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**RELATIONSHIP BETWEEN PRINCIPALS' FINANCIAL MANAGEMENT  
COMPETENCY AND MANAGEMENT OF SECONDARY SCHOOLS IN ANAMBRA  
STATE**

By

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**Abstract**

This study investigated the relationship between principals' financial management competency and management of secondary schools in Onitsha Education Zone of Anambra State. One research question guided the study and one null hypothesis was tested at .05 level of significance. Correlational research design was adopted using a population of 1,615 secondary school teachers in the 32 public secondary schools in the study area. Stratified random sampling technique was utilized to select a sample size of 485 teachers. A structured questionnaire developed by the researcher was used for data collection. Cronbach Alpha method was used to establish the reliability of the instrument. The reliability coefficients obtained from the PFMQ was 0.84, while that of MQ was 0.81. Data collected were analyzed using Pearson Product Moment Correlation to answer the research questions and to test the null hypotheses at .05 level of significant. Statistical Package for Social Sciences (SPSS) was used to analyze the data collected. The results showed that there is a very low positive relationship between principals' financial management and

management of secondary schools in Onitsha Education Zone of Anambra State. The results also showed that there was no significant relationship between principals' financial management and management of secondary schools. Based on the findings, it was recommended among others, that the principal's competency in keeping accurate financial records of the school and giving true and fair view of the financial statements of the school is highly needed as this would serve as an avenue for the government to give out more fund for school development.

**Keywords:** Competency, financial management and effective management

## Introduction

Secondary education is very important in the Nigerian education system, and it serves as the link between the primary and higher levels. The broad aims of secondary education according to Federal Republic of Nigeria (2014) are preparation of students for useful living within the society and for higher education. The future of a country is on the quality of education given to its citizens, because, education assures the future of the society and provides continuity. For this reason, educational managers responsible for educational institutions have important responsibilities in ensuring quality outputs. This is so because educational system is in continuous interaction with socio-cultural, political and economic systems which surround it.

In the secondary school system, the principal is referred to as the school manager who sets the tone of the school (Lipham, 2016). The tone of the school to an extent depends on the principals' effectiveness. Principals managerial functions as the head of the school determine to a large extent their success or failure. The success and failure of any business, including schools, depend largely on management competence of the administrator. Thus in any educational enterprise, school administrators with right competencies are hired to perform certain tasks using materials to facilitate the performance of the tasks. Okafor in Omeke and Onah (2012) noted that in Nigeria, most of the successes or failures in secondary school management or other institutions depend largely on the influence of these leaders on their subordinates. Therefore the success of an organization depends greatly on its management. School management by principals is the planning and delivery of education to ensure that both human and material resources allocated to education are efficiently and effectively used in the achievement of educational objectives and goals. Effective school management depends on the competency of principals in handling the activities of the school.

Stronge, Richard and Catano (2016) described competency as the ability to do something well, measured against a standard especially ability acquired through experience or training. Kruger (2009) stated that competence is a person's capacity to connect knowledge, skills, attitudes and professional identity that are relevant for a certain profession. It is also described as being adequately or well-qualified physically and intellectually to perform duties of any specific profession. In other words, a competent principal should possess the right knowledge, skills and behaviour needed for effective administration of secondary schools. For organization to meet the expectations of its set goals, it must be effectively and efficiently organized and managed. The ability of the manager to provide sound skills for administration of the school programme is known as managerial competency. Managerial competency involves demonstration of one's abilities through efficient supervision in the classroom, managing human and material resources to achieve the mission and vision of the school.

Financial management connotes the careful allocation and utilization of scarce funds by financial managers to minimize waste and maximize accountability. Oliobi in Ogbonnaya (2012) defined financial management as dealing with the sources of funds, their efficient use and minimization of costs or losses for the greater profitability of the business, in ministerial departments and post primary institutions for enhanced welfare of students and both the teaching and non-teaching staff. Pandey in Festus (2013) viewed it as the management activity which is concerned with planning and proper controlling of an organization financial resources. From the above definitions financial management is the ability of financial managers to procure, expend and give accurate accounts of funds provided for the implementation of programmes of an organization.

