

Principals' Financial Management Skills and Institutional Performance in Public Secondary Schools in South Rift Region, Kenya

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ABSTRACT

The study sought to establish the relationship between principals' financial management skills and institutional performance in public secondary schools in South Rift Region, Kenya. The study adopted descriptive cross-sectional survey and correlational research designs. Multistage sampling was used to select 336 respondents for the study, including principals, senior teachers and County Quality Assurance and Standards Officers (CQASO). Questionnaires and interview guide were used to collect data from sampled respondents. Data were collected from 331 respondents, giving the study a return rate of 98.51%. Qualitative data obtained were analyzed thematically, while quantitative data were cleaned, coded and analyzed descriptively and inferentially with the aid of the Statistical Packages for Social Sciences (SPSS) version 27.0 computer software. Frequency and percentages were used to describe the existing relationship between variables, while hypothesis was tested using regression analysis at 0.05 level of significance. The study established that there is a positive and significant relationship between principals' financial management skills and institutional performance. It was also established that majority of principals face challenges in financial management due to lack of financial management skills, such as sourcing for funds through prompt fee collection and inability to manage income generating activities. It is therefore recommended that the Ministry of Education (MOE), in collaboration with Teachers Service Commission (TSC) should ensure that school principals get adequate in-service training on financial management prior to their deployment, and refresher courses should be given to practicing principals periodically to enhance their financial management skills and ultimately better their institutional performance.

Keywords: Financial Management Skills, Mobilization of Finances, Utilization of Funds, Financial Accountability, Institutional performance.

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INTRODUCTION

Secondary schools serve as incubation centres of Kenya's human capital, which aims to develop a balanced social, economic and environmental sustainability. They are significant to the attainment of the country's aspirations as envisaged in its Vision 2030. Vision 2030 is the development of a workforce that is equipped with the pre-requisite knowledge, skills and attitudes to transform Kenya into an industrialised and middle-income economy (Government of Kenya, 2008). Therefore, secondary schools need to be managed prudently for them to achieve the objectives of their

establishment, which include being centres for the development of individuals and communities.

In Kenya, the Teachers Service Commission (TSC), as an employer of teachers and principals, stipulates that

principals are the lead educators and accounting officers responsible for the operational management of secondary institutions (TSC Act, 2012). The Commission also states that principals are responsible for the development and implementation of educational plans, policies, programmes as well as school curriculum activities. The TSC, therefore, prescribes the specific qualifications and experiences required of persons to be deployed to the position of a school principal. This means that principals must possess certain leadership and management skills that would enable them effectively discharge their roles and responsibilities. As

a matter of fact, the effectiveness of principals in school management

secondary schools (Bakar et al., 2020; Buchner, 2019). They are directly responsible for the management of their institutions, including its outcomes measured as institutional performance.

For educational institutions such as secondary schools, institutional performance includes performance attributes, such as students' academic performance, financial performance as well as the management of an institution's human resources among others. Bendikson et al. (2011), in their study on identifying the comparative academic performance of secondary schools, students' academic achievement is seen as an important school performance identity matrix. Corroborating evidence on the matrix of institutional performance, particularly secondary schools is attributed to the contributions made by Ukko et al. (2007), and Muriel, and Smith (2011). Findings from most studies however show that many studies have continued to concentrate on their academic performance at the expense of the other performance attributes, including financial as well as human resource performance among others. This means that previous studies have presented a narrow view of the attributes of institutional performance as well as the contributions of principals' leadership skills towards this performance. This study sought to focus on institutional performance to provide an inclusive view of the parameters.

A skillful principal is expected to effectively manage his/her institution to ensure optimal institutional performance. In order to achieve this, principals require skills in both technical and administrative areas, including financial operations, school infrastructure and school general maintenance, students' scheduling, human resource management, public relations, school policies regarding discipline, coordination of instructional programs, and overall school management matters (Ironkwe et al., 2024). Amongst these predictors, financial management plays a key role, and therefore acquisition of requisite financial management skills is of paramount importance. Studies indicate that most principals possess insufficient financial management skills as school managers and that they are faced by myriad financial management challenges, such as; budgeting, sourcing of funds, accounting for utilization of funds as well as monitoring and evaluation of execution of school budgets (Kalume and Ng'ang'a, 2024). This means that whereas principals are charged with monumental responsibilities including prudent management of resources, lack of requisite skills would jeopardize the discharge of their responsibilities and subsequently institutional performance.

For public secondary schools, their performance is geared towards the provision of quality education as envisaged in the Kenyan Constitution (2010), which states that every child has a right to access and receive quality education that is affordable (Lundy et al., 2020). In this regard, schools are expected to ensure that every learner enrolled attains his/her full potential. This is more important considering the fact that the government provides funds to all public secondary schools directly as grants in form of Free Day Secondary Funds (FDSF) (Ngari, 2020). The government is also responsible for the employment and remuneration of a

majority if not all the human resource in secondary schools besides conditional grants for specific development activities directly or through National Government Constituency Development Fund (NG-CDF) and the County Development Fund in devolved units (Mbalaka and Cheloti, 2021). This means therefore, that the government massively invests in secondary education. Thus, it expects commensurate returns on its investments.

