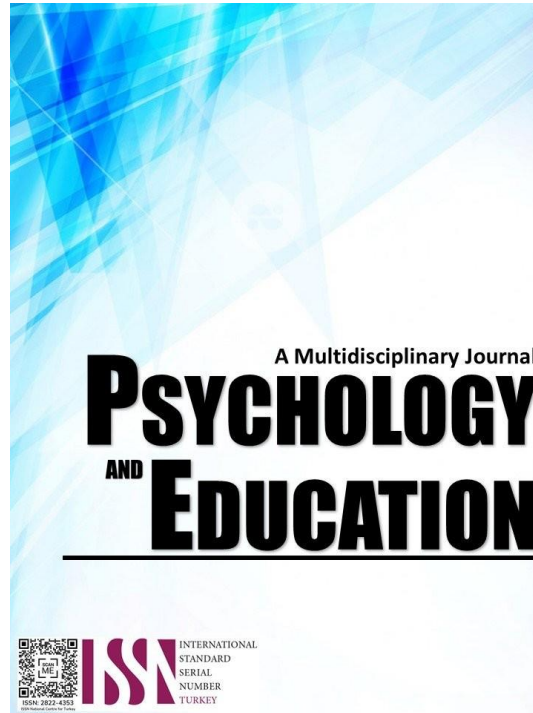


FINANCIAL MANAGEMENT SYSTEM COMPLIANCE AND PRACTICES OF SCHOOL HEADS IN RELATION TO SCHOOL PERFORMANCE: BASIS FOR INTERVENTION



PSYCHOLOGY AND EDUCATION: A MULTIDISCIPLINARY JOURNAL

Volume: 36

Issue 3

Pages: 286-295

Document ID: 2025PEMJ3460

DOI: 10.70838/pemj.360304

Manuscript Accepted: 04-15-2025

Financial Management System Compliance and Practices of School Heads in Relation to School Performance: Basis for Intervention

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Abstract

This study examined the financial management system compliance and management practices of school heads in relation to school performance in the District of Isabela II. Using a descriptive-correlational research design, data were gathered from 197 elementary teachers across 16 schools through standardized questionnaires and school performance records (OPCRF for SY 2022–2023). Findings revealed that school heads exhibited full compliance with financial management systems, specifically in budget preparation, procurement, disbursement, submission of financial reports, and auditing, with an overall mean of 2.64. Additionally, school heads demonstrated very high levels of task-oriented, relationship-oriented, and change-oriented management practices, with an overall mean of 4.26. School performance across the district was rated as very satisfactory, with a mean score of 4.44. Statistical analysis using Spearman Rank Correlation indicated no significant relationship between financial management system compliance and school performance, nor between management practices and school performance. These results suggest that while school heads maintain sound financial compliance and effective management styles, these factors alone do not directly influence school performance outcomes. The findings highlight that other variables may contribute more substantially to school success. Based on these results, it is recommended that school heads continue strengthening their financial management competencies and leadership practices while exploring additional strategies that directly impact academic achievement and operational efficiency. Future research is encouraged to investigate other factors influencing school performance beyond financial compliance and leadership practices, offering a broader perspective on educational leadership effectiveness.

Keywords: *financial management system compliance, practices of school heads, school performance*

Introduction

Today, educational leaders have a great role in the school setting. Principals can work with or prevent the interaction of progress through their activities by the manner in which they lead, oversee, lead school-based preparing and expert advancement programs, impart and activate assets with the end goal of the instructing learning measure. Indeed, they are the ones engaged in the holistic development of the educational institution (Buitizon, 2021).

School principals, like any leaders of any organization, have decisions to make when it comes to utilization of the funds channeled to public schools (Atieno cited in Espinosa 2021). These decisions according to Brigham and Houston cited in Espinosa (2021), have financial implications on the financial management of school principals who play the most crucial role in ensuring schools' effectiveness and performance taking into account the day-to-day operations of the school (Ballada and Ballada, cited in Espinosa 2021).

Smolag and Slusarczyk (as cited in Buitizon, 2021) stressed that powerful administration framework affects the inspiration and responsibility of educators to deliver fruitful understudies by working with school executives that are both suitable to the specific situation. For many years, the chief used to perform the board's routine undertakings like arranging, sorting out, checking, and assessing. These undertakings are proven in providing orders, managing the school financial plan, orchestrating homerooms schedules, checking participation and nonattendance of instructors and understudies. Those undertakings are thought of as areas yet seen as significant (Buitizon, 2021).

