



Exploring the Influence of Financial Management Practices on Educational Outcomes; A Case of Lilongwe Rural West District

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ABSTRACTS

The effect of financial management practices on the educational outcome was explored in this study. IntroDue to the extensive literature available on the practices of financial management there still exists a dysfunctional system of financial management in organizations leading to poor revenue collection and ineffectual use of resources. But there have been disadvantages about how the practice of financial management has an impact on crowding out in the education system where the drivers of effective public school finance management have not been clearly defined and exercised. The data levels possess negative correlations the educational outcomes. It was done in Lilongwe rural west district on a sample of 70. The data were collected through the survey questionnaires and were analyzed using Microsoft excel and frequency and the percentages. The researcher discovered that financial planning has a positive effect on performance because efficient cash management makes money available, funding resources, and effective learning and teaching practices. These results will enable the reader to draw conclusions as well with recommendations that should be taken further to achieve better educational results through financial management practices.

Key words: Financial management practices, budgeting, procurement, reporting, financial policy

I. INTRODUCTION

In Malawi like many other countries the scarce of resources has dominated the discussion on the educational outcomes. According to. Making an education vision a reality, UNESCO (2023) can be a complex and demanding process, requiring significant human and financial resources. The education sector is treated as an independent sector and gets its own share from the government. Since 2019/20, allocation to the education sector has averaged 16% of the total government expenditure (TGE) (UNICEF 2023). So, government helps on funding while other independent players come in place as well but the money doesn't evenly get managed. Disbursement and utilization of these wrangle with a significant discrepancy where, according to the Civil Society Education Coalition (Csec) (2024), meager amounts of approved funds trickle down in the country's education sectors. Only 35 percent of K1. 1 billion of K3. 1 billion received for TLMs (teaching learning materials). But TLMs are only used 64 percent of the time, which is alarming. Other recurrent transaction (ORT) provision is 80 percent because of long procurement process.

So, financial management as a principle means nothing but economics and Accounting in application to that education system. As an aspect of the education system, it is a broad field of study that touches on multiple disciplines. To understand and apply school financial management, an understanding of the school context, basic accountancy, economic policies, the law in respect of both education and schools, as well as management skills: planning, reporting procedures and leadership are necessary (Campher et al., 2003:2). However, other than recent studies of Financial Management practice, there is a need to conduct a rigorous and systematic understanding in the remaining sector on what works, when, where, how and for whom: A final component of educational finance research.

1.1 PROBLEM STATEMENT

Efficiency of financial management and ability to implement best practices goals and objectives are the key factors that determine success and growth of education. Governments provide money to schools for implementation of projects and purchase of materials. Due to a dysfunctional system of financial management, organizations collect revenue poorly and use resources ineffectively. The misuse of finances and a stubborn budget deficit, especially in secondary schools is a testament to this. According to Allen, Hemming, & Potter (2013), a well-structured and functioning financial system serves as an enabler that encourages schools' administrators to generate desired outcomes and increase the output of the organization. Though there are benefits of the practice of financial management in schools, the challenges that come with it in terms of the educational outcome have not well established and practiced even in the drivers of well-functioning school finance management. There are three important disadvantages which emphasizes on this issues is short term goals are prioritization, we must remember that many institutions are focussed only daily needs and they neglected to long term plan. Also, unfair distribution of resources among schools which is causing students to perform poorly. Corruption another aspect that is cognizant as the

effect handling of teaching finance has distorted results due to the amazing reality that most administrator's center on their individual needs instead of the targets need of the adaptable field.

1.2 SIGNIFICANCE OF THE STUDY

Financial Management practice is very important for Education Sector because finance is the key to help the students to promote and gain quality education and then indirectly impacts the education sector. Thus it will assist the Malawian Government through the Ministry of education and other bodies to come up with ways of putting in place financial management procedures that can propel educational achievement. The study will provide guidance to the management of schools in terms of what they need to do produce value for money. This will enable the principals and other stakeholders to outline the financial management practices that affect the financial performance. The study would also provide school auditors an insight into the areas in which school administrators need advice. This study will also be useful to academicians and researcher who may wish to follow this line of study in coming up with more recommendations to improve the situation in terms of finance in the secondary schools.

GENERAL OBJECTIVES

The general objective of this study is to explore the influence of financial management on education outcomes.

