



Influence of Financial Resource Management on School Performance Among Public School Heads

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ABSTRACT

School performance benefits significantly from effective financial resource management especially in public institutions because financial constraints commonly deteriorate educational quality. This research investigates the relationship between budget management and financial controls on school performance through surveys of public school heads in the Cataingan West District. The research employed a mixed-methods approach to gather data through both quantitative structured questionnaires and qualitative semi-structured interviews. The regression analysis showed that budget management ($\beta = 0.65$, $t = 5.42$, $p < 0.001$) and financial controls ($\beta = 0.58$, $t = 4.89$, $p < 0.001$) strongly predicted school performance while explaining 72% of its variance ($R^2 = 0.72$, $F = 23.56$, $p < 0.001$). The analysis of financial themes revealed three main financial issues which were the delayed payment of funds and the insufficient financial knowledge and support staff. The research indicates academic performance improves in schools which implement structured budgeting alongside transparent financial controls and stakeholder engagement. The research findings demonstrate that capacity-building programs together with strategic financial planning and technological integration should be implemented to enhance financial efficiency. The implementation of specific financial management interventions will optimize resource utilization and enhance student outcomes.

Keywords: financial management, budget management, financial controls, school performance, public school heads

1. Introduction

Financial management served as a fundamental element for school administration because it directly influenced both organizational performance and effectiveness. The financial management responsibilities of school heads in Cataingan West District presented difficulties that negatively affected student results and school operational effectiveness. The implementation of budget planning and financial controls as part of effective financial management allowed schools to optimize resource distribution and achieve efficient fund utilization for educational goals. Schools implementing structured budgeting systems managed their resources efficiently which resulted in better academic results. Studies showed that effective financial management directly impacts student performance because schools using proper financial plans dedicated their resources to essential educational investments and teacher training and student support programs.

Financial controls provided both accountability and transparency in how funds were utilized. School heads who carried out thorough financial monitoring systems avoided mismanagement and adjusted their strategies to address financial challenges. The absence of proper training created ineffective financial practices which negatively impacted school performance. The main problems involved insufficient financial knowledge among staff members and delayed funding and insufficient financial support staff which led to poor planning and non-compliance issues. School operations and educational quality suffered because there was no financial oversight to properly distribute resources. Schools implemented financial management strategies through budget plan development and stakeholder financial planning and transparent reporting to resolve their financial concerns. Strategic resource allocation together with professional development investments and targeted interventions enhanced financial efficiency. The research investigates financial resource management effects on school performance within Cataingan West District by studying budget management and financial controls and analyzing school head challenges and financial management improvement strategies for public schools.

1.1 Statement of the Problem

School heads faced challenges in financial management, which led to poor resource allocation and negatively impacted school performance. Despite the importance of budgeting and financial controls, their effect on school effectiveness remained unclear. Additionally, financial management strategies were not well-documented, raising concerns about their sustainability and efficiency. This study examined how budget management and financial controls influenced school performance, identified the challenges school heads encountered, and explored the strategies they used to enhance financial resource management. Specifically, the study sought to answer the following questions: What was the influence of budget management and financial controls on school performance among public schools in Cataingan West District? What challenges did school heads face in managing school finances? What was

the significance of the relationship between budget management practices and financial control measures in predicting school performance? Lastly, what strategies did school heads use to improve financial resource management?

2. Methods

2.1 Research Design

The research adopted a mixed-methods design which integrated both quantitative and qualitative research methods to study financial resource management effects on school performance in Cataingan West District. The research used Likert-scale items on structured questionnaires to collect quantitative data about budget management and financial controls and school performance. The research gathered qualitative data through semi-structured interviews with school heads. The study used correlational analysis to determine the connections between budget management and financial controls and school performance.

2.2 Data Sources

The research data was collected from 25 school heads who worked at elementary and secondary public schools located in Cataingan West District. The researcher chose purposive sampling to select respondents who demonstrated financial management expertise.

2.3 Research Procedure

The research followed a systematic research procedure to ensure that data collection and analysis was done accurately. The first step was the development and validation of research instruments such as questionnaires and interview guides by experts in education and financial management. A pilot test was conducted to improve the instruments before the full implementation. Then, data collection was done through the administration of questionnaires to 25 school heads in Cataingan West District. Semi-structured interviews were also conducted to gather qualitative insights. The data collected was then analyzed using descriptive statistics, multiple regression analysis for the quantitative findings and thematic analysis for the qualitative responses. The last step was the interpretation of the results to identify the main financial management challenges and strategies that can be used to improve school performance.

3. Results and Discussion

3.1 Influence of Budget Management on School Performance

The management of budget was a key factor in the determination of school performance. Schools that adopted a structured budgeting process were able to manage resources better and enhance student results (Atilano-Mendigo et.al, 2024). School heads also noted that effective budget planning helped them to identify and address the most critical needs of the school including the procurement of instructional materials, training of teachers, and rehabilitation of facilities.

