

**MANAGING FINANCES IN DISADVANTAGED SECTION
21 RURAL HIGH SCHOOLS IN THE FORT BEAUFORT
DISTRICT, EASTERN CAPE**

By

Bukiwe Nomonde Constance Kuze (Mbilini)



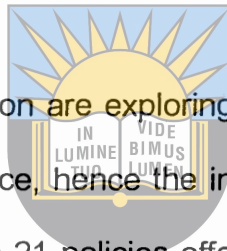
**SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT
FOR THE DEGREE OF MAGISTER EDUCATIONIS IN THE
FACULTY OF EDUCATION AT THE UNIVERSITY OF FORT HARE**

DECEMBER 2004

SUPERVISOR: Professor BRG Lindeque

ABSTRACT

The context we live in, in South Africa has undergone significant changes in the last decade, economically, politically and socially. These changes are driving the new educational policies emerging from government. In South Africa we have seen a large number of educational policies being developed at national and provincial levels in order to bring about a radical change in the educational system.



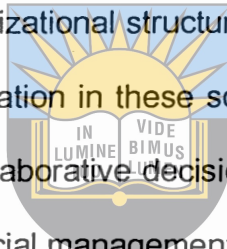
School leaders across the nation are exploring ways to better educate students and improve school performance, hence the introduction of Section 21 policy in South African schools. Section 21 policies offer a way to promote improvement by decentralizing control from central district offices to individual school sites. Section 21 policy is an approach to educational reform that allows an individual school to make its own decisions related to finances. The aim of this study was to investigate whether SGB members and SMT members have the required skills of managing finances in disadvantaged Section 21 rural high schools in Fort Beaufort district, Eastern Cape.

Two disadvantaged rural high schools and two ex Model-C schools in the Fort Beaufort district were selected for this study. The data collected from disadvantaged Section 21 rural high schools were compared with the data collected from ex Model-C schools in order to demonstrate the similarities and

differences regarding management of finance in these schools. Ex Model-C schools have had the advantage of exposure to knowledge, skills and attitudes needed to cope with greater management autonomy, a feature of school-based management. This study revealed that there is a great deal that disadvantaged Section 21 rural high schools can learn from ex Model-C schools regarding school financial management.

The main findings of the study were that parental involvement in disadvantaged schools' activities is low, organizational structures are not in place and there is a lack of time, money and motivation in these schools. Ex Model-C schools have skills of managing change, collaborative decision making and skills for planning, leading and controlling in financial management. This study revealed that there is a lack of training, support and guidance from district and provincial officers.

More attention should be given in further research projects to develop intervention strategies that would facilitate the sustained implementation of Section 21 policy.



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More attention should be given in further research projects to develop intervention strategies that would facilitate the sustained implementation of Section 21 policy.

ACKNOWLEDGEMENTS

I wish to convey my sincere gratitude and appreciation to all those who contributed to the production of this script:

- ❖ Honor and glory to God, my Master, who is my source of strength.
- ❖ I wish to place on record my heart-felt thanks to my supervisor, Prof. Ben Lindeque for his painstaking, meekness, gentleness and insightful guidance, without which the success of this study would not have been realized. His support and guidance encouraged me throughout my research.
- ❖ I would like to thank all participants, through their cooperation and availability to the study, I was able to develop an understanding of management of finance in Section 21 schools.
- ❖ My colleagues (Master Students) who encouraged and supported me in this study.
- ❖ With deepest love and affection to my husband, Mongezi, who has been my strength and pillar of support throughout, and thanks to my lovely kids, Khazimla and Amyoli for having endured my study habits and for surviving without my care throughout the whole study.



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DEDICATION

This work is dedicated to:

My special sister, Nombeko for encouraging and supporting me spiritually and socially throughout, by being a grandmother to my kids when I could not be there for them.

MAY THE GOOD LORD BLESS HER!

ENKOSI DADEWETHU!



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DECLARATION

I, Bukiwe Nomonde Constance Kuze (née Mbilini), sincerely declare that all the information presented in this script is the result of my own original research except in cases where I have acknowledged other sources.

I further declare that this work has not been presented for a degree to any other university.

Signature: _____

Date: _____



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CHAPTER 1

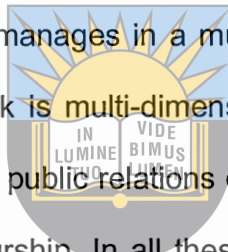
1.1 Background to the Research Problem

Since 1994, extensive changes in education have been proposed at national and provincial levels. Many of the educational reforms embarked on by government since 1994, have caused an uneasy tension in new policies. There have been difficulties in providing sufficient government finance to implement the policies. What makes the situation even worse is that the Department of Education (DoE) determines broad policy, whilst the provincial departments are responsible for the implementation of policies. Most provincial Departments of Education lack the resources to do so. In addition, the economic potential of the various provinces differs considerably. Educational reform seems to indicate that schools need to become increasingly responsible for their own future (Eastern Cape DoE 2003:5).

As a result of changes in the South African legislation, the community is now more involved in the governance of schools, which includes financial management (Bisschoff et al 1997: iv). Previously, parents in disadvantaged schools were perceived as clients, and they did not have any say in the school, certainly not in the management of its finances. The principal was expected to carry the burden of running the school. Principals in disadvantaged schools were reluctant to relinquish or even share their power and authority. Moreover, School Governing Body (SGB) members often delegated authority back to the

principal. SGB members in disadvantaged Section 21 rural high schools are unsure of their responsibilities, seldom take initiative, and would rather rely on instructions from the principal.

In ex-Model C schools, the principal, apart from being the educational leader of the school also acts as the executive officer of the governing body and is accountable both to the educational authorities and the governing body. The principal in ex-Model C schools manages in a multi-dimensional organizational environment. The principal's work is multi-dimensional in the sense that he is marketing manager, legal expert, public relations officer, and financial executive and also involved in entrepreneurship. In all these functions he works hand in glove with the SGB.



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In ex-Model C schools SGBs had greater managerial and decision-making power in the day to day administration and management of the school; financial management and funding; staff management; and management of services, buildings and facilities. This reflects the fact that in these ex Model-C schools there was valuable management expertise, also as concerns management of finance. SGB members and School Management Team (SMT) members in ex-Model C schools have had the advantage of exposure to knowledge, skills and attitudes needed to cope with greater management autonomy, a feature of school-based management. This being so, there is a great deal that disadvantaged Section 21 rural high schools can learn from ex-Model C schools

regarding school financial management, especially when educational changes occur.

In the previous South African education system schools were hierarchically structured organizations in which key decisions were taken by people at the top and communicated down to ordinary teachers. This suggested that South African schools would have to change; hence there is a shift from Section 20 to Section 21 schools. Section 20 schools are dependent on the Provincial Education Department (PED) for the translation of the allocation of paper budgets into goods and services for the school. The schools on the Section 21 list will receive a lump-sum, per learner transfer for the payments for which they have responsibility in accordance with the Resource Targeting List (ECDoE 2001:9).

A shift from Section 20 to Section 21 schools will be highly problematic unless accompanied by parallel processes of skills development related to changing roles for all stakeholders and the critical handling of financial matters. Both the School Governing Bodies (SGB) and the principals are legally required to perform certain functions for which they are accountable. Of all kinds of information in the school system, none is more important for these functions than financial information since all the activities of the school and its ultimate performance rely on soundly managed finances (Bisschoff 1999:311). Schools have been given much more freedom to managing their own finances, and for

disadvantaged Section 21 rural high schools financial management on this scale is a new phenomenon. That is why this study seeks to investigate whether SGB members and SMT members in disadvantaged Section 21 rural high schools have the required skills to manage their finances.

