Research Paper

B An analysis of the competencies of head teachers and SMC chairpersons in financial management in elementary schools: A case study of Jaleswar Block, Balasore, Odisha, India

Accepted 31st May 2023

ABSTRACT

Head Teachers and the School Management Committee (SMC) are the main stakeholders entrusted with administrative roles in elementary schools to meet the financial objectives in Odisha. The dynamic changes in educational culture demand more knowledge, skills, values, and attitudes to achieve efficiency in financial management among the principals and SMC members. The survey research with a well-structured questionnaire was conducted in 58 government elementary schools across 116 respondents consisting of 58 head teachers and 58 SMC chairpersons. The objective of this study was to evaluate the competencies of primary schools in generating income and its effective utilisation for the school's development through the perceptions of the two major stakeholder groups. Frequencies, percentages, and averages were used in descriptive statistics, whereas inferential statistics were used for hypothesis testing. At a significance level of 0.05 in the t-test, the study indicated that there is no significant difference between the mean ratings of head teachers and SMC chairpersons on financial management practices. The major issues relating to the financial management of schools are found to be poor knowledge regarding sources of funds and means of acquiring them, poor follow-up and tracking of budget preparation and evaluation, a lack of auditing abilities, and a lack of transparency in financial operations, which are crucial for managing finance. Therefore, the quality of education can be improved through efficient financial management by addressing these issues.

Key words: Financial management, competencies, financial control.

INTRODUCTION

The role of education can never be denied in a nation’s development in all dimensions, such as on the socio-economic, political, and cultural fronts. Finance, being the lifeblood of every institution, needs to be managed efficiently to achieve quality improvement in education, particularly elementary education. The major stakeholders who are at the helm of affairs in elementary school management are the principal and the School Management Committee, who take responsibility for providing the school’s facilities, organising the teaching-learning process, planning co-curricular activities, supervising school activities, and identifying students' needs and demands. The scope of functions also includes maintaining the school’s records, ensuring financial management, collaborating with parents and society, working with educational authorities, tracking and evaluating student performance, etc.

This study examines the present key areas to which the principals and SMC members should give attention for proper financial management by utilising the resources given by the education department, thereby developing the education scenario. The research makes an effort to know
how successfully principals and SMCs use resources provided by the Department of Education to improve communities through education. The study suggests that there is a need for capacity development programmes and follow-ups to upskill and reskill, strengthening the school governance structures, in order to ensure solid financial management at the level of the school. The principle is one of the educational leaders, and his or her understanding and leadership abilities are essential to realizing educational goals. This guarantees that head teachers' and SMCs' competence improves and evolves in order to attain teacher professionalism rather than being stagnant at its current level.

This study has led to the recommendation that school principals and SMCs be listed among the emphasized competencies for academic success. The study suggested training in financial management, record keeping, staff management, service law, and ICT skills for incoming principals at the time of admission as well as capacity building for present principals in these areas for efficient financial management.

**REVIEW OF LITERATURE AND RESEARCH GAP ANALYSIS**

An attempt has been made to review some of the literature related to financial management of schools, covering at national and international level.

Alias and MohdNor (2018) conducted study on financial management of principals in Malaysia, using descriptive survey design and have emphasized on lifelong learning on the part of the principals, particularly learning the use of digital equipment in managing school finance in the present era. Principals must learn new reporting and accounting tools and/or processes for themselves and their subordinates. Principals are also responsible for keeping track of all expenses related to their role as the school’s financial manager. A financial committee must be constituted, with all members performing their responsibilities effectively and efficiently. Amos et al. (2015) found that school administrators lacked the necessary abilities to manage the financial resources of the institution to raise the standard of instruction. Programs to increase school principals’ capability should be used to provide temporary solutions to the situation. Additionally, develop in-service training, workshops, and seminars on financial resource management techniques to give school administrators the tools they need to effectively manage school finances in secondary schools while also facilitating teaching and learning. It also suggests placing auditors at the District offices on a quarterly basis to check the schools’ financial records.

