
Principals' Financial Management Practices as Correlates of Administrative Effectiveness in Public Secondary Schools in Anambra State

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Abstract

The study examined principals' financial management practices as correlates of administrative effectiveness in public secondary schools in Anambra State. Two research questions guided the study while two null hypotheses were tested at 0.05 level of significance. The study was a correlational research design. The population of the study consist 8,187 teachers comprising 1,500 males and 6,687 females in 269 public secondary schools in the six education zones in Anambra State. The sample of 819 teachers was used for the study. Multistage sampling techniques comprising proportionate stratified and simple random sampling techniques were used for the study. Two instruments were used for data collection: Principals' Financial Management Practices Questionnaire (PFMPQ) and Principals' Administrative Effectiveness Questionnaire (PAEQ). The face validation was done using three experts. The reliability of the instrument was done using Cronbach Alpha technique and the average coefficients were established at 0.80 for PFMPQ and 0.87 for PAEQ. Pearson Product Moment Correlation Coefficient statistical tool was used to answer the research questions and test the null hypotheses at 0.05 level of significance. The findings of the study revealed that principals' cash budgeting and cash control practices have positive and significant relationship with principals' administrative effectiveness in public secondary schools in Anambra State. The study concluded that school principals adopt financial management practices to enhance administrative effectiveness in public secondary schools in Anambra State. Based on the findings, the study recommended that the Ministry of Education should encourage and mandate all secondary school principals to undergo compulsory training programme on budgeting practices in order to up-date their skills and knowledge on modern trends of school budgeting for effective administration of public secondary schools in Anambra State.

Keyword: Principals' financial management practices, administrative effectiveness

Introduction

Secondary education is a very important level of education. It acts as a connection between the primary education and the tertiary institutions of learning. It is very important both to the development of the individual, the society and for meeting the educational goals of the nation. Adinna and Onyekwelu (2021) stated that educational policies and standards are formulated to make sure that teaching and learning is geared toward achieving set educational goals. In as much as the nation has good educational goals, there is need for proper administration at all levels of education to make sure that the set educational goals are achieved. In other words, the presence of administrators in schools cannot be over emphasized in order to achieve the aims and objectives of education effectively.

Administrative effectiveness is a key to a successful educational administration because of its far reaching effects in the accomplishment of school programmes, objectives and the attainment of educational goals. Adinna and Okaforcha (2019) stated that administrative effectiveness is the satisfaction derived by members and subsequently the internal structure and operation of the organization. Okoye and Okorji (2022) conceived administrative effectiveness as the extent to which secondary school principals achieve the goals and objectives of their schools. Onyekwelu (2024) referred to administrative effectiveness to the ability of principals to carry out administrative tasks of coordinating both human and material resources available and using them systematically for the achievement of educational objectives. Principals' effectiveness or ineffectiveness would determine the level of discipline or indiscipline among teachers, students and other members of staff. The role and duties of the secondary school principal is so vital, that care ought to be exercised in appointing the right caliber of persons who have the aptitude, interest and character profile for the position. Anachuna (2024) opted that headship of a secondary school should not be for every teacher who has the requisite and professional qualification. Rather, it should be reserved for those who in addition to the necessary academic and professional qualifications have the essential qualities of a good teacher. Principals have the onerous task of effective administration of secondary schools through a blend of planning, coordinating, order, flexibility and evaluation. Manafa and Adinna (2023) noted that principals must motivate staff to use their creativity and initiative as necessary inputs, towards the accomplishment of school goals. In this light, effective school principals are liked and respected, rather than feared. They communicate, care for students and are willing to impose punishment if necessary.

Contextually, administrative effectiveness operationally involves, among other things, coordinating both human and material resources available and using them systematically for the achievement of educational objectives. It denotes the ability of the principal to achieve the goals and objectives of the school. Hence, the school principal requires adequate financial management practices to smoothly run the daily affairs of secondary school.

Secondary schools operate within different funding structures and financial management frameworks. Okaforcha and Ifediorah Okeke (2019) noted that funding patterns and financial management practices play a crucial role in shaping the educational landscape of public secondary schools. Public secondary schools operate within distinct financial frameworks, influenced by various factors such as government policies, socio-economic conditions, and sources of funding. Thompson (2023) opted that public schools are principally funded by government distributions, which comprise local, state, and federal resources. These funds are typically derived from taxes and other revenue sources and are intended to provide equitable educational opportunities for all students within a particular

jurisdiction. Onyekwelu (2025) noted that management practices in public secondary schools are critical for personnel management and ensuring efficient and effective utilization of funds. Public schools are subject to strict financial regulations and reporting requirements, aiming to promote transparency, accountability, and equitable resource distribution. They often employ financial management strategies such as zero-based budgeting and cost-benefit analysis to optimize resource allocation and prioritize educational programs based on student needs (Anachuna, 2024).