The ultimate goal of Section 21 policy is to improve schools in order to improve student performance (David 1996:9). Without a school and community culture that supports ongoing learning, student achievement is unlikely to improve. Latham (1998:85) argues that decentralizing school decision-making will lead to improved performance. The belief is that there is no one who can make better important decisions for a school than the administration and faculty of that school, along with their local community. Moving decision-making authority to the schools affords parents, teachers, and students the opportunity to have an active voice in decisions made at the school level. Involving people in decision-making process and trusting their abilities and judgments, create ownership for those responsible for carrying out decisions. Meaningful change is more likely to occur at the school level than the district or state level because involvement with self-managing schools encourages teachers to assume higher levels of responsibility. Support from teachers is needed, without such support any reform movement in education faces an uphill battle.

The role of the principal should change from being the primary decision maker to one of empowering others. The most effective principals involved in Site Based

Management (SBM) made available four critical resources to teachers and community members: **power** to make decisions that influence organizational practices, policies and directions; **knowledge** that enables employees to understand and contribute to organizational performance; **information** about the performance of the organization is necessary, and **rewards** should be given that are based on the performance of the organization and the contributions of individuals. These four resources need to be decentralized throughout the organization in order to maximize performance improvement (Tanner & Stone 1998:2)



1.2 Statement of the Research Problem

Do the SGB members and School Management Team (SMT) members have the required or adequate skills to manage the finances in disadvantaged Section 21 rural high schools? The research problem is indicated by the following three critical questions:

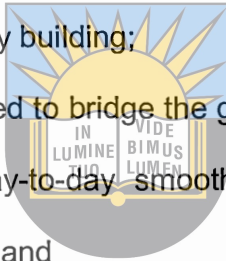
- (a) What are the present financial management skills and limitations of the disadvantaged Section 21 rural high schools under investigation?
- (b) How do the disadvantaged Section 21 rural high schools compare with other Section 21 Schools (Model C) regarding financial management skills?
- (c) After comparison and having established the required financial management skills, how will the proposed financial management skills be

introduced and implemented in the disadvantaged Section 21 rural high schools under investigation?

1.3 Significance of the study

The findings of this research could be useful to the disadvantaged schools; to new Section 21 Schools, and to District and Regional Offices, because:

- The findings could be used to support and guide SGB members and serve to enhance capacity building;
- The findings could be used to bridge the gaps between governance and management for the day-to-day smooth running of disadvantaged Section 21 rural schools; and
- The findings could form part of a needs analysis for developing programmes of managing finance in disadvantaged Section 21 rural schools.



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1.4 Research approach


My study concerns people; therefore I selected an approach that is most suitable for the interpretation and understanding of human experience. The data I will get from my respondents is in the form of words and hence qualitative. I therefore conducted this study by making use of a case study. Case study research is used to describe a single unit, such as a single school, or a small number of units, such as a small number of schools. Since the samples are

small, findings from the case study cannot be generalized from the sample to a larger population (Denzin et al 1994:236).

This approach is very versatile as it allows the researcher to use a number of techniques to gather data; hence I have used interviews, observations and the review of documents.

1.5 Concept clarification

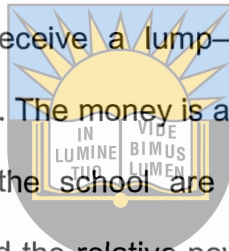
1.5.1 Section 20 Schools



In understanding the South African schools Act (1997), all public schools have compulsory functions under Section 20. In Section 20 schools, the Department determines an amount for resource allocation and the Department of Education controls the schools' expenditure. This type of budget is referred to as a "paper budget". Schools may acquire the goods and services only from authorized suppliers selected by the provincial Department of Education. One of the disadvantages of non-section 21 schools is that schools are unable to negotiate discounts, better prices or even efficient suppliers. They must only deal with suppliers contracted to the Department. The advantage of being a non-section 21 school is that when the cost of a service provided is far more than the amount allocated by the State, the State has to pay for these services.

1.5.2 Section 21 Schools

According to the National Norms and Standards for School Funding (Section 106(27) of the South African Schools Act No. 84 of 1996) a Section 21 school is a school that has developed so as to be able to manage itself. Extra functions will be allocated to the School Governing Body only if the school has the proven capacity. This is determined by ensuring that the school has managed its own funds efficiently. The Section 21 School will receive a lump-sum per learner transfer for payments they must make. The money is allocated according to the basis of need. The needs of the school are determined according to the condition of the school and the relative poverty of the school community. The condition at the school takes into account physical condition, facilities, need for repairs, learner to classroom ratio and the availability of basic services. The government considers the poverty of the community the school serves; the Department focuses on electricity, water in the community, and level of education of the parents served by the school. The Department of Education then divides all the schools in a province into five groups of schools, from the poorest to the least poor. Allocation of money is then based on such groups and that is how Section 21 schools were identified.



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1.5.3 School's Finance Policy

In order for a school to manage its finances effectively and efficiently a school finance policy must be developed and adopted by all the relevant stakeholders and implemented accordingly. The policy must comply with available legislation such as the South African Schools Act and it should set direction and give guidance. Schools and systems need policies and the financial policy may eliminate or reduce the mismanagement of school funds.



According to Ryan (1994:25) a good policy identifies and articulates the values and the basic principles to be applied to specific needs in an organization. In other words, it tells an educator or an administrator what is required and it sets the broad objectives that should be achieved in managing the school's finance. An effective policy should not only set direction but should also give direction.

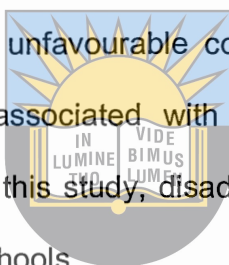
1.5.4 Financial school management

According to Mestry (2004:129) management of a school's finances is an integral part of effective school management. Within the management structure it can be considered to be as important as curriculum or human values, in terms of status and influence. Training in financial management is fundamental in preparing and equipping school managers with financial skills. This training should enable the school governing body to be

responsible and accountable for funds that have been received for the attainment of specific school objectives. It will also equip them to make a contribution towards the improvement of the overall quality of teaching and learning at the school.

1.5.5 Disadvantaged Schools

According to Reader's Digest Word Power Dictionary (1996:283) 'disadvantage' means an unfavourable condition or circumstance. The word "disadvantage" is associated with people who are socially or economically deprived. In this study, disadvantage refers to socially and economically poor rural schools.



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Because of the imbalances of the past, the education system prior to 1994 separated education policies by segregation laws. These segregation laws separated people by the colour of their skin. The best education was given to those who could afford it and they were equipped with skills, and resources were available to them.

By contrast, the education system for blacks was very poor, and left them with almost no resources and poor services. So, for example, there are still schools without electricity, water and telephones. There are schools with no infrastructure, unskilled teachers, no learner support material and illiterate parents. In such schools, there is a lack of skills among teachers,

parents and learners; hence they are known as disadvantaged schools. Even now, ten years after 1994, there are still disadvantaged schools because the imbalances of the past have not been totally eradicated yet. Some schools, especially in rural areas, are still understaffed, have no electricity, water or even learner support material.

1.5.6 Learning Organization

Learning organizations are organizations where people are continually taught to learn and expand their capacity to create the results they truly desire. They do that by nurturing new and expansive patterns of thinking (Senge in Gultig et al 1999:33). Real learning gets to the heart of what it means to be human. Through learning, we re-create ourselves. Through learning we become able to do something we never were able to do.

1.6 General layout of the study

The second chapter discusses the literature about financial management in disadvantaged Section 21 rural schools.

The third chapter presents the research design and methods.

The fourth chapter consists of data presentation, analysis and discussion.

