

Strategies Used by Secondary Schools to Manage the Fluctuations in Market Prices in Ainamoi Sub-County, Kenya.

Reuben Ngetich

Student, Lecturer, Department of Educational Psychology, Moi University, Kenya

Dr. Godfrey Ngeno

Lecturer, Department of Educational Psychology, Moi University, Kenya

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Abstract: The study sought to evaluate the strategies used by secondary schools to manage the fluctuations in market prices in Ainamoi sub-county, Kenya. The study analyzed past theories related to the topic under the theoretical review that is systems theory. The researcher used descriptive research design to capture the strategies used by schools in Ainamoi. The findings indicated that, schools used income generating activities to finance deficit.

Keywords: Strategies, Fluctuations, Market, Prices

Introduction

Since Kenya attained its independence, the provision of education has been at its Centre stage (Mang'eng'e, 2018), as education was seen to play a critical role in socio-economic and political advancement. It's because of this that the government has kept on addressing challenges facing education sector through commissions, committees and task forces (sectionals paper No. 1 of 2005). The previous reports starting from the post-independence stipulated a proposal of an education system that encouraged national unity and create adequate human capital for general national development. The government was convinced that formal education system was a pre-requisite for higher and sustained economic growth. The Kenya government felt the pinch of solely supporting education and this led to a shift in the funding. The strategic plan of 2018-2022 of Ministry of education recommended an increase in sharing of cost between the government, Parents and community towards provision of quality education. The government funds tuition only while parents and other stakeholders have had to bridge the missing gap.

Bennel and Ntagaramba (2008) argue that when school heads effectively govern and allow participatory management to take course, teachers feel energized and motivated, and their sense of ownership and empowerment increases as this has the dictates of the budget and how the school is managed against. Well implemented school plans can increase collegiality and give teachers the satisfaction to commit themselves to school improvement goals and not only them as budget affects up to the students therefore the quality of the education is not compromised. Highly motivated teachers are the key factors of a successful educational system (Seead & Rizwani, 2012). For an educational system to be deemed to provide quality education it depends on the precincts of how the resources are utilized as this affects the learning process, the running of the school and all these depends on external forces that's basically the market which has a spiraling effect as it keeps on soaring.

This unquenchable search for quality education has not however been exempted from the current economic crisis which makes the cost of goods and services to rise. Many African countries have been forced to cut down on public spending, especially on education where the government has come up with ways to have the fee guidelines put in place. These fundamental facts sharply constrain the options open to provision of quality education and have serious implications on education sector. Education in Kenya has been exerting a lot of pressure on the national budget due to its rapid growth. This rapid growth has however not been met by a proportionate increase in resources available. The zeal that characterized many nations at independence to massively invest in education soon waned off due to high costs. The available resources from the government could not equitably be distributed to all sectors for maximum development. Many sectors, notably education had to seek involvement of other partners in meeting its financial requirements. In Kenya, there was an already felt need of discovering new or improving old ways of raising money and this has to be done carefully without compromising the quality of education.

There have been frantic efforts by the government to cut down on recurrent expenditure on formal education under the Ministry of Education to less than 30 percent (Republic of Kenya; 2015). The difference in terms of the ministry's monetary requirements is to be realized through cost-sharing and in the employment of more cost-effective measures in the use of educational resources. Under such a separation, it calls upon educational institutions, especially secondary schools to establish a means of broadening their resource base to avoid transferring the whole burden to parents, which scrutinizes the budgeting and the prudent use of resources in school's vis a vis the quality of education provided. One of the main challenges school face in budgeting with regards to the rising cost entails the use of available physical resources for maximum returns. Institutions of learning have a major part to play in generation of the extra funds needed for their smooth running. The possibility of raising further funds for education from parents is already diminishing rapidly with the government fee guideline which according to the ministry should be adhered to strictly. Therefore, this calls for prudent strategies of education financing in schools, let alone improving current education quality.

The Ministry of Education through the County Director of Education and Boards of Management thus breathe life into the Budgets by approving them. A budget reflects a balance between income and expenditure of a School. However, the market forces of demand and supply, which Schools and the Government have no control over, causes price fluctuations. In most cases prices do rise and destabilizes the practicability of the budgets. Provision of quality services in Secondary Schools is dependent on the full implementation of the budgets; however, price fluctuations possess a great challenge to this. The School Boards of Management (BOM) and Principals who are the accounting officers are put at a fix as they have to ensure that quality services are offered in Schools. Based on this scenario this study focused on the strategies put in place by the management of schools to overcome the same in Ainamoi sub-county, Kenya.

Strategies Used by Secondary Schools to Survive Rising Costs.

