total						4.15	0.905

Table 4 shows that 85% principals with highly supporting mean score 4.27 and SD=.91 claimed for always or often check and duly sign regularly on the payment vouchers. It is indicated that 86.5% principals with highly supporting mean score 4.37 and SD=.87 were always or often stick to the rules in fund utilization. It is revealed that 83% principals with highly supporting mean score 4.24 and SD=.91 opined that they always or often monitor the recorded entries procedures in the cash book. It is indicated that 78.5% principals with highly supporting mean score 4.11 and SD=.93 always or often and 14% sometime managed to prepare and follow reconciliation statements. It is shown that 80.5% principals with highly supporting mean score 4.15 and SD=.91 claimed that they always or often and 12% principals sometime checked all the financial documents with all respect. It is pointed out that 80.5% principals with highly supporting mean score 4.07 and SD=.86 always or often and 13.5% sometime check the pay entries of each official working under their control in his/ her service book. It is revealed that 71% principals with supporting mean score 3.83 and SD=.97 claimed for always or often and 18% for some time personally check all deductions like GP fund, income tax, Benevolent fund. Overall factor mean score is 4.15 which showed that majority of the principals were competent enough in controlling financial matters of their schools as they regularly check and duly sign on paid vouchers, stick to the rules in fund utilization, monitor the procedure of recording entries in the cash book, get prepared and follow reconciliation statements, check all the financial documents with all respect, check the pay entries in service book of each official working under their control and personally checked all deductions like GP fund, etc.

Table 5. The Difference Between Male and Female Principals Regarding Financial Management

Aspects/ Factors	Respondents	Mean Scores	t	df	P-Value
Planning	Male	22.8000	-1.838	198	.068
	Female	24.0300			
Organizing	Male	42.1	-.262	198	.794
	Female	42.3			
Decision making	Male	26.5	-.351	198	.726
	Female	26.7			
Controlling	Male	28.6	-1.243	198	.215
	Female	29.4			
Institutional development	Male	27.2	-1.210	198	.228
	Female	28.0			
Total	Male	147.4	-1.014	198	.312
	Female	150.4			

Table 5 shows that there is no significant difference in the opinion of male and female principals regarding planning as t-value = -1.838 and p-value = $.068 > 0.05$. It is also shown that there is no significant difference in the opinion of male and female principals about organizing financial tasks as t-value = $-.262$ and p-value = $.794 > 0.05$. It is shown that there is no significant difference in the opinion of male and female principals regarding decision making as t-value = $-.351$ and p-value = $.726 > 0.05$. It is shown that there is no significant difference in the opinion of male and female principals about controlling financial matters as t-value = -1.243 and p-value = $.215 > 0.05$. It is shown that there is no significant difference in the opinion of male and female principals about institutional development as t-value = -1.210 and p-value = $.228 > 0.05$. It is revealed that there is no significant difference in the overall opinion of male and female principals regarding all four functions of financial management including the indicator of institutional development as t-value = -1.014 and p-value = $.312 > 0.05$. So it is found that there is no significant difference between financial management competencies of male and female school principals.

Table 6. The Difference Between Rural and Urban Principals' Opinion Regarding Financial Management

Aspects/ Factors	Respondents	Mean Scores	T	DF	P-Value
Planning	Urban	24.47	2.608	198	.010
	Rural	22.70			
Organizing	Urban	42.65	.753	198	.452
	Rural	41.97			
Decision making	Urban	26.28	-.821	198	.413
	Rural	26.88			

Controlling	Urban	29.48	1.104	198	.271
	Rural	28.71			
Institutional development	Urban	28.22	1.570	198	.118
	Rural	27.21			
Total	Urban	151.12	1.230	198	.220
	Rural	147.47			

