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Principals' Perception of Challenges of Effective Financial Management in Public Secondary Schools in North Senatorial District of Ondo State, Nigeria

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Abstract

The study investigated the principals' perception of the challenges of effective financial management in Public Secondary Schools in the North Senatorial District of Ondo State, Nigeria. It used a descriptive-survey design and the ninety-one (91) Public Secondary Schools in the district as the main population, while principals of the schools were targets. One research question was raised while one hypothesis was formulated for the study. A questionnaire was designed, validated, and tested for reliability, as well as used to collect the needed data. Data were analyzed using the Statistical Package for Social Sciences (SPSS) while the hypothesis was tested using chi-square statistic. It was found among others that mismanagement of fees by the principal

and bursar, lack of/inadequate experience of principal and bursar, non-payment of fees and late payment by some students, poor records-keeping and management culture by principals and bursar, were the challenges of effective financial management in the schools. No significant difference was found in the perception of male and female principals, on the challenges of effective financial management in the schools. The study recommended among others, regular organization of seminars, workshops and conferences for the school administrators, by the government; as well as regular monitoring and supervision of Account Staff in schools, for effective service delivery.

Keywords: Challenge, Effective, Finance, Financial Management, Perceive, School, Public, Secondary School, District

Introduction

The growth and development of the education sector depend greatly on how well the finances being injected into it are managed. Financial management is however concerned with an organization's decisions on how to source funds and control such funds, through financial controls, prudent allocation of financial resources, and accountability measures. As posited by Fung (2015), the rationale for financial management is raising funds for short and long-term use as well as enhancing proper utilization of the funds.

School heads are responsible for efficient and effective management of school finances, to promote effective delivery of services (Olembo, 2005) ^[10]. According to Wango and Gatere (2012) ^[12], they are also responsible for demonstrating accountability, transparency, and delegating financial responsibilities. In Nigeria, it can be noticed that out of the money accruing to the economy annually, part of this goes to the education sector. Despite this, the education sector has over the years been plagued by financial mismanagement that threatens the quality of education being provided for the citizens. It is worthy of note that the head of schools, more than often, under-performs in the financial management effort, due to inefficient and inadequately equipped staff, who are deficient in maintaining financial records and controls, among other issues at stake.

It needs not to be overemphasized that the current economic woes in Nigeria, amid the dwindling revenue, call for effective management of financial resources in all sectors of the economy, in particular, the education sector. As rightly observed by economists, resources are limited in supply, hence the need for effective financial management at all levels of the educational system.

Statement of Problem

The issue of inadequate funding of education has been recurrent in the literature and has been a major concern of education stakeholders over the years. Despite the advocacy for compliance with the minimum standard of funding globally, governments at all levels in Nigeria, are yet to meet the standard of 26% of the annual budget for education, as recommended by the United Nations Education Scientific and Cultural Organisation. The problem of inadequate funding of education is

reflected in inadequate funding of schools and has continued to have negative effects on secondary education provision in Nigeria, particularly, in the achievement of quantitative and qualitative education goals at that level. It is disturbing that despite the poor allocation to secondary education, there is evidence of poor management of the available funds in secondary schools. This issue of poor financial management in schools has been leading to inefficiency and misuse of financial resources, derailing effective management of schools funds, as well as encouraging loss of funds. Even though there are studies on financial management issues in journals and other books of reference, those that focus on secondary education, particularly on the challenges which can enrich school administrators and other stakeholders in education, are insignificant. Also, the majority of the available studies on the issue are foreign-based, despite the prevalence of the issue in Nigeria. This study is thus geared towards addressing the noticeable shortcomings.

Purpose of the Study

The main thrust of this study was to investigate the principals' perception of the challenges of effective financial management in Public Secondary Schools in the North Senatorial District of Ondo State, Nigeria. The specific objectives were, however: to find if there is a significant difference in the perception of male and female principals, on the challenges of effective financial management in the Public Secondary Schools.

Significance of the Study

This study was designed to serve a lot of benefits to the stakeholders in education. The findings will specifically be useful to school administrators, to focus attention on how best they can effectively manage the funds allocated or internally generated in their domain. The study will also serve as an eye-opener to the personnel involved in financial management in secondary schools, in particular, how important their roles are and how these can affect prudent financial management in schools. In addition, the findings will provide insights for education policymakers towards the formulation of policies that can help to checkmate ineffective financial management in schools.

Research Question

The following question was raised to guide the study:
What are the challenges of effective financial management in Public Secondary Schools in Ondo State, Nigeria?

Hypothesis

The study was guided by this hypothesis:

Ho: There is no significant difference in the perception of male and female principals on the challenges of effective financial management in Public Secondary Schools in Ondo State.

