



# Financial Management Practices and Institutional Effectiveness in Secondary Schools in Ikom Education Zone, Cross River State, Nigeria.

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## ABSTRACT

The study examined financial management practices and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State, Nigeria. Two null hypotheses were formulated to guide the study. Correlation research design was adopted for this study. The population of the study comprises of 109 principals from 109 public secondary schools within the study area. The study adopted census research design, a 10 items questionnaire tagged "Financial Management Practices and Institutional Effectiveness Questionnaire (FMPIEQ)" was used for data collection. The cronbach alpha method was employed in determining the reliability of the instrument. To test the hypotheses formulated for the study, Pearson product moment correlation analysis and multiple regression analysis was employed for data analysis. The hypotheses were tested at 0.05 level of significance. The results of the analysis revealed that revenue generation and budgeting have significant relationships with institutional effectiveness in terms of quality of teaching and learning, staff development programmes and availability of infrastructural facilities in public secondary schools in Ikom Education Zone of Cross River State. Based on this result, it is concluded that secondary schools in Ikom Education zone are facing the difficult challenge of underfunding by the government. Though the problem is not just peculiar to the education zone only, but a national problem where less than ten per cent of (10%) of the national budget is allocated to education in Nigeria against the 26% bench mark of UNESCO.

## INTRODUCTION

The effectiveness of any educational institution can be largely determined by the capacity of the school principal to effectively and judiciously manage finances at his disposal for the smooth implementation of school policies and programmes. This can ensure the attainment of planned goals and objectives. The need to achieve effectiveness in institutions of learning has been given priority attention by successive governments in Nigeria. This is evident in the various policies and programmes initiated and implemented in the past. The underlying aim of the educational programmes has been to promote effectiveness in the educational process and operations in Nigeria. These efforts can be seen in the initiatives of government directed towards promoting quality teaching and learning, improvement in teachers' capacity and welfare as well as development of relevant educational facilities in school.

In every organization, there are three major resources to be managed if the organization wants to achieve its desired goals and objectives. The resources are human, material and financial resources and out of these three, human resources development is the most important and difficult to develop (Usman, 2016). This is because every individual is born unique and is therefore bound to have differences in the way they feel, think, act and reason. Since human nature plays an important role and a major part in the overall success of an organization, it is therefore important to have an effective working relationship between the employee and his employers as this is essential for the success of the school system. Human resource development which involves efficient and effective management of employees within an organization is one of the vital functions of educational administrators. This is because every administrator has a function to perform through his/her staff and his own abilities.

The attainment of institutional effectiveness can be influenced by the financial management practices of the principal, who serve as the administrator of the school (Kirui, Wamukuru & Fedha, 2022). Financial management practices entail the principal financial management activity carryout in a school. Financial management is the process of planning, organizing, controlling and monitoring the financial resource of an organization to achieve its objectives. The capacity of the principal to effectively manage the finances at his disposal can have a bearing on the image of the school under his control. Some of the financial management practices employed by the school administrator include revenue generation, budgeting, auditing, accountability and book-keeping.

The ability of a school principal to initiate and implement revenue generation drive that would boost the financial resources of a school is crucial in the attainment of institutional effectiveness. A principal who can effectively source for fund outside the conventional

impres he receives, should be able to successfully implement school projects/programmes that would lead to the attainment of specific goals or objectives. On the other hand, a principal who lacks initiative to generate additional funds from the statutory financial provisions may be constrained in maintaining of functional school system. This may militate against institutional effectiveness. Korir (2018) averred that most public secondary schools were engaged in "creation of income" or simply Income Generating Activities (IGAs) for the effectiveness of the school system. Supporting this assertion, Lawakasana and Getange (2017) affirmed that income generating activities eased burden on parents, increased enrolment in schools, improved academic performance and was used to motivate both students and teachers, and recommended that IGAs should be encouraged and enhanced to support the academic programme.. In line with this result, Gongera and Oddilla (2013) found out that the dominant sources of financing secondary education were; service based incomes, commercial based and agricultural based and that earnings from this sources enhanced management in secondary schools through salary remuneration for BOG teachers, support staff and student motivation.

