

Influence of Economic Recession on the Management of Funds in Public Secondary Schools in Abia State

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Abstract

All organizations whether formal or informal need financial resources to be able to facilitate the achievement of set goals. In effect, the school system must be provided with funds for it to achieve the objectives of teaching and learning. However allocation of adequate funds for the efficient management of school system seems to be drastically inadequate. The study therefore sought to determine the influence of economic recession on the management of funds in public secondary schools in Abia State, Nigeria. It further identified the funding challenges and the strategies employed by principals in coping with the shortfall. Descriptive survey design was adopted. Three research questions guided the study. Two hundred and forty four principals from all the public secondary schools in three education zones in Abia State participated in the study. The study used a 29-item researcher made questionnaire structured on a 4-point rating scale. Mean was used to answer the research questions. The result showed that the principals are involved in budget proposals among others in their financial management. Also, economic recession resulted to underfunding of school programmes which invariably affected the quality of teaching and learning. In effect, school principals in Abia State are engaged in sourcing fund through hiring out school halls among others to cope with the situation. It was recommended that principals should be allowed to levy students under the supervision of the Ministry of Education to avoid unnecessary extortion of the students.

Keywords: Economic Recession, Management, Funds, Public, Secondary Schools, Principals.

Introduction

Economic recession has become a common vocabulary in the lips of everyone especially among Nigerians. It is defined as a significant decline in economic activity spread across the economy lasting more than a few months, normally visible in a real gross domestic product, real income employment, individual production and wholesale-retail sales. National Bureau of Economic Research (2015); Adesoji (2016); Brimah, (2016); Noko (2016) defined economic recession as a negative real GDP growth rate for two consecutive quarters such as first and second quarter. Nigeria is said to have been plunged into recession since it had -0.36% and -0.15% in its first and second quarter from 2016. In the above reference Noko, explained the causes of economic recession to include:

- a) high inflation, a general rise in the price of goods and services;
- b) accumulation of debt servicing especially foreign debts;
- c) high interest rate ; discouraging investors;
- d) fall in aggregate demand, fall in wages, and income; and
- e) mass unemployment and general loss of confidence on the government due to economic indexes.

Economic recession can be said to be acute shortage as well as high cost in the production of goods and services due to inflation.

However, public opinion hold that economic recession in Nigeria has been caused by poor economic planning, high inflation rate, high interest rate, high taxation and policy conflict. Economic recession has not only created hardships for the average family in Nigeria but also grossly affected the effective running of work organizations such as schools, industries etc.

The word management has been variously defined by many scholars. Weihrich, Cannice and Koontz (2016) defined management as the process of designing and maintaining an environment in which individuals working together in groups efficiently accomplish selected aims. Ozochi (2009) explained management as the attainment of organizational goals in an effective and efficient manner through planning, organizing leading and controlling organizational resources. Management in educational organization not only involves the above processes but also controls human, material and financial resources available for the school to achieve the goal of teaching and learning.

The school administrator (principal) is required to judiciously manage the limited resources available in the face of economic recession. Kanu (1998) noted that the success with which an organization is able to operate is dependent upon how well management is able to motivate employees to work within the budgeted allowances. The principals` financial responsibility in collaboration with the Bursar starts with the making of budget proposals. They are to ensure they operate within the stipulated financial regulations. Therefore, management of funds in the school system should involve proper financial accounting. This accounts for the reason why Nwokocha (2008) pointed out that the school administrator must provide enabling environment for financial accountability otherwise it results to financial misappropriation. Some principals have been accused of diverting school funds to their private use. To avoid this, principals should provide an avenue for authorizing expenditure using accurate records and procedures. Purchases, supplies, contracts, loans and other transactions are recorded as well as the payments made by the school. This enables the school manager have high level of prudence.

With regards to the effect of economic recession in the management of secondary school system, it is obvious that whatever the government provides would hardly go half-way in meeting the needs of the school. Heads of educational institutions especially secondary schools now resort to different strategies for solving their financial difficulty. Onwuka (2007) succinctly stated that educational administrators must find a realistic ways of tackling the problem of under – funding in their schools and suggested that they should be resourceful, adaptive and imaginative. To this end, school principals have been involved in fund-raising activities such as inter-house sports competition, prize giving days, founders` day catering services etc. In addition, they engage in internally generated revenue such as sale of products from craftwork, agricultural produce from school farms, renting out school halls for church or wedding ceremonies. Principals charge newly admitted students money or material, all in the bid to meet up. Onwuka (2007) noted that Parent Teacher Association (PTA) of schools help to provide funds for specific projects by levying its members. This study examined the influence of economic recession on the management of funds in public secondary schools in Abia State, Nigeria. Specifically the study looked into ways principals source and manage funds in this era of economic recession, the challenges and the effect of financial shortfalls on their administration and their coping strategies for overcoming their financial difficulty in public secondary schools in Abia State.