However, school heads experience challenges in financial management which include lack of training, weak financial management skills, lack and/or delay of funds, absence of financial support staff, poor collaborative planning, numerous bookkeeping tasks, unorganized record keeping, frequent changing of policies, absence of permanently stationed bookkeeper, and adherence to complex laws and policies (Wadasen, 2024). Furthermore, the main challenges faced by newly promoted school heads in school leadership include staff supervision, work-life balance, school management, and dealing with the legacy of the predecessors. Therefore, this study sought to determine how school heads' financial management system compliance and practices relate to school performance (Castañares et al., 2023)

Thus, these premises pushed the researcher to determine financial management system compliance and practices of school heads in relation to school performance.

Research Questions

This study determined the degree of compliance in financial management system and the extent of management practices of school heads in relation to school performance. Thus, it sought to answer the following specific questions:

1. What is the degree of financial management system compliance of school heads when taken as a whole and when grouped in terms of:
 - 1.1 budget preparation;
 - 1.2 procurement process;
 - 1.3 disbursement;
 - 1.4 submission of financial report; and
 - 1.5 auditing?
2. What is the extent of management practices of school heads as a whole and when grouped in terms of the following areas:
 - 2.1 task-oriented;
 - 2.2 relationship-oriented; and
 - 2.3 change-oriented?
3. What is the level of the school's performance?
4. Is there a significant relationship between the degree of compliance in financial management system of school heads and the school performance?
5. Is there a significant relationship between the extent of management practices of school heads and the school performance?

Literature Review

Financial Management System

Both functional and successful financial management are included in financial management. Planning, carrying out, regulating, and holding individuals responsible for their financial behavior are all parts of the financial management process. However, there is a considerable impact on educational establishments. The study's conclusions suggest that financial management can be described as business operations related to the procurement, use, and administration of firm finances in order to achieve the organization's main objectives. Clearly, good money management is necessary. The need to identify the essential objectives can be used to summarize the necessity of financial management. The optimal course of action is the one that furthers the goals of the company; profit maximization is usually the aim of financial management decisions (Sukenti, 2023). Good fund management, which includes both attempting to obtain capital to support prudent investment or consumption, and efficiently allocating funds among different investment kinds, can be understood as financial management. According to Liefman, financial management is the profession of lending money and utilizing it to purchase or get real estate. Financial management is defined by the website financialku.com as all business operations pertaining to the procurement, utilization, and administration of corporate finances in order to accomplish the primary goals of the organization.

Suad Husnan defined financial management as the administration of financial activities. Bambang Riyanto defines financial management as the work that all businesses do to raise the money they need under the most favorable circumstances and at the lowest feasible cost, as well as to spend that money as effectively as possible. James Van Horne defines financial management as all activities related to the acquisition, financing, and management of assets with general objectives. Grestenberg defines financial management as "how companies are organized to raise funds, how they raise funds, how they are used, and how company profits are distributed." (Sukenti, 2023).

According to Gitman, finance is the art and science of managing finances. It is focused on the marketplaces, organizations, and protocols that surround the exchange of money between private individuals, governmental bodies, and establishments such as educational institutions. School administrators have decisions to make on how to distribute the funds allotted to public education, just like any other executives in any organization. Since principals are the most crucial people in ensuring the effectiveness and performance of schools when taking into account the day-to-day operations of the institution, Brigham and Houston claim that these decisions have a financial impact on school principals' financial management (Vicente et al., 2023).

The Governance of Basic Education Act of 2001 (Republic Act No. 9155) in the Philippines delineated the obligations and accountabilities of school principals concerning the staff, supplies, and funds of the establishment. Given the chance of future success, the financial management of every organization's CEO needs to be closely and appropriately monitored. A study claims that in order to boost profitability, financial management focuses on securing funds, allocating it wisely, and reducing costs and losses. Businesses in post-primary institutions and ministerial ministries are typically the intended audience for this productivity. Likewise, it's for the benefit of both teaching staff and non-teaching staff members' welfare (Vicente et al., 2023).

The efficient and successful management of material or financial resources by the school head is regarded to have a substantial impact on the achievement of institutional goals. On the other hand, inappropriate and inconsistent financial management techniques may lead to failure in terms of financial difficulties and resource mismanagement. Every business ultimately wants to operate as efficiently as possible, and in order to do this, they carefully follow proper and helpful practices to synchronize their financial management systems. School heads can effectively manage finances in the school setting when they have a basic understanding of the procedures involved in managing the school's account, budgeting, and the systems and controls needed to prevent financial misappropriation (Clarke cited in Vicente et al., 2023). School financial management includes creating and carrying out a financial plan, accounting, reporting, and safeguarding assets against loss, damage, and fraud. Fundamentally, the best measures of a school head's financial

management proficiency are often their formal education, on-the-job training, and experiences. Occasionally, consideration is also given to their particular or individual attributes.

