

Case Study

Influence of Financial Training Skills on Financial Management in Public Primary Schools: A Case Study of Endebess Sub County, Kenya

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Abstract: The study purpose was to investigate the influence of head teacher's financial training on the management of Free Primary Education funds in Endebess Sub County, Trans Nzoia County, Kenya. The significance of the study lied on the strength that would be important to stakeholders of education as they will gain the most recent and detailed information about public primary school head teachers' financial management gaps and the best practices in meeting the dearth. This study was guided by Organization Systems Theory. This study employed a descriptive survey design. The population of the study included all the head teachers and hence, census sampling technique was used to select the whole study population as a study sample since the population was small. Questionnaires and interview schedules were used to collect quantitative and qualitative data respectively. The study revealed quite important insight to the financial skills and financial management nexus. The findings of the study established a positive correlation between financial training and the financial management function. The study further established that financial training factor has the strongest association to financial management. The study concludes that the financial training was statistically a significant factor in relation to the financial management practices in the schools in Endebess Sub County. Given that the financial training component of financial skills has one the highest influence on financial management in primary schools in the study area, the study recommends that the duty bearer should provide regular finance trainings to support the chief executive officers, head teachers, and the school management teams updating their financial competencies regularly.

Keywords: Financial training, financial management, public primary schools.

Introduction

According to Kiwango *et al.*, (2018) there is increased upsurge in the demand for better education management and administration. They argue that, with better school administration and management, there will be better key deliverables in terms of quality and quantity. Hanif *et al.*, (2018) supports this argument by stating, due to public demand for quality and accountability; the school managers have a responsibility to administer schools better.

Bilkisu (2018) opines that, for schools to run effectively, different resources like infrastructure, the human resource and financial resources are very significant. The study argues that for a school to attract quality human resource, they need finances to compensate them promptly. Further he notes that school need physical resources need to be maintained; the extra curricula needs to run, suppliers need replenishment among the many needs that attract financing. The study therefore argues that the school administrators need to be equipped with perquisite knowledge to manage the school resources especially, the financial resources.

The school management committee contribute to a school-based management structure that allows for informed decisions on school finances in order to provide high-quality education (Sujatha, 2011). From the planning stages through the implementation stages, the duty bearer should ensure that the school managers are equipped tools and skills in decision making for enhanced school management (Osorio *et al.*, 2009; Bandur, 2011). These enhanced capacities will enable the school leadership to be cognisant of the staff and learners' needs, by identifying gaps and mobilizing resources to address them.

Mapolisa *et al.*, (2014) opines that financial resources is a key component of the other school resources that need to be mobilised, managed and administered. They therefore advance that, for effective utilization of these valuable resource, schools ought to establish functional school committees which can make independent decisions on the best way in utilizing the resources. Godda (2018) and Kinyanzii *et al.*, (2019) adds their voice in support by arguing that to avoid wastage which usually occurs at procurement processes, strong procurement teams have to be established managed effectively for provision of quality education to be realized. Okeze and Ngwakwe, (2018) supports the argument by stating that school administration and management should be decentralized especially on the subject of financial decision-making.

Ekundayo (2010) opines that insufficient school financial managers' skills in the acquisition, distribution, and usage of school funds, has resulted into inadequate school infrastructure, poor motivation, inadequate supervision and mediocre performance. He attributes this to lack of financial training of the fund administrators being, the bursar, the head teacher and the school management board (Kaguri *et al.*, 2014). The study further notes that majority of schools, in most cases, lack qualified accountants because school bursars are usually either ordinary teachers who jump in to assist or, poorly trained and motivated bursars.

According to Amos and Koda (2018) the principals of school need to have sufficient skills to outsource and manage school financial resources. They argue that schools have a range of means in fund raising depending on how well each principal is equipped to raise, coordinate and utilize the resources. Phylister *et al.*, (2018) by arguing that the best way in ensuring that school leadership can administer the financial resources effectively is by ensuring progressive financial capacity building in order to boost the school heads' capacity in financial management, seminars, production of financial manuals and training can be used (Mgandi *et al.*, 2017).

Head Teachers' Financial Training Skills on Financial Management

In Mexico, pre-service training of educational managers is given prominence by ensuring that training needs are addressed fully. The ministry of education maintains that school administrators need a high level of academic qualification, training in management skills, leadership and technical skills in order to carry out their administrative tasks (Republic of Kenya, 2010). Head teachers' competence in management is influenced by his or her academic qualifications and professional development (TSC, 2008).

Training and capacitating of school principals/head teachers is very important and the school SGB (Bush, 2004). They assert that SGB and the principals or head teachers must be trained on financial skills. Schools may partner with higher education institutions and other not for government schools to support in capacity building in financial management.