The fifth and concluding chapter contains a summary of the findings, recommendations and suggestions for further research.



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Chapter 2

2.1 Introduction

The aim of this study is to investigate whether SGB members and SMT members in disadvantaged Section 21 rural high schools have the required or adequate skills to manage finance. This chapter explores the formulation and implementation of Section 21 schools internationally and in South Africa. The main themes of the literature review are the following: Changes in education, International literature (SBM) on financial management, South African literature (Section 21 policy) on Leadership and financial management.

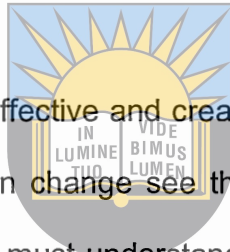


2.2 Changes in education

Change has always been an integral part of life, but in the last few decades South Africans have perhaps faced an experience of change that is particularly intense. In particular, South Africans face new ideas about education that affect the way in which educational institutions, including schools, are managed and also how they relate to the communities in which they are located. These ideas influence national, provincial and local policies about educational management and community/parental involvement in schools (ECDoE 2003:5).

The South African Schools Act (SASA) Act No. 84 of 1996 envisages a key role for schools in the management of non-personnel resources at the school level (National Norms and Standards for School Funding 1996:9). All new policy initiatives imply a change, whether for the better or worse. Changing the mindset

of all stakeholders, so as to make them own the school, is a long process. Such changes in education can be very disruptive and disturbing to the people involved. The changes can create confusion and failure rather than innovation and success. Properly implemented they may also lead to more effective schools and to more independent learners who know how to develop themselves, and how to think and work in the society that needs them (ECDoE 2003:5).



For educational changes to be effective and creative rather than disturbing, it is necessary that all role players in change see themselves as enthusiastic and positive agents of change. They must understand the need to change and how to implement and sustain change (ECDoE 2003:6).

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Although much change in education has been proposed since 1994, there have been difficulties in providing sufficient government finance to implement the policies. What makes the situation even worse is that broad policy is determined by the Department of Education nationally, whilst the provincial departments are responsible for the implementation of policies. Most provincial departments lack the resources to do so. In addition, the economic potential of the various provinces differs considerably. Thus, most provinces cannot afford to provide adequate training for School Governing Body (SGB) members. This could frustrate the aim of instituting SGBs as it is unlikely that SGBs can participate fully in decision-making and make informed judgments without adequate

training. Although the Minister of Education has reiterated the need to support SGBs, no indication has been given as to how this should be done (Van Wyk 2003: 3-4).

2.3 International trends on school-based finance policy

2.3.1 School- or Site-based management

According to David (1996:4) school-based management is basically an attempt to transform schools into communities where the appropriate people participate constructively in major decisions that affect them. He adds that school-based management is a governance reform designed to shift the balance of authority among schools, districts, and the state. David further says, to others, school-based management is a political reform initiated to broaden the decision-making base, either within the school, the larger community, or both.

School-based or site-based management (SBM) is “a form of decentralization that identifies the individual school as the primary unit of improvement and relies on the redistribution of decision-making authority as the primary means through which improvements might be stimulated and sustained” (Kenneth 1998:1). Spring (1997:1) says site-based management has been proposed as a way to make schools produce high levels of student achievement effectively. It is a way to restructure site-district relationships in a manner that provides much more power, authority and accountability to the school site level. Site-based management provides the conditions for restructuring school and classroom

organization. It allows school faculties to allocate money currently in the system, as well as target any new sources of funds into productive uses. To boost school results, a site-based management structure must decentralize significant authority to the school site and implement high quality curriculum standards in a restructured school organization.

Brown *et al* (1998:13) state that SBM led to a healthier and more professional climate, a greater range of people taking on leadership roles, and greater collaboration among teachers, parents, and other members of the community. They have observed that nothing succeeds because it is right and well thought out; it must be translated into reality by collective action. Herman *et al* (1992:2) feel that the principal as the key element, as a symbolic leader and architect of change his role in school-based management implies a realignment of interaction with the Department of Education, and district office, as well as the development of new relationships with himself and teachers. Parents and community members serving on SGBs will require training and guidelines to achieve effective collaborative decision-making.

2.3.2 Formulation of school-based policy

School leaders across the world, also in South Africa, are exploring ways to better educate students and improve school performance. Wolhstetter *et al* (1993:1) states that School-Based Management (SBM) offers a way to promote improvement by decentralizing control from central district offices to individual

school sites. It attempts to give school constituents such as administrators, teachers, parents and other community members more control over what happens in schools. SBM has been endorsed by many organizations, including the National Governors' Association in California, but so far, they do not have enough knowledge about how to make SBM work.

2.3.3 School-based budgeting

Hadderman (1999:1) states that as the public demands that schools be more productive and be held more accountable, a popular reform strategy is to give schools more authority over their budgets. School-based budgeting (SBB) is the facilitative arm of SBM, which shifts decision-making responsibilities from the district office to principals, teachers and community members. The rationale for switching to SBB, is that under a traditional district-centered finance system, a school receives resources (teachers, textbooks and transportation), but rarely money. Critics of these systems have argued that standardized budget allocations hamper efforts to design specialized programmes, lack incentives for staff improvement, inhibit the search for innovative instructional approaches, and stifle teacher and parent involvement.

The studies of Hadderman (1999), Pepper Sturm *et al* (1997), Spring (1997), Noma (1995) and Peterson (1991) suggest that the mere creation of formal SBB structures may not be a sufficient change to strengthen teacher and parent involvement. Limited access to budgeting information exacerbates the problem.

So do sanctions imposed for poor performance. Decentralization offers no guarantee that the school is meeting learners' and parents' needs. Others view decentralized budgeting as a strategy "to improve school funding by increasing revenues and reducing system wide costs" (Chan, as cited in Hadderman 1999:4).

Leithwood *et al* (1998:14) argue that the argument that only increased learning can justify restructuring fails to acknowledge two critical and closely related features of the context in which present and future schools must operate. One of the features is the end of the "borrow now, pay later" school of public finance. This feature takes the form of serious efforts in such countries as New Zealand, Canada, and Australia not only to reduce the government deficit but also to make progress in eliminating public debt.

A second closely related feature is increased competition from other social services for a greater share of the shrinking pot of public money due to basic demographic changes in the need for health care. If the implementation of SBM, for example, accomplished significant financial savings while not changing student learning, it would certainly be worth doing. Many of the cases of SBM reviewed suggested that its real purpose was to affect financial savings. Holding the quality of education constant while decreasing its cost is a school improvement goal that needs to be let uncovered. Therefore, there is a need for redesigning the entire school organization, particularly the finance system.

2.3.4 School-based financing system (SBFS)

There are different points of view in Australia and the United Kingdom concerning the notion of a school-based financing system. Firstly, Noma (2004:1) believes that devolving budget decision-making to school sites could only violate the financial responsibilities that most state laws vest in school boards, and also provide opportunities for fraudulent use of education money and even less effective use of education resources.

Secondly, this proposal seems to be at odds with the increasing role of the state in education financing. As the state picks up a large portion of the costs of public schools, it might be less willing to devolve spending decisions to even lower levels in the system. While one could argue against this position from the perspective of high performance management, this consideration nevertheless will be a major part of policy reform conversations.

Thirdly, many would argue that even school-based financing is a marginal solution to the problems of public schooling and that a market-driven strategy - such as vouchers, which attach some money to the child and let him/her choose a school, public/private –“ is the type of finance innovation needed to improve the education system dramatically “ (Noma 2004:1).

This is how the school- based policy is debated internationally. It becomes clear that the aim of school-based policy is to better educate students, improve school

performance and make schools produce high levels of student achievement. For schools to be more productive, it is suggested that power, authority and accountability be allocated to the school level.