Financial management practices within schools play a critical role in optimizing resource allocation and maximizing educational outcomes. Okeke Ifediorah and Okaforcha (2020) stated that efficient financial management ensures that funds are allocated effectively, focusing on areas that directly impact the quality of education. It involves budget planning, spending decisions, cost control measures, and transparency in financial reporting. These practices may affect a school's capacity to provide a well-rounded education (Amadi et al., 2023). The idea of financial management in a school includes the accounting system, which aims to provide careful control and appropriate accountability of all funds received in a school. Its mandate is to provide accurate, complete and up-to-date disclosure of a school's financial situation. In the words of Alavbare (2023), understanding the school's financial management is essential to determining how well it is run and whether it can achieve its goals. Financial management is necessary and crucial in schools in order to encourage good governance, accountability and transparency when using public funds. Okaforcha et al. (2024) noted that effective management practices will make sure that processes are transparent, which will reduce or end corrupt and fraudulent activities in educational institutions. Alavbare (2023) opted that school's financial management includes financial planning, cash regulating, cash budgeting, cash control, and cash auditing.

Contextually, financial management practices is administrative task which is concerned with decisions on how to plan, generate, expend and give accurate accounts of funds to enhance the implementation of school programmes. Financial management practices include budgeting, cash management, financial control, inventory management and auditing. In this study, financial management practices was delimited to cash budgeting practices and cash control practices.

Cash budgeting practice is a guideline or blueprint of all expected revenue generation sources and particulars expected to expend within a specified period in the future. It is a plan of estimated income and expenditure of the school through which educational objectives are implemented and translated into reality. Mbua (2023) acknowledged that school budgeting entails a systematic process of preparing and effecting a financial flow forecast of a school to achieve the objectives of the school within an accounting or financial year. This means that school budgeting entail presentation of school programmes and activities in monetary terms, as such programs and activities are directly and or indirectly money related. In the words of Annette and Nwuke (2024), budgeting practices can be considered as the translation and quantification of school programmes using facts and figures in terms of expected income and expected expenditure within a fiscal year of a school. Budgeting helps principals to gain insight into what the school's financial can be for the fiscal year. By the insight, the principal tends to be conscious of reckless spending, and self-regulated by prioritizing expenditure. To achieve this, the principal is expected to utilize cash control practices.

Cash control practice is a cash management process that is used to verify the complete nature and accurate recording of all cash that is received, as well as any cash disbursements

that take place. The cash controlling involves monitoring, comparing and correcting errors in the duties of the financial officers. Alavbare (2023) submitted that cash control practices assist in monitoring and regulating the spending of money and unveils losses, waste and inefficiency, hence enabling the possibility for corrections on time. It is one of the key factors used in cash collection, monitoring of cash and its application in investment activities. Anachuna (2024) maintained that cash control practices referred to a set of guidelines established by management to ensure that the organization has optimal cash balance at any time to meet the organizational goals. It involves cash planning, managing the cash flows, setting the optimum cash level from time to time and investing surplus cash. School principals make cash control practices to be effective with the help of good cash auditing.

Sadly, this has not been the case in some public secondary schools in Anambra State. This is because it appears that some public secondary school principals do not adequately plan for their school programmes and fails to practice basic financial management practices like cash budgeting, control, auditing and most important, the exclusion of staff in the school financial decision-making processes. It is further visible in cases of duplication of functions and general lack of direction in administration among school principals in public secondary schools in Anambra State. This leads to wastages and mismanagement of financial and material resources in schools. Similar observation made by Ironkwe et al. (2024) revealed an increasing wave of unethical practices such as arrogating of powers, harshness and rigid nature of principals in public secondary schools in Anambra State. The researcher is worried that if these conditions are left unchecked, it will affect the quality of secondary education in the State. It is therefore, based on this background that prompted the researcher to embark on this study to determine principals' financial management practices as correlates of administrative effectiveness in public secondary schools in Anambra State.

Purpose of the Study

The main purpose of the study is to examine principals' financial management practices as correlates of administrative effectiveness in public secondary schools in Anambra State. Specifically, the study sought to:

1. find out the extent principals' cash budgeting practices relate to administrative effectiveness in public secondary schools in Anambra State.
2. determine the extent principals' cash control practices relate to administrative effectiveness in public secondary schools in Anambra State.

Research Questions

The following research questions guided the study:

1. To what extent does principals' cash budgeting practices relate to administrative effectiveness in public secondary schools in Anambra State?
2. To what extent does principals' cash control practices relate to administrative effectiveness in public secondary schools in Anambra State?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1. Principals' cash budgeting practices does not significantly relate to administrative effectiveness in public secondary schools in Anambra State.
2. Principals' cash control practices does not significantly relatet o administrative effectiveness in public secondary schools in Anambra State.