However, financing of public institutions has been found to face a number of challenges lately. This implies there is a strain on institutional financial management, and thus there is a need for principals to acquire apt financial mobilization skills. Wanjohi (2011), in a study on the influence of government funding on the internal efficiency in providing education in public secondary schools in Nyandarua West District, Kenya, reported high percentage of principals' dissatisfaction with government disbursement of funds. Specifically, the study observed that a significant proportion of principals faced challenges in the utilization of government funds due to delay in funds disbursement and inadequate funding. Similar observations were made by Nyanya (2015) and Obinga et al. (2017). The studies illustrated public institutions in distress due to the disbursement of inadequate funds by the government. They painted a picture of institutions requiring highly skilled managers in order to ensure prudent financial management and ultimately institutional performance. This study sought to assess principals' financial management skill and its relationship with institutional performance in public secondary schools in South Rift Region, Kenya.

Research Problem

The school principal occupies a central place in the management value chain, especially in financial management issues. Principals' financial management skills to a great extent determine the quality of their leadership, which contributes to the better performance of their institutions. This is even more pressing considering the reported persistent poor performance of a majority of public secondary schools in developing countries, such as Kenya. Previously, studies have attempted to illustrate the significance of principals' leadership and management skills and their inputs in the institutional outcomes. The existing gap on financial management by the principals sought generate knowledge based on the contributions of principals' leadership skills and other institutional performance attributes, such as financial performance on public secondary schools in South Rift region, Kenya.

Research Hypothesis

The study developed one main hypothesis and three sub- hypotheses:

H₀1: There is no statistically significant relationship between principals' financial management skills and institutional performance of public secondary schools in South Rift Region, Kenya.

H₀1a: There is no statistically significant relationship between principals' skills in mobilization of finances and institutional performance of public secondary schools in South Rift Region, Kenya.

H₀1b: There is no statistically significant relationship between principals' skills in utilization of funds and institutional performance of public secondary schools in South Rift Region, Kenya.

H₀1c: There is no statistically significant relationship between principals' skills in financial accountability and institutional performance of public secondary schools in South Rift Region, Kenya.

Literature Review

High-performing principals are characterized with competencies and skills that enable them to operate effectively and efficiently in the management of their respective institutions (Stronge and Xu, 2021). Such skills that facilitate principals to play their roles effectively and efficiently include financial management skills among others (Eniang-Esien and Ekpenyong, 2021). Institutions of learning are vital in imparting knowledge, skills and attitudes to the young generation, to make them useful in the society (Ukaigwe et al., 2019). Performance measurement is a way of making an organization accountable to its stakeholders, who are actively involved in decision making and improving their organization's programs and processes (Muktiadji et al., 2020). Kaur and Singla (2019) posit that performance measurement frameworks for educational institutions guide public secondary schools in the attainment of the following institutional performance: students' academic performance, financial performance, resource mobilization and human resource performance.

Public secondary schools are keen to providing quality and affordable education that can be measured through attainment of learners' best potentials (Jonyo, 2017). According to Modell (2019), institutional performance refers to a socially constructed conception that is organization-based and comprises the achievement of various departments and sections of an institution. It is the productivity of outputs with the use of inputs in an effective way that leads to the achievement of institution's goals (Hoshaw et al., 2019).

Principals who have high scores on financial management practices record high students' academic performance and it is noted that there is a strong positive relationship between principals' financial management practices and academic achievement in public secondary schools (Wanjala et al., 2020). Financial management and evaluation help to assess the quality of education, as education is an investment that produces reliable and competitive human resources in the society. Principals' financial management skills affect school efficiency, and financial management skills entail principals' role in receiving, allocating and controlling financial resources (Amrizal et al., 2021). A study findings noted that there was a scenario where developed countries spent approximately 12%-16% of their GDP on education compared to less-developed countries, where they spent 6%-7% (Surur et al., 2020).

It was observed in a study that prompt payments of staff salaries and allowances significantly impacted the management of secondary schools in Nigeria, whereas school fees and other school levies impacted the provision of instructional materials in secondary schools (Odide et al., 2022). Lack of knowledge on legislation and legal frameworks and policies on financial management affect monitoring and control of funds. This legal framework would help to curb malpractices, such as; omission to act against culprits, and lack of honesty, openness and trustworthiness amongst school leaders (Mlakalaka and Rulashe, 2024). The empirical evidence adduced in Nigeria on financial management system quality delivery of educational programmes in schools is applied to overcome the identified challenges principals encounter in school operations (Boma, 2018). Principals' capacity building on financial management practices will equip them to discharge their responsibilities in undertaking financial management functions in schools. The challenges are compounded by lack of effective training of principals by the appointing authorities on financial literacy and book-keeping practices (Giyarni et al., 2021).