2.4 International implementation of school-based policy

2.4.1 School-based Management (SBM) Programmes

In the educational arena, SBM has been viewed largely as a political reform that transfers power (authority) over budget, personnel and curriculum to individual schools. Little attention has been given to empowering school sites with control over information, professional development (knowledge) or compensation systems (rewards). Furthermore, when SBM programmes are analyzed, the general conclusion is that the extent of decision-making responsibility transferred to site teachers and administrators is limited. Experience from the private sector suggests that to effectively implement school-based management, districts need to design plans that not only transfer real authority to school sites but also expand the definition of SBM to include control over power, information, knowledge and rewards.

Hadderman (1999:2) states that schools that are highly involved in School Based Budgeting (SBB) need real power over the budget to decide how and when to allocate resources; they need fiscal and performance data for making informed decisions about the budget; their staff needs professional development

and training to participate in the budget process; and the school must have control over compensation to reward performance. What the districts also need to do is to offer strategies for managing the change to school-based management. Change is threatening to the people involved, because it entails new roles and responsibilities and because it challenges traditional assumptions and values. The change process has to be carefully managed (Pepper Sturm, *et al*, 2004: 3-4).

2.4.2 Success of SBM

Some districts and schools in other countries experience greater success than others in implementing SBM. Whilst some schools use SBM to redesign the school organization to accomplish an educational vision, other school communities are stuck on power issues like who should have access to the photocopying machine and who should represent parents or teachers in the site council. Odden in Spring (1997:2) states that “for SBM to work, people at the school site must have real authority over budget, personnel, and curriculum. For SBM to be a vehicle for improved school performance, that authority must be exercised to introduce changes in school functioning that actually affect student learning”.

According to Hadderman (1999:3) although many districts had a high involvement orientation of SBB, there is still a gap between ideal and actual practices. Some power was decentralized, but district and state constraints



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allowed schools little discretionary authority. Information sharing was restricted by district political culture; staff development was fragmented; and reward structures played a marginal role.

2.4.3 Advantages of SBM

Advantages of SBM cited by Peterson (1991:1) are that student performance is likely to improve, because teachers and principals are more sensitive to the needs of schools and students than are central administrators. Even sound educational reforms may falter if the teachers expected to implement them have not participated in planning them. New sources of leadership are created, establishing accountability, and aligning budgetary and instructional priorities. Shared decision-making improves staff morale and communication. SBM may even help to attract and retain quality staff.

2.4.4 Problems of SBM

The problems around SBM are that studies do not always indicate to what degree schools have redistributed power. Research done by David (1996:2) as a whole does not indicate that site-based management brings consistent or stable improvement in student performance. Many of school-based management's shortcomings are attributable to piecemeal implementation. The traditional pattern wherein the administrators make policy, teachers instruct, and parents provide support is maintained. These deeply ingrained norms are difficult to overcome. Brown *et al* (1998:10) argue that the schools resist efforts

to substitute alternative models for real schools. The first impact of reform on schools will result in fighting among stakeholders to renegotiate their power relations. This may delay the implementation of reforms.

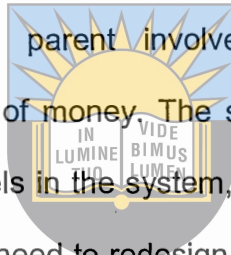
When council members are poorly trained, they are often confused and anxious about their new responsibilities. The councils tend to center on activities such as student recognition and discipline rather than instruction and curriculum (Peterson 1991: 2). Site-based management is an approach to educational reform that allows an individual school to make its own decisions related to finances and curriculum. According to Pepper Sturm *et al* (2004:2) site-based management is difficult to implement due to resistance by many of those involved in public education. For school boards and district superintendents it means a loss of authority. To principals it represents new responsibilities and open accountability. For teachers, it is yet another duty assignment that crowds an already crowded workday. The SBM approach does, however, find numerous advocates within parent groups and the business community.

2.4.5 Disadvantages of SBM

According to Pepper Sturm *et al* (2004:3) a disadvantage of site-based management is that it is a complex process. It may be difficult to find participants with the interest, time and expertise to make wise decisions. Site-based management can often be frustrating and sometimes slower than current systems. It implies additional responsibilities for teachers, taking time away from

teaching duties and may require additional training, and therefore additional costs. Finding the time for teachers to participate usually requires restructuring the school organization and the teacher's job, including how the teacher spends his or her time.

International experiences suggest that there are limitations to school-based policy. The first limitation is that the policy is not sufficient to ensure the strengthening of teacher and parent involvement. Secondly, there are opportunities for fraudulent use of money. The state is less willing to devolve spending decisions to lower levels in the system, and there is limited access to budgeting. Therefore, there is a need to redesign the entire school organization, especially finance.



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2.5 South African trends on school-based finance policy

2.5.1 Formulation of Section 21 school finance policy in South Africa

The government's commitment to school finance has been demonstrated by setting norms and standards for school funding. The Norms and Standards document acknowledges shortages in education provisioning in disadvantaged communities, and provides a framework for re-allocating recurrent costs on the basis of need.

The allocation of resources will be based on the list. See table below (adapted from the National Norms and Standards, [1996: 101], Figure 2).

Table 2.1: Resource targeting table based on condition of schools and poverty of communities

School quintiles, from poorest to least poor	Expenditure allocation	Cumulative percentage of population	Cumulative percentage of non-educator and non-capital recurrent expenditure	Per learner expenditure indexed to average of 100
Poorest 20%	35% of the resources	20%	35%	175
Next 20%	25% of the resources	40%	60%	125
Next 20%	20% of the resources	60%	80%	100
Next 20%	15% of the resources	80%	95%	75
Least poor 20%	5% of the resources	100%	100%	25

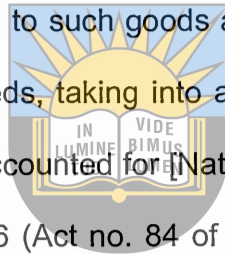
(National Norms and Standards, 1996:101, Figure 2)

Each Provincial Education Department (PED) is required to produce a “Resource Targeting List” of all schools in their province. Sorting of schools will be based on two equally weighted factors, namely:

- Physical condition, facilities and crowdedness of school.
- Relative poverty of the community around the school.

2.5.2 Allocation to schools

Schools on the Section 21 lists will receive a lump sum per learner transfer for the payments for which they are responsible, in accordance with the Resource Targeting Table. Such transfers will be smaller for better-off schools than for poorer schools. If a school's bills for these services or items are lower than the lump sum transfers, the SGB may allocate the transferred amount for the purchase of other education related items. In general, such SGBs may vary the proportion of the funding devoted to such goods and services according to their own perception of education needs, taking into account provincial policy. Such expenditure must of course be accounted for [National Norms and Standards for School Funding: 28, SASA, 1996 (Act no. 84 of 1996) and National Education Policy Act, 1996 (No. 27 of 1996)].



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2.5.3 Conditions for approving Section 21 functions

Although the goal of the Department of Education is that all schools should eventually develop the capacity to become Section 21 schools, there are conditions to be met. Here are some of them:

- The SGB must establish a Finance Committee and it must function well.
- Detailed records of all spending of public funds must be maintained accurately and audited annually.
- Management systems must be implemented to ensure the proper safekeeping of all financial records.

- Guidelines and regulations for the use of school equipment and facilities must be developed and implemented.
- Reasonable and attainable budgets must be prepared (Leo 2003:19).

An application for Section 21 will be approved only if the SGB members and the SMT members are able to perform the above functions.