Method

The study was carried out in public secondary schools in Anambra State. The study was a correlational research design. The population of the study consist 8,187 teachers comprising 1,500 males and 6,687 females in 269 public secondary schools in the six education zones in Anambra State. The sample of 819 teachers (that is, 10% of teachers' population) was used for the study. Multistage sampling techniques comprising proportionate stratified and simple random sampling techniques were used for the study. Two instruments were used for data collection: Principals' Financial Management Practices Questionnaire (PFMPQ) and Principals' Administrative Effectiveness Questionnaire (PAEQ). The instruments were subjected to face and construct validation. The face validation was done using three experts, two in Educational Management and one in Measurement and Evaluation, all in the Department of Educational Foundations, Faculty of Education, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Anambra State. The reliability of the instrument was done using Cronbach Alpha technique and the average coefficients were established at 0.80 for FMPQ and 0.87 for PAEQ. Direct method of data administration was utilized by the researcher together with five research assistants. Out of 819 copies of the instrument administered, 784 copies representing 96% of the instrument were correctly completed and returned. Pearson Product Moment Correlation Coefficient statistical tool was used to answer the research questions and test the null hypotheses at 0.05 level of significance.

Result

Research Question One: To what extent does principals' cash budgeting practices relate to administrative effectiveness in public secondary schools in Anambra State?

Table 1: Summary of Pearson Product Moment Correlation on the relationship between principals' cash budgeting practices and administrative effectiveness in public secondary schools in Anambra State

Variables	N	R	r ²	Remark
Principals' cash budgeting practices	784	0.588	0.496	Moderately Positive
Administrative effectiveness	784			

****Significant at $p < 0.05$**

The summary result of Pearson Product-Moment Correlation Coefficient on Table 1 showed that principals' cash budgeting practices have a moderate positive relationship with administrative effectiveness in public secondary schools in Anambra State. This revealed a moderate positive correlation coefficient valued at 0.588 which indicated that there is a moderate positive relationship existing between principals' cash budgeting practices and administrative effectiveness in public secondary schools in Anambra State. This implies that a unit rise in the practices of principals' cash budgeting in the school leads to 0.588(59%) rises in administrative effectiveness in public secondary schools in Anambra State and vice versa. The coefficient of determination (r^2) value of 0.496 showed that the explanatory power of the variable was moderate. This implies that 50% of the variations in administrative effectiveness in public secondary schools in Anambra State were moderately accounted for by the variations in principals' cash budgeting practices.

Research Question Two: To what extent does principals' cash control practices relate to administrative effectiveness in public secondary schools in Anambra State?

Table 2: Summary of Pearson Product Moment Correlation on the relationship between principals' cash control practices and administrative effectiveness in public secondary schools in Anambra State

Variables	N	R	r ²	Remark
Principals' cash control practices	784	0.753	0.722	Highly Positive
Administrative effectiveness	784			

****Significant at $p < 0.05$**

The summary result of Pearson Product-Moment Correlation Coefficient on Table 2 showed that principals' cash control practices has a high positive relationship with administrative effectiveness in public secondary schools in Anambra State. This revealed a high positive correlation coefficient valued at 0.753 which indicated that there is a high positive relationship existing between principals' cash control practices and administrative effectiveness in public secondary schools in Anambra State. This implies that a unit increase in the practices of principals' cash control in the school leads to 0.753(75%) increase in administrative effectiveness in public secondary schools in Anambra State and vice versa. The coefficient of determination (r^2) value of 0.722 showed that the explanatory power of the variable was high. This implies that 72% of the variations in administrative effectiveness in public secondary schools in Anambra State were highly accounted for by the variations in principals' cash control practices.

Test of Hypotheses

Hypothesis One

H₀₁: Principals' cash budgeting practices does not significantly relate to administrative effectiveness in public secondary schools in Anambra State

Table 3: Summary of Pearson Product Moment Correlation on the significant relationship between principals' cash budgeting practices and administrative effectiveness in public secondary schools in Anambra State

Variables	N	R	r ²	p-value	Remark
Principals' cash budgeting practices	784	0.588	0.496	0.000	Significant
Administrative effectiveness	784				

****Significant at $p < 0.05$**

The summary result of Pearson Product Moment Correlation Coefficient on Table 3 showed the significant relationship between principals' cash budgeting practices and administrative effectiveness in public secondary schools in Anambra State with p-value = 0.000. Since p-value (0.000) is less than 0.05, the study rejected the null hypothesis that principals' cash budgeting practices does not significantly relates to administrative effectiveness in public secondary schools in Anambra State and accepted the alternative hypothesis that principals' cash budgeting practices significantly related to administrative effectiveness in public secondary schools in Anambra State.