Purpose of the Study

The purpose of the study was to examine economic recession and the management of funds in public secondary schools in Abia State. Specifically, the objectives of the study were to identify:

- i. ways principals manage their funds under the present economic recession;
- ii. funding challenges and its influence on the management of public secondary schools in Abia State; and.
- iii. strategies principals employ in their school funds` management towards coping with economic recession in public secondary schools in Abia State.

Research Questions

Three questions were raise and answered for the study.

- 1 What are the ways principals of public secondary schools in Abia State manage their school funds?
- 2 What are the funding challenges and its influence in the management of the public secondary schools in Abia State?
- 3 What are the coping strategies employed by principals in the management of their school funds in this era of economic recession in public secondary schools in Abia State?

Methodology

A descriptive survey research design was used for the study. Two hundred and forty four (244) principals from 12 public secondary schools (4 in each) of the three education zones namely; Ohafia, Umuahia and Aba zones of Abia State participated in the study. The instrument for data collection was a researcher – made questionnaire titled; Economic Recession and Management of Fund Questionnaire (ERMF). To establish the validity of the instrument, the preliminary list of the items was face validated by three experts in the Departments of Educational Management and Measurement and Evaluation. They made corrections and suggested other items they considered important in the list. They also advised the researchers on the suitability of the rating scale. A test- retest method administered on principals from private secondary schools was used to establish the reliability. It yielded a reliability index of 0.74 which was considered adequate for the study The responses to the statements were a four-point rating scale of Strongly Agree (SA) =4points; Agree (A)=3points; Disagree (D)=2points and Strongly Disagree (SD)=1point. For data collection and analysis, the administered questionnaire was analyzed using mean.

Results

The findings are presented according to the research questions.

Question 1

What are the ways principals of secondary schools in Abia State manage funds in this era of economic recession?

Table 1: Mean Responses of Principals on ways funds are managed in Public Secondary Schools in the era of Economic Recession

S/N	Questionnaire Item	SA	A	D	SD	\bar{X}	Decision
1	Heads of departments are involved in budget presentation	600	216	24	10	3.48	Agree
2	Receipts are issued after payments	320	360	48	20	3.07	Agree
3.	Approved estimates are not followed when expenditures are made	112	96	200	84	2.02	Disagree
4.	Money is mismanaged and diverted to private use	-	-	400	44	1.82	Disagree
5	Approvals are given for capital expenditure	480	300	48	-	3.4	Agree
6	Careful record keeping of expenditure on items are made	432	330	28	12	3.3	Agree
7.	Principals and their bursars lodge all monies into bank	240	210	114	57	2.55	Agree

Table 1 showed that 5 out of the 7 items had their mean values range from 2.55 to 3.48 and were above the cut-off point of 2.50. This indicated that the different ways principals of secondary schools in Abia State manage their funds include; the involvement of Heads of Departments in budget preparation and presentation, issuance of receipts after payments, receiving approvals for any capital expenditure, careful record – keeping for expenditures made and lodging all monies into bank account. On the contrary, items 3 and 4 had mean values less than the cut-off point of 2.50.

Question 2

What are the funding challenges in the management of public secondary schools in Abia State?

Table 2 Mean Responses of Principals on the Funding Challenges in the Management of Public Secondary Schools in Abia State

S/No	Questionnaire item	SA	A	D	SD	\bar{X}	Decision
1	Subventions to the schools are inadequate and irregular.	496	360	-	-	3.51	Agree
2	Incessant strikes by teachers due to non payment of salaries.	480	372	-	-	3.5	Agree
3	Lack of funds for regular maintenance of school facilities.	520	342	-	-	3.53	Agree
4	Lack of funds to rehabilitate old buildings; classrooms and offices.	800	123	06	-	3.81	Agree
5	Libraries are poorly equipped and in need of modern books.	320	210	160	14	2.89	Agree
6	Laboratory equipment is obsolete.	80	132	360	-	2.34	Disagree
7	Emergence of poor reading culture among students.	40	30	440	04	2.11	Disagree
8	Lack of portable water for the schools.	96	540	40	20	2.85	Agree
9	Delayed school fees ayment by parents for their wards.	800	120	8	-	3.80	Agree

Table 2 above revealed that the mean values of 7 out of the 9 items ranged from 2.85 to 3.81 which is greater than the decision rule of 2.50. This indicated that the funding challenges of principals in Abia State is mainly lack of funds to rehabilitate old classrooms, repair seats/desks and tables for students and staff as subventions or imprest are not given as running costs for the schools. The respondents disagreed that lack of funds is responsible for poor reading culture among students.

Question 3:

What coping strategies do principals employ to reduce the problem created by economic recession in the management of public secondary schools in Abia State?

Table 3: Mean Responses of Principals on the Coping Strategies to Reduce the Impact of Economic Recession in Secondary School in Abia State.