Rising costs of goods and services is impacting negatively on school programs and thus there is need to find ways to mitigate its effects. According to the standard online of 1/2/2011, a survey by Education reveals that many schools, from national to Sub-counties, have devised strategies to survive rising costs. It has been established that school heads set fees in third term when schools prepare their budgets. They produce two sets of fees structures. A teacher interviewed said that 'the fees structure that is sent to the ministry has the recommended figure to gain approval'. He further observed that schools cannot survive on the fees set by the ministry, saying that the money is little and does not reflect the rising costs of living. In most of these cases, form one parents get the approved fee structure first, but are immediately called for a meeting in which they are given another fee structure having the extra charges. By so doing this schools are able to run their usual programs uninterrupted. However, it's worth noting that not all schools have the courage to do this. The majority stick to the ministry guidelines.

Another way of beating rising costs in schools is through enhancing transparency and efficiency. Mutua (2014) in his research paper pointed out that schools should raise funds for various purposes by engaging in income generating activities that will help them get more learning resources for quality improvement, school projects and cushioning of school against sundry debtors (fees defaulters), and in so doing always ensure that there is transparency and accountability.

Some schools cut on expenditure especially in co-curricular activities. For example, the length of school's outings is drastically reduced to cut on costs while others cut down on purchases deemed luxurious. As pointed earlier, some of the schools use students to do some of the duties that could have been carried out by an employee. By so doing the number of non-teaching staff is reduced and thus subsequently reducing expenditure.

Theoretical Framework

The study was based on the systems Theory of Administration.

The Systems Theory of Administration

This concept of systems theory suggests that the whole is greater than the sum of its parts (Englehardt & Simmons, 2002). Rice, (2013) describes a system theory as a progression of interrelated and associated parts, with the end goal that the communication of any part (subsystem) influences the entire framework. Each part is firmly connected to different pieces of the association and no single part exists in the disengagement of others. The frameworks hypothesis lays on the accept that in all frameworks from the Galaxy planetary framework, the general public, training framework, school and study hall have various parts performing various capacities, however so

that each part associates and is related with different parts and with different frameworks (condition) around it. Thusly what influences one section, influences different parts in the framework and its condition. Schools are basically frameworks by their own privilege since they comprised of a few sections serving various capacities, which are interrelated. From the point of the framework of view school the board includes overseeing and tackling issues in each piece of the associations yet doing as such with the understanding that activities are taken in one piece of the association influence different pieces of the association. For example, executing an answer for an issue in a school's educational plan guidance and oversight capacity will probably influence different parts of the school, for example, staffing workforce assignments, physical offices, and network connection and fund errands.

Cost of training is a consequence of a bunch of variables including the free secondary teaching just as the financial turn of events and typical cost for basic items. In secondary schools, the cost of instruction is dictated by foundation advancement, compensations for staff just as educating/learning types of gear and assets. The frameworks hypothesis is pertinent to the instructive organization in light of the fact that the instructive framework or even a solitary school unit or a youngster is a framework, and the idea of communication and association of parts with the others and with the more extensive framework is material. Educational program Instruction and student work force: assignments of school organization Pupil Personnel errands Staff faculty: Tasks of school organization Rising Cost in Education School Plants and Physical Facilities undertakings of school organization Strategies on cost decrease by school organization. This study sought to finds the strategies used by secondary schools to manage the fluctuations in market prices in Ainamoi sub-county, Kenya.

Methodology and Design

This study adopted a descriptive survey design. According to Orodho, (2009), descriptive survey is the engagement of a sample population in a bid to get their views, beliefs, attitudes, opinion among other attributes that allows the person to pass information through interview and questionnaires. Description of attitudes, beliefs, opinions and other personal attributes done in research using a survey (Wambalaba, 2009). The researcher used both questionnaires and interview schedules during data collection making the design very appropriate.

The descriptive nature of research design was used in order to collect information on whether there are impacts of rising costs on budgeting and provision of quality services in public secondary schools in Ainamoi Sub-County. This design provides a quantitative and numeric description of trends, attitudes and/or opinions of a population being studied by having a sample of that population. The researcher generalized and made claims about the general population from the sample population.

Results and Discussion

The respondents who were the board of management, teachers and school bursars/clerks were required to give their level agreement on the various strategies that served as indicators.