Furthermore, handling different financial resources at school is as simple as handling your own assets, accounts, or homes. An administrator at a school who is proficient in asset management, accounting, budgeting, and buying will be able to resist temptation and avoid making rash purchases. The school head will not go above the financial allotment by a large margin in compliance with the approved School Operating Budget (SOB), Annual Procurement Plan (APP), Monthly Disbursement Program (MDP), Project Procurement Management Plan (PPMP), and other financial management plans. If they are properly led and guided by the laws, rules, and policies that are currently in place regarding financial management, as well as if they exhibit appropriate stewardship and an ethical leadership attitude, a school head can lessen or control the number of difficulties that are typically noted in the field. A few problems will ultimately be resolved, along with other reasons why the organization has disagreements and miscommunications (Vicente et al., 2023).

Mahapatra et al. (2019) state that satisfying future requirements and maintaining a stable financial condition require personal financial planning. Managing one's money to attain financial fulfillment is the essence of personal financial planning (Kapoor et al. cited in Lim et al., 2023). The six different components of financial planning that are covered include cash flow planning, tax planning, investment planning, risk management, estate planning, and retirement planning, according to Altfest, cited in Lim et al. (2023). Ideally, a thorough financial plan should address all six categories. However, an individual's specific life stage (retirees, for example) and life realities (retrenchment, for example) may determine the principal focus and/or significance of these categories. For example, retired people might not be involved in tax preparation at all, while laid-off workers might not have the time to take care of their investments. Above all, personal financial planning is a complex concept that can be understood from two different angles: academic and real-world. Both practically and cognitively, it safeguards people's financial resiliency.

From an academic perspective, the field of personal finance is interdisciplinary and covers a wide range of areas, including economics, family studies, finance, information technology, psychology, and sociology (Schuchardt et al., quoted in Lim et al., 2023). Theories from a variety of disciplines advance our understanding of how individuals manage their finances and behave financially (Copur and Gutter referenced in Lim et al., 2023). Sadly, rather than being entirely new, the ideas used to explain personal finance are usually copies. According to Lyons and Neelakantan (quoted in Lim et al., 2023), personal finance is one of the rapidly emerging interdisciplinary disciplines that frequently experiences this. By the end of 2022, it will have about 250 publications in Scopus alone (Murray and Evers mentioned in Lim et al., 2023).

Society is progressively coming to terms with these challenges due to growing living expenses and other financial hardships brought on by the expanding complexity of financial issues (Baker et al. 2023; Mahapatra et al. 2019). People all over the world are becoming more aware of how well people manage their personal finances and financial affairs, placing a higher priority on financial health (e.g., changing their investment strategy and increasing their retirement savings to protect against inflation; Personal Capital 2022).

Due to the complexity of human life, people's desires are ever-evolving (Niharika & Kiran, cited in Atatsi et al., 2023). However, the resources available to satisfy these increasing demands are insufficient. Thus, the need of adopting sound money management practices is rising (Brüggen et al., cited in Atatsi et al., 2023). Adjudicious money management practices have an effect on people's financial health (Netemeyer et al., 2018). Working-class households' purchasing habits are increasingly incorporating financial management strategies as a result of workers having to make more sophisticated financial decisions and adopting these practices (Dowling et al., N.D.). According to Aripin and Puteh, reported in Atatsi et al., (2023), employees are under constant financial pressure, which negatively affects their quality of life. The detrimental consequences of COVID-19 on every economic sector worldwide (Chang et al., Citation2020; Haleem et al., 2020) as well as at the individual level (Chang et al., 2020; Crick & Crick, Citation2020; Goodell, 2020) appear to have exacerbated this. Financial well-being benefits from sound financial management behaviors and practices. Similarly, Coşkuner, cited by Atatsi et al. (2023) claims that good financial behavior and management play a significant part in raising life and financial satisfaction.

Management Practices

In order to support teachers in realizing their full potential, school administrators employ a range of educational management techniques, one of which is the continuous assessment and observation of their interests and accomplishments, including any deficiencies. According to Singh et al. (quoted in Haramain, 2019), classroom evaluation has gained a lot of attention recently because it is a crucial part of teaching and learning. Assessment serves as a log of the new knowledge and skills that students have acquired as a result of instructor assistance. Teachers should be encouraged to focus on both the process and the outcomes of learning within the subject area in which they are required to acquire the assessment ability, according to studies on classroom assessment. School heads conduct routine evaluations of teachers to determine their strengths and weaknesses. Based on the evaluations, remediation programs that match the teachers' needs may be developed (quoted in Haramain, 2019).

The use of transformational leadership to educational administration has been associated with strategies that foster creativity, optimism, ingenuity, and inventiveness in the face of changing conditions. Burkus, referenced in Haramain (2019), claims that James MacGregor Burns created transformational leadership, a relatively recent leadership approach that centers on the ability of leaders to influence

significant and positive change in their followers. He asserts that the concept of transformational leadership has been validated by over thirty years of research connecting it to positive performance outcomes, such as elements at the individual, group, and organizational levels (quoted in Haramain, 2019).