An empirical evidence indicates that principals in Tanzania rely on their experience to control finances and not technical knowledge. This leads to misappropriation of their institutions' finances due to lack of budgeting and financial controls (Rupia and Chai, 2022). Financial management remains a challenge in many schools because most school managers lack proper training. This is common especially among members of the Boards of Management (BoM), who lack the necessary financial management skills, to undertake their responsibilities in providing practical solutions to financial challenges facing their schools (Mphethi, 2020). It is evident from an empirical review that parents who were selected to be incorporated in the BoM lacked financial knowledge and expertise, making it difficult for them to contribute meaningfully in school governance. It is notable that in Uganda, there is a positive significant effect of budget planning, budget staffing and budget expenditure on students' academic performance, and that budget process involves well-designed budget guidelines, better budget objectives and action plans, with staff having budget skills, abilities and competences that help them engage actively in the budget process (Waiswa, 2018).

Financial management practices and students' academic performance are empirical evidence that principals' financial management and educational administration have a weak positive correction or negligible contribution to the variance in institutional performance (Ngigi and Tanui, 2019). Principals' competences and professionalism are vital in managing school funds, since they facilitate planning and utilizing of school funds economically and for the intended purposes (Operario, 2022). The financial management skills that are vital for principals in playing their roles and responsibilities that may include; mobilizing school funds, monitoring and evaluation of budget, and auditing skills (Buckner, 2019). Many practicing principals possess insufficient skills in financial management and

Table 1: Sampling Grid.

County	Target	Population	Sample Population			Total
			Principal	Snr. Teacher	CQASOs	
Narok	345	28	28	1		57
Bomet	561	45	45	1		91
Kericho	445	36	36	1		73
Nakuru	699	57	57	1		115
Total		166	166	4		336

also face myriad financial management challenges, such as shortage of school funds, lack of techniques in monitoring and evaluation as well as auditing of school finances (Amos et al., 2021). Secondary school principals face challenges in managing the financial resources of secondary schools, and they are not well trained on financial management.

Principals lack motivation and insufficient time to attend training, and this has hampered the provision of effective training on financial management (Ahmed et al., 2021). Financial management challenges facing secondary school principals can be classified as; accounting challenges, budgetary challenges, auditing challenges, and professional competence challenges (Ongori and Kitainge, 2021). It is revealed that major forms of challenges affecting financial management include over-spending and under-spending, wrong entries in books of accounts, multi-tasking, low salaries of bursars and accounts clerks, incompetent bursars and accounts clerks and lack of proper handing-over of accounting and supportive documents, lack of accounting books, poor record keeping, lack of financial management skills, interests from stakeholders, inflation, school debts, and fraud and theft cases, delay in disbursement of FDSE funds, school fees defaulting, unauthorized levies, inadequate financial management skills by the principals, incompetent financial committee, inadequate auditing knowledge by the principals, irregular auditing of schools by school auditors, inability to prepare books of accounts for audit purposes (Wasiche, Mwebi & Ajowi, 2018)

Theoretical Framework

The budget theory informed the study. The proponent of budget theory was Henry Adams (Khan, 2024). A budget is a critical element of financial management, especially in public secondary schools. Budgeting is necessary in effective management of school finances as well as prioritizing expenditures and attaining school financial goals. For the value of money, principals need to effectively manage school finances using budgetary tool to make informed decisions with regard to investments in educational programs and realization of desired performance. Schools that have proper financial management practices demonstrate the application of financial management principles and procedures relating to; budget preparations, costing of educational programs, utilization of funds, financial controls as well as formulating school funding model. Budget theory relates to the sub variables of the study, which include;

mobilization of finances, utilization of funds and financial accountability.

METHODOLOGY

Design

The study adopted descriptive cross-sectional survey and correlational research designs. Descriptive cross-sectional was considered appropriate since it attempts to describe systematically a phenomenon, or situation, a problem, or attitudes towards an issue or provide information about an issue (Kumar, 2015). Similarly, correlational research design was considered appropriate since it attempts to determine the relationships between the variables of a study. It was appropriate since the study involved more than one county, and the characteristics of the principals as school leaders and characteristics of the institutions were involved as mediating and moderating variables respectively. The designs solicited a lot of information relating to the variables under study (Kothari, 2014).

Sampling

The study population constituted principals and senior teachers from public secondary schools in the study area as well as County Quality Assurance and Standards Officers (CQASOs) drawn from South Rift region counties. There was a total of 2050 persons (1023 principals, 1023 senior teachers and 4 CQASOs). The study sample of 336 was calculated using the Yamane (1973) method to determine the sample size.

Multistage sampling was used to select the study respondents that included, principals, senior teachers and County Quality Assurance and Standards Officers (CQASOs). It involved the use of purposive, stratified and simple random sampling technique. Purposive sampling was used to select the 4 CQASOs from each county. The remaining population was stratified as principals and senior teachers and sample quarter of 166 calculated proportionately for each population cadre. The population was further distributed based on the counties and proportionate sample picked from each county as summarized in Table 1 based on population quarter per county.