Table 1: Boards of Management’ perspective on the Strategies Employed by Schools to Curb the Risings Costs

| | Strongly disagree | Disagree | Undecided | Agree | Strongly agree |
|----------------------------------------------------------|-------------------|-----------|-----------|-----------|----------------|
| Income generating activities are used to finance deficit | 1(3.3%) | 10(33.3%) | - | 14(46.7%) | 5(16.7%) |
| Programs are stopped when there are no finances | 5(16.7%) | 14(46.7%) | - | 8(26.7%) | 3(10%) |
| The board seeks alternative funds | 7(23.3%) | 4(13.3%) | 6(20%) | 8(26.7%) | 5(16.7%) |
| Raising school fees to curb the rising cost | 7(23.3%) | 8(26.7%) | 9(30%) | 4(13.3%) | 2(6.7%) |

Source: Research Data

A board of Management was asked to give their view on whether income generating activities are used to finance deficit in their schools. From table 1, 1(3.3%) respondent strongly agreed, 10(33.3%) respondents disagreed, majority of 14(46.7%) respondents agreed while 5(16.7%) respondents strongly agreed. This means that the school’s income generating activities in most schools are used to finance the deficit agreeing with the findings of the study done by Kones (2012) which established that schools have put in place measures to deal with the rising costs under the leadership of the various Principals.

Asked whether programs are stopped when there are no finances, 5(16.7%) respondents strongly agreed, majority of 14(46.7%) respondents disagreed, 8(26.7%) respondents agreed while 3(10%) respondents strongly agreed. These findings agree with the findings of Kaguri, Njati & Thiaine, (2014) who opined that for financial management to be prudent programs that bring more returns than the initial cost should be enhanced to cushion schools from rising cost.

Concerning whether the board seeks alternative funds, 7(23.3%) respondents strongly agreed, 4(13.3%) respondents disagreed, 6(20%) respondents were undecided, majority of 8(26.7%) respondents agreed while 5(16.7%) respondents strongly agreed. This agrees with the findings of Mogire (2016) which noted that schools approach parents and donors for financial assistance in order to address budget shortfalls as opposed to borrowing loans or using their income generating projects to this end.

On whether schools raise school fees cost to cover some budgets, 7(23.3%) respondents strongly agreed, 8(26.7%) respondents disagreed, 9(30%) respondents were undecided, 4(13.3%) respondents agreed while 2(6.7%) respondents strongly agreed. This implies that schools rarely raise fees to cover for the shortfall of funds. This may be attributed to the fact that the government through the ministry of education has given stringent fee guidelines which needs to be adhered to.

Further findings indicate that during the times of fluctuating prices of goods and services the board at usually meet to mitigate the effects and from the study they were biased to only when there is a rise in the cost. Most of the board members agreed that financial statements are presented during board meeting for discussion and adoption, though they indicated that the projects they have are for sustenance and not for profit.

Table 2: Head of department perspective on the Strategies Employed by Schools to Curb the Risings Costs

| | Strongly disagree | Disagree | Undecided | Agree | Strongly agree |
|----------------------------------------------------------|-------------------|----------|-----------|---------|----------------|
| Income generating activities are used to finance deficit | 1(5%) | 4(20%) | - | 12(60%) | 3(15%) |
| Programs are stopped when there are no finances | 3(15%) | 12(60%) | - | 3(15%) | 2(10%) |
| The board seeks alternative funds | 5(25%) | 5(25%) | - | 5(25%) | 5(25%) |
| Raising school fees to curb the rising cost | 5(25%) | 5(25%) | 6(30%) | 2(10%) | 2(10%) |

Source: Research Data

Heads of department were asked to give their view on whether income generating activities are used to finance deficit in their schools. From table 2, 1(5%) respondent strongly agreed, 4(20%) respondents disagreed, majority of 12(60%) respondents agreed while 3(15%) respondents strongly agreed. This means that the school's income generating activities in most schools are used to finance the deficit agreeing with the findings of the study done by Lee & Moser, (2019) who in his study argued that income generating activities in schools are used to supplement tuition and fees, to ease the budget for the schools.

Asked whether programs are stopped when there are no finances, 3(15%) respondents strongly agreed, majority of 12(60%) respondents disagreed, 3(15%) respondents agreed while 2(10%) respondents strongly agreed. These findings agree with the findings of the study done by Weisbrod & Asch, (2010) who insisted that projects don't stop as substantial investments are made in advancement; many institutions have recently experienced slow development.

Concerning whether the board seeks alternative funds, 5(25%) respondents strongly agreed, 5(25%) respondents disagreed, 5(25%) respondents agreed while 5(25%) respondents strongly agreed. The findings of the study show that the level of agreement was 50-50 meaning that the board seeks for funds in some schools while in others they don't. This agrees with the findings of (Fain, 2010) who agreed that the alternative funds sought by the schools and Boards of Management, have received a disproportionate amount of coverage in the literature when compared to their funding consequences.