2.5.4 Criteria for schools to be added to the Section 21 lists

The Norms and Standards for School Funding state that the provincial department must draw up a managerial capacity checklist as an objective test of governing body capacity (ECDoE 2001:9). The checklist must include items that measure the school's capacity to handle and account for public funds. The schools should have the capacity to meet ongoing contractual obligations to suppliers of goods and services. They should also have the ability to make financial decisions that are educationally sound. The criteria used must be transparent and public.

2.6 Implementation of Section 21 Schools' policy in South Africa (SA)

2.6.1 Implementations of Norms and Standards for Funding Schools

The Eastern Cape Department of Education (ECDoE) is fully committed to implementing the Norms and Standards in terms of section 8 of the National Education Policy Act, 1996 (No.27 of 1996). The DoE is required to carry out its monitoring and evaluation role in a reasonable manner. To do justice to the aims of the policy, the Department of Education will be focusing on an intensive

capacity building programme to manage budgeting, payment and procurement systems in district offices.

2.6.2 The school as a learning organization

The government's policy is to transform schools into learning organizations. If parents and teachers want their children to become responsible adults who manage their lives well, they need to model responsible, self-reliant behavior in their schools. If they want their schools to become high quality learning organizations, they need to become self-managing schools (ECDoE 2001:8).

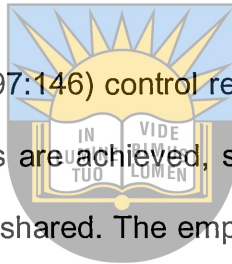


Hargreaves (1995a:226) states that schools have to be not just self-managing, but they also have to be learning organizations. When the school has to manage itself in order to improve the quality of teaching and learning, then the term 'learning organization' is a more accurate description of the kind of institution the school must become. The irony is that schools are organizations devoted to learning, but they are by no means always learning organizations.

For a school to become a learning organization, individual teachers must become learners. Learning must be shared and learning must be institutionalized. This means putting in place mechanisms to help the school to be a learning institution, and these mechanisms are still being discovered.

Hargreaves (1995b:4) postulates that.

Control theory is a source of ideas that are known to help make individuals more effective learners. Control theory within development planning can help to make self-managing schools learning institutions too. Control is not an easy word in the professional context, because it hints at the control of staff by management. Control can be used as a resource to help a school to be in control of itself and it provides insights into how self-managing schools can increase their effective self-control.



According to Bisschoff *et al* (1997:146) control refers to the checks that need to be in place to ensure that goals are achieved, sound accounting practices are implemented and information is shared. The emphasis today is on transparency and collective information sharing. Transparency means that all accounting transactions must be easily understood, clearly stated, and completed openly and honestly in consultation with other members of the institution.

Fullan (1995: 230) says:

Restructuring reforms that devolved decision making to schools may have altered governance procedures but did not affect the teaching-learning core of schools.

Taylor & Teddlie in Fullan (1995:230) reported higher levels of participation in decision-making, but they find found no differences in teaching strategies used. Teacher directed instruction and low student involvement predominated according to the study. There was no teacher- teacher collaboration, no changes

in classroom environment and student learning activities. The findings noted that principals and teachers were highly in favor of restructuring but did not make connections between new governance structures and the teaching-learning process. Therefore schools need to distinguish themselves by working on changes in the capacity of the school to engage in high performance activities, in order to become learning organizations.

Wohlstetter *et al* in Fullan (1995:232) argues that:

The keys to success involve greater knowledge and skill; greater information; power and rewards. That means continuous capacity development is a feature of successful restructuring of schools in terms of know-how and action inquiry, and the reward structure for high performance must be developed well.

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Donahoe in Fullan (1995:232) concludes that:

Fundamental changes are required in structure, time, and culture. He states that the most radical and politically difficult element of school restructuring is what needs to be done with the use of time in schools so that teachers can expand their role in ways that knowledge, skill and constant inquiry are built into the organization.

From the above statements it is evident that for creating learning organizations, schools must use time in new and better ways, reinvent around learning, develop local action plans to transform schools and share in the responsibility.

2.6.3 Financial school Management

According to Bisschoff *et al* (1997:3) financial school management is a process of ensuring that the School Governing Body and School Management Team plan, organize, delegate and control the funds of the school in such a way that it achieves its goals. For a school to function economically and efficiently school governance must know how much money is available in the bank; how much is still needed and for what. They must also devise means of getting the required money and must know how the money will be spent.

Leo (2003:15) states that effective financial management can help SGBs transform the vision of the school into a reality. Effective financial management will ensure that there are funds available to implement school development plans. The finance committee should ensure that the highest quality services are rendered at the lowest possible costs for the benefit of the parents, learners and educators.

2.6.4 Leadership and financial management

According to Bisschoff *et al* (1997:148) leadership can be defined as the ability to influence personnel so that they will strive willingly and enthusiastically toward the accomplishment of the objectives of the school. To successfully lead in financial management and in the financial committee of the governing body, one must be able to activate, direct, guide, motivate, and show leadership.

Leadership in financial management boils down to three aspects, namely: sound relationships, motivation of all the people concerned with school finances and communication with all the stakeholders, internal as well as external (Bisschoff *et al* 1997:150).

2.6.4.1 Financial school management relationships

It is the duty of the principal to form and maintain healthy relations and harmony among all stakeholders, especially when dealing with financial matters. The principal can achieve that first by involving internal stakeholders in the school's finances, but also by delegating and distributing the work among all staff members. Job descriptions should be stipulated clearly to avoid misunderstanding. Giving people freedom and autonomy implies that certain powers are delegated to those people. By virtue of their being in control of their activities with no outside directives to follow, they will feel totally responsible and accountable.

Bisschoff *et al* (1997:152) asserts that since the external stakeholders provide funds to the school, they can and will demand accountability. Therefore, it is important for the school to maintain good relationships with the community. The school can improve the relationship by involving external stakeholders in the school's activities and the school should also participate in community activities.

2.6.4.2 Financial school management and motivation

Bisschoff *et al* (1997:153) defines motivation as the management task involving use of all the forces and factors that will influence personnel to act willingly towards achieving the school's objectives. These forces and factors consist of the drives, desires, needs, and wishes that have a positive influence on personnel.

The school principal must differentiate his or her motivation strategy to suit both the internal and the external stakeholders. The principal must motivate internal stakeholders by ensuring a high morale. Each staff member must feel that he or she has a role to play in all of the school's activities. He must encourage staff to make effective use of scarce financial means and inspire them to carry out tasks requiring the use of school funds.

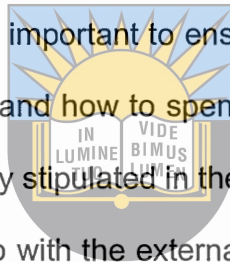
For the maintenance of a high level of education the school depends on the moral and financial support of the external stakeholders. In exchange, the school develops the youth of the community according to the spirit and character envisaged by those external stakeholders. External stakeholders should be involved in fundraising and be provided with feedback.

2.6.4.3 Financial school management and communication

The international Institute for Educational Planning in Latin America (1999:8) states that:

Communication is one of the areas most neglected by policy-makers and planners or persons wanting to introduce educational transformation at the local level. Many reforms, policies and other innovations have suffered from incomprehension and strong resistance on the part of different actors due to the absence of a clearly defined communication policy and strategy.

According to Bisschoff *et al* (1997:154) communication is aimed at providing and sharing information so that there is more complete knowledge by those involved in all activities. Communication is important to ensure that all stakeholders know when to make their submissions and how to spend the funds allocated to them. All these matters should be clearly stipulated in the financial policy of the school. Communication is necessary also with the external stakeholders, for the sake of sound financial management of the school. It is the duty of the principal to report to the external stakeholders on the budget for the next year, school fees, and the actual income and expenditure.