Table 6 shows that there was a significant difference in the opinion of urban and rural principals about planning financial matters as $t\text{-value} = 2.60$ and $p\text{-value} = .010 < 0.05$. It is revealed that there was no significant difference in the opinion of urban and rural principals about organizing financial tasks as $t\text{-value} = .753$ and $p\text{-value} = .452 > 0.05$. It is also revealed that there is no significant difference in the opinion of urban and rural principals about decision making as $t\text{-value} = -.821$ and $p\text{-value} = .413 > 0.05$. It is shown that there is no significant difference in the opinion of urban and rural principals about controlling as $t\text{-value} = 1.104$ and $p\text{-value} = .271 > 0.05$. It is also shown that there is no significant difference in the opinion of urban and rural principals about Institutional development as $t\text{-value} = 1.570$ and $p\text{-value} = .118 > 0.05$. It is evident from analysis that there is no significant difference in the overall opinion of urban and rural principals about all functions of financial management including the indicator of institutional development as $t\text{-value} = 1.230$ and $p\text{-value} = .220 > 0.05$. So it is found that there is no significant difference between overall financial management competencies of urban and rural school principals. But in terms of planning, there was difference and the greater mean score 24.47 shows that urban Principals are better in planning for financial tasks than the rural principals (Mean = 22.70).

Analysis of the Data of Checklist for Institutional Development

In the following tables of checklist, the weights were given to responses at three points;

Table 7. Availability / Requirement of Building and Classrooms

S. No	Aspect	Not Available/Not Fulfilling Requirement	Somewhat Available/Somewhat Fulfilling Requirement	Available/Fulfilling Requirement	Total
1	Availability of building and classrooms	-	55 (27.5%)	145 (72.5%)	200
2	Building, classrooms are fulfilling requirements.	-	52 (26%)	138 (69%)	
3	Availability of electrical facilities (fans, lights, etc)	1 (.5%)	9 (4.5%)	190 (95%)	200

4	Electrical facilities are according to the requirement.	-	7 (78%)	189 (99.5%)	
5	Library availability	5 (2.5%)	55 (27.5%)	140 (70%)	
6	Library books fulfilling requirement.	82 41%	50 (25%)	68 (34%)	200
7	Availability of A.V. aids, teaching kits, etc.	57 (28.5%)	131 (65.5%)	12 (6%)	
8	Nature and requirement of A.V. aids, teaching kits, etc.	-	103 (51.5%)	11 (5.5%)	200
9	Books and Stationery provided to deserving students	12 (6%)	118 (59%)	70 (35%)	
10	Distribution mechanism of books and stationery is according to requirement.	-	118 (59%)	70 (35%)	200
11	Availability of Parking facilities	14 (7%)	85 (42.5%)	101 (50.5%)	
12	Parking facilities are according to the requirement.	-	63 (74%)	73 (72.3%)	200
13	Availability of play grounds	21 (10.5%)	58 (29%)	121 (60.5%)	
14	Play grounds facilities are according to the requirement.	-	41 (71%)	64 (53%)	200
15	Uniform facility for deserving students	5 (2.5%)	98 (49%)	97 (48.5%)	200
16	Improvement in Fund raising.	107 (53.5%)	70 (35%)	23 (11.5%)	200
17	Student Enrolment	20 (10%)	60 (30%)	120 (60%)	200

	18SSC Results in last 3 years	8 (4%)	96 (48%)	96 (48%)	200
19	Facility of drinking water	6 (3%)	49 (24.5%)	145 (72.5%)	200
20	Availability of toilet facilities	-	34 (17%)	166 (83%)	200
21	Availability of Boundary wall	-	25 (12.5%)	175 (87.5%)	200
22	Settlement of Audit PARAS	150 (75%)	48 (24%)	2 (1%)	200
23	Availability of furniture	9 (4.5%)	54 (27%)	137 (68.5%)	200
24	Availability of IT Labs	14 (7%)	27 (13.5%)	159 (79.5%)	200
25	Availability of Science Labs	6 (3%)	82 (41%)	112 (56%)	200

Table 7 shows that majority of the schools 72.5% had building and classrooms and only 27.5% schools had somewhat proper building and classrooms. 69% school buildings were fulfilling requirements however no school was reported without building and classrooms.