Information in Table 1 shows that 57 respondents (28 principals and 28 senior teachers from their schools and the county CQASO) were sampled to participate in the study from Narok County out of the 345 persons

Table 2: Adoption of Mobilization of Finance Strategies (Principals; N=163).

Statement	D	N	A	SA	Total
I participate in sourcing for funds to meet my school's financial obligations	0.6	1.8	63.9	33.7	100.0
I am able to develop policies that promote prudent utilization of financial resources	-	11.7	41.1	47.2	100.0
My school has put in place adequate control measures to regulate use of financial resources	-	8.0	60.1	31.9	100.0
My administration has a strong financial monitoring and control systems for effective utilization of financial resources	-	12.3	57.1	30.6	100.0

targeted. Similarly, 91 respondents (45 principals and 45 senior teachers from their schools and the county CQASO) were sampled to participate in the study from Bomet county out of the 561 persons targeted. From Kericho County, 73 respondents (36 principals and 36 senior teachers from their schools and the County CQASO) were sampled to participate in the study out of the 445 persons targeted. Finally, 115 respondents (57 principals and 57 senior teachers from their schools and the county CQASO) were sampled to participate in the study from Nakuru County out of the 699 persons targeted.

Instruments

Data were collected using questionnaires and interview guide, each with statements on the study variables organized based on the research objectives. The Questionnaires were divided into three sections: section one contained the respondents' demographic information, section two contained statements on the testing objective and subjective aspects of institutional performance, while section three contained statements on financial management skills. The subjective aspects of institutional performance including academic, financial and human resource performance were tested using 5 level Likert scale statements, where 1=No extent to 5=Very great extent. Similarly, financial management skills with 3 sub-variables; mobilization of finances, utilization of funds, and financial accountability contained 5 level Likert scale statements, where 1=Strongly disagree to 5=Strongly agree.

Prior to administration, the instruments were subjected to face content and construct validity to establish if the instrument measured what it was supposed to measure. Further, they were piloted among 68 principals and senior teachers in Kajiado County, which comprised 20% of the study sample size of 336. With the pilot results, Cronbach's Alpha was used to test the reliability coefficient of the pilot data. All the items of the variables and sub-variables of the instruments were subjected to item to total correlation, and exploratory factor analysis items with correlations less than 0.300 or factor loading less than 0.400 thresholds were adjusted.

Data Collection

Quantitative and qualitative data were collected from principals and senior teachers as well as CQASOs, respectively.

Analysis

Qualitative data obtained were analyzed thematically. Findings of the study were presented through themes, descriptions and verbatim report.

Quantitative data were cleaned, coded and analyzed descriptively and inferentially with the aid of the Statistical Packages for Social Sciences (SPSS) version 27.0 computer software. First, they were subjected to normality, collinearity, autocorrelation and homoscedasticity test to ascertain the suitability of the data to the envisaged analysis. Normality test was based on Shapiro-Wilk test, collinearity test was based on Variance Inflation Factors (VIF), autocorrelation was ascertained based on Durbin-Watson test and heteroscedasticity test of the models was based on Koenker test. In summary, diagnostic tests performed established that the data obtained met the threshold as regards normality, collinearity, autocorrelation and heteroscedasticity and therefore could be used for further analysis. Frequency and percentages were used to describe the existing relationship between the variables, while the hypothesis was tested using regression analysis at 0.05 level of significance.

RESULTS AND DISCUSSIONS

Data were obtained from 163 principals, 164 senior teachers and 4 County Quality Assurance and Standards Officers from Narok, Bomet, Kericho and Nakuru counties in South Rift region in Kenya. This means that 331 individuals out of the anticipated 336 participated in the study. This yielded a return rate of 98.51%, which according to Babbie and Muoton (2002), is above the threshold for analysis.

Mobilization of Finance

The extent to which the principals of South Rift Region employ mobilization of finances strategy as an attribute of financial management skill in their schools was assessed based on a set of four Likert scaled statements. Data obtained from the principals sampled are summarized in Table 2.

The findings showed that almost all principals (97.6%) participate in sourcing for funds to meet their school's financial obligations and they can develop policies that promote prudent utilization of financial resources (88.3%). Similarly, a significant proportion (92.0%)

Table 3: Adoption of Mobilization of Finance Strategies (Senior Teachers; N=164).

Statement; Our principal	N	A	SA	Total
Participate in sourcing for funds to meet our school's financial obligations	10.2	63.3	26.5	100.0
Develops policies that promote prudent utilization of financial resources	27.1	50.6	22.3	100.0
Has put in place adequate control measures to regulate use of financial resources	18.7	60.2	21.1	100.0
Has a strong financial monitoring and control systems for effective utilization of financial resources	8.4	76.5	15.1	100.0

Table 4: Relationship between Mobilization of Finances and Institutional Performance (Model Summary).

