

Financial Management: Training Needs of Public Secondary School Principals in Machakos County, Kenya

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Abstract

The study examined the financial management training needs of public secondary school principals with the specific intent of suggesting content areas for development of effective training programs for training of secondary school principals in order to facilitate prudent management of financial resources in public secondary schools in Kenya. Theoretically, the study was based on needs assessment which suggests that needs analyses should be conducted to provide data for design and evaluation of training and training systems. The study sampled 16 public secondary school principals in Masinga Sub-county of Machakos County, Kenya during the 2013/2014 academic year. Stratified and proportional sampling techniques were employed to select the sample. Questionnaires and interview collected data. Mixed methods were employed to analyse data. It was found that many secondary school principals still faced challenges in managing financial resources of secondary schools and training of principals in financial management was ineffective. It was concluded that the lack of motivation amongst principals and insufficient time to attend training programs hampered provision of effective training on financial management. It is recommended that effective financial management training programs should be developed based on identification and analysis of their needs. Training programs should also be devolved so that they can focus on specific training needs of principals in order to facilitate principals' acquisition of knowledge and skills required to improve financial management and performance of secondary schools.

Key words: financial management, needs, training

1. Introduction

1.1 Background of the study

The resources available to education institutions impacts significantly on the quality of its services. Thus, many countries have invested heavily in the education sector (Varghese & Buchert, 2011). In Kenya, the government has invested heavily in education. Funding to the Ministry of Education ranges between 13.5% and 16.5% of the total government budget with funding to public secondary education accounting for 23% of the ministry's budget (MoE, 2012). Nonetheless, effective utilisation of financial resources also influences the ability to deliver and sustain quality educational services (MoE, 2005). As a result, many countries have decentralised management of financial resources to schools in attempts to improve their management (Crouch et al, 2008). In Kenya, the government decentralised the management of financial resources to secondary schools and made appropriate regulations to ensure auditing of public schools. Boards of Management of secondary schools are accountable for the standards of education provided and for balancing cost and effectiveness (GoK, 2013). Nonetheless, the primary responsibility for management of financial resources of secondary schools still remains with school principals (Ntseto, 2009; Thenga, 2012; MoE, 2012). They prepare budgets, manage facilities, procure, expend and manage stores (Asuga & Eacott, 2012; Kasoa, 2012; Okumbe, J. A., 2001; TSC, 2007). Despite the fact that the financial management challenges they face and various recommendations for training are well-documented (Chetambve & Sakwa, 2013; Nyanyuki, Okionga, Ojera, Nyambwaga, & Nyamwamu, 2013; Asuga, G. N. & Eacott, S, 2012; Kasoa, 2012; Ntseto, 2009), many principals still lack the skills required to effectively manage resources funds (Chetambve & Sakwa, 2013; Atieno & Simatwa, 2012; Kasoa, 2012). In cognizance of the benefits of effective financial management, the Government of Kenya, through The Kenya Education Management Institute (KEMI), launched various training initiatives aimed at improving the financial management capacities of secondary school principals (MoE, 2005, KESI, 2011). Nevertheless, training opportunities provided have been insufficient (Ngwacho, 2012) and many principals assumed their posts lacking basic financial management skills (Kasoa, 2012). Also, little has been done to enable principals cope with changes in the current policy environment regarding management of financial resources in public institutions (MoE, 2012). Subsequently, regulations governing financial management of secondary schools are poorly implemented and financial mismanagement has become a persistent problem facing public secondary schools in

Kenya (MoE, 2012; MoE, 2005). Research findings indicate that the design and provision of effective training involves three key components: needs assessment, training and development, and evaluation. Dunham (1995), argues that the objectives of an effective training program should be determined by the identified training needs of trainees. Thus, the purpose of needs assessment is to design instructional objectives. Once instructional objectives are established, instructional programs can be designed and the training delivered. The development of performance criteria enables permit inferences about the effectiveness of the training program.

1.2 Theoretical Framework

Needs assessment consists of a series of analyses that assess the organization, the job, and the persons performing the job to provide input for the design and evaluation of training systems. Ntseto (2009) and Yukl (2010) agree that identification and analysis of the needs of trainees is critical when considering, providing and undertaking effective training and development programs. Although, literature suggests that identification of needs and their analysis is critical when considering providing undertaking effective training and development programs. It was found that literature on the needs of school principals with regard to financial management was scarce. Thus, this study sought to describe the training needs of secondary school principals in financial management with the specific intent of improving their training and performance.