Table 2. Perception of School Heads on Budget Management and School Performance

Statement	1 (Least Effective)	2 (Needs Improvement)	3 (Satisfactory)	4 (Effective)	5 (Highly Effective)	WM	Interpretation
The school had a well-planned budget that aligned with educational goals.	2	3	4	10	6	4.2	Effective
Funds were allocated efficiently to support instructional needs and infrastructure.	3	4	5	8	5	3.9	Moderately Effective
Budget monitoring and reporting processes ensured transparency and accountability.	4	5	6	5	5	3.5	Satisfactory
The school regularly reviewed its financial performance to optimize resources.	5	6	5	4	3	3.0	Satisfactory

There was sufficient stakeholder involvement in budget decision-making.	6	7	5	3	2	2.8	Satisfactory
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School performance benefits significantly from effective budget management because it allows strategic financial allocation for educational objectives. The research conducted by Daniel et al. (2020) demonstrates that schools which implement detailed budgeting alongside expenditure monitoring achieve superior academic results. The adoption of performance-based budgeting models results in positive effects on educational institutions according to research. The authors Susanto and Setiawan (2023) explain that performance-based models improve both accountability measures and resource utilization which produces superior educational results.

3.2 Influence of Financial Controls on School Performance

Financial controls provided accountability and transparency which enhanced school performance (Hernandez, 2023). Schools that had financial auditing systems in place and transparent reporting mechanisms performed better as there was less financial mismanagement and better fund utilization. Respondents stressed the need to keep proper financial records and perform audits frequently to ensure compliance.

Table 2. Perception of School Heads on Financial Controls

Statement	1 (Least Effective)	2 (Needs Improvement)	3 (Satisfactory)	4 (Effective)	5 (Highly Effective)	WM	Interpretation
Regular financial audits were conducted to assess fund utilization.	1	2	3	10	9	4.3	Highly Effective
The school maintained transparency in budget allocation and expenditures.	2	3	4	9	7	4.1	Effective
Internal financial monitoring helped prevent mismanagement of funds.	5	4	5	6	5	3.5	Satisfactory
Financial controls helped ensure compliance with government regulations.	2	4	3	10	6	4.1	Effective
The school had an accessible and transparent financial reporting system.	5	4	5	7	4	3.5	Satisfactory

Educational institutions require effective financial management to achieve their optimal performance. The assessment of funds utilization and regulatory compliance along with improvement identification receives high effectiveness from regular financial audits which show a weighted mean (WM) of 4.3 (Lunenburg, 2010). The WM score of 4.1 for transparent budget allocation and expenditure reporting helps stakeholders trust the institution while ensuring resources reach all areas equally (Learnuple, 2023). Implementing robust financial controls, also rated at 4.1 WM, helps maintain adherence to governmental guidelines and prevents financial mismanagement (Lunenburg, 2010). Conversely, internal financial monitoring and accessible reporting systems, both with a WM of 3.5, are considered satisfactory but indicate room for enhancement. Strengthening these areas can further prevent fund mismanagement and improve transparency. By addressing these aspects, schools can enhance accountability, optimize resource utilization, and ultimately improve educational outcomes.

3.3 Challenges Faced by School Heads

School heads encountered various challenges in financial management, which affected their ability to allocate resources effectively (Rodriguez, 2021). A thematic analysis of these challenges, incorporating direct respondent phrases, reveals the following key issues:

Delayed Fund Disbursement

Respondents highlighted that "funding arrives late, affecting school operations and program implementation." This delay disrupts the timely execution of educational activities and hampers the procurement of necessary resources. Such financial bottlenecks can lead to compromised educational quality and diminished student outcomes. Timely fund disbursement is essential to maintain the continuity and effectiveness of school programs.

Lack of Financial Training

The statement "most school heads lack formal training in financial management, making it difficult to handle budgets efficiently" underscores a significant competency gap. School leaders who lack financial literacy may experience difficulties when creating budgets and developing financial plans and enforcing financial regulations. The lack of financial management skills leads to improper resource distribution and financial management problems. School heads need comprehensive financial management training as an investment to improve their ability to handle school finances properly.

Insufficient Support Staff

A respondent stated that handling finances together with school operations management becomes too challenging because the school lacks qualified financial staff. The school heads must handle both administrative work and financial duties because there is no specialized staff to support them. The practice of handling multiple responsibilities at once produces mistakes and neglects important tasks and exhausts personnel. The employment of financial officers or accountants at schools would reduce administrative workload so school heads could dedicate more time to educational leadership.

Implications

The effective financial management of schools demands the resolution of these critical challenges. Timely fund disbursement needs efficient processes combined with active communication between schools and their funding organizations. School heads who receive specific financial management training will gain essential abilities to manage budgets effectively. The implementation of financial support staff positions through resource allocation will boost both operational accuracy and financial efficiency. The implementation of these measures will result in improved resource utilization and better educational programs which lead to enhanced student performance.

