

# LEADERSHIP AND FISCAL MANAGEMENT SKILLS OF SCHOOL PRINCIPALS

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## ABSTRACT

*The was conducted to evaluate the association between school principals' leadership and their fiscal management skills. This study employed correlational research design. The survey questionnaires were disseminated to one hundred twelve (112) teachers from different elementary schools within Magpet West District, Magpet, North Cotabato, Philippines. Hypotheses of the study were tested using Pearson r and multiple regression analysis. Results of the study revealed that school principals' fiscal management skills is highly dependent on their leadership skills. Thus, the principals may indulge in seminar-workshops about the types of leadership management and fiscal management to further improve their skills in the said aspects.*

**Keyword:** *Leadership, fiscal management, skills, school principal.*

## 1. INTRODUCTION

The leadership skill of a principal in the implementation of school management is important to improve the quality of education. It is one of the bases that could determine the quality of education in the school (Lessa et al., 2018). However, even if the school principal performs different types of leadership skills, the school still cannot provide quality education if the school's fiscal management cannot be managed properly [1]. This means that the principal's fiscal management skills are necessary for delivering his/her leadership to improve educational quality in the school [2].

Accordingly, most school heads are struggling to manage the school funds [3]. Possibly this will create a problem in their leadership performance since the success of every school plan will depend on the management of the school's financial resources [4]. Maintaining fiscal management efficiency, effectiveness, relevance, and sustainability will ensure the school's quality of teaching and learning processes [5].

As the COVID-19 pandemic continues in bringing challenges to the education sectors, the Department of Education is implementing the Basic Education Learning Continuity Plan under its DepEd Order No. 012, s. 2020 to address the education issues and gaps [6].

There are studies state that making decisions, directing staff, communicating, and solving problems could implement the effective school management of the principals' leadership [7]. Furthermore, there are also studies suggest that the principal must acquire needed financial skill and abilities to effectively manage the school's

monetary fund's [8]. However, little is known about the relationship and the influence of principals' skills in leadership and fiscal management.

So, the researcher decided to conduct a study determining the relationship and influence between the principal's skills in leadership and fiscal management as basis for intervention to develop principals' skills in leadership and their fiscal management.

## 2. METHODOLOGY

The study employed correlational research design to evaluate the association between school principals' leadership and financial management skills. The survey questionnaires were disseminated to one hundred twelve (112) teachers from different elementary schools within Magpet West District. Hypotheses of the study were tested using Pearson r and multiple regression analysis.

## 3. RESULTS AND DISCUSSION

Table 1 presents the correlation matrix indicating the significant relationship between the principals' skills in leadership and fiscal management skills. It revealed that, human skill has a highly significant direct moderate linear relationship with knowledge on budget preparation (R-value=0.468\*\*, Probability=0.001). There are no correlation found on financial decisions and basic accounting principle.

The result means that the principal human skill is significant to principals' fiscal management. Furthermore, this means that, as the level of principals' human skill increases, knowledge on budget also increases and vice versa. The presented probability values which less than the set 1% level of significance which means that the stated hypothesis is rejected.

This implies that the principals were capable of understanding the different viewpoints of relevant stakeholders and ensures that the school operates within its budget. They consider the suggestions of the teachers and staffs throughout the process of planning and implementing of school activities. They understand how to improve the financial operations of the school.

Teamwork is an important aspect for efficient and effective leadership. It is a process where all personnel together with the principal were working together with common goal. With this process teamwork's plays a key role to improve the quality of the efforts as the result of the level of motivation by the principals to the teachers [9]. Furthermore, financial responsibilities must be clearly defined in the school governance team, managers and to all staff that are assign to manage such [10]. In addition, it was also revealed that the principals' administrative skill has a significant direct weak linear relationship with knowledge on budget preparation (R-value=0.315\*, Probability=0.024). This means that, as the level of principals' administrative skill increases, knowledge on budget preparation also increases and vice versa.

Results of analysis shows the principals' administrative skill has a significant highly direct weak linear relationship with financial decisions (R-value=0.383\*\*, Probability=0.006). This means that, as the level of principals' administrative skill increases, financial decisions also increases and vice versa. No correlation found on basic accounting principle.

The result means that the principal administrative skill is significant to principals' fiscal management. The presented probability values which less than the set 1% level of significance which means that the stated hypothesis is rejected. This implies that principals efficiently improve the school operation in devising effective financial setting of goals through communicating and working with the teachers and stakeholders effectively. Fiscal management and administrative skills were important in managing the school activities and environment effectively. The fiscal management abilities of the principals such as understanding the basic accounting principles in managing financial activities in school and maintains control in oversight of the budget has a factor on maintaining the school operation while supporting the efforts of teachers and stakeholders.

In line with this, Kompri [11] stated that from management perspective, for the school to become effective they must seek optimal utilization of all components that the schools have. It was also agreed by Chow, Ph and Learning, 2013 which state that leadership is very essential part of those process in achieving the goals and desired school quality.

Moreover, school heads' proficiency in technological leadership skills is a requirement for a good management crisis in school. Furthermore, those school heads with good crisis management skills are expected to have exemplary school development [12].

Furthermore, the result conforms to Becker's human capital theory 1964 which states that, through skills training and greater education the people can increase their capacity and productivity. This further means that, principals with higher skills in leadership have higher fiscal management skills.

Table 1. Correlation matrix showing the relationship of the principals' leadership management skills and principals' fiscal management skills

Principals' Leadership Management Skills		Knowledge on Budget/Financial Preparation	Decisions	Basic Accounting Principle
Human Skills	Pearson R	0.468**	0.096	-0.072
	Probability	0.001	0.504	0.614
Administrative Skills	Pearson R	0.315*	0.383**	0.011
	Probability	0.024	0.006	0.941

\*Correlation is Significant at 0.05 level

\*\*Correlation is Significant at 0.01 level

#### 4. CONCLUSION

In the light of the study's findings, it can be concluded that the principals from the different elementary schools of Magpet West District is skilled in their leadership management. Also, they are knowledgeable and competent in their fiscal management. Furthermore, it can also be concluded that as the principals' skills in leadership increases, their fiscal management also increases. Therefore, it shows that if the principals' is skilled in implementing leadership in school, he/she is also competent in managing the fiscal management in school. Moreover, it can also be concluded that principals' skills in leadership have influences their fiscal management. These give conclusion that in order for the principal to develop an excellent fiscal management to produce quality education he/she must increase the effectiveness of his/her leadership skills.

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