Lessa, Spier, and Felipe (2018) state that one aspect influencing educational quality is school management, which is also mentioned in Sunaengshi, Anggarani, Amalia, Nurfatmala, and Naelin (2019).

As a formal educational setting, schools must produce graduates with the intellectual aptitude, competences, professional attitudes and mindsets, and competitive personalities required for students to flourish after graduation (Al-Momani, Allouh, and Alhomran cited in Sunaengshi et al., 2019). Strong principal leadership is linked to improved school administration because these schools' benefit from a variety of elements such as information systems, school culture, technological integration, and well-developed organizations. However, not all school leaders are capable of managing effective, leadership-based schools (Brooks, 2005; Sunaengshi et al., 2019).

There is a strong link between managerial practices and the promise of change. Any change attempt requires association members to accept responsibility, and one of the most significant characteristics of association leaders is the ability to generate a duty to change (Ashkenas et al., quoted in Buitizon, 2021).

Buitizon (2021) quotes Magsaysay and Hechanova, who investigated factors that contribute to effective progression management. Ten administrative practice metrics were developed as a result of their research into the viability of board rehearsals. First, set up the process and progress cycle. Transmitting change also entails ensuring that others understand why the change is occurring and how it will be implemented. Preparation is another crucial part of administration procedures that ensures that individuals can implement the change. Status and organization were also deemed significant in properly managing change. This includes ensuring that representatives are prepared and confident in their abilities to implement the change. A hierarchical culture that is always improving promotes success. Employees also want leaders to be noticeably and strongly supportive of the change. Employee expectations, duties, and job descriptions should be confirmed and clarified during the transition period. Organizations must also focus on technologies that allow employees to perform better during the transition. The association's structure and operations should eventually support the reform plan.

Guerrero, Teng-Calleja, and Hechanova (2018) emphasized that the recognized change initiative hypothesis (ICLT) emphasizes the need of choosing representatives' patterns of power that coincide with both the ideal and real change in productive administrative exercises. This analysis examined how executives in optional schools and compelling change initiatives affect instructors' obligations to change using ICLT. Data was gathered from 707 elective teachers in Philippine secondary schools, both public and private. Findings indicated that: (1) educators seem to view change initiative outlines more comprehensively and integratively than do representatives of business associations; (2) instructors' change management styles predict the apparent viability of executives' practices; and (3) the effectiveness of board rehearsals significantly mitigates the effect of progress authority diagrams on educators' emotional commitment to change. This analysis expanded on the applicability of ICLT in critical training environments and contributes to our understanding of the efficacious change endeavor and the executive practice that occurs in educational institutions.

Developing teachers professionally is critical to creating a high-quality learning environment. It ensures that educators maintain their efficacy in presenting curriculum content, broadens their knowledge base, and equips them with the most modern pedagogical techniques. School leaders' management techniques are critical for teachers' professional development in order to significantly improve educational quality and outcomes. Effective management approaches for fostering a caring and growth-oriented workplace include strategically allocating teachers, encouraging training attendance, and offering mentorship to teachers. Lustestica and Digo's (2024) study sought to assess the impact of elementary school principals' management practices on staff members' professional development. The study employed a descriptive survey design, collecting data from 186 teachers and 21 school officials using unstructured interviews and a validated researcher-created questionnaire. The data were analyzed statistically, with an independent t-test and a weighted mean. According to the report, school administrators rate monitoring as intermediately successful, while mentorship, training attendance, and teacher assignments as very effective. Teachers, on the other hand, typically rated these activities as merely slightly beneficial indicating a difference in opinion between the two groups. Though there were notable variations in how each group viewed assignments, training attendance, and mentorship, both groups agreed that monitoring procedures were only somewhat effective.

According to Alvi and Rana (2019), a leader with strong task-oriented conduct has poor organizational performance at universities and is unlikely to play a significant role in implementing new policies in higher education institutions.

Bashir et al. (2021) report a positive association between employee performance, engagement, and firm performance. The study's findings revealed that change-oriented leadership considerably improves employee performance, and that employee involvement mediates this relationship in part and complementarily. Put another way, leaders who are devoted to change have a significant impact on encouraging employees to work more and perform better.