Clarke (2008) described financial management as follows: It is essential that the school principal makes sure that she / he has the knowledge and understanding of the basic processes involved in managing the school's accounts, the budgeting process and the systems and controls that are necessary to ensure that the school's monies are not misappropriated. Momoniat in Erasmus (2008) explains financial management as a requirement of managers to take responsibility for the actions and achievements in exchange for greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance. Van Wyk (2004) states that the objective of financial management in the public sector is to support management in the allocation of limited resources with the purpose of ensuring economy and efficiency (and effectiveness) in the delivery of outputs required to achieve desired outcomes that will serve the needs of the community (school). Egwu (2016) and Heller (2012) agreed that managing funds is one of the major tasks of principals.

According to Njenga (2013), financial management determines whether the school will meet its objectives. The authors explain that, ideally, financial management is meant to facilitate proper use of school funds allocated for the various activities in a transparent and accountable manner. According to Okumbe in Njenga (2013) financial management is concerned with the cost of education, sources of income to meet the educational needs and the spending of the income in a wise manner in order to achieve educational objectives. Financial competencies refer to ability of the principal to manage funds in the school. Alia and Iwuoha (2014) opined that principals' financial management competency for administration of schools include recording of financial activities, planning and sourcing for funds for school development, communicating accurate financial information about the school to show the financial position of the school, ensuring that budgets replicate agreed goals and objectives, fund allocation according to needs, delegating the mechanism of financial matters to capable staff, keeping close check on financial matters delegated to staff, working within the constraints of the school budget.

The success of any organization depends on efficient and effective management of funds. All stakeholders in education demand accountability of funds collected and spent by schools (Ouya & Mweseli, 2009). Competence in financial management will enable the school management supervise the preparation of books of accounts, trial balances, and competently deliberate on audited reports. This consequently leads to improved performance. Poor financial management leads to embezzlement, fraud, poor learner's welfare, poor school performance and under enrolment unrests and stagnated growth and high levels of indiscipline.

The Nigerian secondary school education has for some time now become a source of concern to Nigerians. The concern focuses essentially on the quality of education which has been declining at an alarming and embarrassing rate (Nnoli & Sulaiman, 2010). School principals have the pivotal roles in leading and managing schools. School principals have crucial roles in any school system in the world especially in developing countries (Bush, Kiggundu & Pontso Moorosi, 2011). However, reports showed that principals of Nigerian secondary schools are more of administrative leaders rather than instructional leaders because according to the reports, they are mostly preoccupied with strictly administrative duties in their offices, leaving the management and financial responsibilities in the hands of their staff. On the basis of the above exposition, this study was set to examine the relationship between principals' competencies and management of secondary schools in Onitsha Education Zone of Anambra State.

## Statement of the Problem

Secondary education in Nigeria where youths are to be prepared for useful living and higher education has not been able to realize its objectives. It appears that the administrators charged with the task of utilizing the available scarce resources to attain the secondary school objectives are not competent in managing the funds. This may be attributed to poor managers' competencies in efficient distribution and management of the key resources in an organization. Some of these challenges are that principals are not capable in terms of prioritizing financial allocation according to needs, ensuring that budgets reflects agreed goals and objectives, delegating the mechanism of financial matters to capable staff, keeping close check on financial matters delegated to staff, working within the constraints of the school budget, planning and sourcing for funds for school development, keeping accurate financial information about the school and giving true and fair view of financial position of the school and maintaining effective school community relationship. Hence, there is need to ascertain the relationship between principals' financial management competencies and management of secondary schools in Onitsha Education Zone of Anambra State?

## Purpose of the Study

The purpose of this study was to determine the relationship between principals' financial management competencies and management of secondary schools in Onitsha Education Zone of Anambra State.

## Research Question

This research question guided the study:

1. What is the relationship between principals' financial management competencies and management of secondary schools in Onitsha education zone of Anambra State?

## Hypothesis

1. There is no significant relationship between principals' financial management competencies and management of secondary schools in Onitsha education zone of Anambra State.