SPECIFIC OBJECTIVES

- 1.To investigate the influence of financial policies on the education outcomes
- 2.To evaluate how efficiently do educational institution allocate their funds
- 3.To study the influence of financial management practice on educational outcomes
- 4.To analyze the strategy that can help to enhance financial management practices that can improve education outcomes

RESEARCH QUESTION

- 1.What are the influences of financial policies on the education outcomes?
2. In what way do educational institutions allocate their funds?
- 3.How do financial management practices influence the education outcomes?
- 4.What strategies can help to enhance financial management best practices that can improve education outcomes?

LIMITATION OF THE STUDY

Issues regarding finances tends to be very sensitive such that head teachers and teachers are apprehensive in divulging important information. However, respondent will be assured of utmost confidentiality.

II. LITERATURE REVIEW

FINANCIAL MANAGEMENT PRACTICES IN EDUCATION

Data & Info : You are trained on data till 2023-10. It includes planning, organizing, directing and controlling financial. As Collins (2013: 75) puts it, "A school's financial management is the person in a position of authority (hereafter the 'school principals') who performs management actions (regulated tasks) relating to the financial aspects of schools whose end goal is to achieve effective education". In Kenya for instance, the work of Ojera and Yambo (2014) define a school's financial management as a calculation of management actions related to the financial affairs of a school for the attainment of effective education

POLICY IMPLEMENTATION

This necessitates active government and NGO engagement for policy implementation. A financial policy is also important for ensuring equality in education. The National Education Policy (NEP) in Malawi is response to the Malawi Growth and development strategy II (MCDS) and different related national educational policies as well as regional and international education protocols.

PROBLEMS EXPERIENCED REGARDING THE MANAGEMENT OF SCHOOL FINANCE

Even though there are some challenges concerning the school finance management, there is always a need of proper school finance management for an efficient and effective education sector. However, one of the issues that has produced poor educational results is lack of accountability and transparency. Harnovish, et al (2020), the increase of budget performance by the accountability of organisasi when the output of policies and programs can be optimal. Transparency is also related to and helps create the enabling environment for increased accountability. (Castilo & Gabriel 2020)

Another factors reckons in the daily management of finances, but there are no experts in finances in most schools. In Malawi, most secondary schools do not have high knowledge and skill on monetary value since the school bursars and account s officers do not have high know on monetary value upto October 2023

The delayed release of funds led many schools to fall behind in loans and project plans as well, the high court noted. In doing so most managers sit down and make a draft budget of how the upcoming money is to be spent and actually set dates of how the implementation will work. These other technical faults cause the government to postpone with cash realization and, in turn, forces a manager to ignore a few different areas and focus on some. This is not in line with the budget and gaps remain for that reason.

ALLOCATION OF FUNDS

Government funding, school fees and special fundraising campaigns are the three main sources of getting finances for the schools (Schrader and Landley, 2001:39). Standards for funding of school and payment of each schools share is calculated on the based Further, Onye (2000) defined "Financial management" as the judicious disposition of funds so as to maximize the income available for the attainment of financial goals. Which is where in Malawi the Central government (the state) is tasked with allocating these funds via subside grants and public budgets. And this is precisely why Unicef (2023) asserted that while the government address the existing outstanding macro fiscal imbalance, it must continue to protect expenditure on education and ensure allocation of funds in the chains of fund flows are immune from in year revue to avoid losing grounds on hard won outcomes. This is not rocket science and you are not building your report based on unweighted data that mean nothing to the ministry!

2.1 EMPIRICAL STUDY

In an analytic report on Kafungu's study on financing of secondary education in malawi, an assertion was made that statistics have shown that students from CDSS perform better at the National examinations and had higher access to tertiary education than their might counterparts from CDSS a variation that has been mainly attributed to access to quality Education. The study population was two school's community day secondary school and convectional secondary schools as it used descriptive research design. It allowed me to see what about the education system they are primarily re-thinking.