Mahlangu and Dwangu (2021) and Kwan (2011) used semi structured interviews to identify the effectiveness of accountability mechanisms in financial management practices of school principals. The study stated that the first is a restructuring of the law to allow community members to join the SGB even if their children are not enrolled in the school. Due to their greater educational qualifications, such parents would be able to hold school principals accountable. Second, the law should be altered to make school principals fully liable to the employer for the financial management of school fund. The SGB, which may or may not have the authority to do so in this situation, will no longer hold them accountable. The amendment should also address the SGB’s expanding responsibilities. The SGB should continue to be involved in the budgeting process at the school. Parents should continue to approve the school budget, but the school administrator should be held responsible for its execution. The finance committee should have the ability to vote on who will provide specific items or services. The school principal should be required to hold parent meetings every year in order to submit a financial report to the parents. On the other hand, the school principal should bear all responsibility. Last but not least, schools should consider creating a strategy for leadership succession.

According to Kaguri et al. (2014) and Mariyanah et al. (2021), there is a need to strengthen resource monitoring policies to ensure proper, adequate, and accountable use of educational resources, which can be done through external auditing and outsourced services. Schools can put fund into risk-free, highly liquid, and highly marketable short-term securities like Treasury Bills.

Mobegi et al. (2012) reported that corrupt style of promotion, lack of financial training, a weak board of governors, inadequate internal control systems, irregular auditing, a lack of trained bursars, and meddling from sponsors and the community were all major contributors to financial mismanagement. All forms of mismanagement and misappropriation are the consequence of stakeholders who do not understand or ignore their responsibilities.

According to Mesture and Singh (2007) conducted a study on continuing professional development for principals in South Africa using qualitative research approach. The study revealed that the Advanced Certificate in Education (ACE) degree can help to provide a consistent and long-term approach to strengthening leadership and managerial skills across the educational system. In-service education should become an essential and required part of principals’ continuing professional development in school management, rather than a remedial accessory for unsuccessful performance. In-service training is designed to assist principal’s advance professionally so that they may better manage their schools and respond to educational change and innovation.

Oluwadare (2011), Ray et al. (2021) and Sing-ying (2015) used survey questionnaire to investigate the competency needs of principals for effective school management. The study ascertained that 1) teachers will be more committed to ensuring that the objectives are realized...
The principal is responsible for keeping the school’s financial records up to date, staff management, service law, and ICT skills training for new principals at the time of admission and capacity building for current principals in financial management, record keeping, staff management, service law, and ICT skills for effective secondary school administration. Giving non-governmental organisations, PTAs, people, and the government information about the school’s current and financial situation would work as a “curtain raiser” for them to offer funds for school expansion.

From the literature review studies, it is observed that various challenges and issues on financial management are raised. The researcher identified that lack of induction training, workshop, skill development of schools heads and SGBs at regular interval to enhance the competency on financial management, empowerment of school heads to make financial decision, ensuring expertise of newly appointed principals before starting work, internal control audits by principal at regular intervals.

Objective of study

The study is designed to ascertain the financial management practices of Elementary school principals and SMC chair persons in Jaleswar. The objectives of the study are:

I. Examine the financial management responsibilities faced by the principals, head teachers, and SMCs in elementary schools.

II. Determine the issues with financial management in elementary schools that principals and SMCs deal with in terms of funding sources, budgeting, audits, transparency and financial resource management.

Hypotheses

The following hypotheses were tested in the study:

Ho1: There is no significant difference between the mean rating of Head Teachers & SMC Chair Persons on Financial management practices related to sources of fund, budget preparation and utilization in elementary schools.

Ho2: There is no significant difference between the mean rating of Head Teachers & SMC Chair Persons on Financial management practices related to financial resources, transparency, auditing and financial management in elementary schools.

