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## **Financial Management in Secondary Schools: A Comparative Analysis of Principals' and Teachers' Perceptions**

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### **Abstract**

This study examined the financial perceptions of 100 secondary school principals and 100 teachers. A survey was conducted to gather data on their views regarding budget sufficiency, funding sources, utility bill payments, financial support, and annual budget revisions. Results revealed statistically significant differences between principals and teachers in their perceptions of daily financial realities. Specifically, principals reported significantly higher agreement than teachers regarding budget sufficiency ( $F(1, 198) = 15.437, p < .001$ ), funding sources ( $F(1, 198) = 4.729, p = .031$ ), financial support ( $F(1, 198) = 14.412, p < .001$ ), and utility bill payments ( $F(1, 198) = 54.978, p < .001$ ). However, no significant difference was observed regarding annual budget revisions ( $F(1, 198) = 0.034, p = .855$ ). These findings indicate a potential disconnect in perceptions concerning day-to-day financial realities, yet alignment on the procedural aspects of budget revision.

Key Terms: Financial Perceptions, School Financial Problems, Financial Management, ANOVA,

### **Introduction**

School inspections and efficient administration are fundamental for ensuring high-quality education and professional standards, fostering accountability, and maximizing resource utilization (Leithwood, 2020; Mirriam, 2022). Administrators, acting as managers, leaders, and financial stewards (Filipov, 2021), are tasked with navigating complex challenges. This includes addressing significant financial constraints, which are particularly prevalent in underprivileged areas and can impede effective school operations (Garan & Bagwell, 2021).

"To address these challenges, Balochistan has implemented decentralized management through District Education Authorities and Real-Time School Monitoring systems (Khilji, 2022). This approach empowers schools with greater autonomy via School-Based Management (SBM) (Ulfatin et al., 2020). Effective management, characterized by methodical coordination and data-driven decisions, is essential for improving academic standards and safeguarding student interests (Mirriam, 2022). These strategies aim to equip schools to better manage their resources and enhance educational outcomes.

### **Literature Review**



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Numerous studies have documented the pervasive financial challenges confronting secondary schools globally and within Pakistan. For instance, research by Mncube et al. (2023) found that budget constraints significantly limited the availability of essential resources, such as textbooks and laboratory equipment. Similarly, Sain (2023) highlighted the issue of inadequate funding for school maintenance and infrastructure. In the context of Pakistan, the Pakistan Economic Survey 2022-23 (Economic Adviser's Wing, 2023) indicates that while government expenditure on education has seen fluctuations, schools continue to grapple with operational costs. Notably, rising utility bills are placing an increasing burden on school budgets, diverting funds from crucial educational programs. Furthermore, the survey highlights the impact of broader economic factors, such as inflation, on the purchasing power of school budgets, exacerbating resource limitations.

Previous studies have highlighted the financial challenges faced by secondary schools, including budget constraints, inadequate funding, and high utility bills. Principals and teachers have different roles and responsibilities in the management of school finances, which may influence their perceptions of financial problems.

"Principals play a pivotal role in school administration through their management of financial resources. They are not only responsible for utilizing available funds to meet school needs but also for building strong relationships with the community and stakeholders (Mbua et al., 2022). Their capacity to effectively manage community financial resources directly impacts various facets of school operations, including resource allocation, staff development, curriculum enhancement, and student support services. Notably, principals who actively engage with community financial resources are better equipped to address classroom challenges, foster creativity, and cultivate a positive school climate."

"Financial resource constraints significantly impact student academic achievement, affecting access, retention, and completion rates (Odide et al., 2022). This issue is particularly acute in disadvantaged areas, where students may be forced to drop out or seek employment to cover school fees. The need for adequate financial resources to support education is critical, especially in regions like Asia, where diverse economic landscapes exist. Research emphasizes that persistent investments in education, focusing on cognitive capacities and learned capabilities, are essential for national development, as evidenced by the growth of Pacific Rim Asian countries (Odide et al., 2022).