S /No	Questionnaire item	SA	A	D	SD	\bar{X}	Decision
1	Involving PTA for levies in the provision of school needs.	720	186	04	-	3.73	Agree
2	Charging money and materials from newly admitted students.	800	132	-	-	3.82	Agree
3	Charging hawkers/traders who sell around the school.	120	60	200	94	1.94	Disagree
4	Use of inter house sports competitions to attract donations from people.	24	90	400	08	2.14	Disagree
5	School alumni providing and executing projects for the school.	360	450	08	-	3.55	Agree
6	Attracting donations through organized school academic competitions.	176	300	100	50	2.57	Agree
7	Renting out school halls and classrooms to people.	800	120	08	-	3.80	Agree
8	Students are given appeal fund cards to give to the public for fund raising.	80	120	360	04	2.31	Disagree
9	Sale of agricultural products from school farm.	200	300	160	14	2.76	Agree
10	Students are sent for bar-bar jobs for fund raising.	40	60	400	14	2.11	Disagree
11	Seeking for endowment funds from organized societies e.g. Rotary clubs	20	60	400	19	2.05	Disagree
12	Involving the tutors in providing some needed teaching materials e.g. Chalk, textbooks, etc.	-	-	488	-	2.	Disagree
13	Liaising with book companies for book faire	80	234	292	-	2.48	Disagree

In table 3 above, the mean values of 6 out of 13 responses range from 2.55 to 3.82, thus, indicating the coping strategies employed by principals in ameliorating the impact of economic recession in the management of secondary schools in Abia State. The mean responses as shown by item 3,4,8,10,11,12 and 13 fall below the cut-off point of 2.50. For item 2, there is 100% agreement that all principals charge extra money and materials when admitting new students. The same applies for item 12 which showed that teachers are not mandated by the principals to provide chalk for teaching.

Discussion of Results

The findings of the study in Table 1 showed 5 out of 7 ways principals of secondary schools manage their school funds. They include: involving heads of units in budget planning and presentation, issuing of receipts after payments, seeking approvals for capital expenditure, careful record keeping of all income and expenditure and lodging their money in bank accounts. This finding is in consonance with Nwokocha (2008) which stated that the school administrator must provide enabling environment for financial accountability, otherwise, it results to financial misappropriation. He further stated that principals should provide an avenue for authorizing expenditure using accurate records, and procedures. However, the study also showed that approved estimates are not strictly followed by principals in their expenditure. This could be as a result of unforeseen emergencies which the principals consider paramount at each point in time. It is also evident from the table that the respondents disagreed that school funds are mismanaged and diverted to personal use by the principals.

The result in Table 2, which revealed the funding challenges being faced by principals in their schools is mainly lack of funds to run the cost of day to day administration in the school, refurbishing broken seats, desks and tables for both staff and students, replacing obsolete library books, more so as parents themselves delay the payment of their wards' school fees. This is a proof that economic recession seem to be affecting everybody in the entire nation. It agrees with the National Bureau of Economic Research (2015) and Kanu (1998) who proved that Nigeria has been plunged into economic recession which has grossly affected the effective running of work organizations such as schools, industries etc. This study also showed that the prevalence of economic recession may not be responsible for the poor reading culture found among students but could be traced to attitudinal factors in the society at large.

Table 3 showed the results on the coping strategies employed by principals in ameliorating the challenges of economic recession in the management of public secondary schools in Abia State. 6 out of 13 items showed that principals rely on levies by Parents Teachers Association (PTA). They also charge extra money and materials on newly admitted students. Similarly, alumni bodies help to provide basic infrastructure and other needed materials for teaching and learning. Also, principals organize academic competitions to attract donations for the school. They also sell agricultural products from the school farm, hire out their school halls etc. This agrees with Onwuka (2007) who succinctly stated that educational administrators must find realistic ways of tackling the problems of under-funding in their schools and suggested that they should be resourceful, adaptive and imaginative. However, the study revealed that principals no longer subject students to beg for funds using appeal fund cards or even engaging students in bar-bar job duties possibly because of the security risks involves thereby.

In addition, the results showed that teachers are not mandated by their principals to provide chalk or other teaching items but could be donated on individual volition. Liaising with publishing companies as book faire is not a factor for fund raising but rather a technique for attracting patronage. Sometimes, the books may not fall within the recommended course books but may just be donated for the school library.

Conclusion

Based on the findings of the study, 5 out of 7 ways principals manage their school funds was evident. The idea that school principals mismanage and divert school funds for their personal use was refuted based on the responses. Some approved estimates are not strictly followed during expenditure especially in cases of emergency. The challenges of under-funding are enormous as it hampers the provision and maintenance of school facilities as well as the running cost of

routine school management. The coping strategies ranged from the involvement of PTA, sale of farm products, renting out the school halls among others to make money and thereby reduce the effect of economic recession in secondary school administration.

Recommendation

Based on the findings of the study, the researchers recommended that:

1. The government should evolve a more pragmatic measures to overcome the effect of economic recession in school management instead of blaming past administration.
2. Institutions and indeed, principals should be resourceful to explore more acceptable fund raising strategies to supplement whatever little subventions the government could provide.
3. Principals should ensure prudence in their financial management for the masses to have absolute confidence in them.
4. Principals and their school PTA should institute levies when necessary and the approved levies are supervised by officials from the Secondary Education Management Board.

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