Financial Management System

Compliance and School Performance

Effective service delivery is still a problem in developing nations, claim Daniel, Jimenez, Scur, Sequeira, and Xu (2020). School heads in the education sector frequently struggle to provide pupils with instruction due to budgetary constraints and shortages. Inadequate financial management skills aggravate the shortage of resources. These may result in the misallocation of limited resources or enable financial mismanagement and leakage, which could jeopardize the general efficacy and efficiency of public service delivery. In order to learn more about management practices and the role capital in financial management plays in the delivery of education services, they conducted a survey among the school heads of 246 secondary schools in Mozambique that were chosen at random. The results indicate that enhancing state capacity and making better use of the system's current resources may be accomplished through interventions aimed at improving the standard of financial management procedures in schools. Poor financial management is one of the main factors that prevents schools from being run effectively, according to Ezech and Ogara (2020). This is because excessive or insufficient expenditure can result in the embezzlement and mishandling of school finances. Within the same scope, it is mentioned that among the financial issues facing the school administration in the Enugu Education Zone are incompetence in procurement, insufficient and irregular auditing, a lack of accounting-related records and documents, and the incapacity to prepare end-of-year financial statements. Second, it was suggested that in order to achieve educational goals in schools, financing for instructional materials should be taken into account in the school financial management policy. Lastly, financial plans must to be created and rigorously followed in terms of execution.

According to Ezech and Ogara (2020), financial management pertains to the choices made by an organization regarding the acquisition of funding, the implementation of financial controls, the wise distribution of financial resources, and measures for accountability.

Management Practices and School Performance

According to Alvi and Rana (2019), leaders in higher education institutions that behave in a highly task-oriented manner have poor organizational performance. They specifically predict that task-oriented executives won't be heavily involved in putting new policies into place in higher education. This research contributes to a theoretical and practical knowledge of leaders' conduct that is beneficial for both organizational performance and the implementation of policy reforms in higher education institutions.

The management techniques of school heads in terms of leadership, monitoring, personnel, training, and growth were interpreted to a considerable extent, according to a study conducted by Borgonos (2022) and included teachers as participants. Elementary teachers performed very well in terms of the teaching and learning process, student outcomes, community involvement, awards and recognition, and professional growth and development. On the other hand, their performance in terms of special assignments and designations and professional growth and development was viewed as high. There was a substantial correlation between the performance of elementary teachers and the data provided by the school heads and instructors about the management practices of the schools. The research hypothesis was rejected as a result of this finding because the majority of the calculated Pearson's r correlation coefficient is below the level of significance $g = .05$ or (all p 's < 0.05).

Methodology

Research Design

This research determined the financial management system compliance and practices of school heads. Thus, descriptive-correlational research design was employed.

Descriptive correlational research methodology is a type of scientific method of study that is highly used for the thesis, dissertation, and research report writing. In this type of research, students are required to think and explore research questions of their study and research objectives and concerns are to be discussed on the effective or close findings of the given problems. Descriptive research is also used as phenomenon collection and analysis of data is focused in a structured way which is inferential and will be helpful in empirical investigation and understanding. From the descriptive research, the facts and the findings are concluded under the population in question around the study. This research study must be defined under the specific desired goals of the study and the study which is conducted by students and proper conclusions will be derived under conclusions and findings (Brodowicz, 2024).

Respondents

The study involved the school heads of the 16 elementary schools in the District of Isabela II as the subjects, while the respondents were the 197 elementary teachers from the same district. Since the entire population of teachers was utilized, no sampling techniques were employed, and the sample size was not computed separately.

Instrument

This study used a standardized questionnaire based on the work of Dela Cruz, Gadiano, Magdasal, and Villanueva (2016) to assess school heads' financial management system compliance in terms of budget preparation, procurement, disbursement, financial report submission, and auditing. In terms of management practices, the researcher employed a questionnaire from Altinok's (2021) study to analyze the school head's practices in terms of task-oriented, change-oriented, and relationship-oriented. In terms of school performance, data were obtained from the school's OPCRf.

Procedure

To collect data, the researcher first obtained permission from the Schools Division Superintendent of the Division of Negros Occidental. After receiving consent, the researcher sought approval from the principals/school heads of the 16 elementary schools in the Isabel II district. After receiving approval, the researcher handed the survey questionnaires to the respondents. After giving them adequate time to complete the survey, the researcher collected the questionnaires, tabulated and tallied the results.

Data Analysis

In the analyses and interpretation of data, different statistical tools were used: To answer the statement of problems no.1, what is the degree of compliance of financial management system of school heads when taken as a whole and when grouped in terms of Budget Preparation, Procurement Process, Disbursement, Submission of Financial report, and Auditing, mean was used. To answer the statement of problem no. 2 which states, what is the extent of management practices of school heads in terms of task-oriented, relationship-oriented, and change-oriented, mean was used. To answer statement of the problem no. 3, what is the level of school performance, mean will be used. The Spearman Rho was used with the following formula to address the statements of problems no. 4 and 5

Results and Discussion

This section deals with the presentation, analysis, and interpretation of the data gathered from this study.

Financial Management System Compliance

Table 1 below presents the degree of compliance of school heads in terms of financial management system.