Model	R	R Square	Adjusted R Square	SE	F	Sig.
1	.420 ^a	.176	.171	.28161	34.188	.000 ^b

a. Predictors: (Constant), Mobilization of Finances.

Table 5: Relationship between Idealized Influence and Institutional Performance (Regression Coefficient).

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.954	.236		12.537	.000
Utilization of finances	.321	.055	.420	5.847	.000

a. Dependent Variable: Institutional performance

confessed that they have put in place adequate control measures to regulate the use of financial resources and that their administration has a strong financial monitoring and control systems for effective utilization of financial resources (88.7%). The findings imply that a significant proportion of the sampled principals (91.65%) confirmed adopting mobilization of finances as a strategy for their institutions' financial management.

An attempt was made to assess the senior teachers' conception of their principals' adoption of elements of mobilization of finances in the course of their school management. The findings are summarized in Table 3. Data obtained show that majority of the senior teachers (89.8%) believed that their principals participate in sourcing for funds to meet their school's financial obligations, develop policies that promote prudent utilization of financial resources (72.9%), put in place adequate control measures to regulate the use of financial resources (81.3%), and have a strong financial monitoring and control systems for effective utilization of financial resources (91.6%). This means that a significant proportion of the senior teachers (83.9%) confirmed that their principals mobilize finances as a strategy for financial management.

Descriptive findings in table 2 and 3 illustrated that a significant proportion of the sampled principals (91.65%) mobilize finances as a strategy for their institutions' financial management. This was corroborated by a significant proportion of senior teachers (83.9%), who confirmed that their principals mobilize finances as a strategy for financial management.

The study sought to establish the inferential relationship between principals' skills in mobilization of finances and institutional performance among public secondary schools in South Rift region, Kenya. The sub-hypothesis

formulated stated that there is no statistically significant relationship between principals' skills in mobilization of finances and institutional performance among public secondary schools in the South Rift region, Kenya. Regression model used to assess the relationship yielded results as presented in Table 4 and 5.

Information in Table 4 presents finding on the correlation between the observed and predicted values of institutional performance (dependent variable). The findings imply that 17.6% of the total variance in institutional performance ($R^2=0.176$) could be attributed to the principals' skills in mobilization of finances. This observation was found to be statistically significant, $F(1,160)=34.188$, $p<0.001$. Table 5 presents the regression coefficients. From Table 5, the following regression model was established.

$$\text{Institutional Performance} = 2.954 + 0.321X_1 \quad P=0.000$$

Where X_1 = Mobilization of Finances

$$\beta_0 = 2.954, \beta_1 = 0.321$$

The regression constant shows that when the independent variable (mobilization of finances) is constant at zero, institutional performance would be positive (2.954) and significant, implying that the performance of the schools would be relatively good. The findings illustrate that institutional performance would increase by 0.321 with every unit increase in skills in mobilization of finances, this observation being significant ($t=5.847$, $p<0.001$). The findings thus show that there exists a positive and significant relationship between principals' skills in mobilization of finances and institutional performance. Therefore, the formulated sub-hypothesis which stated that there is no statistically significant relationship between principals' skills in

Table 6: Adoption of Utilization of Funds Strategies (Principal).

Statement: I	D	N	A	SA	Total
Implement cost-saving strategies in school expenditures	-	17.2	65.0	17.8	100.0
Have put in place appropriate policies on debt management	-	47.2	46.6	6.2	100.0
Adhere to procurement regulations in acquisition of school resources	-	14.7	47.3	38.0	100.0
Encourage internal efficiency in resource utilization	-	6.7	45.4	47.9	100.0
Provide proper mechanism for an effective collection of fees and levies	-	49.7	33.7	16.6	100.0
Encourage and facilitate prompt payment of salaries and allowance for staff	1.2	41.1	50.3	7.4	100.0
Have adopted risk management strategies against financial mismanagement such as; misappropriation, fraud, pilferage of cash, theft, and improper controls of records	4.3	54.0	29.4	12.3	100.0

Table 7: Adoption of Utilization of Funds Strategies (Senior Teachers).

Statements; our principal	D	N	A	SA	Total
Implement cost-saving strategies in expenditures	0.6	35.5	50.0	13.9	100.0
Has put in place appropriate policies on debt management	3.0	44.0	42.2	10.8	100.0
Adheres to procurement procedures and regulations in acquisition of resources	0.6	25.3	52.4	21.7	100.0
Encourage internal efficiency in resource utilization	-	7.0	65.1	27.9	100.0
Provide proper mechanism for an effective collection of fees and levies	1.2	46.4	33.7	18.7	100.0
Encourage and facilitate prompt payment of salaries and allowance for staff	1.2	43.4	48.2	7.2	100.0
Has adopted risk management strategies against financial mismanagement such as; misappropriation, fraud, pilferage of cash, theft, and improper controls of records	4.8	49.7	37.6	7.9	100.0

mobilization of finances and institutional performance among public secondary schools in the South Rift region, Kenya is rejected.