RESEARCH METHODOLOGY AND DATA

The methodology focuses to meet the research objectives. The study uses primary sources of data which was gathered through survey questionnaires.

Area of study

The Jaleswar is located in eastern part of Balasore district of Odisha in India. The town has 78% literacy rate higher than the national average of 72.87%. It is 8 km from West Bengal boarder and 50 km from Balasore. It is one of major block in Balasore. According to 2011 India census, Jaleswar had a population of 25,747 inhabitants which comprises 52% male and 48% female. There are 181 Govt elementary schools in Jaleswar. 58 elementary school principals or head teachers and 58 SMC chairpersons make up the study’s subject population. Participants in the study comprise 72% males, 28% females in Head Teachers, and 91% males, 9% females in SMC Chairpersons (as shown in Table 1) in 58 elementary schools. 55% of head teachers are B.Ed graduates, and 79.3% of head teachers have more than 20 years of experience. 10% of SMC chairpersons are under matric and 98% of SMC chair persons have 0-5 years of experience.

Research design

This research is primarily a descriptive survey. It was created to look into how accountable head teachers and SMCs are for financial management.

Population of study

The population of the study comprised 181 government elementary school principals and SMC chair persons in Jaleswar. The population of principals and SMC was 756.

Sample and sampling technique

The study was conducted in 58 schools out of 181 schools. The sample consists of 58 principals and 58 SMCs which gave a total of 116 respondents. The simple random technique was used. The sample was stratified into two strata, namely:

1. Principals or head teachers
2. School Managing Committee (SMC) Chair Persons.

Instrument for data collection

The Financial Management Practices Questionnaire is the instrument used for data collecting (FMPQ). In order to provide knowledge on financial management techniques,
Table 1: Profile of head teachers and SMC chair persons.

<table>
<thead>
<tr>
<th>Participants</th>
<th>Demographic Variable</th>
<th>Category</th>
<th>No of person participated in Survey</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Teacher</td>
<td>Gender</td>
<td>Male</td>
<td>42</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Educational Background</td>
<td>Post Graduate with B.Ed/C.T</td>
<td>7</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate with B.Ed/C.T</td>
<td>32</td>
<td>55.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intermediate With C.T</td>
<td>11</td>
<td>19.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Matric with C.T</td>
<td>8</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>0-10 years</td>
<td>3</td>
<td>5.17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11-20 years</td>
<td>9</td>
<td>15.52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 20 years</td>
<td>46</td>
<td>79.32</td>
</tr>
<tr>
<td>SMC Chair Persons</td>
<td>Gender</td>
<td>Male</td>
<td>53</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Educational Background</td>
<td>Graduate</td>
<td>15</td>
<td>25.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intermediate</td>
<td>13</td>
<td>22.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Matric</td>
<td>24</td>
<td>41.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Under Matric</td>
<td>6</td>
<td>10.3</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>0-5 years</td>
<td>57</td>
<td>98.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 5 years</td>
<td>1</td>
<td>1.72</td>
</tr>
</tbody>
</table>

this was examined and modified. There are 22 components in the instrument.

Reliability of the instrument

The Cronbach alpha was used to determine the reliability of the instrument. This yielded a high reliability coefficient of 0.85.

Data collection technique

The researchers were able to determine the best times to distribute and collect the questionnaire, which served as the primary study instrument, thanks to an earlier meeting with a few of the principals, Block and Cluster Resource People. The questionnaire, which has 22 items and was created in relation to accountability in financial management practices of head teachers and SMCs, was personally given to the respondents and collected by the researcher.

Hypotheses

The null hypotheses below guided the study and they were tested at 0.05 level of significance Ho1.

There will be no significant difference between the mean ratings of the principals and SMCs with regards to the financial management of elementary schools.