Most of the schools (95%) have required electrical facilities whereas only 4.5% schools had somewhat electrified building while only .5% schools had no electrical facility.

Library facility had been provided in 70% schools, 27.5% schools had somewhat library facility and only 2.5% schools had no library. While 34% were fulfilling students' library requirements, 25% school libraries were somewhat fulfilling but 41% school libraries were not fulfilling students' requirements.

There were only 6% schools had sufficient A.V. aids & complete teaching kits, 65.5% have A.V. aids and teaching kits that are somewhat available and 65.5% schools had AV-aids and teaching kits that fulfill the requirements while 28.5% schools have no A.V aids and no teaching kit. It is shown that majority of the schools 51.5% schools used local made A.V. aids that fulfilling requirements whereas 5.5% schools had local A.V. aids that somewhat fulfill the students' requirement.

Facility of books and stationery for the deserving students had been provided by only 35% schools and these had proper distribution mechanism, whereas 59% schools had been somewhat providing the facility and mechanism of books and stationery to deserving students While only 6% schools had not been providing stationary to the deserving students.

There were only 50.5% schools which had parking facility but among them 72.3% had proper parking facility that fulfills their need. 42.5% schools cycle, motor cycle & vehicles are parked and among them 74% schools had the place to fulfill parking needs. Only 7% schools had no parking space at all.

There were 60.5% schools that had play grounds facility but among them 53% were properly fulfilling students' playing requirements. Only 29% schools had playing space

but no proper ground and among them 71% schools had sufficient playing space and 29% had not had sufficient playing space; while 10.5% schools had neither play grounds nor playing space.

There were 48.5% schools those had been providing uniform facility to the deserving students but a handsome number of schools 49% were somewhat providing uniform facility while 2.5% schools were not providing uniform to the deserving students.

Many of the schools 53.3% had never raised funds and 35% schools had somewhat improved their fund raising and among them 91.4% schools are somewhat fulfilling requirement of fund raising, however among them 8.6% are not fulfilling this requirement. It is also shown that only 11.5% schools have fully improved fund raising however, among them 74% schools are raising funds but not fulfilling all their requirements.

There were 60% schools that had improved their student enrolment but a considerable number of schools 30%, had not fully improved the enrolment while 10% schools had not improved the enrolment.

There were 48% schools that had improved their SSC results in last three years but a handsome number of schools 48%, had not fully improved their SSC results while 4% schools had not improved their results.

Majority of the schools (72.5%) had drinking water facility, 24.5% schools had water supply connection facility while only 3% schools had no drinking water facility.

Majority of the schools (83%) had toilet facility and among them while 17% schools had toilet facility but not according to the requirement of the students.

Majority of the schools (87.5%) had boundary wall and 12.5% schools had boundary walls but not in good conditioned.

Majority of the schools 75% had not settled their audit *PARAS* but 24% schools had settled some of their audit *PARAS* while only 1% of the schools reported that they had settlement all of their audit *PARAS*.

Majority of the schools (68.5%) had furniture facility and 27% schools had somewhat furniture facility for students while 17% schools had furniture not useable for students.

Majority of the schools 79.5% had IT lab facility and 13.5% schools had somewhat this facility while only 7% schools were reported without IT labs facility.

There were 56% schools that had science lab facilities, only 41% schools had somewhat this facility while only 3% schools were reported without science labs facility.

Table 8. Chi Square between financial management competencies and Institutional development

	χ^2	df	Sig
Pearson Chi-Square value	2170.841	1197	.000
N of Valid Cases	200		

Table 8 shows that there was significant association between the financial management competencies of *Principals and Institutional development* as χ^2 value is 2170.84 with df = 1197 and p- value = 0.000 < 0 .05. It shows that principals having good financial management competencies are developing their institution in a better way.