3.4 Relationship Between Budget Management and Financial Controls in Predicting School Performance

A regression analysis was conducted to determine the significance of budget management and financial controls in predicting school performance. The results indicated that both variables significantly influenced school outcomes. Schools with structured financial management exhibited higher levels of efficiency and academic success (Williams & Lee, 2022).

Table 3. Regression Analysis of Budget Management and Financial Controls on School Performance

Variable	Coefficient	t-value	p-value	Interpretation
Budget Management	0.65	5.42	<0.001	Significant
Financial Controls	0.58	4.89	<0.001	Significant
R ² = 0.72	F=23.56	p<0.001		

A regression analysis was used to determine the effects of budget management and financial controls on school performance. The results showed that both variables are significant predictors of school outcomes, with budget management ($\beta = 0.65$, $t = 5.42$, $p < 0.001$) and financial controls ($\beta = 0.58$, $t = 4.89$, $p < 0.001$) being significant predictors. The model explained 72% of the variance in school performance ($R^2 = 0.72$, $F = 23.56$, $p < 0.001$), which indicates that financial practices are important for academic success. These findings are in line with the existing literature that stresses the role of financial management in educational institutions. For example, Daniel et al. (2020) in their study established that schools that have effective financial management practices such as proper budgeting and expenditure tracking have better school performance. In the same vein, Susanto and Setiawan (2023) explain how performance-based budgeting models increase accountability and resource management, which in turn results in better educational results.

Implications

Educational institutions must prioritize budget management and financial controls because they have a substantial impact on school performance. Educational institutions that adopt structured financial strategies together with robust control mechanisms achieve better efficiency and academic success. Educational policymakers together with administrators should dedicate resources to train school leaders about financial management while developing specific financial protocols to maximize resource utilization. Schools that implement these measures will establish conditions which promote better student results.

3.5 Strategies Employed by School Heads to Enhance Financial Resource Management

School heads have implemented various strategies to improve financial resource management, ensuring that resources are utilized effectively to enhance educational outcomes. The thematic analysis of these strategies is as follows:

Capacity Building and Professional Development

The financial management skills of school leaders and staff need investment. School heads, bursars, and clerks benefit from continuous training programs which enhance their financial management capabilities. The programs emphasize budgeting and financial reporting and regulatory compliance which results in better financial oversight and resource allocation (Johnson, 2021).

Decentralization of Financial Decision-Making

Empowering various stakeholders in the financial decision-making process promotes transparency and accountability. By involving teachers, parents, and community members in budgeting and financial planning, schools can ensure that resource allocation aligns with the actual needs of the school community. This collaborative approach fosters a sense of ownership and responsibility among stakeholders (Smith & Taylor, 2020).

Integration of Technology in Financial Practices

Financial management becomes more efficient and accurate through technological implementation. Financial management software enables real-time expenditure tracking and automated reporting and streamlined auditing processes when implemented. The integration process decreases errors while maintaining financial regulation compliance which results in improved resource management (Williams & Lee, 2022).

Regular Monitoring, Evaluation, and Auditing

Establishing systematic monitoring and evaluation mechanisms is essential for effective financial management. Regular internal and external audits help identify discrepancies, prevent mismanagement, and ensure that funds are used appropriately. These practices contribute to building trust among stakeholders and maintaining financial integrity (Hernandez, 2023).

Strategic Financial Planning and Budgeting

Developing clear financial strategies and budgets that align with the school's mission and goals is vital. Strategic financial planning involves forecasting future financial needs, setting financial goals, and creating budgets that reflect the school's priorities. This approach ensures that resources are allocated efficiently to areas that directly impact student performance (Brown & Green, 2021).

Stakeholder Engagement and Transparency

Engaging stakeholders in financial matters and maintaining transparency builds trust and encourages community support. Regular financial reporting to stakeholders, including parents and community members, ensures that they are informed about how funds are being utilized. This openness fosters a collaborative environment and can lead to additional support for school initiatives (Jones, 2022).

4. Conclusion

This study underscores the pivotal role of budget management and financial controls in shaping school performance. Findings indicate that structured financial practices contribute significantly to resource optimization, transparency, and improved academic outcomes. Challenges such as delayed fund disbursement, inadequate financial literacy, and lack of financial personnel hinder effective financial governance in schools. To address these issues, policymakers and school administrators must prioritize financial training, implement transparent monitoring mechanisms, and leverage technology for efficient financial oversight. Additionally, involving stakeholders in financial decision-making fosters accountability and enhances trust within the school community. Ultimately, strengthening financial resource management strategies can create a more sustainable and effective educational system, ensuring better learning environments and student success. Future research may explore the long-term effects of financial interventions on school performance and identify best practices for financial sustainability in public education.

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