Ha: There is a significant difference in the perception of male and female principals on the challenges of effective financial management in Public Secondary Schools in Ondo State.

Resources and Educational Resources, in Context

Hornby (2000)^[6] sees resources as something that a country, an organization, or an individual has and can use, especially to increase wealth. They are also stocks of supply of money, materials, staff and other assets that can be drawn on by a

person or organization in order to function effectively, as well as the materials, energy, services, staff, knowledge, or other assets that are transformed to produce benefit and in the process, maybe consumed or made available. Longman (2005) provides a more comprehensive and detailed definition of the word, such as:

- Useful land or mineral such as coal, or oil that exists in a country and can be used to increase its wealth;
- All the money, property, skills, etc. that are available and can be used when needed;
- Personal qualities such as courage and determination are necessary for dealing with a difficult situation;
- Books, films, pictures, etc. are used by teachers and students to provide information.

Educational resources, according to Owoko (2010), cited in Okongo., Ngao., Rop., and Nyongesa (2015) refer not only to teaching methods and materials but also to the time available for instruction, knowledge and skills of teachers acquired through training and experience. Adeogun (2002)^[1] identified education resources as the total of the inputs into the educational system. They are those tangible and intangible materials being used in the educational system, to achieve the stated objectives.

Agabi (2010)^[2] classified educational resources as the physical resources, such as school plants, classrooms, offices, recreational facilities, and the entire school ground; material resources, including instructional aids, stationeries, education plans, objectives, and prescribed methodologies; human resources (teaching and non-teaching staff) and financial resources, which consists of all the monetary inputs into the educational system directed towards the achievements of specified educational objectives.

Educational resources are important because they can significantly increase students' achievement, by supporting students learning and improving their success. They are used by teachers to deliver instruction.

Effective Financial Management and Challenges Facing It

According to the London School of Business and Finance (2018)^[8], financial management refers to the strategic planning, organising, directing, and controlling of financial undertakings in an organisation or an institute. It also includes applying management principles to the financial assets of an organisation, while also playing an important part in fiscal management. (Brealey, 2008)^[5] defines financial management as the process of putting the available funds to the best advantage, from the long-term point of view of business objectives Howard and Upton (1953)^[7] see it as an application of general managerial principles to the area of financial decision-making.

The Colorado Christian University (2017) outlined ten characteristics of an effective manager, leadership, experience, communication, knowledge, organization, time management, reliability, delegation, confidence, and respect for employees. It implies from this that effective management requires the provision of leadership by a manager and collaborative endeavour, such as creating a vision or setting the direction, inspiring people to attain the vision, moving the organization towards its ideal future, and motivating them to overcome the problems in the organization.

A lot of challenges are undermining effective financial management in organizations, schools inclusive. According

to Hallack and Poisson (2000), there are internal and external factors that contribute to financial mismanagement in organizations. They also posited that low management capacity and lack of control mechanisms lead to mismanagement of finances, such as diversion or embezzlement of funds. Another factor is the lack of professional norms or codes of conduct. Finally, there are factors, such as lack of transparency, absence of clear regulations, and low salaries which cause financial mismanagement and malpractice.

Studies by Atieno and Simatwa (2012) and Clarke (2008), found that when school principals have no skill and knowledge of financial management, they would fail to manage their school finance effectively. Boddy (2011) ^[4] also found out that controls can encourage behaviour that is not in the best interests of the organization, and encourage people to supply the system with inaccurate information while people will resist controls that they feel threaten their ability to satisfy their needs work. According to Mestry and Bischoff (2009) ^[9], a lack of financial knowledge is a bane to financial management in every organization. Barasa (2009) ^[3] also recognizes that efficient management of financial resources is an important task for headteachers. Without adequate financial resources, therefore, institutions cannot carry out their defined tasks effectively. As found by Momoniati (2012); Rosalind & Downes, (2004), most board members in organizations do not understand the financial reports presented to them which makes them make poorly informed choices or delayed decisions.

Methodology

Research Design

This study adopted a descriptive design because the data gathered were interpreted and used to describe the state of financial management in secondary schools. The study was also correlational because it explored the relationship between financial management practices such as budgeting, procurement, financial control, etc., and effective management of financial resources in schools.

Population

All the ninety-one Public Secondary Schools in the North Senatorial District of Ondo State were the main population of the study while principals of the schools were targets.

Sample and Sampling Technique

The study used the ninety-one principals in the district.

Instrument

A questionnaire was designed and used to collect the needed data and information for the study. The questionnaire has two sections, i.e. A and B. Section A consisted of questions on the demographic characteristics of the schools while Section B focused on the challenges of financial management in the schools, being the theme of the study. It consisted of questions that required the respondents to tick the best option and were structured on a four-point scale embracing the four options: Strongly Agree, Agree, Disagree and Strongly Disagree. The researcher adopted the four-point scale because of the perceived opinion that the option 'undecided' confuses respondents.