Utilization of Funds

The extent to which South Rift Region principals employ utilization of funds as a strategy for financial management was assessed based on a set of seven Likert scaled statements. The data obtained from the principals sampled are summarized in Table 6.

The table shows that majority of the sampled principals (82.8%) implement cost-saving strategies in their school expenditures, adhere to procurement regulations in acquisition of school resources (85.3%), and encourage internal efficiency in resource utilization (93.3%). Similarly, slightly more than a half of the principals (52.8%) put in place appropriate policies on debt management, provide proper mechanism for an effective collection of fees and levies (50.3%), and encourage and facilitate prompt payment of salaries and allowance for staff (57.7%). Though, fewer principals (41.7%) confessed having adopted risk management strategies against financial mismanagement such as, misappropriation, fraud, pilferage of cash, theft, and improper controls of records. The data obtained therefore show that about two thirds of the principals sampled (66.27%) confirmed embracing utilization of funds strategy for their institution's financial management.

The study sought the opinion of the senior teachers on their principal's adoption of utilization of funds principles and data obtained are presented in Table 7.

The findings show that majority of the senior teachers (63.9%) believe that their principals implement cost-

saving strategies in expenditures, adhere to procurement procedures and regulations in acquisition of resources (74.1%), and encourage internal efficiency in resource utilization (93.0%). Also, more than half of the sampled senior teachers observed that their principals put in place appropriate policies on debt management (53.0%), provide proper mechanism for an effective collection of fees and levies (52.4%), and encourage and facilitate prompt payment of salaries and allowance for staff (55.4%). Though, less than half (45.5%) indicated that their principals adopt risk management strategies against financial mismanagement such as; misappropriation, fraud, pilferage of cash, theft, and improper controls of records.

The results obtained therefore confirm that slightly less than two thirds of the senior teachers sampled (62.47%) believed that their principals use strategies for the utilization of funds, which is almost equivalent to the proportion of the principals sampled. For the observations made regarding utilization of funds, about two thirds of the principals sampled (66.27%) confirmed embracing utilization of funds strategy for their institution's financial management. Their observation was supported by slightly less than two thirds of the senior teachers sampled (62.47%), who believed that their principals use strategies for the utilization of funds. The study also sought to establish the inferential relationship between principals' skills in the utilization of funds and institutional performance among public secondary schools in South Rift Region, Kenya. The sub-hypothesis formulated stated that there is no statistically significant relationship between principals' financial management skills in utilization of funds and institutional performance among public secondary schools in the South Rift Region, Kenya. Regression

Table 8: Relationship between Utilization of Funds and Institutional Performance (Model Summary).

Model	R	R Square	Adjusted R Square	SE	F	Sig.
1	.254	.064	.058	.30010	10.999	.001 ^b

a. Predictors: (Constant), Utilization of Funds.

Table 9: Relationship between Idealized Influence and Institutional Performance (Regression Coefficient).

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.584	.225		15.932	.000
Utilization of Finances	.192	.058	.254	3.317	.001

a. Dependent Variable: Institutional performance.

Table 10: Adoption of Financial Accountability Strategies (Principals).

Statement; I,	D	N	A	SA	Total
Encourage proper maintenance of accurate financial information	-	3.1	56.4	40.5	100.0
Promote proper accountability in expenditures	-	7.4	47.2	45.4	100.0
Facilitate periodic auditing of school budgets or accounts	0.6	19.6	46.6	33.2	100.0
Encourage the strengthening of shared accountability by stakeholders	-	11.7	50.9	37.4	100.0
Have put in place financial controls through proper records	-	14.8	47.2	38.0	100.0
Regularly ascertain internal efficiency of the school fiscal resources	0.6	17.8	42.9	38.7	100.0
Institute deliberate actions against culprits of financial mismanagement	3.1	49.1	35.0	12.8	100.0
Promote transparency and accountability in school finances	-	9.9	47.2	42.9	100.0
Undertake reporting of finances and guided by the Board on addressing auditors reports and acting on their recommendations	-	8.0	59.5	32.5	100.0

model used to assess the relationship yielded results as presented in Table 8 and 9.

Table 9 presents findings on the correlation between the observed and predicted values of institutional performance (dependent variable). The findings imply that 6.4% of the total variance in institutional performance ($R^2=0.064$) could be attributed to the principals' skills in the utilization of funds. This observation was found to be statistically significant, $F(1,160)=10.999$, $p=0.001$. Table 9 presents the regression coefficients. From Table 9, the following regression model was established

$$\text{Institutional Performance} = 3.584 + 0.192X_1 \quad P=0.001$$

Where X_1 = Utilization of funds
 $\beta_0 = 3.584$, $\beta_1=0.192$

The regression constant shows that when the independent variable (utilization of funds) is constant at zero, institutional performance would be positive (3.584) and significant, implying that the performance of the schools would be relatively good. The study findings illustrate that institutional performance would increase by 0.192 with every unit increase in skills in utilization of funds, this observation being significant ($t=3.317$, $p=0.001$). It is thus shown that there exists a positive and significant relationship between principals' skills in utilization of finances and institutional performance. Therefore, the formulated sub-hypothesis, which stated that there is no statistically significant relationship between principals' skills in utilization of funds and institutional performance among public secondary

schools in the South Rift Region, Kenya is rejected.