The landscape of educational financial management is evolving, with regional autonomy and School-Based Management (SBM) granting schools greater decision-making power (Mulawarman et al., 2022). This autonomy necessitates stakeholder involvement in shaping school performance across various domains, including financial management. However, challenges persist, with researchers highlighting the critical link between financial resource management and student academic performance (Odide et al., 2022). A consensus exists among school stakeholders, including principals, bursars, and teachers, regarding the importance of optimizing resource allocation. Moreover, studies reveal a lack of teacher involvement in financial planning, emphasizing the need for more inclusive and collaborative approaches to financial management within schools (Odide et al., 2022).



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### **Methodology**

This study employed a quantitative research design to investigate and compare the perceptions of principals and teachers regarding financial constraints in public secondary schools of Quetta. The target population included all principals and teachers from 113 schools. Stratified random sampling was used to select 100 principals and 100 teachers. Data were collected via modified questionnaires (Jawed, 2021) using a 5-point Likert scale. A pilot study confirmed instrument reliability (Cronbach's  $\alpha$ : 0.890 principals, 0.817 teachers). SPSS 20 was used for descriptive statistics and ANOVA, comparing principal and teacher responses.

### **Demographic Characteristics**

The sample ( $N=200$ ), with 100 principals and 100 teachers drawn from the 113 secondary schools in the district, presents a well-balanced representation across key demographics, enhancing the reliability of the findings. Females comprised a significant majority at 60%, with males representing 40% in both groups. This diversity is further underscored by an equal distribution of respondents holding principal roles and those serving as teachers—half of each group. Among teachers, an impressive 57% belong to the 30-40 years age range, while 32% are aged 40-50 years and 11% are in the 50-60 years range. Principals reflect a similar age distribution with 61% in the 30-40 years range, 28% in the 40-50 years range, and 11% aged 50-60 years. Academically, an astounding 90% of teachers possess a Master's degree, showcasing a highly educated group, while 6% hold an M.Phil. and 4% attained a Ph.D. In contrast, principals demonstrate solid qualifications as well, with 46% holding master's degrees, 51% having an M.Phil. degree, and 3% achieving a Ph.D. Furthermore, a majority of teachers possess professional qualifications, with 58% holding a B.Ed. degree, and 42% hold an M.Ed. degree, while all principals are equipped with an M.Ed. degree. Moreover, the representation of urban participants is compelling, with 78% hailing from urban schools compared to 22% from rural schools, effectively reflecting the urban-rural dynamics of both groups. This comprehensive data highlights the strength and quality of this sample, providing valuable insights into the educational landscape,

### **Research Objective**

To explore the perception of secondary schools' principals and teachers regarding financial problems.

### **Research Question**

What is the perception of secondary schools' principals and teachers regarding Financial Problems?

### **Results**

The results of the study are presented in Tables 1 and 2. Table 1 shows the frequency distribution of responses from principals and teachers, while Table 2 presents the results of the ANOVA analysis.

Table 1 presents the findings concerning perceptions of financial problems faced by secondary schools, comparing the perspectives of principals and teachers.

### **Principals' Perspective**



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The principals' responses indicated even stronger concerns regarding budget sufficiency. The majority of principals disagreed (Disagree, 59.0%: Strongly Disagree 11.0%) that they have sufficient budgets for effective school management. Only 20% strongly agreed that budgets were sufficient. However, principals strongly acknowledged the crucial role of the secondary education department in providing funding (37% agreeing and 50% strongly agreeing). Annual student fund revisions were viewed favorably by principals (48% agreeing). Perceptions of financial support from government representatives and the community were divided, with 47% strongly agreeing and 38% disagreeing. Regarding utility bill payments, principals expressed strong affirmation (80% strongly agreeing and agreeing 12%), indicating a higher level of satisfaction in this specific area compared to teachers.

### Teachers' Perspective

Teachers' responses reveal concerns regarding various aspects of school finances. Teachers expressed dissatisfaction with the sufficiency of the school budget for effective management (20% disagreed and 12% strongly disagreed, although only 30% agreed). They acknowledged the provision of funding from the secondary education department (agreeing 41% and strongly agreeing 36%). Perceptions of annual revisions of student funds were moderately positive, with 54% agreeing, but a few of them (12%) strongly disagreed. The level of financial support received from government representatives and community members was viewed negatively, with a combined 67% disagreeing (37% disagree, 30% strongly disagree). Regarding the payment of utility bills, most teachers acknowledged that bills are generally paid (45% agree), but a significant proportion (27%) strongly disagreed, suggesting potential issues with timely or complete payments.