Table 1. *Financial Management System Compliance of School Heads*

<i>Financial Management System Compliance of School Heads</i>	<i>n</i>	<i>Mean</i>	<i>Interpretation</i>
Budget Preparation	16	2.73	Full Compliance
Procurement Process	16	2.72	Full Compliance
Disbursement	16	2.51	Full Compliance
Submission of Financial report	16	2.61	Full Compliance
Auditing	16	2.64	Full Compliance
As a whole	16	2.64	Full Compliance

With mean scores of 2.73, 2.72, 2.51, 2.61, and 2.64, respectively, interpreted as full compliance, school heads are very compliant with the financial management system of the schools in terms of budget preparation, procurement process, disbursement, submission of financial report, and auditing, according to the above table. It should be mentioned that while every element showed complete compliance, budget preparation had the highest mean. Overall, school heads' compliance with the financial management system received a mean score of 2.64, which is considered full compliance. This indicates that school heads follow the proper procedures when it comes to budgeting, prepare their budgets on time, and thoroughly analyze and suggest changes before submitting them.

The study's conclusions are consistent with Republic Act No. 9155, also known as the Governance of Basic Education Act of 2001 in the Philippines, which outlined the duties and responsibilities of school principals in relation to the management of the institution's staff, assets, and finances. Any organization's leader's financial management must be carefully and appropriately observed in light of the possibility that this could result in further success. According to a study, financial management is concerned with obtaining funding, using it effectively, and minimizing expenses and losses in order to increase profitability. Typically, businesses in ministerial departments and post-primary institutions are the target audience for this productivity. In a same vein, it is for the betterment of students' welfare and both the teaching (Supreme Court E-Library).

Additionally, managing various financial resources at school is just as easy as managing your personal accounts, assets, or homes. When a school administrator is competent in budgeting, accounting, purchasing, and asset management, he resists temptation and is unable to make careless purchases. In accordance with the authorized School Operating Budget (SOB), Annual Procurement Plan (APP), Monthly Disbursement Program (MDP), Project Procurement Management Plan (PPMP), and other financial management plans, the school head will not exceed the financial allocation by a significant amount. A school head can minimize or manage the number of difficulties typically seen in the field if they are appropriately led and guided by the rules and regulations, guidelines, and policies currently in place regarding financial management, as well as if they possess suitable stewardship and an ethical leadership attitude. In the end, a few issues as well as additional causes of disagreement and miscommunication within the company will be managed (Vicente et al., 2023).

According to Mahapatra et al. (2019), personal financial planning is essential to preserving a sound financial situation and meeting future needs. Personal financial planning is essentially the practice of managing one's wealth in order to achieve financial fulfillment (Kapoor et al. cited in Lim et al., 2023). According to Altfest, referenced in Lim et al. (2023), this covers six different aspects of financial planning: cash flow planning, tax planning, investment planning, risk management, estate planning, and retirement planning. All six areas should be included in comprehensive financial planning, ideally. However, the major focus and/or significance of these categories

may vary depending on an individual's particular life stage (retirees, for example) and life realities (retrenchment, for example). Retirees, for instance, might not be actively involved in tax preparation, while laid-off employees might not have the time to manage their investments. More crucially, personal financial planning is a deep idea that can be viewed through two distinct perspectives: academic and practical. It protects people's financial resilience both practically and intellectually.

According to Schuchardt et al., cited in Lim et al. (2023), the discipline of personal finance is interdisciplinary from an academic standpoint and encompasses a wide range of subjects, including economics, family studies, finance, information technology, psychology, and sociology. Theories from several fields contribute to our knowledge of people's financial behavior and money management (Copur and Gutter quoted in Lim et al., 2023). Unfortunately, the theories that explain personal finance are frequently borrowed rather than original. This is a common occurrence for newly emerging interdisciplinary fields, like personal finance (Lyons and Neelakantan cited in Lim et al., 2023), which by the end of 2022 will have close to 250 publications in Scopus alone (Murray and Evers cited in Lim et al., 2023).

As a result of rising living costs and other financial hardships brought on by the ongoing complexity of financial issues, society is gradually coming to terms with these issues (Baker et al. 2023; Mahapatra et al. 2019). The ability of people to handle their personal finances and financial affairs has drawn increasing attention worldwide, with people prioritizing financial health in their lives (e.g., altering their investment strategy and increasing their retirement savings to protect against inflation; Personal Capital 2022).

The table below presents the extent of management practices of school heads as a whole and when grouped in terms of task-oriented, relationship oriented, and change-oriented.