Conclusions

1. Overall majority of the principals were competent enough in planning financial management tasks like they were component in preparing school budget, demanding budget according to the school needs, coordinating with concerned officials for budget planning, allocating funds, clarifying differences in reconciliation and had no laps of budget. But a handsome number of principals were weak in budget preparation, expenditure statement preparation, allocation of funds; they also faced budget laps, could not demanded budget according to school needs.
2. Overall, most of the principals were competent enough in organizing financial tasks like keeping proper cash book record, proper fund utilization and maintenance of stock registers, seeking *School Councils'* approval, purchasing of necessary items, managing external audit, involving senior teachers in financial matters and fulfilling final formalities for purchase. But a handsome number of principals were incompetent in managing internal audit and solving problems in the financial matters.
3. Overall majority of the principals have the competency of taking decisions of financial matters effectively like priorities for fund utilization, purchasing of necessary items, respond promptly to financial issues, improve school infrastructure and instructional material and have skills of guiding subordinates about financial management. But a handsome number of principals were weak in generating local funds for school improvement, in responding financial issues promptly, improving school infrastructure & instructional material
4. Overall majority of the principals were competent enough in controlling financial matters of their schools as they regularly check and duly sign on paid vouchers, stick to the rules in fund utilization, monitor the procedure of recording entries in the cash book, get prepared and follow reconciliation statements, check all the financial documents with all respect, check the pay entries in service book of each official and personally checked all deductions like GP fund, etc.
5. Male and female school principals had equivalent financial management competencies. Similarly, urban and rural school principals also had equivalent financial management competencies. But urban principals were better in planning the financial tasks than the rural principals.
6. majority of the head teachers were competently developing their institutions as majority of the schools had been improved during last three years as they had required building and classrooms, electrical facilities, library facility, provision of the facility of books and stationary for deserving students, providing uniform facility, improved student enrolment, improved SSC results, had facilities of drinking water, science lab, IT lab, furniture and toilets, had boundary wall. But hand some number of schools had no sufficient A.V. aids & complete teaching kits,

parking & play grounds facilities, had not settled their audit *PARAS* and had never raised local funds.

7. There was strong positive association between the financial management competencies of Principals and Institutional development which means the principals having good financial management competencies are developing their institution in a better way.

Discussion

The results of the study show that majority of the head teachers were effectively planning, organizing, making decisions and controlling financial matters of their schools. Possible reason is that in recent years, government has arranged training sessions for head teachers so that they can manage financial matters of the schools effectively. The results of the study are favoring the finding of Ogbonnaya (2000) "*Budgeting and financial Management in Education*" who described financial management and its process as a part of any organization's general management process. It has pointed out that competent head teachers manage finance effectively.

Possible reason of the result of some weakness and laps of budget in schools may be that there is undue involvement of higher authorities in school matters especially in spending the funds. The head teachers are being dictated as they are given structured instructions by the higher authorities.

Possible reason of the lack of the use of A.V. aids and teaching kits may be that the head teachers have not been given training which leads to the proper utilization of A.V. aids and teaching kits for better learning. The results of the study that there was no significant difference of head teachers' financial management competencies with respect to gender and locality is verification of the results of Noureen (2003) in her study "*Relationship between management competencies of school heads and school effectiveness and designing of an in- service program for Secondary school Heads in Pakistan*".

Possible reason of the result of strong positive association between the financial management competencies of the *Principals and Institutional development* may be that in recent years government has given opportunity of training to the head teachers for improving school management.

Recommendations

It is recommended that the rural principals may be provided training especially about planning financial matters. Head teachers may focus to generate local funds by involving local community in school matters. There is a dire need and head teachers are required to make operational and effective utilization of all the teaching and learning material and especially IT labs should be made functional.

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