Data analysis and findings

The study used a descriptive survey design and was carried out in Odisha's Jaleswar block. 58 principals and 58 SMC chairs from Jaleswar's elementary schools made up the study's sample. A 22-item questionnaire created by the researcher was used to analyse the "managerial competencies of the head teacher and SMCs for effective management of school resources for the study. Each question had a 5-point liked-scale with the following options: 5-Strongly Agree (SA), 4-Agree (A), 3-Neutral or I don't know, 2-Disagree (DA), and 1-(D) Strongly Disagree (SDA). In order to address the study issues, data were analysed using the mean and standard deviation.

To find the answers to the stated study questions, the gathered data were evaluated. The five point category approach was used to weight the responses to the survey items:

1. Strongly agree (5 points)
2. Agree (4 points)
3. Neutral (3 points)
4. Disagree (2 points)
5. Strongly disagree (1 point)

Mean X = $\frac{5+4+3+2+1}{5} = \frac{15}{5} = 3.0$

In analyzing the data, the simple mean was used to answer
### Table 2: Mean ratings of head teachers and SMC on the sources of funds and budget for the management of elementary schools.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Questionnaire items</th>
<th>Head Teacher (N=58)</th>
<th>SMC (N=58)</th>
<th>Average Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>Decision</td>
<td>Mean</td>
<td>Decision</td>
</tr>
<tr>
<td>1</td>
<td>A school uses a community contribution as a source of school finance</td>
<td>2.74</td>
<td>Disagree</td>
<td>2.81</td>
<td>Disagree</td>
</tr>
<tr>
<td>2</td>
<td>A school generated its own additional sources of finance / Land rents etc</td>
<td>2.17</td>
<td>Disagree</td>
<td>2.28</td>
<td>Disagree</td>
</tr>
<tr>
<td>3</td>
<td>School uses any financial support from industry, promoters, MP, MLA, ST and others</td>
<td>2.53</td>
<td>Disagree</td>
<td>2.62</td>
<td>Disagree</td>
</tr>
<tr>
<td>4</td>
<td>A school uses alumni contribution such as Mo School Aviyan as a source of school finance</td>
<td>3.55</td>
<td>Agree</td>
<td>3.41</td>
<td>Agree</td>
</tr>
<tr>
<td>5</td>
<td>Concerned bodies (teachers, SMCs, head teacher, BEO, DEO) participate in budget preparation</td>
<td>3.81</td>
<td>Agree</td>
<td>3.93</td>
<td>Agree</td>
</tr>
<tr>
<td>6</td>
<td>Adequate experience of the school principals or heads and SMCs on budget preparation</td>
<td>2.69</td>
<td>Disagree</td>
<td>2.33</td>
<td>Disagree</td>
</tr>
<tr>
<td>7</td>
<td>Financial budget &amp; planning prepared as per need of schools</td>
<td>4.54</td>
<td>Agree</td>
<td>4.09</td>
<td>Agree</td>
</tr>
<tr>
<td>8</td>
<td>Timely preparation of budget by concerned bodies</td>
<td>3.07</td>
<td>Agree</td>
<td>2.62</td>
<td>Disagree</td>
</tr>
<tr>
<td>9</td>
<td>The allocated budget was utilized as per financial norms</td>
<td>4.46</td>
<td>Agree</td>
<td>4.05</td>
<td>Agree</td>
</tr>
<tr>
<td>10</td>
<td>The allocated school finance was recorded regularly</td>
<td>4.42</td>
<td>Agree</td>
<td>4.0</td>
<td>Agree</td>
</tr>
<tr>
<td>11</td>
<td>A school stakeholders directly participate in budget utilization</td>
<td>3.98</td>
<td>Agree</td>
<td>3.76</td>
<td>Agree</td>
</tr>
</tbody>
</table>

**Grand Mean**  

<table>
<thead>
<tr>
<th>Head Teacher</th>
<th>SMC</th>
<th>Grand Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.45</td>
<td>3.26</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Source: Field Survey Data 2023.

the research questions. The t-test statistics was used to test the hypothesis study.