Table 2. *Management Practices of School Heads*

<i>Management Practices of School Heads</i>	<i>n</i>	<i>Mean</i>	<i>Interpretation</i>
Task-oriented	16	4.27	Very High
Relationship-oriented	16	4.25	Very High
Change-oriented	16	4.27	Very High
As a whole	16	4.26	Very High

According to the above table, school heads' management practices ranged from task-oriented, where a mean of 4.27 was obtained and interpreted as very high, to relationship-oriented, where a mean of 4.25 was obtained and interpreted as very high, and change-oriented, where a mean of 4.27 was obtained and interpreted as very high. With a mean of 4.26, school heads' management techniques are often quite extensive. It is evident that task-oriented and change-oriented personnel achieved the highest mean. This indicates that school administrators support staff in implementing novel approaches and setting up the required conditions, persuade staff to accept changes, outline the responsibilities of staff members and what is expected of them, and cultivate relationships with staff members regarding issues outside of work.

Relevant to the findings of the study, transformational leadership has been linked to educational management techniques that encourage innovation, resourcefulness, optimism, and creativity in response to changing circumstances. According to Burkus cited in Haramain (2019), James MacGregor Burns invented transformational leadership, a relatively new style of leadership that focuses on how leaders can affect meaningful and constructive change in their followers. He claims that almost thirty years of research linking transformational leadership to favorable performance outcomes, such as factors at the person, group, and organizational levels, validates the notion of transformational leadership (cited in Haramain, 2019).

There is a strong correlation between management methods and the promise of change. Any change effort needs association people to take responsibility, and one of the most important traits of association pioneers is their capacity to create duty to change (Ashkenas et al., cited in Buitizon, 2021).

Alvi and Rana (2019) posit that leaders exhibiting a high degree of task-oriented behavior in higher education institutions tend to exhibit low levels of organizational performance. Specifically, they anticipate that task-oriented leaders will not play a significant role in implementing policy reforms in these institutions.

The findings are corroborated by Bashir et al. (2021), who assert a favorable correlation between employee engagement, employee performance, and organizational performance. The results of their study indicated that employees' performance is significantly improved by change-oriented leadership, and that this relationship is partially and complementary mediated by employees' involvement. Put differently, leaders who are committed to change have a big impact on motivating staff members to work more and perform better.

School Performance

The table below presents the level of school performance of 16 elementary schools in the District of Isabela II. As can be seen from the above table, 14 schools in the District of Isabela II fared very decently, while 2 schools in the district performed really well. With a mean score of 4.44, elementary schools in the District of Isabela II performed decently overall. This indicates that elementary schools in the Isabela II District are carrying out their duties to their clients and providing pupils with a high-quality education effectively.

Table 3. *Level of School Performance*

<i>Level of School Performance</i>	<i>f</i>	<i>Mean</i>	<i>Interpretation</i>
Outstanding	2		
Very Satisfactory	14		
Satisfactory	0	4.44	Very Satisfactory
Unsatisfactory	0		
Poor	0		
Total	16		

According to Palongasa (2022), who supports the study's findings, variables and the school environment are significant performance accomplishment predictors that have a direct impact on students' achievement across all subject areas. The quality and accessibility of the school's laboratory has an impact on how well pupils succeed in science and technology courses. Moreover, because science and technology courses are taught in laboratories, students are more likely to comprehend and remember what they see than what they hear.

Relationship between the Compliance of Financial Management System and School Performance

The table below reveals the relationship between the degree of compliance of financial management system of school heads and the school performance.

Table 4. Relationship between the Degree of Compliance of Financial Management System and School Performance.

<i>Degree of Compliance of Financial Management System of School Heads</i>	<i>Level of School Performance</i>					
	<i>Outstanding</i>	<i>Very Satisfactory</i>	<i>Satisfactory</i>	<i>Unsatisfactory</i>	<i>Poor</i>	<i>Total</i>
Full Compliance	2	13	0	0	0	15
Partial Compliance	0	1	0	0	0	1
No Compliance	0	0	0	0	0	0
Total	2	14	0	0	0	16

Computed value (rs) : 0.098

p-value : 0.719

Decision : Accept Ho

Interpretation : Not significant at 0.05 level of significance

Based on the table in the previous page, 14 schools obtained a very satisfactory level of performance where 13 are fully compliant and 1 is partially compliant with the financial management system.

The data showed a p-value of 0.719 using the Spearman Rank Correlation, which is greater than the 0.05 level of significance. As a result, the null hypothesis held. This indicates that there is no discernible link between the standard of academic achievement and the school heads' compliance with regard to financial management. This suggests that school heads' level of compliance with the financial management system has no bearing on the performance of the schools. This also suggest that whether a school head is fully compliant or not, the school can still perform very satisfactorily or outstandingly.

In contrast to the findings of the study, poor financial management is one of the main factors that prevents schools from being run effectively, according to Ezech and Ogara (2020). This is because excessive or insufficient expenditure can result in the embezzlement and mishandling of school finances. Within the same scope, it is mentioned that among the financial issues facing the school administration in the Enugu Education Zone are incompetence in procurement, insufficient and irregular auditing, a lack of accounting-related records and documents, and the incapacity to prepare end-of-year financial statements. Second, it was suggested that in order to achieve educational goals in schools, financing for instructional materials should be taken into account in the school financial management policy. Lastly, financial plans must to be created and rigorously followed in terms of execution.