Research Design and Methods

The study used a mixed-model approach for data collection and data analysis to provide better insight and understanding on financial management in public secondary schools. 44 public secondary school principals in Masinga Sub-county, Machakos County constituted the sample. Stratified sampling was utilised to categorise the schools as girls boarding, boys boarding, mixed boarding, mixed day and boarding and mixed day as the characteristics of each type school influenced its financial management and differences existed. Proportional sampling was also employed to ensure adequate representation. All principals of the sampled schools participated in the study.

The overall sample was 11 male principals and 5 female principals. A semi-structured questionnaire was administered to collect data. Closed-ended questions, scores and open-ended items in the questionnaire provided quantitative and qualitative data. The questionnaire was piloted in the neighbouring Yatta Sub-county. Test-retest procedures were utilised to establish and ensure reliability. The consistency of the results was found to be 0.79 using Pearson's correlation. Validity was established by expert judgements. Due to the nature and extent of financial management of school finances, one type of research-method would not have been enough.

Table 1: Summary of the sample

School Category	Principals	Sample size	Percent
Boarding schools	2	5	40
Mixed Day and Boarding	6	17	35.29
Mixed Day Schools	8	22	36.36
Total Sample	16	44	34.14

2.0 Results and discussion

A group of 16 public secondary school principals provided the data. The data was collected using a semi-structured questionnaire. All questionnaires were returned because they were hand delivered and picked after respondents had completed answering all questions.

2.1 Financial management training of principals

Results obtained during the study show that no principal had attended training on financial management prior to 2009. Given that all principals had more than 5 years of experience as school principals many principals lacked basic training in financial management before they took up their posts as school principals (Kasoa, 2012; Mito & Enose, 2012). Nevertheless, 31.25% of the principals claimed they had attended induction courses on financial

management. Therefore, it can be argued that they attended these induction courses only after assuming their positions. Table 1 shows that only 18.75% of the sampled principals had attended targeted training on financial management by between 1994 and 2013. Furthermore, these courses usually lasted for a very short duration (either one or two weeks). In Kenya participation in training and development programs is voluntary. Therefore, given the hectic schedules and demand on their time, many principals have not been attending training on financial management regularly. None of the sampled principals had attended a financial management training course despite their apparent need for training. Subsequently, school principals still lack many skills in financial management. A number of studies show that provision of training in financial management for principals can lead to improved management of financial resources in secondary schools (Mutua, 2012; Timilehin, 2010; Chetambe & Sakwa, 2013).

Table 2: Financial management training attended

Course being undertaken	Freq.	Percentage
Induction	5	31.25
Diploma (Education Management)	12	75.00
Education Management Workshops	2	12.50
Master of Education	2	12.50
Financial Management	3	18.75
Resource Mobilisation	1	6.25
Strategic Management	1	6.25

In 2012, the Kenya Education Management Institute launched the Diploma in Education Management course, many school principals attended because participation was proclaimed to be mandatory. Therefore, majority of principals attended in-service training on financial management in 2012. Nonetheless, the data presented in Table 1 shows that not all principals attended the training on financial management. Financial management topics covered during the course included budgeting, financial records and statements procurement and stores management and credit management (KESI, 2011). However, more recent studies show that principals still lack knowledge and skills in financial management. Therefore, it can be argued that the training was not very effective (Ngwacho, 2012) and the programs were insufficient (MoE, 2005; 2012). This is confirmed by data on the challenges faced by school principals (Table 2) and their training needs (Figure 1).

2.2 Financial management challenges faced by principals

As shown by table 2, principals faced numerous financial management challenges. Furthermore, most principals were usually faced with more than one challenge. Arbitrary allocation of FSE funds to schools by the national government was mentioned as a major challenge to effective financial management by secondary school principals (Mito & Enose, 2012). Principals also cited frequent changes in policy as a challenge due to rapid pace of reforms in education. For example, the Basic Education Act which became operational in January 2013 requires that school boards of management form two mandatory committees related to management of school finances. Presently, boards of management have not been institutionalised more than one year after law was passed. Adhering to procurement procedures was another major challenge faced by principals.