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It is evident that the principal and the SGB must take the leadership role in managing the school's finances efficiently and effectively. Furthermore, motivation, communication, and healthy relationships are essential elements of leadership.

2.7 Budgeting

Bisschoff *et al* (1999:313) states that possible problems and obstacles encountered in fulfilling financial school management functions are twofold.

Firstly, payment and collection of outstanding fees poses a problem in financial management. This problem is more acute in the disadvantaged and rural areas. Secondly, the lack of relevant knowledge and information among parents, governing board members, teachers and principals in disadvantaged schools appears to be an obstacle to financial school management.

According to the Eastern Cape Department of Education (2001:25) a budget is a written financial plan for managing money, setting out expected income and expenditure. One needs a budget to ensure that there are funds for day-to-day needs, for special project funding and for planning how one will develop the school. Bisschoff *et al* (1997:144) adds that a budget is a plan or a mission statement of the school expressed in monetary terms. It can be used for many purposes, such as controlling, monitoring, and analyzing expenditure.

It is clear that the mission of the school can only come to fruition through a budget. The mission can only be implemented if funds are available.

2.8. Conclusion

Financial school management should be the joint responsibility of the principal and the school governing body. Financial school management is fundamental to preparing and equipping school managers with financial skills and competencies that will enable them to be responsible and accountable for funds that have been received for specific school objectives. It will also equip them with

managerial skills and competencies that will enable them to make a contribution towards the improvement of the overall productivity of the school.

Chan in Hadderman (1999:4) views decentralized budgeting as a strategy “to improve school funding by increasing revenues and reducing system wide costs”. In a study done in Chicago from 1989 to 1993, researchers have, to date, found only a weak link between SBB/SBM implementations and improvements in student achievement (Hadderman 1999:4).



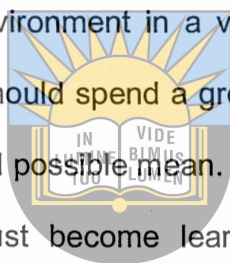
Samoff (1999) in Van Wyk (2003:5) contends that experience with decentralization in education in Africa has been mixed, often disappointing and that the expected benefits, such as improved administration, increased efficiency, reduced bureaucracy, and enhanced democratic participation and empowerment have proved not real. However, one can argue this is not necessarily because new education policies are poorly implemented, but rather because cognizance is not always taken of the complexities and uniqueness of individual schools and communities.

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Moreover, it should be kept in mind that for policy to have a chance of success, sufficient numbers of people must be sufficiently persuaded that it is right, necessary and implementable. Almost any education policy will fail if it does not have the support of two essential constituencies: those who are expected to benefit from it and those who are expected to implement it. This means that both

parents and teachers need to be convinced that a partnership, motivation and communication between the school and the home will benefit all concerned, particularly the learner.

Changes are necessary in education, because the school is not currently enough of a learning organization, and teaching is not yet enough of a learning profession (Fullan 1995:230). The school as a learning organization is dynamically plugged into its environment in a variegated and complex set of relationships. All stakeholders should spend a great deal of time trying to figure out what systematic reform could possible mean. This, of course, is another way of concluding that schools must become learning organizations. The next chapter presents the research design and methods.



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CHAPTER 3: RESEARCH DESIGN AND METHODS

3.1 Introduction

The aim of this study is to investigate whether SGB, SMT and finance committees in disadvantaged schools have the required or adequate skills to manage finance. The aim of this chapter is to describe the research paradigm, methodology, research instruments, data analysis, trustworthiness, triangulation and research ethics that are used in this study.



3.2 Research Method

3.2.1 Qualitative Research

According to Denzin *et al* (1994:1) qualitative research is a field of inquiry in its own right. It is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. This means qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them. Denzin *et al* (1994:2) states that qualitative research involves the studied use and collection of a variety of empirical materials - case studies, personal experiences, life stories, interviews, observational methods, historical methods, interactional methods, and visual texts - that describe routine and problematic moments and meanings in individuals' lives. Accordingly, qualitative researchers deploy a wide range of interconnected methods, hoping always to get a better fix on the subject matter at hand.

3.2.2 Qualitative Method

This study is qualitative in character. Hammersley in Silverman (2000:103) suggests three methods by which we can attempt to generalize from the analysis of a single case:

- Obtaining information about relevant aspects of the population of cases and comparing our case with them.
- Using survey research on a random sample of cases.
- Co-ordinating several ethnographic studies.

Hammersley (2000:103) argues that such comparisons with a larger sample may allow us to establish some sense of the representativeness of our single case. Hammersley's first method is more useful because, at its simplest, this method only involves reading about other cognate studies and comparing our case with them. In this study I obtained information about relevant aspects of financial management from ex-Model C schools and compared it with disadvantaged Section 21 schools.

3.2.3 Why the qualitative method?

The qualitative method is used in this study because it is a naturalistic approach that seeks to understand phenomena in context-specific settings, such as a "real world setting [where] the researcher does not attempt to manipulate the phenomenon of interest" Patton (2002) cited by Golafshani (2003:600) In this study I seek to understand the skills that are required by SGB, SMT and finance

committees for the management of finance in disadvantaged rural schools. This kind of research should produce findings derived from real-world settings where the “phenomenon of interest unfolds naturally”.

Qualitative researchers have come to embrace their involvement and role within the research. As an observer I wish to be part of what is observed, driven by human interests, focusing on meanings and trying to understand what is happening in Section 21 Schools. Patton (2002) cited by Golafshani (2003:600) supports the notion of the researcher's involvement and immersion into the research by noting that the real world is subject to change so that qualitative researcher should be present during the changes to record an event after and before the change occurs. Qualitative researchers need to prove and demonstrate that their studies are credible. While credibility in quantitative research depends on instrument construction, in qualitative research, “the researcher is the instrument”. Thus, it seems when quantitative researchers speak of research validity and reliability, they are usually referring to a research that is credible while the credibility of qualitative research depends on the ability and effort of the researcher.

In this study I am investigating whether the disadvantaged rural schools that are accorded Section 21 status are capable of managing their finances. I based my research on Hammersley's in three suggested methods mentioned above... I

obtained information from ex-Model C schools regarding management of finance and compared it with the management of finance in disadvantaged schools.

3.3 Case Study

Cohen *et al* (2000:180) defines a case study as a specific instance that is frequently designed to illustrate a more general principle. It is the study of an instance in action. It provides a unique example of real people in real situations, enabling readers to understand ideas more clearly than simply by presenting them with abstract theories or principles. This study is situated in schools where there are real people in real situations. I have used the opportunity of investigating real people in order to understand their ideas about Section 21 schools more clearly. Case studies can penetrate situations in ways that are not always susceptible to numerical analysis. Case studies can establish cause and effect, indeed one of their strengths is that they observe effects in real contexts, recognizing that context is a powerful determinant of both causes and effects.

I have investigated the interpretation and meaning that SGB members, SMT members and finance committees gave regarding management of finance. Yin in Creswell (1994:12) defines a case study as a study in which the researcher explores a single entity or phenomenon bound by time and activity and collects detailed information by using a variety of data collection procedures during a sustained period of time. Doing a case study has been appropriate because it has provided an opportunity to establish what SGB and SMT members think of

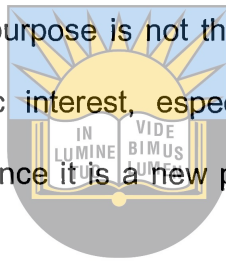
Section 21 schools and how they understand the policy and its implications. Gillhalm (2000:1) states that a case study is one which investigates a phenomenon to answer specific research questions and which seeks a range of different kinds of evidence, evidence which is there in the case setting, and which has to be abstracted and collated to get the best possible answers to the research questions.