Effective service delivery is still a problem in developing nations, claim Daniel, Jimenez, Scur, Sequeira, and Xu (2020). School heads in the education sector frequently struggle to provide pupils with instruction due to budgetary constraints and shortages. Inadequate financial management skills aggravate the shortage of resources. These may result in the misallocation of limited resources or enable financial mismanagement and leakage, which could jeopardize the general efficacy and efficiency of public service delivery. In order to learn more about management practices and the role capital in financial management plays in the delivery of education services, they conducted a survey among the school heads of 246 secondary schools in Mozambique that were chosen at random. The results indicate that enhancing state capacity and making better use of the system's current resources may be accomplished through interventions aimed at improving the standard of financial management procedures in schools.

According to Ezech and Ogara (2020), financial management pertains to the choices made by an organization regarding the acquisition of funding, the implementation of financial controls, the wise distribution of financial resources, and measures for accountability.

Relationship between Extent of Management Practices and School Performance

The table below presents the relationship between the extent of management practices of school heads and the level of school performance.

Table 5. *Relationship between Extent of Management Practices and School Performance*

Extent of Management Practices of School Heads	Level of School Performance					
	Outstanding	Very Satisfactory	Satisfactory	Unsatisfactory	Poor	Total
Very High	2	8	0	0	0	10
High	0	6	0	0	0	6
Moderate	0	0	0	0	0	0
Low	0	0	0	0	0	0
Very Low	0	0	0	0	0	0
Total	2	14	0	0	0	16

Computed value (rs) : 0.293

p-value : 0.271

Decision : Accept Ho

Interpretation : Not significant at 0.05 level of significance

Based on the table above, 14 schools obtained a very satisfactory level of performance where 8 school heads have very high extent of management practices and 6 obtained high extent of management practices.

Using the Spearman Rank Correlation, the data revealed a p-value of 0.271 which is higher than the 0.05 level of significance. Thus, the null hypothesis was accepted. This means that there is no significant relationship between the extent of management practices of school heads and the performance of the school. This suggests that the school's success is not greatly impacted by the management strategies used by the administrators. This further suggests that excellent performance is still possible in schools notwithstanding the management styles of their leaders.

In contrast to the findings of the study, Alvi and Rana (2019) posit that leaders exhibiting a high degree of task-oriented behavior in higher education institutions exhibit low organizational performance. Specifically, they anticipate that task-oriented leaders will not play a significant role in implementing policy reforms in higher education institutions. The execution of policy reforms in higher education institutions and organizational performance both benefit from a theoretical and practical understanding of leaders' conduct, which is enhanced by this research.

The management techniques of school heads in terms of leadership, monitoring, personnel, training, and growth were interpreted to a considerable extent, according to a study conducted by Borgonos (2022) and included teachers as participants. Elementary teachers performed very well in terms of the teaching and learning process, student outcomes, community involvement, awards and recognition, and professional growth and development. On the other hand, their performance in terms of special assignments and designations and professional growth and development was viewed as high. There was a substantial correlation between the performance of elementary teachers and the data provided by the school heads and instructors about the management practices of the schools. Since the majority of the calculated Pearson's r correlation coefficient is less than the level of significance, $g = .05$ or (all $p's < 0.05$), the study hypothesis was rejected as a result of this finding.

Conclusions

Based on the findings, it was concluded that the school heads are fully compliant with the financial management system and demonstrate high levels of task-oriented, relationship-oriented, and change-oriented management practices. The schools under study are performing very well, as reflected in their overall ratings. However, it was also found that the degree of compliance with the financial management system and the extent of management practices among school heads do not significantly affect the level of school performance. This suggests that other factors may contribute more strongly to school success, beyond financial management compliance and leadership practices alone.

In light of these conclusions, several recommendations are proposed. School principals should continue adhering to financial management system standards while further enhancing their skills in budget development, procurement, disbursement, financial report submission, and auditing through participation in relevant seminars and training. School leaders are encouraged to share their knowledge of sound financial practices with teachers to promote transparency and enable effective monitoring of school fund usage. Administrators should adopt balanced management and leadership strategies to further support school performance, demonstrating flexibility in their interactions with subordinates while responding to educational challenges. Schools are also urged to involve parents by educating them about financial operations through orientations, encouraging active participation in school-related financial discussions and initiatives. DepEd officials should organize more training programs focused on proper budget disbursement and school

management practices to empower school personnel. Additionally, administrators are advised not to limit their focus to managerial tasks but to prioritize the academic needs and welfare of subordinates to foster better organizational performance. Finally, future researchers are encouraged to replicate the study and explore other variables that may influence school performance beyond those covered in the present investigation.

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