The school heads training should ensure that the school head teacher are responsible for all resources allocated to their schools. The finances which may have been discussed in the SGB in line with the priorities in the budget. According to Bisschoff and Mestry (2007) the head teacher and principals should use school funds successfully to achieve best relative result relative to spending. The (FSDOBE, 2005) explains that before utilizing finances, the School Governing Body (SGB) must be aware of the financial principles. The knowledge on the legal framework, The Public Financial

Management Act (PFMA), Read guidelines and finance circular, Have knowledge on the budget, Follow policy guidelines, Form financial committees, Understand underlying dates for making transactions, Monitoring, evaluation and reporting on financial matters to the stake holders, Control costs in educational activities, Decide on resource allocation with school budgets, Agree with parents decisions, Map out and implement good plans in school, Accept to work in an accountable and in a transparent manner.

In Kenya financial management is a core function of institutional manager and it is an area that has presented agonizing experience to those with little knowledge about it (Republic of Kenya, 2001). This indicates that public primary school heads lack financial management skills, calling for intervention measures on financial management.

Okumbe (2007) reports that for financial management to be effective, those tasked to manage the finances, the school heads and board of management, should establish accountability systems to the stakeholders. For accountability to be said to be effective, record management is paramount. The head teachers should be able to properly keep and update all the financial books of accounts. Further the study recommends that the government should as well have enough personnel in the audit office to ensure accountability from the school financial leads.

Mbiti (2007) opines that the budgeting process should be done and procurement process including good systems of managing stores in appropriate manner. After the financial transaction, auditing will be done for head teachers where head teachers will follow correct procurement procedures. This assertion is supported by Oluoch (2010) who states that the head teachers ought to organize their spending in terms of vote heads to avoid misappropriation of funds. Therefore, the training of school heads in the study area will be of great significance as it will increase pupil's performance in that currently, schooling will create diverse satisfaction of situations which will attract many pupils to go to school to learn and others, who will be at school, will be retained. Most schools in Endebess Sub County will aim at achieving high quality learning and the changing attitude of pupils towards positive thinking about learning. The behavior change was studied by (Mugisha, 1991), on positive attitudes towards education. Influences of financial management skills by head teachers will create a good environment for pupils towards achieving learning objectives. There will be well developed infrastructures thus standard and enough classrooms, desks and enough space for accommodating pupils.

Materials and methods

The study used a descriptive survey design because the data sought was quantitative and qualitative in nature. For this study, heads of primary schools were targeted to provide data on the study topic. The sub county has a total of 40 primary schools and hence, a total of 40 heads of the schools form the target population for the study. This study therefore applied census approach to select all the 40 head teachers as a study sample given that the study population is small (Kothari, 2011).

Supervisors examined the instruments to see if the items are clear and can lead to the collection of useful data. The study utilized a test; re-test strategy to find out research instruments' reliability. This involved conducting a pilot study on a similar sample from the neighboring sub county, which has similar characteristics after a period of two weeks.

Pearson Product Moment was used to establish the reliability index where if a reliability co-efficient of greater than 0.70 was obtained on all the quantitative items, the tool was considered reliable. The information from the quantitative data analysis was presented in terms of means and standard deviations. Further, the data was processed for correlational analysis. Qualitative data from the interview schedule was then analyzed thematically and organized alongside each corresponding quantitative item.

Findings

Descriptive results of Financial Training Skills on Financial Management

The study sought to find out the influence of financial training skills on financial management in primary schools. The respondents were required to use the scale where 5=Strongly Disagree 4=Disagree 3=Not sure 2=Agree 1=Strongly Agree. The findings were recorded in table 1.

Table 1. Descriptive results of financial training skills on financial management

Item	Mean	Std. Dev.
Through training the accounting concepts has been enhanced	3.74	.673
The training received have positively influence our procurement skills	3.98	.664
The received training has made the committee better budgeting skills	3.95	.680

From the results Table 1, it was observed that, through training the accounting concepts has been enhanced had a mean of 3.74 (SD=0.673). This result implied that through training the accounting concepts has been enhanced slightly above average and the disparities between the head teachers were minimal given the slim standard deviation. On whether the financial training received had positively influence the head teachers' procurement skills, the mean of 3.98 (SD=.664). Again, this was an above average effect of training on financial management with a small deviation amongst the respondents. And finally, the received training has made the school management teams better budgeting skills attracted an above average mean of 3.95(SD=.680) with a minimal standard deviation.

A similar question was posed to the education officers to whether the head teachers are facilitated in terms of financial development through training and workshops especially on the boards of managements. All the three education officers were too the affirmative that indeed the training are held. However, one officer (001) said “.....indeed the capacity training meetings are held though not regularly. The trainings usually are done when the new boards of management are inaugurated into the office. Usually the training is so broad and so compacted to fit a single day meaning that it cannot build capacity and competences as expected.” Yet another education officer (002) said, “.....the training is usually supported by the ministry of education.”