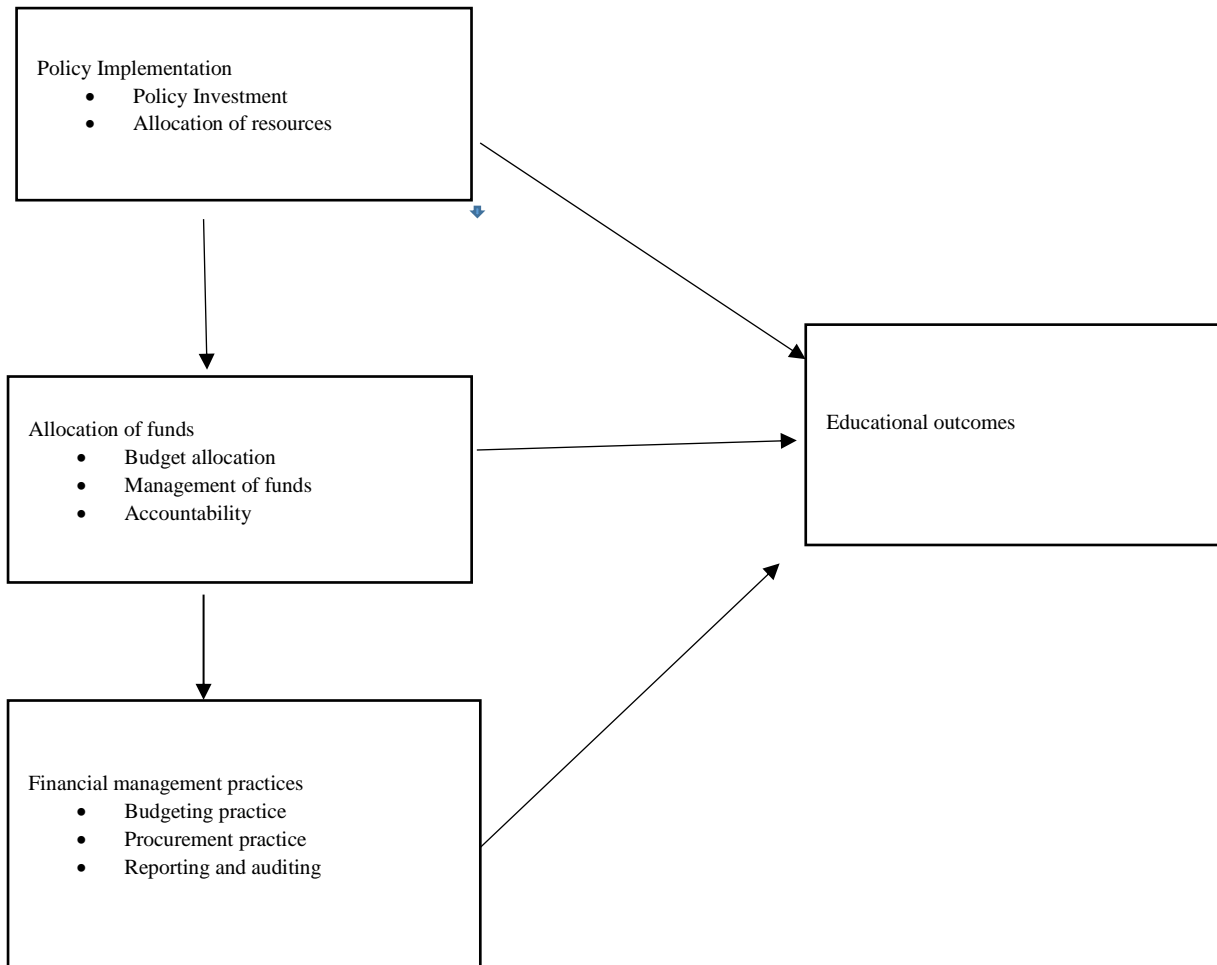
Koross, Peter Kiplangat (2007) studied principals and students perception of parental contribution of financial management in secondary school in Kenya. The other important factor was Cross –sectional research design, which refers to the collection of date on more than one case and at single point in time so as to collect a body of quantitative data in connection of two or more variables. The population of this study area was all principals of secondary schools in Kericho districts

By using step wire regression models, Pimpong and Laryea (2016) targeted the influence of budgeting practice on the performance of financial organization in Ghana. He learned that budgeting practices correlate moderately and positively with financial performance. The study was conducted in a financial institutions setup. The present study evaluated the same construct of budgeting in learning.

Conceptual framework

INDEPENDENT VARIABLES

DEPENDENT VARIABLE



Source: Author generated using Microsoft Word

III. RESEARCH METHODOLOGY

Descriptive design was adopted in this study of exploring the impact of financial management practices on the educational outcomes. In the present study a questionnaire was used to collect data.

POPULATION OF THE STUDY

Under this term, we will understand a target population as the entire set of specific population units that comprise the design with the focus of research (Zikmund, Babin, Carr & Griffin, 2013). Study population The target population was 270 staff members. Participants were six secondary schools in Lilongwe rural west district Malawi. The sample consisted of 70 subjects, including six head teachers and sixty five teachers.