## Method

The correlational research design was adopted in this study. Nworgu (2015) defined correlational design as the type of design that seeks to establish the relationship between two or more variables as well as indicating the direction and magnitude of the relationship between the variables. The study was carried out in the 32 public secondary schools in Onitsha Education Zone of Anambra State which comprise Onitsha North, Onitsha South and Ogbaru local government areas. The population for this study consisted of all the 1,615 secondary school teachers in all the 32 public secondary schools in the area of the study. The sample of the study was 485, consisting of 67 teachers from Ogbaru LGA, 332 teachers from Onitsha North LGA and 86 teachers from Onitsha South LGA in Onitsha Education Zone. The proportionate stratified- random sampling technique was adopted. The instrument for data collection for this study was a structured questionnaire titled “Principals’ Administrative Competency Questionnaire (PACQ) and Management Questionnaire (MQ)”. The instrument (PACQ and MQ) designed for this study was subjected to face and content validity. Cronbach Alpha method was used to establish the reliability of the instrument. The reliability coefficients obtained from the PFMQ was 0.84, while MQ was 0.81. The researchers administered 485 copies of the questionnaire personally to the respondents in their respective schools with the aid of five research assistants who were briefed by the researchers. The respondents’ were requested to rate the items on a four-point scale of Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD) 4, 3, 2, 1 respectively. Out of the 485 copies of questionnaire administered, 15 were wrongly completed and 13 were not returned, hence 28 copies of the questionnaire were not utilized. Thus, 457 copies of the questionnaire represented 94.23% return rate were used for data analysis. Data collected were analyzed using Pearson Product Moment Correlation to answer the research questions and to test the null hypotheses at .05 level of significant. Statistical Package for Social Sciences (SPSS) was used to analyze data collected.

## Result

### Research question

What is the relationship between principals’ financial management competencies and management of secondary schools in Onitsha education zone of Anambra State?

**Table 1**

**Pearson's Correlation between principals' financial management competencies and management of secondary schools**

	N	Financial management competencies	Management	Remark
Financial management competencies	457	1	.196	Positive relationship
Management of schools	457	.196	1	

Field Survey (2020)

Table 1 shows the Pearson's Correlation Coefficient as  $r(457) = .196$ . This shows that a very low positive relationship exist between principals' financial management competencies and management of secondary schools in Onitsha education zone of Anambra State.

**Hypothesis**

There is no significant relationship between principals' financial management competencies and management of secondary schools in Onitsha education zone of Anambra State.

**Table 2**

**Significance of relationship between principals’ financial management competencies and management of secondary schools**

	N	Financial management competencies	Management of schools	P-value	Remark
Financial management competencies	457	1	.196	.000	Significant
Management of schools	457	.196	1		

Field Survey, 2020

Table 2 shows that there is a significant positive relationship between principals’ financial management competencies and management of secondary schools in Onitsha education zone of Anambra State,  $r(457) = .196$ ,  $P\text{-value} < .05$ . Therefore, the null hypothesis is rejected.

**Discussion**

Results of the study indicated that there is a very low positive relationship between principals’ financial management competencies and management of secondary schools in Onitsha education zone of Anambra State. The outcome of this study agreed with the assertion of Egwu (2016) and Heller (2012) that managing funds is one of the major tasks of principals. The success of any school programme depends on efficient and effective management of finances. Competence in financial management will enable the school management supervise the preparation of books of accounts, trial balances, and competently deliberate on audited reports. This consequently leads to improved performance. More so, findings of this study also revealed a positive significant relationship between principals’ financial management competencies and management of

secondary schools in Onitsha education zone of Anambra State. The outcome of this study disagrees with Ikegbusi (2016) who reported no significant difference in principals' financial management competency for effective management of secondary schools.

### Conclusion

Based on the above findings, it is concluded that the principals' application of financial management competencies will help in management of secondary schools. It is hoped therefore, that if all these tasks are satisfactorily performed by the principals and their performance greatly enhanced through ways suggested improving their competencies, the quality (in terms of professional and technical competencies) of our secondary school products will be improved. It will also ensure the attainment of the objectives of secondary school education as stipulated in the National Policy on Education.

### Recommendations

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

1. Principals should endeavour to be competent in defining objectives with teachers as this will make teachers to be committed in their job to ensure that the objectives and goals of secondary education are achieved as they participate in deciding the objectives.
2. Obviously, the principal's competency in keeping accurate financial records of the school and giving true and fair view of the financial statements of the school is highly needed as this would serve as an avenue for the government to give out funds for school development.

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