With average means scores of 3.5, 3.9, 4.3, 4.3, 4, 2, and 3.9, respectively, respondents in Table 2 agreed with questions 4, 5, 7, 9, 10, and 11. Items 1, 2, 3, 6 and 8 all have mean scores below 3.0, indicating that respondents did not agree with the assertion. It implies with regard to generation of fund from different sources both from own and external source like MLA and MPLAD, community contribution, the principals and SMC members give less favorable opinion. They also opine that inadequate experience in budget preparation and timely preparation of budget preparation are the other weak areas. The grand average, being 3.4, shows that the managerial ability of the principals and SMCs is average which leaves a lot of scope for improvement.

The data for providing answers to the above research question are presented in Table 3.

According to Table 3, respondents agreed with assertions 1, 2, 4, 5, and 6 since those items had mean scores above 3.0, but they disagreed with claims 3, 7, 8, 9, 10, and 11 because those items’ means are below 3.0. This implies that both the categories of stake holders, that is, the principals and SMC members hold the view that lack transparency in financial activities and its implementation for the community, lack of involvement of the stakeholders in management of finance, inadequate training for the stake holders are the weak areas. The overall mean score of 3.2 shows that the managerial skills of SMC chairpersons and head teachers are not adequate enough for sound financial management.

### Test of hypotheses

**H01:** There is no significant difference between the Mean Scores of head teachers and SMC Chair Persons on the
Table 3: Mean Ratings of Head teachers and SMC on financial management practices related to resource monitoring and controlling, transparency, auditing and resources management in Elementary Schools.

<table>
<thead>
<tr>
<th>S.N</th>
<th>Description</th>
<th>Head Teacher (N=58)</th>
<th>SMC (N=58)</th>
<th>Average Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The school spends the funds according to approved budget in school</td>
<td>4.24</td>
<td>3.98</td>
<td>4.1</td>
<td>Agree</td>
</tr>
<tr>
<td>2</td>
<td>Involvement of stakeholders (Head Teachers, Teachers, SMCs and other concerned) for implementation of financial activities</td>
<td>3.97</td>
<td>3.76</td>
<td>3.9</td>
<td>Agree</td>
</tr>
<tr>
<td>3</td>
<td>Transparency on financial activities for the school community</td>
<td>2.62</td>
<td>2.48</td>
<td>2.6</td>
<td>Disagree</td>
</tr>
<tr>
<td>4</td>
<td>Stakeholders (Head Teachers, Teachers, SMCs and other concerned) get any relevant training on financial control</td>
<td>3.34</td>
<td>3.33</td>
<td>3.3</td>
<td>Agree</td>
</tr>
<tr>
<td>5</td>
<td>Receipts are serially numbered and issued for payment made</td>
<td>4.02</td>
<td>3.66</td>
<td>3.8</td>
<td>Agree</td>
</tr>
<tr>
<td>6</td>
<td>School stakeholders (Head Teachers, Teachers, SMCs and other concerned) participated on internal auditing as per schedule</td>
<td>3.86</td>
<td>3.72</td>
<td>3.8</td>
<td>Agree</td>
</tr>
<tr>
<td>7</td>
<td>Training regards to financial management to Principals, SMC members, Accountants</td>
<td>2.97</td>
<td>2.71</td>
<td>2.8</td>
<td>Disagree</td>
</tr>
<tr>
<td>8</td>
<td>Properly implementing financial guidelines, rules and regulations of finance at the school level</td>
<td>2.53</td>
<td>2.52</td>
<td>2.5</td>
<td>Disagree</td>
</tr>
<tr>
<td>9</td>
<td>There is no delay in Purchasing</td>
<td>2.6</td>
<td>2.5</td>
<td>2.6</td>
<td>Disagree</td>
</tr>
<tr>
<td>10</td>
<td>Involvement of Principals &amp; School Management Committees in managing school finance</td>
<td>2.57</td>
<td>2.36</td>
<td>2.5</td>
<td>Disagree</td>
</tr>
<tr>
<td>11</td>
<td>Transparency on school financial implementation</td>
<td>2.62</td>
<td>2.48</td>
<td>2.6</td>
<td>Disagree</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Mean</strong></td>
<td><strong>3.26</strong></td>
<td><strong>3.1</strong></td>
<td><strong>3.2</strong></td>
<td><strong>Agree</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey Data 2023.