When asked the extent to which the financial training impact on the head teachers' financial skills, all the three respondents were in agreement that it is to a smaller extent citing the head teachers' dependency on external hired accountants to keep and maintain simple books of accounts. The findings from this study is in agreement with Republic of Kenya (2010) which argues that there is a correlation between the school administrators need high level of academic qualification, training in management skills, leadership and technical skills in order to carry out their administrative tasks. This resonates well with this study given that evidence has shown that through financial training, competences in financial matters improve.

Correlational analysis for the Effect of Financial Training Skills on Financial Management

Data visualization is one of the initial analysis that help assesses the nature of relationship between variables. A scatter plot is one of the statistical data visualization technique to initially assesses the relation between variables. It visually help in identifying the best model that describe two or more datasets. So in the bivariate analysis of financial training on financial management relationship, a scatter plot is shown in figure 1 is obtained. the plot shows the error band interval to assesses the the variance of observation around the regression line. Again the trend line and pattern of the data distribution suggest that a linear model is fit to describe the two datasets. From the plot, it is concluded that the linear model is the ideal to describe the association between financial training and financial management.

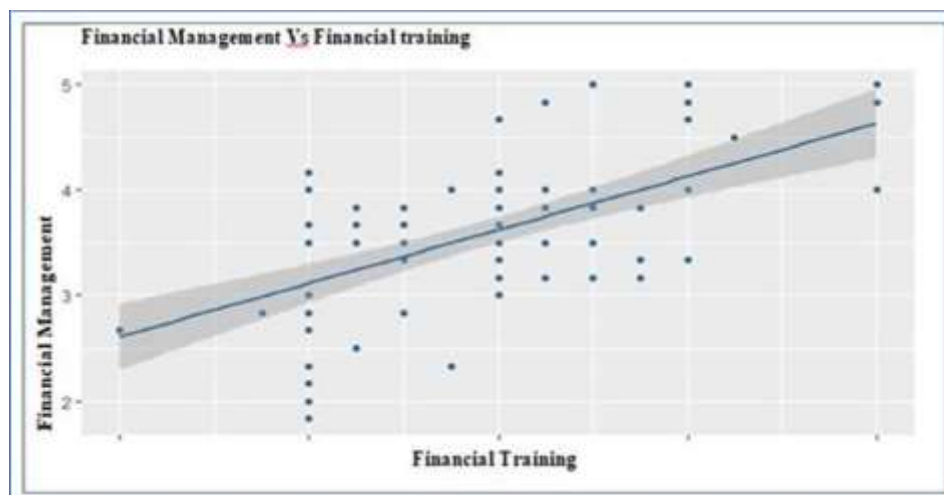


Figure 1. Scatter plot: Financial training versus financial management

Then the Simple Linear Regression model was fitted to assess the effect of financial training on financial management. Simple Linear Regression Analysis is a statistical technique in which the only one independent variable is regressed on one dependent variable. The purpose is to determine the effect of the independent variable on the dependent variable. So in this regard, it was used to assess the effect of financial training on financial management. The results were recorded in Table 2.

Table 2. Financial Training Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.983	.241		8.213	.000
	Financial Training	.539	.079	.594	6.807	.000
Note: $F_{(1,85)}=46.332$, $p<.001$), $R^2=.353$, adjusted $R^2=.345$						

From the results, it is noted that the standardized coefficient of the regression is 0.594 ($t=6.807$, $p<.001$). The coefficient is positive and significant meaning that financial training has a positive significant effect on financial management. Thus the hypothesis H_1 is supported in the simple effect model. The simple regression model is significant ($F_{(1,85)}=46.332$, $p<.001$) meaning that the model is a fit model. Moreover, the coefficient of determination is .345 an indication that financial training account for 34.5% of variance in financial management. In sum, the results show that financial training is indeed a significant determinant of financial management in schools in Endebess Sub County.

Conclusion

The study revealed quite important insight to the financial skills and financial management nexus. The findings of the study established a positive correlation between financial training skills and the financial management function. The study therefore concludes that the financial training was statistically a significant factor in relation to the financial management practices in the schools in Endebess Sub County.

Recommendations

Given that the financial training component of financial skills has one the highest influence on financial management in primary schools in the study area, the study recommends that the duty bearer should provide regular finance trainings to support the chief executive officers, head teachers, and the school management teams updating their financial competencies regularly. The study recommends that more donors should come in to support programmes geared towards head teacher training as it is only government through the ministry of education that is offering the trainings

currently. This maybe a reason as why the frequency of the training is minimal hence impacting negatively on the quality of financial management.

Conflicts of interest: The authors declare no conflicts of interest.

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