Budgeting is a process of preparing a statement of the anticipated income and the proposed expenditure. It is an act of target setting. The essence of this target setting is to prevent wastage to its barest minimum. This affirmation made Oboegbulem and Kalu, (2013) budgeting prevents wastage or reckless spending of funds provided for various educational services. Educational institutions design programmes and courses of study. Such programmes according to Akinsolu (2008) can effectively be implemented only with availability of funds. Onuma (2016) added that, there is a significant relevance between financial allocation and students' performance as a result of financial allocation to education which invariably improve students' performance in Nigeria.

This is critical especially now that the government budget for education lies far below the UNESCO guideline of 26%. It therefore remains that the total allocation to education in Nigeria is below the international best practice and therefore not likely to meet the demands of the education industry. The process of budgeting is complex and involves the efforts of the principal and other members of the school management team to make, if efficient and productive, this is because the process involves various steps including the source(s) of funding the budget, forecasting school needs, allocating funds to specific projects/programmes among others. The ability of a school principal to prepare and control budget serves as a guide for administering the school effectively. This is because every school programme for a fiscal year would have been adequately forecast, planned, funds for their implementation monitored, when a principal is not able to effectively prepare and control budget

following the specified steps, the outcome will be a school characterized by poor quality teaching/learning, poorly developed workforce as well as shortage or absence of quality infrastructural facilities.

**Objectives of the Study**

The following objectives were used for the study; specifically, the study sought to investigate the relationship between:

1. Revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development programmes and availability of infrastructural facilities
2. Budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State

**Hypotheses of the Study**

The following hypotheses were formulated for the study

1. There is no significant relationship between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities
2. There is no significant relationship between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State

**METHODOLOGY**

The research design adopted for this was the correlational design. Correlational research design is a research approach that attempts to find the nature of the non-causal relationship existing between a set of variables, of which can not be determined by the researcher or manipulated, but present naturally within a group or sample. The population of this study comprised all secondary school principals in public secondary schools in Ikom Education Zone of Cross

River State. According to Planning, Research and Statistic Department of the Secondary Education Board, there are 109 principals from 109 public secondary schools in the zone for the 2018/2019 academic session. This made the population of this study to be one hundred and nine (109) subjects. Further breakdown of the population showed that 92 were males and 17 females. The total number of number of public secondary schools in Ikom Education Zone is one hundred and nine (109) with one hundred and nine (109) principals. Therefore, the entire population of the study was used for the study. The sampling technique used for this study was census. A census study is used when the entire population is very small or it is reasonable to include the entire population in the study, and also that data are gathered on every member of the population. This sampling technique is deemed appropriate for this study because of the small population involved in the study and the need to include all the subjects in the study for adequate result and greater generalization. The tool used for data collection was a self-structured questionnaire titled “Financial Management Practices and Institutional Effectiveness Questionnaire (FMPIEQ)”. The questionnaire was designed by the researcher using the modified 4-point Likert Scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). It contained ten (10) items measuring the variables of the study. Items 1–5 measured revenue generation and items 6 – 10 measured budgeting.

**RESULTS AND DISCUSSION**

**Objectives 1:** To ascertain the relationship between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development programmes and availability of infrastructural facilities

**Hypothesis I:** There is no significant relationship between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities.