Hypothesis Two

H₀₂: Principals' cash control practices does not significantly relate to administrative effectiveness in public secondary schools in Anambra State

Table 4: Summary of Pearson Product Moment Correlation on the significant relationship between principals' cash control practices and administrative effectiveness in public secondary schools in Anambra State

Variables	N	R	r ²	p-value	Remark
Principals' cash control practices	784	0.753	0.722	0.000	Significant
Administrative effectiveness	784				

****Significant at $p < 0.05$**

The summary result of Pearson Product Moment Correlation Coefficient on Table 4 showed the significant relationship between principals' cash control practices and administrative effectiveness in public secondary schools in Anambra State with p-value = 0.000. Since p-value (0.000) is less than 0.05, the study rejected the null hypothesis that principals' cash control practices does not significantly relates to administrative effectiveness in public secondary schools in Anambra State and accepted the alternative hypothesis that principals' cash control practices significantly related to administrative effectiveness in public secondary schools in Anambra State.

Discussion

Findings on the extent of relationship between principals' cash budgeting practices and administrative effectiveness in public secondary schools in Anambra State indicated that principals' cash budgeting practices have a moderate positive relationship valued at 0.588 with administrative effectiveness in public secondary schools in Anambra State. This means that increase in principals' cash budgeting practices will bring about 59% increases in administrative effectiveness in public secondary schools in Anambra State and vice versa. The study also revealed that principals' cash budgeting practices have a significant relationship with administrative effectiveness in public secondary schools in Anambra State. This result is in consonance with the findings of Okoye and Okorji (2022) that the budgeting practices adopted by principals for effective school administration, include; embark on market survey to get facts before preparing the budget, give priority to the most pressing needs in budget planning, and make some monetary allocations for unforeseen expenditure in the course of budgeting. Alavbare (2023) findings revealed that school budgeting and finances are solely carried out by principals single handedly. This supported the finding of Ironkwe et al. (2024) which reported budgeting practices applied by principals include stocktaking and market survey, collaborate with every unit in school, defend their budget proposal and seek approval. These studies agreed probably because they were conducted in the same country. The secondary school principals in Anambra State perform their statutory responsibility of budget preparation. This could be due to financial management directives of the government, which mandates school principals to prepare their budgets. The budget may not successfully be prepared without these practices and these induced principals to adopt them. This indicated that secondary school principals in Anambra State estimate income and set expenditure priorities in schools. The possible explanation for the similarity in the findings could be because of the fact that these studies were conducted in secondary schools that has similar characteristics in school management.

Findings on the extent of relationship between principals' cash control practices and administrative effectiveness in public secondary schools in Anambra State indicated that principals' cash control practices have a high positive relationship valued at 0.753 with administrative effectiveness in public secondary schools in Anambra State. This means that rise in principals' cash control practices will bring about 75% rises in administrative

effectiveness in public secondary schools in Anambra State and vice versa. The study also revealed that principals' cash control practices have a significant relationship with administrative effectiveness in public secondary schools in Anambra State. This result is in consonance with the findings of Amadi et al. (2023) that principals adhere firmly to budget plans in the school and disburse fund to school departments. These experiences can be termed good financial management on cash management by the principals, which have positive effect on instructional activities and purchase of other necessities of the secondary schools as well as leading to effective administration. This finding is in line with Odok et al. (2023) view that good cash management is one of the main reasons for effective performance among academic institutions. Annette and Nwuke (2024) also discovered that appropriate cash management processes were some of the major indicators for effective school management. This is in consonance with the finding of Nkedishua and Onyekwe (2024) that principals adopt cash management practices like documentation of cash receipts, disbursement of funds according to school needs and investment in minor businesses as alternative source of income to enhance school financial performance. The possible reason for the agreement could be the fact that these studies were conducted at secondary school level. The cash management practices help to build the parents' trust that money paid for the education of their wards is not misused. This engenders accountability and stewardship by extension enhances effective school administration in secondary schools in Anambra State.

Conclusion

Based on the findings, the study concluded that school principals adopt financial management practices to enhance administrative effectiveness in public secondary schools in Anambra State. The principals' continuous and transparent demonstration of these financial practices of cash budgeting and cash control would ensure the provision of the needed facilities and equipment, better school personnel management and making the schools a friendly environment for effective and efficient instructional activities in public secondary schools in Anambra State.

Recommendations

Based on the findings of this study, the following recommendations were made:

1. The Ministry of Education should encourage and mandate all secondary school principals to undergo compulsory training programme on budgeting practices in order to up-date their skills and knowledge on modern trends of school budgeting for effective administration of public secondary schools in Anambra State.
2. School principals should constitute cash management sub-committee to create more formal, planned and structured cash management practices for effective administration of public secondary schools in Anambra State.

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