Case studies can be descriptive research studies of process and implementation issues to examine how, why and under what conditions a programme works. Hence I have used it in this study, to examine how disadvantaged Section 21 rural high schools manage their finances as compared to ex-Model C schools. If the schools differ, why is that so and under what conditions do Section 21 schools function? Case studies can give insight about which relationships should be further investigated to determine causality. They can be used to identify the factors that contribute to improvements. For example, I am investigating the skills that are needed by SMT and SGB members of the disadvantaged Section 21 schools, in order to meet the financial and managerial requirements for Section 21 status. This investigation is to identify factors that can contribute to improvements in disadvantaged Section 21 schools.

3.3.1 Purpose of the Case Study

Different researchers have different purposes for studying cases. Stake in Denzin *et al* (1994:237) states three types of case study: intrinsic, instrumental

and collective case study. In the intrinsic case study, the study is undertaken because one wants a better understanding of this particular case. It is not undertaken primarily because the case represents other cases or because it illustrates a particular trait or problem, but because, in all its particularity and ordinariness, the case itself is of interest. This study is an intrinsic case study because of the particular interest in Section 21 schools. The purpose is not to come to understand some abstract construct or generic phenomenon, such as what school principals do. The purpose is not theory building, but the study is undertaken because of intrinsic interest, especially in the management of finance in Section 21 schools, since it is a new policy for these disadvantaged schools.



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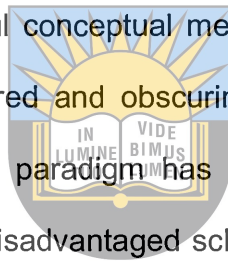
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To study the case, many researchers will gather data on the following aspects:

- The nature of the case
- Its historical background
- The physical setting
- Other contexts, including economic, political, legal, and aesthetic
- Other cases through which this case is recognized
- Those informants through whom the case can be known (Denzin *et al* :1994:2)

In this study all of the above apply, because uniqueness is likely to be pervasive, extending to all of the aspects.

Researchers report their cases as cases that will be compared with others. They differ as to how much they will take responsibility for making comparisons, setting up comparative cases for the reader, or acknowledging reference cases different for each reader. According to Denzin *et al* (1994:241) most naturalistic, ethnographic, and phenomenological researchers will concentrate on describing the present case in sufficient detail so that the reader can make good comparisons. Sometimes the researcher will point to comparisons that might be made. Comparison is a powerful conceptual mechanism, fixing attention upon the few attributes being compared and obscuring other knowledge about the case. Using case study as my paradigm has helped me to concentrate on describing the present case in disadvantaged schools in detail so as to be able to compare this situation with the situation in ex-Model C schools.



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3.3.2 Limitations of Case Studies

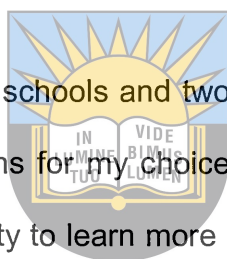
Case study research serves to describe a single unit, such as a single school, or a small number of units, such as a small number of schools. Because samples will, of necessity, be small, findings from the case study cannot be generalized from the sample to a larger population. That is why case studies have the following limitations:

- The results may not be generalizable except where other researchers see their application.
- They are not easily open to cross-checking; hence they may be selective, biased, personal and subjective.

- They are prone to problems of observer bias, despite attempts made to address reflexivity (Cohen *et al* 2000:184).

3.4 Research participants

Denzin *et al* (1994:243) states that the most unique aspect of case study in the social sciences and human services is the selection of cases to study. Intrinsic casework regularly begins with cases prespecified.



I have selected two ex Model- C schools and two disadvantaged schools in the Fort Beaufort district. The reasons for my choice are: availability, accessibility, theoretical interest and opportunity to learn more about Section 21 policy. Other participants in this study are South African Democratic Teachers Union (SADTU) executive members because of the role they play in this specific district. There are also participants who handle everything concerning Section 21 schools from the Fort Beaufort district office and the Eastern Cape Department of Education. These are people who are interested in the development of education in the Eastern Cape. They are practically involved in the implementation of Section 21 policy. The purpose of the study is to compare these different types of schools in order to see the gaps and to develop strategies of bridging them.

3.5 Research Instruments

For this case study I have used in-depth interviews, semi-structured, elite interviews and focus group interviews, direct and participation observation, and documentary records.

3.5.1 In-depth Interviews

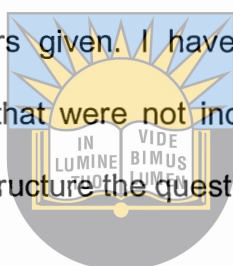
Researchers interview people to find out from them those things they cannot directly observe (Greenfield 1996:169) According to Arksey *et al* (1999:32) interviewing is a way of uncovering and exploring the meanings that underpin people's lives, routines, behaviors and feelings. These interviews focus on the informants' understandings because they allow me and my respondents to explore the meaning of the questions and the answers involved, which is not so central to, and not so often present in, other research procedures. Such interviews allow answers to be clarified, which is not the case with self-completion questionnaires. Furthermore, in-depth interviews allow for understanding and meanings to be explored in depth. These are the reasons why I have chosen in-depth interviews. In this study different groups of people are interviewed in order to establish what skills are required for managing finance in Section 21 schools.

3.5.2 Semi-structured interviews

Gillhalm (2000:65) states that a semi-structured interview is the most important form of interviewing in case study research. Its apparent simplicity is deceptive.

It can seem almost 'natural': there is a pace, fluency, and responsiveness that seems to have nothing of 'technique' about it. This flexibility is what makes the semi-structured interview such a productive research tool, but 'naturalness' rests on a clear structure, carefully developed and practiced.

Semi-structured interviews were chosen because questions are specified, and yet there is freedom to probe beyond the answers, and seek both clarification and elaboration on the answers given. I have done piloting by distributing interview questions to schools that were not included in this study. From the responses I received I could restructure the questions.



3.5.3 Elité Interviews

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Gillhalm (2000:63) states that elité interviewing is when you interview someone in a position of authority, or especially expert, or authoritative, people who are capable of giving answers with insight and who have a comprehensive grasp of what it is you are researching.

I interviewed district and provincial officials concerning management of finance in Section 21 schools. My interviews with such officials were relatively unstructured, firstly, because they know more about Section 21 schools than I do. Secondly, by virtue of their authority and experience they have their own structuring of their knowledge. Although they were particularly informative they helped me with information about where and what documents are to be found

and what other people I should speak to. They demanded a level of accountability and report back, and so I have undertaken to show them my findings, also because I hope that in return they can be important, good 'facilitators'. Facilitators will know the results and findings of the study and therefore know what is expected of them in their facilitation.

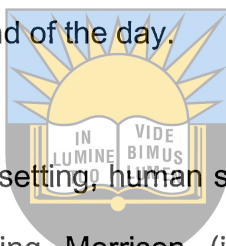
3.5.4 Focus Group Interviews

A focus group is a selection of people who are invited to respond to researchers' questions, findings from earlier studies, policy documents, hypotheses, and concerns (Arksey *et al* 1999:77). I conducted group interviews for this study with SGB and SMT members, finance committees and the SADTU, Alice branch executive, in their work places. Each group session lasted for one and a half hours. I used group interviews for this study because these groups had experienced changes in working practices. They are involved in the management of finance in schools as groups.

I used focus group interviews to be sure that my instruments do explore the way people feel, think, and say they act, and do not simply test my view of how these things ought to be. All interviews were tape-recorded, because I wanted to concentrate on what was said. Another reason for tape recording is that there is a permanent record that captures the whole of the conversation verbatim, as well as tone of voice, emphases and pauses.