Table 1: Perception of Secondary Schools' Principals and Teachers Regarding Financial Problems. (N=100 Principals and 100 Teachers)

Question	Options	Principal	Teacher	Total
I have a sufficient budget to run the school's management affairs	Strongly Agree	20 (20.0%)	30 (30.0%)	50 (25.0%)
	Agree	10 (10.0%)	30 (30.0%)	40 (20.0%)
	Undecided	0 (0.0%)	8 (8.0%)	8 (4.0%)
	Disagree	59 (59.0%)	20 (20.0%)	79 (39.5%)
	Strongly Disagree	11 (11.0%)	12 (12.0%)	23 (11.5%)
The secondary education department provides funding.	Strongly Agree	50 (50.0%)	36 (36.0%)	86 (43.0%)
	Agree	37 (37.0%)	41 (41.0%)	78 (39.0%)
	Undecided	0 (0.0%)	4 (4.0%)	4 (2.0%)
	Disagree	11 (11.0%)	12 (12.0%)	23 (11.5%)
	Strongly Disagree	2 (2.0%)	7 (7.0%)	9 (4.5%)



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Every year, students' funds or budgets are revised	Strongly Agree	11 (11.0%)	5 (5.0%)	16 (8.0%)
	Agree	48 (48.0%)	54 (54.0%)	102 (51.0%)
	Undecided	0 (0.0%)	17 (17.0%)	17 (8.5%)
	Disagree	37 (37.0%)	12 (12.0%)	49 (24.5%)
Government representatives and community members support the school financially.	Strongly Disagree	4 (4.0%)	12 (12.0%)	16 (8.0%)
	Strongly Agree	47 (47.0%)	8 (8.0%)	55 (27.5%)
	Agree	0 (0.0%)	25 (25.0%)	25 (12.5%)
	Undecided	0 (0.0%)	0 (0.0%)	0 (0.0%)
All types of utility bills are paid	Disagree	38 (38.0%)	37 (37.0%)	75 (37.5%)
	Strongly Disagree	15 (15.0%)	30 (30.0%)	45 (22.5%)
	Strongly Agree	68 (68.0%)	6 (6.0%)	74 (37.0%)
	Agree	12 (12.0%)	45 (45.0%)	57 (28.5%)
	Undecided	0 (0.0%)	0 (0.0%)	0 (0.0%)
	Disagree	15 (15.0%)	22 (22.0%)	37 (18.5%)
	Strongly Disagree	5 (5.0%)	27 (27.0%)	32 (16.0%)

Hypothesis: There is a significant difference between the secondary schools' principals' and teachers' perceptions regarding the financial problems of schools' Principals.

Null Hypothesis: There is no significant difference between the secondary schools' principals' and teachers' perceptions regarding the financial problems of schools.

The following ANOVA results address Hypothesis 4, comparing principals' and teachers' perceptions of the financial problems of schools.

Table 1: ANOVA Results: Comparing Principals' and Teachers' Perceptions of the financial problems of schools (N=100 Principals and 100 Teachers).

Statement	Source	Sum of Squares	df	Mean Square	F	Sig.
School principals have sufficient budgets to run the school's management affairs	Between Groups	29.645	1	29.645	15.437	0.000
	Within Groups	380.230	198	1.920		
	Total	409.875	199			
The secondary	Between	6.125	1	6.125	4.729	0.031



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education department provides funding to school	Groups					
	Within Groups	256.470	198	1.295		
	Total	262.595	199			
Every year, students' funds or budgets are revised by the government	Between Groups	0.045	1	0.045	0.034	0.855
	Within Groups	264.910	198	1.338		
	Total	264.955	199			
Government representatives and community members support the school financially	Between Groups	33.620	1	33.620	14.412	0.000
	Within Groups	461.880	198	2.333		
	Total	495.500	199			
All types of utility bills are paid by principals'	Between Groups	100.820	1	100.820	54.978	0.000
	Within Groups	363.100	198	1.834		
	Total	463.920	199			

Table 2 presents the results of the ANOVA, indicating the significant levels of differences in perceptions between school principals and teachers regarding various statements related to school financial problems. A significance value (Sig.) less than 0.05 indicates a statistically significant difference in perceptions, leading to the rejection of the null hypothesis for that specific statement—conversely, a Sig. Value greater than 0.05 suggests no statistically significant difference, supporting the null hypothesis.