Financial Accountability

The extent of adoption of financial accountability principles as a strategy for financial management was assessed based on a set of nine Likert scaled statements. Data obtained from the principals sampled are summarized in Table 10.

The data obtained from the sampled principals show that a significant proportion of them encourage proper maintenance of accurate financial information (96.9%), promote proper accountability in expenditures (92.6%), facilitate periodic auditing of school budgets or accounts (79.8%), encourage the strengthening of shared accountability by stakeholders (88.3%), and put in place financial controls through proper records (85.2%). At the same time, majority of the principals stated that they regularly ascertain internal efficiency of the school fiscal resources (81.6%), promote transparency and accountability in school finances (90.1%), and undertake reporting of finances and guided by the Board of Management on addressing auditors' reports and acting on their recommendations (92.0%). However, fewer principals (47.8%) confessed having instituted deliberate actions against culprits of financial mismanagement. The findings show that more than three quarters of the sampled principals (83.81%) use financial accountability principles in their institutional management.

The study also sought the opinion of senior teachers on their principal's adoption of financial accountability principles and data obtained are presented in Table 11.

Table 11: Adoption of Financial Accountability Strategies (Senior Teachers).

Statement; Our Principal,	D	N	A	SA	Total
Encourages proper maintenance of accurate financial information	-	5.4	68.7	25.9	100.0
Promotes proper accountability in expenditures	-	13.9	54.8	31.3	100.0
Facilitates periodic auditing of school budgets or accounts	0.6	22.9	51.2	25.3	100.0
Encourages the strengthening of shared accountability by stakeholders	-	16.9	57.2	25.9	100.0
Has put in place financial controls through proper records	-	16.9	56.0	27.1	100.0
Regularly ascertain internal efficiency of the school fiscal resources	0.6	24.1	55.4	19.9	100.0
Institutes deliberate actions against culprits of financial mismanagement	3.0	48.2	34.3	14.5	100.0
Promotes transparency and accountability in school finances	0.6	15.1	65.1	19.2	100.0
Undertakes reporting of finances and guided by the Board on addressing auditors reports and acting on their recommendations	-	12.0	59.0	29.0	100.0

Table 12: Relationship between Financial Accountability and Institutional Performance (Model Summary).

Model	R	R Square	Adjusted R Square	SE	F	Sig.
1	.589 ^a	.347	.343	.25075	84.935	.000 ^b

a. Predictors: (Constant), Financial Accountability.

The study findings show that majority of the senior teachers (94.6%) indicated that their principals encourage proper maintenance of accurate financial information, promote proper accountability in expenditures (86.1%), facilitate periodic auditing of school budgets or accounts (76.5%), encourage the strengthening of shared accountability by stakeholders (83.1%), and put in place financial controls through proper records (83.1%). Similarly, more senior teachers suggested that their principals regularly ascertain internal efficiency of the school fiscal resources (75.3%), promote transparency and accountability in school finances (84.3%), and undertake reporting of finances as guided by the Board of Management on addressing auditors' reports and acting on their recommendations (88.0%). However, less than half confided that the principals of their institute deliberately take actions against culprits of financial mismanagement (48.8%). The results show that more than three quarters of the sampled senior teachers (79.98%) confirmed that their principals adopt financial accountability strategies, which are fairly comparable to the principals' assertion.

The study also sought to establish the inferential relationship between principals' skills in financial accountability and institutional performance among public secondary schools in South Rift Region, Kenya. The sub-hypothesis formulated stated that there is no statistically significant relationship between principals' skills in financial accountability and institutional performance among public secondary schools in the South Rift region, Kenya. Regression model used to assess the relationship yielded results as presented in Table 12 and 13.

Table 12 presents finding on the correlation between the observed and predicted values of institutional performance (dependent variable). The findings imply that 34.7% of the total variance in institutional performance ($R^2=0.347$) could be attributed to the principals' skills in financial accountability. This observation was found to be statistically significant,

$F(1,160)=84.935$ $p<0.001$. Table 13 presents the regression coefficients. From Table 13, the following regression model was established

Institutional Performance = $2.495+0.437X_1$ $P<0.001$
 Where X_1 = Financial Accountability
 $\beta_0 = 2.495$, $\beta_1=0.437$

The regression constant shows that when the independent variable (utilization of funds) is constant at zero, institutional performance would be positive (2.495) and significant, implying that the performance of the schools would be relatively good. The findings illustrate that institutional performance would increase by 0.437 with every unit increase in skills in financial accountability, this observation being significant ($t=9.216$, $p<0.001$). It is thus shown that there exists a positive and significant relationship between principals' skills in financial accountability and institutional performance. Therefore, the formulated sub-hypothesis which stated that there is no statistically significant relationship between principals' skills in financial accountability and institutional performance among public secondary schools in the South Rift region, Kenya is rejected.