On whether schools raise school fees cost to cover some budgets, 5(25%) respondents strongly agreed, 5(25%) respondents disagreed, 6(30%) respondents were undecided, 2(10%) respondents agreed while 2(10%)

respondents strongly agreed. This implies that majority of the schools seek for alternative way to raise funds having rising of school fee as one of the strategies according to the heads of departments. The findings of this study go hand in hand with the study done by (Suleman & Pakhtunkhwa, 2015), who in their study found out that school fees are raised to cover the challenges faces in budgeting.

Further findings indicated that Heads of Departments are sometimes forced to come with very creative ways and low-cost departmental programs so as to enable them implement all their departmental programs. The Heads of Departments further indicated that the income generating activities are normally Boards of Management' orientation; they only serve to implement not come up with such activities.

Table 3: Bursars/Accounts clerk perspective on the Strategies Employed to Curb the Risings Costs

| | Strongly disagree | Disagree | Undecided | Agree | Strongly agree |
|----------------------------------------------------------|-------------------|----------|-----------|----------|----------------|
| Income generating activities are used to finance deficit | - | - | - | 9(100%) | - |
| Programs are stopped when there are no finances | - | 9(100%) | - | - | - |
| The board seeks alternative funds | 2(22.2%) | - | - | 5(55.6%) | 2(22.2%) |
| Raising school fees cost | 2(22.2%) | 5(55.6%) | 2(22.2%) | - | - |

Source: Research Data

Bursars/accountants were asked to give their view on the strategies schools employed to curb the rising cost. Table 3 revealed that schools have developed a number of alternative strategies to deal with the rising costs in the education sector even when dealing with development projects. All 9(100%) Bursars that participated in the study agreed that income generating activities are used to finance deficit in their schools.

On whether programs are stopped when there are no finances, all 9(100%) Bursars/accountants that participated in the study disagreed that programs are not stopped when finances are scarce, because these programs promise bigger rewards which helps in containing schools during the rising cost.

On whether the board seeks alternative funds 2(22.2%) respondents strongly agreed, majority of 5(55.6%) respondents agreed while 2(22.2%) respondents strongly agreed. This give an indication that most Bursars were disagreeing agreeing with the findings of the study done by James, Simiyu, & Riechi (2016) who asserted that a school manager must do all that is within his limits to ensure that the school operations are not halted by financial constraints. He/she must make do with the available finances and develop strategies that will ensure that resource allocation is effective and efficient.

On whether schools raise school fees cost to cover some budgets, 2(22.2%) respondents strongly agreed, majority of 5(55.6%) respondents disagreed while 2(22.2%) respondents were undecided. This implies that majority of the schools seek for alternative way to raise funds having raising of school fee as one of the strategies according to the Bursars. The findings of this study agree with the study done by, Xie, So & Wang, (2017) who posit that the rationale for financial management is raising funds for both short-term and long-term use and enhancing proper utilization of the funds.

Further findings from the Bursars/Accounts clerk indicated that most of the school has put in places strategies to enable them run even when they are faced with fluctuating cost and some of the strategies include, having a farm where they grow produce to supplement the usage of goods and dairy farming which allow that budgets for their produces to be used in other deserving areas. The responses from most of the Bursars/Accounts clerks indicated that the income generating activity is basically used for sustenance and not for profit making.

Further inputs from the Principals indicated that the strategies used to counter effects of fluctuating cost is through dairy farming, renting of school busses for school which have them, leasing out dormitories during holidays and dining halls for conferences. The Principals further indicated whenever they are surplus in the farm produces, they are sold and the funds channeled to the schools account. The Principals further stressed that the income generating activities are mainly used to supplement the goods the school buys and sometimes in cases where parents cannot pay school fees, they are encouraged to pay them in kind.

Conclusion

From the findings of the study, the study came to a conclusion that schools have developed strategies to earn extra income to assist them. The alternative ways for generating income adopted by majority of the schools was farming.

Recommendation of the Study

The following recommendations were made: -

- i. Government should ensure that schools which do not have alternative income are encouraged to seek for alternative sources of financing such as farming or hiring out of school assets such as the playground, halls, chairs etc.
- ii. The study recommended that in order to further enhance financial management in public secondary schools there ought to be budgetary controls and all school stakeholders ought to be involved in the budgetary process.
- iii. The school Principals should develop school procedures that require school members including teachers and support staff to participate in income generating activities to help schools manage rising costs.
- iv. The Principals need to devise ways to ensure that school fees are cleared by parents having in mind not to disrupt the learning of students in school, this can include accepting school fees payment in kind.

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