Sources of Funds and Budget for financial management in elementary schools at Jaleswar, Odisha.

Summary of t-test for H01

The t-test analysis produced a t-cal. of 1.41 at 114 degrees of freedom and 0.05 level significant, as shown in Table 4. The aforementioned null hypothesis is accepted since the t-crit. of 1.98 is greater than the t-cal. of 1.41.

Thus, there are no appreciable differences in viewpoints between SMC chairpersons and elementary school principals or head teachers with regard to the budget and funding sources for the financial management at Jaleswar.

Ho2: There is no significant difference between Mean Ratings of Head teachers and SMC on financial management practices to ensure fund availability.

Summary of t-Test for H02

The t-test analysis produced a t-cal. of 1.62 at 114 degrees
of freedom and 0.05 level significant, as shown in Table 5. Because the t-crit. is higher than the t-cal. (1.62), the null hypothesis stated above is accepted.

Thus, there are no significant differences in viewpoints between SMC chairpersons and elementary school principals about the financial management at Jaleswar.

### SUMMARY AND CONCLUSION
According to the study’s findings, Jaleswar’s elementary school principals and SMC Chairpersons are responsible for possessing the managerial skills necessary for efficient budget management.

Though the budget allotted is used in accordance with financial standards, recorded on a regular basis, and stakeholders are involved in budget creation and utilization, the Head teachers and SMCs need to concentrate on the availability of cash from various sources and there is a need for training to improve financial skill, and timely budget preparation.

The head teachers and SMCs spend fund in accordance with requirements, include stakeholders in the execution of financial activities, take part in pertinent financial control training, and plan internal audits. To achieve the goals of schools, head teachers and SMC chairpersons must also place an emphasis on financial transparency, regular training in financial management, purchasing strategies, and financial regulations and standards. There is no statistically significant difference between primary school principals’ and SMC chairpersons’ perspectives regarding the availability of funds, budgeting, and financial management.

Therefore, more efforts should be taken to raise additional funds from both external and internal sources. Training programmes and workshops should be organized for the principals and SMC members, new teachers for development of financial management skills. Principals and SMCs must have tacit understanding of professional or financial development to make decisions regarding system transformation for general accountability and efficiency.

### REFERENCES
Mokoena PK (2013). Public school principals’ understanding of their role in financial management and the implementation of finance policy. Submitted in partial fulfillment of requirements for degree Master.
education (Educational Leadership) in the department of education
Management and policy studies faculty of education, University of
Pretoria
Kind of Need Competence for School Success? J. Edu. Learning. 6(1):33-
42.
Oluwadare A (2011). Principals’ Competency Needs for Effective Schools’
effective management of School resources in secondary schools in
Anambra state, Nigeria. IJSSHE-International Journal of Social Sciences,
Humanities and Education. 1(4):1-10
Shun-wing Ng, Sing-ying SE (2015). Preparing school leaders: The
professional development needs of newly appointed principals.
Educational Management Administration & Leadership 1-18. 44(44):
540-547
Ray S, Muhammad G, Adnan M (2021). The administrative role of
principals: Insights and implication in secondary schools of Mardan

Cite this article as
Hota SP, Panda G (2023). An analysis of the competencies of
head teachers and SMC chairpersons in financial management
in elementary schools: A case study of Jaleswar Block,

Submit your manuscript at
http://www.academiapublishing.org/ajer