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Analysis of strategic plan effectiveness of Financial management strategies to improve Financial performance of public secondary Schools in Ugunja Sub-county, Kenya

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ANALYSIS OF STRATEGIC PLAN EFFECTIVENESS OF FINANCIAL MANAGEMENT STRATEGIES TO IMPROVE FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN UGUNJA SUB-COUNTY, KENYA

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A RESEARCH THESIS SUBMITTED TO THE SCHOOL OF EDUCATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF EDUCATION IN EDUCATION LEADERSHIP AND MANAGEMENT OF MOUNT KENYA UNIVERSITY

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ABSTRACT

Schools strategic planning initiative was encouraged as a way to create efficiency and effectiveness in schools management. A good strategic plan will have functional area strategies that when implemented, they lead to efficient realization of the functional objectives. Financial management strategies will lead to good financial performance of schools finances. Secondary schools in Ugunja sub-county in Siaya county though they have strategic plans as a requirement, they suffer cases of delayed payment of workers, creditors, stalled projects, dried up funds and increased school fees arrears. The purpose of this study was to analyze public secondary schools strategic plan functional strategies influence on financial performance in Ugunja Sub-County, Kenya. The study objectives were to evaluate the budgetary effect on the financial performance of public secondary schools in Ugunja Sub-County; to assess the effect of capital investment method on the financial performance; to analyze the credit strategy effect on financial performance; to find out how liquidity strategy affects financial performance and to establish school factors that affect financial performance of schools in the Sub-County. The study adopted a descriptive survey research design and was anchored on the Alignment Model and conceptual framework. The study targeted 19 public secondary schools in Ugunja Sub-County, Siaya County. The target population was 19 school bursars, school principals and teachers representing PTA and 12 staff at DEOs staff in Ugunja Sub-County. The researcher also employed purposive sampling technique to select19 principals and bursars and simple random sampling technique to select 10 teacher and 5 officials from the sub-county education office. The study used questionnaire to collect data from principals, bursars and teachers and interview schedules to collect data from DEOS staff. The reliability of the instruments was ascertained after conducting a pilot test. Both descriptive and inferential statistics were used in data analysis. Data collected on the first, second and forth objectives were analyzed using Pearson Product Moment Correlation Coefficient and findings were: ($r=0.598$; $P<0.05$), ($r=0.622$; $P<0.05$) and ($r=0.609$; $P<0.05$) respectively. Data on objective three and five were analyzed using Chi- Square and Multinomial Regression the result were:($X^2=19.239$; $P<0.05$; $df=1$), school size was (Beta 0.162, T 1.335, $P<0.05$), Poor school collection (Beta 0.925, T 1.335, $P<0.05$) and Poor financial control measures had (Beta 1.007, T 1.335, $P<0.05$), respectively.The study findings depicted a significant relationship between budgetary system and financial performance of schools. It was also established that capital investment significantly influenced

financial performance while credit strategy too influenced financial performance. The study further established that liquidity strategy had a significant effect on financial performance while school size, poor school fees collection and poor financial control measures were the school factors contributing to poor financial performance in public secondary schools in Ugunja sub-county. The research findings have stretched the frontiers of knowledge in understanding how strategic planning influences financial performance in secondary schools in Kenya and beyond and such findings will assist policy makers **and stakeholders in entrenching strategic planning in public secondary schools for effective financial performance in these schools. Based on the study findings and conclusion, its recommendated that each school should come up with a comprehensive strategic plan.Secondly, the district education office should play a role in assisting each school leadership team in developing a comprehensive strategic plan and provide the resources, and the technical assistance. Finally, strict internal financial control measures should be institutionalized to safe guard against loss of revenue collected in schools**