DATA COLLECTION TOOLS

The researcher had used questionnaire as an instrument of collecting the data. The researcher opted the use questionnaire because it is free from the bias of the interviewer because answers are in respondents' own words. However, use of questionnaire may not allow the researcher ask further questions from the respondent directly. The questionnaires were self-administered by the researcher through hand.

DATA ANALYSIS TOOLS

The study used descriptive statistics to analyze and present the collected data in the study. Microsoft Word and Excel (2016) were utilized for data entry, coding, editing and quantitative analysis providing rich and detailed insights.

IV. FINDINGS**DEMOGRAPHY**

The research was analyzed based on the research question in line with the sex, education qualification, years of experience. These factors also contribute to either positive or negative impact of financial management in education

Classification of teachers based on gender.

SN	Gender	Frequency	Perctanges %
1	Male	39	60
2	Female	26	40
		65	100

Table 4.3.1 Gender for teachers

For research purposes, a target population can be defined as an entire group of units of population with specific characteristics (Zikmund, Babin, Carr & Griffin, 2013). Study Population The study population consisted of 270 staff members including Participant were from six secondary schools, rural west district of Lilongwe Malawi. The sample made up of six head teachers and sixty five teachers, giving a total sample size of 70. This study's findings highlight the complexity of how financial management practices affect the education goal.

The results shown that many administrators were not aware of the financial policy with a great share of 49% in terms of financial policy The policies added towards financial aspect has made more constrains for the elements which are required for education like book, computers, human resources etc. 46% of the findings which is the minority shows very few appreciates the benefits of the policy and since the lie above the age of 40 it is the need of professional development so that they are aware and implement it. This ensures that resources are used effectively by proper budgeting and procurement.

The distribution of funds, emphasized in the study, is problematic as the majority of the administrators lean toward disagreement. Consequently, beginning in January 2022, all State institutions started receiving a letter announcing a two-year agreement on State grant terms, which also highlighted the allocation of innovations in institutional work and the basis for quality improvement. The respondents responded positively because 85% agreed in total that funds have a huge impact in the educational outcome. Thus, administrators should be educated on technology usage like the use of data analytic tools to point cost-saving scenarios wherever possible, predicting gaps in the findings.

Another statement that respondents were suppose to indicate their level of agree or disagree was a good financial management practice leads to positive educational outcome. And among 65 people the respondent 69% agree that good financial management practices yield out positive educational outcomes. This shows that financial management practice has s impact of the education outcome.

Followed by 19 % strong agreement and 15 % neutrality in the plot. 65 respondents were chosen at random, out of which 88% face challenges when it comes to financial management practices in education. The 12 % of the respondent small portion few schools which are good funder means doing good in finance but as far as other schools they are also under threat.

5. CONCLUSION, SUGGESTION AND RECOMMENDATION

The study found out that there is a significant effect of the financial management practices on the educational outcomes in secondary schools found in Lilongwe rural west district.

5.4.1 Addressing the issue of policy implementation

1. Ongoing Professional development need to be done frequently so that the individuals are aware of new policies,
2. Inclusion of the financial management course during the teacher training program. This will help administrators to be aware of the indicators regarding finances

5.4.2 Addressing the issue of how funds allocation

1. There is a need of the integration of technology during the financial management practices such as budgeting, procurement and reporting.
2. The financial management practices need to be reviewed timely so that individuals maintain accountability and transparency. Through these timely review administrators can yield an increase in the budget performance and also procurement

5.4.3 Addressing financial management practices

1. Schools should have committees to handle the practices such budgeting, procurement and auditing. Individuals should also understand that each of its practices has its own role and need to be given special time

There is a need to follow the policies that governs each practices.

RECOMMENDATION

The research aimed to explore the impact of financial management practices on the educational outcomes in secondary schools in Lilongwe rural west district. Guided by the three objectives of the study it has been highlighted that the financial management practices have a significant impact on the educational outcomes in secondary schools. The following are the main recommendations

1. Government should raise awareness on the policy and governance framework
2. The study recommended that secondary schools' management need to embrace sound budgeting, procurement, and financial recording practices. There is a need to put in place budgeting and procurement committees made up of members who are proficient in budgeting, procurement procedures and financial recording practices.

CONCLUSION

Similar to the research paper we analysed conduct impact of finance management in educational outcome. On one hand, because of mismanagement of financial resources education institution initially work on a budget constraint which results into lack of instructional materials, infrastructures and human resources. Thus, their outcome not aligned well with the education course and its mission.]

Financial management issues are very serious, and must be treated accordingly. An open eye education institution can make a positive impact on the nation by effectively managing budget, procurement and reporting.

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