Financial Management Skills

The study ultimately sought to establish the inferential relationship between principals' financial management skills and institutional performance among public secondary schools in South Rift region, Kenya. The hypothesis formulated stated that there is no statistically significant relationship between principals' financial management skills and institutional performance among public secondary schools in the South Rift Region, Kenya. Regression model used to assess the relationship yielded results as presented in Table 14 and 15.

Table 14 presents finding on the correlation between the

Table 13: Relationship between Idealized Influence and Institutional Performance (Regression Coefficient).

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.495	.200		12.498	.000
Financial Accountability	.437	.047	.589	9.216	.000

a. Dependent Variable: Institutional performance.

Table 14: Relationship between Financial Management Skills and Institutional Performance (Model Summary).

Model	R	R Square	Adjusted R Square	SE	F	Sig.
1	.534 ^a	.285	.280	.26237	63.720	.000 ^b

a. Predictors: (Constant), Financial Management Skills.

Table 15: Relationship between Idealized Influence and Institutional Performance (Regression Coefficient).

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.330	.251		9.287	.000
FM Skills	.488	.061	.534	7.982	.000

a. Dependent Variable: Institutional performance.

observed and predicted values of institutional performance (dependent variable). The findings imply that 28.5% of the total variance in institutional performance ($R^2=0.285$) could be attributed to the principals' financial management skills. This observation was found to be statistically significant, $F(1,160)=63.720$ $p<0.001$. Table 15 presents the regression coefficients. From Table 15, the following regression model was established

$$\text{Institutional Performance} = 2.330 + 0.488X_1 \quad P < 0.001$$

Where X_1 = Financial Management Skills
 $\beta_0 = 2.330$, $\beta_1 = 0.488$

The regression constant shows that when the independent variable (financial management skills) is constant at zero, institutional performance would be positive (2.330) and significant, implying that the performance of the schools would be relatively good. The findings illustrate that institutional performance would increase by 0.488 with every unit increase in financial management skills, this observation being significant ($t=7.982$, $p<0.001$). It is thus shown that there exists a positive and significant relationship between principals' financial management skills and institutional performance. Therefore, the formulated hypothesis which stated that there is no statistically significant relationship between principals' financial management skills and institutional performance among public secondary schools in the South Rift Region, Kenya is rejected.

Qualitative findings showed that principals' financial management skills relate to institutional performance and attributed poor financial performance to the principals' lack of requisite financial management skills.

Interviewee A attributed these challenges to lack of financial management skills noting that;
Most principals lack the necessary financial management skills since majority of them were selected from a pool of teachers with no foundations of financial management. This makes them to experience challenges in understanding and interpreting financial statements. Such principals mainly rely on school bursars and accounts clerks who may take advantage of their limited financial literacy and mislead them, resulting in misappropriation of funds.

Many schools were found to be facing financial management challenges. This means the poor financial performance of these schools could be explained by the principals' lack of some critical financial management skills. This observation was corroborated by interviewee B who stressed that;
Schools are facing serious challenge of non-payment of fees coupled with delayed disbursement of government capitation to schools as well as inflation that affects the prices of school supplies. These have made schools to face a lot of difficulties in their daily operations. Schools are threatened by their suppliers to be sued for pending bills.

Conclusion

The findings illustrated that majority of the study principals and their senior teachers acknowledged their adoption of financial management strategies, including mobilization of finances, utilization of funds and financial accountability. Specifically, a significant proportion of the sampled principals mobilize finances as a strategy for

their institutions' financial management, about two thirds of the principals sampled utilize funds strategy for their institution's financial management and more than three quarters of the sampled principals use financial accountability principles in their institutional management. Qualitative findings showed that principals' financial management skills relate to institutional performance and attributed poor financial performance to principals' lack of requisite financial management skills. Regression analysis showed that principals' financial management skills positively and significantly predicted institutional performance, implying that their financial management skills are positively and significantly related with institutional performance. Similarly, inferential analysis showed that there exists a positive and significant relationship between principals' skills in mobilization of finances, utilization of funds and financial accountability and institutional performance. In conclusion, data obtained related to this objective showed that principals' financial management skills positively and significantly predicted institutional performance. It can therefore be concluded that principals' financial management skills are positively and significantly related with the institutional performance.

Recommendations

The study findings illustrated that majority of the principals have challenges with financial management probably due to lack of some financial management skills, including sourcing for funds through fee collection and inability to manage income-generating activities. The study recommends the following;

- i. The Ministry of Education in collaboration with Teachers Service Commission should ensure that school principals get adequate in-service training on financial management.
- ii. Principals appointed should be trained through a refresher course on financial management skills before deployment in order to ultimately better their institutional performance.

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