The results reveal statistically significant differences in perceptions for four statements: "School principals' has sufficient budget to run school's management affairs" (Sig. = 0.000), "Secondary education department provides funding to school" (Sig. = 0.031), "Government representatives and community members support the school financially" (Sig. = 0.000), and "All types of utility bills are paid by principals'" (Sig. = 0.000). Therefore, for these four statements, the null hypothesis is rejected, indicating that school principals and teachers hold significantly different perceptions.

However, no statistically significant difference was found for the statement: "Every year, students' funds or budget are revised by the government" (Sig. = 0.855). For this statement, the null hypothesis is supported, suggesting that school principals and teachers share similar perceptions.

In conclusion, the findings indicate that while school principals and teachers



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often differ in their perceptions of various aspects of financial management (budget sufficiency, funding sources, and utility bill payment), they share a common view regarding the annual revision of student funds or budgets by the government. This suggests a potential disconnect in perceptions regarding the day-to-day financial realities of school management but alignment on the procedural aspect of budget revision.

### **Discussion**

The findings reveal that both principals and teachers share significant concerns about the adequacy of school budgets for effective management. The majority of principals, along with a large number of teachers, disagreed with the notion that they have sufficient financial resources, indicating a common perception of financial strain in managing school affairs (Baker & Green, 2022).

Both groups recognize the essential role of the secondary education department in providing funding, demonstrating a consensus on this matter. The reported budgetary constraints highlight the need for increased transparency and the adoption of more effective strategies for resource optimization, which aligns with existing research on efficient resource utilization (Duncombe et al., 2021).

In terms of annual revisions of student funds or budgets, both principals and teachers expressed a generally positive attitude. Principals showed a stronger consensus, with a majority agreeing, while teachers displayed a moderate level of support. Candelaria et al. (2024) emphasized the urgent need for budget revisions to ensure that schools can operate effectively.

The perceptions of financial support from government representatives and community members vary markedly between the two groups. Principals were more likely to affirm receiving support, whereas teachers expressed a predominantly negative viewpoint, with a significant majority disagreeing. Bantilan et al. (2023) suggested that while principals may feel more supported by external stakeholders, teachers often experience a greater sense of financial neglect.

Disparities in financial perceptions, like those seen with utility bill payments, underscore the critical role of open communication in schools. When teachers express dissatisfaction while principals report satisfaction, it reveals a potential breakdown in transparency (Hanif & Hashmi, 2023). Building trust requires clear, consistent dialogue about financial procedures and resource allocation (Jiang & Liu, 2024). Ultimately, a cohesive school climate depends on aligning the perceptions of all stakeholders through effective communication (Lansing et al., 2023).

Overall, these findings underscore the need for improved financial management practices (Njagi & Thinguri, 2024). This includes enhancing transparency, developing more effective resource-maximization strategies, establishing consistent procedures for managing student funds, and implementing better strategies for securing external funding (Chisebe et al., 2024).

### **Conclusion**

This study revealed significant financial perception gaps between Quetta's school principals and teachers. Principals generally felt more financially secure and supported than teachers, who reported budgetary constraints and a lack of external aid. This disparity highlights the urgent need for enhanced financial



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transparency and improved communication. Implementing evidence-based resource management and proactive funding strategies is crucial. Addressing these perception gaps is essential for fostering a cohesive school climate and improving student outcomes. Ultimately, aligning financial realities through open dialogue and collaborative strategies will lead to a more effective educational environment.

### Recommendations

This study revealed significant financial perception gaps between Quetta's school principals and teachers. Principals generally felt more financially secure and supported than teachers, who reported budgetary constraints and a lack of external aid. This disparity highlights the urgent need for enhanced financial transparency and improved communication. Implementing evidence-based resource management and proactive funding strategies is crucial. Addressing these perception gaps is essential for fostering a cohesive school climate and improving student outcomes. However, it's important to acknowledge the study's limitations. The sample size, while representative of the targeted schools in Quetta, may limit the generalizability of the findings to other regions. Additionally, the reliance on self-reported questionnaire data may introduce potential biases. Future research should consider larger, more diverse samples and incorporate objective financial data to strengthen the validity of the findings.

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