Validity and Reliability of Instrument

To ensure the validity of the instrument, the researcher gave the instrument to an academic colleague, who is a lecturer at a university, for content and face validation. His advice and suggestions were incorporated into the final draft of the instrument to ensure the reliability of the instrument, the test-retest method was adopted. A pilot study was conducted, using 10 schools from each LGA). The instrument was administered twice, at an interval of two weeks. Responses in the pre and post-tests were recorded and correlated using the Cronbach Alpha correlation formula. The value obtained was 0.83 which indicates that the reliability of the instrument is satisfactory.

Method of Data Collection

The researcher visited all the selected Public Secondary Schools, accompanied by a research assistant. The researcher, with the help of the assistant, established rapport with the school administrators and teachers. After making a formal introduction, the researcher and the assistant explained to the respondents, the purpose of the study and guided the respondents on how to complete the questionnaire. After two weeks, the researcher was able to retrieve the administered questionnaires.

Method of Data Analysis

Data collected through the questionnaire were analyzed using the Statistical Package for Social Sciences (SPSS), thereby generating valid frequencies and percentages, while the hypotheses were tested using chi-square and t-test statistic.

Results and Discussion of Findings

Table 1: Demographic Data

Attributes	Frequency	Percentages
The age range of the School		
Below 10 years	0	0.0%
Between 10 and 20 years	6	6.6%
Between 20 and 30 years	15	16.5%
Above 30 years	70	76.9%
Type of School		
Public	91	100.0%
Private	0	0.0%
Single Sex School	5	5.5%
Mixed School	86	94.5%
Gender of Respondents		
Male	69	
Female	22	
Teaching Experience		
Below 10 years	0	0.0%
Between 10 and 20 years	10	11.0%
Above 20 years	81	89.0%
Highest Qualification		
NCE	1	1.1%
B.Sc/BA/HND/B.Tech	28	30.8%
	61	67.0%
Others	1	1.1%
Total	91	100%

As indicated in Table 1. 6 schools out of those used for the study were within the range of 10 and 20 years in terms of

age while 15 schools were within the range of 20 and 30 years. 70 schools were also above 30 years of age. All the schools used were Public Secondary Schools. Only 5 schools were single-sexed while 86 were mixed or co-educational schools. Also, 69 out of the schools used had male principals while only 22 schools had female principals. As further indicated in the table, 10 principals had

experience within the range of 10 and 20 years while 81 principals were above 20 years in terms of experience. As further indicated in the table, only one principal had an NCE qualification, and 28 had a B.Sc/BA/HND/B. Tech certificate, 61 with B.Ed/B.Sc.Ed/B.A.Ed/HND/B.Tech +PGDE certificate while only 1 had other certificates.

Table 2: Challenges of Effective Financial Management in Schools

S. No	Items	SA	A	D	SD	Mean	Remarks
1.	A prevailing economic situation like inflation	43	25	10	13	2.209	Not Agree
2	Lack of appropriate budgeting	20	24	40	7	2.626	Agree
3.	Inadequate experience in a financial transaction	38	30	20	3	3.132	Agree
4.	Lack of orientation of the personnel involved by management	52	30	3	6	3.406	Agree
5.	Lack of cooperation between the financial institutions (i.e., banks)	22	18	40	11	2.560	Agree
6.	Inadequate time for processing of a transaction	12	28	32	19	2.362	Not Agree
7.	Ineffective procurement methods	48	35	5	3	2.418	Not Agree
8.	Frequent repairs of buildings/facilities due to poor conditions	42	31	18	-	3.264	Agree
9.	Lack of motivation	40	30	15	6	3.143	Agree
10.	Ineffective procurement methods	48	35	5	3	2.418	Not Agree
11	Inadequate equipment/facilitation, such as computers, and accounting packages	48	35	5	3	3.407	Agree
12	Inadequate supervision of Account Personnel by management	32	36	15	8	3.011	Agree
13	Ineffective/lack of Audit process	25	40	20	6	2.89	Agree
14	Frequent repairs of buildings/facilities due to poor conditions	42	31	18	-	3.264	Agree

As indicated in Table 2, 68 (74.8) of the respondents agreed that inadequate experience in financial transactions affected the process of financial management while the remaining 23 (25.3%) disagreed. 32 (90%) of the respondents believe that the lack of orientation of the personnel involved by management affected the process of financial management while the remaining 9(9.9%) had a contrary view. Also, 44 (48.4%) of the respondents agreed that a lack of appropriate budgeting predicted effective management of financial resources while the remaining 47 (51:7%) had a contrary opinion. 40 (44%) of the respondents were also of the opinion that lack of cooperation of financial resources while the remaining 51(55.1%) disagreed. 40(44%) of the respondents agreed that inadequate time for processing transactions predicted effective management of financial resources while the remaining 51(56.1%) had a contrary opinion.