Table 3: Major financial management challenges faced by principals

Identified challenge	Frequency	Percentage
Poor levy payment	12	75.00
School debt	2	12.50
Lack of financial resources	5	31.25
Lack of community support	1	6.25
Lack of management support	1	6.25
Frequent changes in policy	12	75.00
Fraud and Theft	3	18.75
Procurement procedures	14	87.50
Poor disbursement of FSE Funds	16	100.00
Lack of qualified account clerks	4	25.00

2.3 Strategies employed in dealing with financial management challenges

Principals employed various strategies to cope with the financial management challenges they encountered. The majority of principals also employed more than one strategy to cope with the challenges they faced as financial managers. The major strategy employed was seeking for additional funds to cater for school development from various donors and sponsors. Inventory control and record management were also employed by many principals as strategies for coping with the challenges encountered. Despite the existence of various publications to provide guidelines for procurement procedures in schools (PPOA, 2009), it emerged that principals still faced challenges related to procurement of goods and services. However, from Table 3, it is evident that seeking training was not a strategy for dealing with challenges. This does not augur well for financial management of secondary schools since participation in training courses is voluntary.

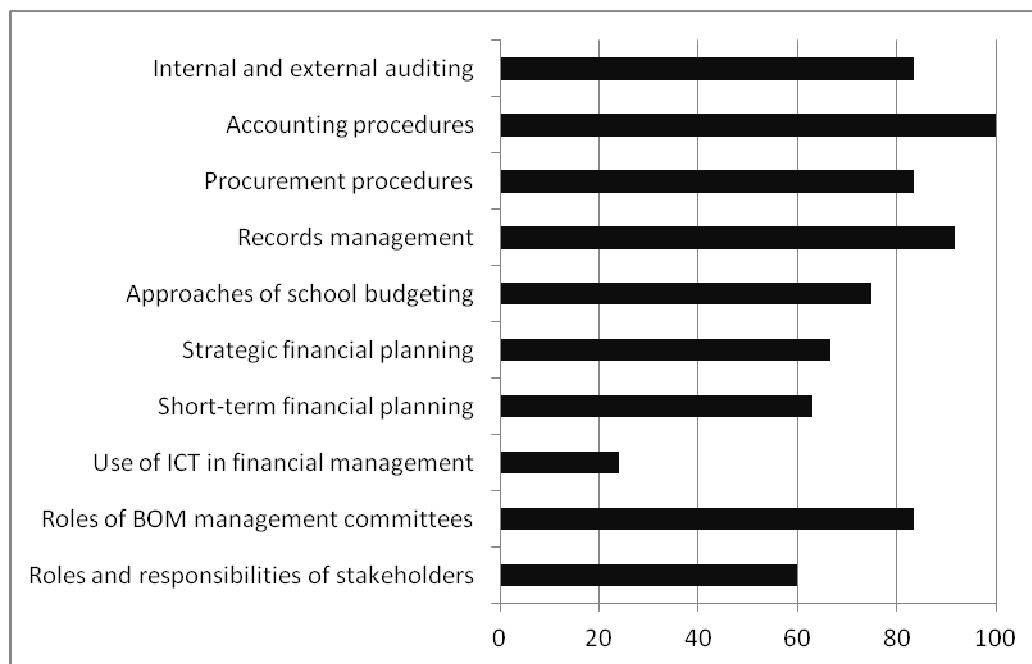
Table 4: Strategies used to deal with financial management with challenges

Strategy employed	Frequency	Percentage
Sourcing funds	16	100.00
Budgeting	3	18.75
Allowing payment in kind	4	25.00
Record management	7	43.75
Inventory control	9	56.25
Seeking audit support	1	6.25
Employment of account clerks	2	12.50
Debt control	2	12.50
Increase school levies	3	18.75
Training of BOM members	2	12.50
Bursaries for needy students	2	12.50

2.4 Financial management training needs of principals

Figure 1 presents the identified needs of principals with regard to training on financial management. It shows that principals need training in all the major financial management tasks of planning, organising, controlling and leadership. The majority of principals saw training in accounting procedures, records management, and internal and external auditing as a priority. Nyanyuki et al, (2013) argues that accounting practices positively correlate with prudent financial management. Therefore, there is urgent need to train principals in financial management.

Figure 1: Financial management training needs of principals



3.0 Conclusions & Recommendations

Many principals still face challenges in financial management tasks. Many were appointed before receiving much formal training in financial management. Furthermore, even after being appointed they received insufficient support and training. Subsequently, financial mismanagement has become a persistent problem in management of secondary education. Numerous studies have recommended that principals be trained in financial management. Therefore, the government has increased allocations to KEMI, for provision of training to school principals. However, participation in training course is voluntary. As a result, few principals have sought training despite the financial management challenges they face. To ensure that training on financial management results in positive benefits, it is the recommendation of this study that training should be compulsory and aligned to the specific needs of school principals with regard to financial management.

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