**Table No 1: Summary of correlations between revenue generation and institutional effectiveness of public secondary schools in Ikom Education Zone of Cross River State (N=109)**

Variables	X	r	p-value
Revenue generation (X1)	15.14		
Quality of teaching and learning (Y1)	16.25	.574	.000
Staff development(Y2)	15.64	.585	.000
Infrastructural facilities (Y3)	16.72	.747	.000
Overall institutional effectiveness (Y1-4)	48.61	.700	.000

Significant at P<.05 df=107 Critical r =.178

### Interpretation of the Data

Table No 1 shows the correlation coefficients between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities. The result shows that the correlation coefficients ranged from .574 ( $p < .05$ ) for quality of teaching and learning, .585 ( $p < .05$ ) for staff development to .747 ( $p < .05$ ) for infrastructural facilities. The correlation coefficients were statistically significant for all institutional effectiveness variables and for the overall institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State .700 ( $p < .05$ ). Based on this result, hypothesis one is rejected on the overall institutional effectiveness and in terms of each of

the institutional effectiveness variables of quality of teaching and learning, staff development and infrastructural facilities. This implies that there is a significant relationship between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State

**Objective II:** To determine relationship between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State.

**Hypothesis II:** There is no significant relationship between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State.

**Table No II: Summary of correlations between budgeting and institutional effectiveness of public secondary schools in Ikom Education Zone of Cross River State**

(N=109)			
Variables	X	r	p-value
Budgeting (X2)	15.34		
Quality of teaching and learning (Y1)	16.25	.683	.000
Staff development Y2)	15.64	.436	.000
Infrastructural facilities (Y3)	16.72	.590	.000
Overall institutional effectiveness (Y1-4)	48.61	.627	.000

Significant at  $P < .05$   $df=107$  Critical  $r = .178$

Table No II showed that the correlation coefficients between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities. The result shows that the correlation coefficients ranged from .436 ( $p < .05$ ) for staff development, .590 ( $p < .05$ ) for infrastructural facilities to .683 ( $p < .05$ ) for quality of teaching and learning. The correlation coefficients were statistically significant for all institutional effectiveness variables and for the overall institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State .627 ( $p < .05$ ). Based on this result, hypothesis one is rejected on the overall institutional effectiveness and in terms of each of the institutional effectiveness variables of quality of teaching and learning, staff development and infrastructural facilities. This implies that there is a significant relationship between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State

### DISCUSSION OF THE STUDY

The discussion made in this section is based upon the interpretation done on the above tables to justify the set objectives.

The analysis of the first hypothesis which stated that there is no significant relationship between revenue generation and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities, revealed a significant relationship between revenue generation and institutional effectiveness in public secondary schools. This result suggests that the extent to which revenues are generated in public secondary school in the Zone, the more the schools become effective in all areas of the school system. This result further suggests that institutional effectiveness in secondary schools in Ikom Education Zone of Cross River State varies directly with the levels to which funds are generated to boost effective teaching and learning in the school system. The overall significant positive correlation of .700 ( $p < .05$ ) explains that institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State is determined by the level at the school administrators are able generate funds in the schools.

This result supports the opinion of World Bank study (2010) in China which revealed that almost all public secondary schools were engaged in "creation of income" or simply Income Generating Activities (IGAs) for the effectiveness of the school system. This result also supports the findings of Lawakasana and Getange



(2017) who examined effect of income generating activities in public secondary schools in Transmara Sub-County, Narok County, Kenya and found that income from income generating activities eased burden on parents, increased enrolment in schools, improved academic performance and was used to motivate both students and teachers, and recommended that IGAs should be encouraged and enhanced to support the academic programme. In line with this result, Gongera and Oddillia (2013) who found that the dominant sources of financing secondary education were; service based incomes, commercial based and agricultural based and that earnings from this sources enhanced management in secondary schools through salary remuneration for BOG teachers, support staff and student motivation. This implies that the level at which principals are able to source for alternative funds in the school system has direct congruence with the effectiveness of the school, such that the more funds are generated through internal sources, the more funds are adequately available to school management, which is a necessary condition for effective running of schools and attainment of effective teaching and learning in the school.