It is further indicated in the table that 68 (74.8%) of the respondents agreed that unfavourable government policies on financial management procedures predicted effective management of financial resources in Public Secondary Schools while the remaining 23(25.3%) viewed it differently. 83(91.3%) of the respondents agreed that inadequate equipment/facilities, such as computers and accounting packages, predicted effective management of financial resources in Public Secondary Schools while the remaining 17(8.9%) saw it differently. 68 (74.8%) of the respondents believed that inadequate supervision of Account Personnel by management predicts effective management of financial resources in Public Secondary schools while the remaining 23(24.3%) agreed differently. 64 (70.4%) of the respondents believed that ineffective/lack of Audit process predict effective management of financial resources in Public Secondary School while the remaining 36(29.6%) disagree. Moreover, 70 (74.8%) of the respondents inform that the prevailing economic situation of live inflation predicts effective management of financial resources in public secondary schools while the remaining 23(03.3%) argue in contrary. 83(91.2%) of the respondents believe that effective procurement methods predict the effective

management of financial resources in public secondary schools while the remaining 87(8.2%) hold a contrary opinion. 73(80%) of the respondents agree that frequent repairs of buildings/facilities due to poor conditions predict effective management of financial resources in public secondary schools while the remaining 18(19.8%) hold a contrary view. In addition, 83(91.2%) of the respondents believe that effective procurement methods predict effective management of financial resources in public secondary schools while the remaining 87(8.2%) hold a contrary opinion.

**Research Question 1
Test of Hypothesis**

There is no significant difference in the effectiveness of financial management among male and female school administrators.

Table 3: T-Test showing the difference in the effectiveness of financial management among male and female principals

Group	N	Mean	SD	D.F	T-Cal	T-tab
Male principal	69	54.51	13.20	89	5.36	2.000
Female principal	22	38.95	5.47			

Source: Field Survey, (2019)

Table 3 shows that t-cal (5.36) is greater than t-tab (2.000) at a 0.05 level of significance. The null hypothesis is therefore rejected. This implies that there is a significant difference in the effectiveness of financial management among male and female principals.

Discussions

Findings from the analysis of the data gathered for the study established that many challenges are affecting effective financial management in the schools, in Nigeria; among which are: inadequate personnel, corruption by some personnel, poor financial records keeping, lack of motivation, lack of appropriate budgeting, etc. The findings are in tandem with the findings of Hallack and Poisson (2000); Atieno and Simatwa (2012); Clarke (2008),

Momoniati (2012); and Rosalind & Downes (2004) as revealed in the literature.

Also, findings from hypothesis 1 revealed that there is a significant difference in the perception of male and female principals on the challenges of effective financial management in schools. This could have resulted from the way the respondents responded to the items in the questionnaire. It could have resulted from the objectivity displayed by the principals while they were responding to the items on the questionnaire.

Conclusion

From the findings, it can be concluded that low funds generation, inadequate bursary personnel, inadequate financial experience, poor government policy, internal corruption, and absence of external auditor are key factors hindering effective financial management in schools while inadequate supervision, audit process, lack of appropriate budgeting, poor financial record keeping, procurement methods and poor condition of service are subordinate factors that hindered financial management in Public Secondary Schools in Ondo State.

Implications of Findings

Based on the findings of the study, it implies that financial management is ineffective in schools because of challenges. It is thus not gainsaying that given the limited allocation to education which has been encouraging poor government intervention in secondary education, coupled with ineffective management of available funds in schools, there will continue to be poor infrastructure in schools which may portend great danger for the academic achievement and provision of quality education in the secondary schools.

Recommendations

Based on the findings, the following are recommended:

- School administrators should be enlightened on the importance of effective financial management.
- Seminars, workshops, and conferences should be organized regularly by the government, to educate them on how to generate funds apart from the government's intervention, as well as manage funds effectively in their domains.
- The experience of Principals should be considered before their posting to schools.
- There should be regular monitoring and supervision of Account Staff in schools, for effective service delivery.
- There should be regular cross-checking of Accounts, the orientation of Account Staff, the routine scrutinization of Receipts/Evidence of Payment; cross-checking of the Ledger with Tellers from students; regular visits to the Bank to ascertain the Amount in the Bank; as well as the reconciliation of Amount in the Bank with the Amount indicated in the Book of Account.

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