The result of the analysis revealed that revenue generation has significant relationships with all the sub-scales of institutional effectiveness: quality of teaching and learning (.574,  $p < .05$ ), staff development (.585,  $p < .05$ ), and infrastructural facilities (.747,  $p < .05$ ), in public secondary schools in Ikom Education Zone of Cross River State. This result suggests that the more secondary administrators are able to raise additional revenue for the school system, the more they are able to enhance effective teaching and learning, organize adequate staff development programmes for staff improvement and provide adequate infrastructural facilities for improved teaching and learning in the schools. The reason for this result is that alternative funding enhances the schools' capacity to meet their financial obligations, and thus able to provide desired learning resources required for effective teaching and learning, which is the basis for determining the effectiveness of any institution.

The analysis of the second hypothesis which stated that there is no significant relationship between budgeting and institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State in terms of quality of teaching and learning, staff development and infrastructural facilities, revealed a significant relationship between budgeting and institutional effectiveness in public secondary schools. The result suggests that institutional effectiveness in secondary schools in Ikom Education Zone of Cross River State changes proportionately with the levels to which funds are able to prepare school effectively. The reason for this positive result is that budgeting ensures effective implementation of educational programmes in that all activities in the school system are adequately planned for, and allocate resources adequately for

effective execution and implementation of educational objectives in schools.

This agrees with opinion expressed in School Budget Planning Guide (2013) that the essence of budget setting process is to ensure that resource allocation matches school priorities, and that unplanned over-spending or under-spending of a school budget can deflect schools from previously agreed spending priorities, and this can affect the achievement of school development plans. These expressions affirm the overall high significant positive correlation of .627 ( $p < .05$ ) realized in this analysis. This explains that institutional effectiveness in public secondary schools in Ikom Education Zone of Cross River State is determined by the level at which the school administrators are able to institute effective budgeting process and implement the budget according to specifications in the schools. This because a good budget lowers the risk of financial crisis in the year, hence, the school is more likely to be able to fund its planned activities and less likely to spend valuable teaching and management time responding to funding shortages.

In line with this result, Onuma (2016) examined financial allocation to education and students' performance in Nigeria and found out a significant relationship between financial allocation and students' performance. The result of the analysis revealed that budgeting has significant relationships with all the sub-scales of institutional effectiveness: quality of teaching and learning (.683,  $p < .05$ ), staff development (.436,  $p < .05$ ), and infrastructural facilities (.590,  $p < .05$ ), in public secondary schools in Ikom Education Zone of Cross River State. This result suggests that the more secondary administrators are able to ensure effective budgeting system in the school system, the more they are able to enhance effective teaching and learning, organize adequate staff development programmes for staff improvement and provide adequate infrastructural facilities for improved teaching and learning in the schools. This agrees with Cole and Kelly (2011) who noted that planning in school budgeting process involves formalization of objectives and then arranging for provision of resources in order to achieve desired instructional outcomes. They added that for desired learning outcomes, the product of budget planning should be a statement of desired activities expressed in financial terms in pursuit of instructional goal over a period of one year. The reason for this result is that budgeting enhances the schools' capacity to plan for all activities in the school system before time and thus ensures effective implementation of educational programmes in the school system.

### **Educational Implication**

This research paper through its literature review and findings have highlighted some eminent issues that border around school financing, fund sourcing and

budgeting in the context of secondary education school learning.

1. The study exposed secondary school principals to the importance of alternative sources of funding for effective implementation of secondary schools education goals
2. Considering the importance of budgeting, the study advocated the use of effective budgeting system for all school income and expenditure to enable principals know where and how to channel meagre resources available for school management
3. This study will create awareness to principals and other stakeholders to create always create partnership with other non-governmental organizations, philanthropies to aid in funding education in study area.

## CONCLUSION

The study concludes that secondary schools in Ikom Education zone are facing the difficult challenge of underfunding by the government. Though problem is not just peculiar to the education zone only, but a national problem where less than ten per cent of (10%) of the national budget is allocated to education in Nigeria against the 26% bench mark of UNESCO. With this daunting challenge, principals require to swiftly employ the strategy of alternative sources of funding secondary education in Ikom education zone as well as conform to proper budgeting system for effective financial management in the school subsystem.

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