3.5.5 Observation

The term observation according to Mason (2002:84) usually refers to methods of generating data which entail the researcher immersing her or himself in a research 'setting' so that they can experience and observe at first hand a range of dimensions in and of that setting. Observation was attractive because it afforded me with the opportunity to gather 'live' data from 'live' situations. At each school I could observe what was happening, from when the bell rings for the school to start, up until the end of the day.

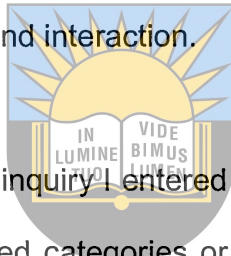


I gathered data on the physical setting, human setting, interactional setting and the programme setting, following Morrison (in Cohen 2000:305). I have observed the physical environment and its organization; the organization of the people; the interactions that were taking place, whether formal or informal, planned or unplanned, verbal or non-verbal, and the resources and their organization. These observations have helped me to see things that may have been missed in an interview and to discover things that participants might not wish to share with me.

Observation is appropriate to this study because this method is both an overall approach to enquiry and a data-gathering method. It demands firsthand involvement in the social world chosen for study. Marshall *et al* (1999:106) states that immersion in the setting allows the researcher to hear, see, and

begin to experience reality as the participants do. This immersion offered me the opportunity to learn directly from my own experience of the setting.

Observation entails the systematic noting and recording of events, behaviors, and artifacts (objects) in the social setting chosen for a study. The observational record is frequently referred to as field note detailed, non-judgmental, concrete descriptions of what has been observed. Through observation, I documented and described complex actions and interaction.



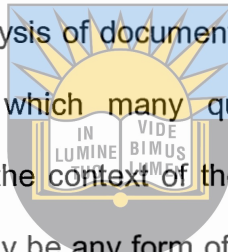
In the early stages of qualitative inquiry I entered the setting with broad areas of interest but without predetermined categories or strict observational checklists. That allowed me to discover recurring patterns of behavior and relationships. After such patterns were identified and described through early analysis of field notes, checklists became more appropriate. Focused observation was then used at later stages of the study to check analytic themes to see if they explain behavior and relationships in a variety of settings. This method was used in conjunction with other sources of information.

3.5.6 Review of Documents

There are many different ways of generating data from documents, including the use of the Internet, and there are many different types of documents. For this study I have made use of: Acts of Education; books; manuals; other publications; computer files and documents; newspapers and other materials

available on the Internet and World Wide Web. After the data had been gathered from these documents, I determined where the greatest emphasis lay and analyzed the information.

According to Marshall *et al* (1999:117) use of documents often entails a specialized analytic approach called content analysis. It is viewed as a method for describing and interpreting the artifacts of a society or social group. Mason (2002:103) states that “the analysis of documentary sources is a major method of social research and one which many qualitative researchers see as meaningful and appropriate in the context of their research strategy”. The raw material for content analysis may be any form of communication, usually written material.



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I have made use of governmental finance policy documents. After analyzing these documents I compared them with the information gained from district and provincial officials. I have chosen to use documents because written words, texts, documents, and others, are meaningful constituents of the social world in themselves. I am interested in the processes by which Section 21 policy was formulated. Secondly, documentary methods suggest that texts, documents, written records and artifacts can provide or count as evidence in the study. Documents may provide a way of gaining access to, for example, processes undertaken in formulation and implementation of Section 21 policy, things I cannot observe. Documents were used to verify or clarify personal recollections

and other forms of data derived from, for example, interviewing and observation (Mason 2002:107).

3.6 Data analysis

Data analysis is the process of bringing order, structure, and interpretation to the mass of collected data. It is the search among data to identify content for ethnographies and for participants' "truths" (Marshall *et al* 1999:150). I made use of the six phases of analytic procedures suggested by Marshall *et al* (1999:152). The phases are: (a) organizing the data; (b) generating categories, themes, and patterns; (c) coding the data; (d) testing the emergent understandings; (e) searching for alternative explanations; and (f) writing the report.

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In organizing the data, I began by transcribing the interview data and focusing on the data of high quality. I listed the available data on the note cards, and performed minor editing, paying careful attention as to how data is being reduced.

Secondly, as the data has taken the form of reviewing the three sets of data, I have identified issues, and reported them as main themes of the research questions. After generating categories and themes, I applied a coding scheme to those categories and themes, and marked passages in the data using the codes. Once categories and themes were developed and coding was well under way, I began the process of evaluating the plausibility of developing

understandings and exploring them through the data. I challenged the understandings, searched for negative instances of the patterns, and determined how useful the data was in illuminating the questions being explored.

Marshall *et al* (1999: 157) states that as the researcher discovers categories and patterns in the data, he or she should engage in critically challenging the very patterns that seem so apparent. I have tried to search for other plausible explanations for the data and linkages among them. I compared the themes and was able to identify commonalities and differences and build a logical interrelationship among them.



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To Marshall *et al* (1999:157) writing about qualitative data cannot be separated from the analytic process. In fact, it is central to that process, for in the choice of particular words to summarize and reflect the complexity of the data, I engaged in the interpretive act, lending shape and form and meaning to massive amounts of raw data.

3.7 Triangulation

To Arksey *et al* (1999:21) “triangulation is a technical term used in surveying, military strategy and navigation to describe a technique whereby two known landmarks or reference points are used to define the position of a third”. The basic idea of triangulation is that data are obtained from a wide range of different

and multiple sources, using a variety of methods, investigations or theories. In this study I have administered an in-depth interview schedule, and made use of documents, and complemented those data with a series of observations. At the same I have gathered data from the group from several sets of stakeholders and that put me in a position to compare aspects.

Patton (2002:555) states that by combining multiple observers, theories, methods, and data sources, researchers can hope to overcome the intrinsic bias that comes from single-method, single-observer, and single-theory studies. I attempted to triangulate the sets of data by:

- Comparing observation with interviews
- Comparing what people say in public with what they say in private
- Checking the consistency of what people say about the same thing over time
- Comparing the perspective of people from different points of view
- Checking interviews against programme documents and other written evidence that can corroborate what interview respondents report.

Arksey *et al* (1999:21) states that triangulation is not just about using as many different methods or sources of data collection as possible, it also serves as confirmation. When the approach is used for confirmation purposes, the

individual strengths, weaknesses and biases of the various methods must, first, be known and, then, applied in such a way that they counterbalance each other.

3.8 Trustworthiness

This study used Guba's trustworthiness model (cited by Krefting, 1991:214-215) to establish the validity and reliability of the qualitative research. There are four criteria for trustworthiness:

- **Truth-value:** A qualitative study is credible when it presents such accurate descriptions or interpretations of human experiences that people who share experiences would immediately recognize the descriptions.
- **Applicability:** As qualitative research is contextual and because each situation is unique, the findings may be transferred but not generalized.
- **Consistency:** This refers to the degree to which the findings of the research will remain consistent should the research be replicated with a similar sample and in a similar context.
- **Neutrality:** This refers to the "degree to which the findings are a function solely of the informants and conditions of the research and not of other biases, motivation and perspectives"; objectivity is the criterion of neutrality. Also in qualitative research the neutrality of the data is emphasized rather than the neutrality of the researcher.

For the **truth-value**, I used triangulation, which refers to the attempt to get a 'true' fix on a situation by combining different ways of looking at it or different

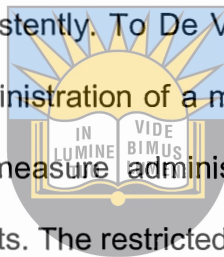
findings. I used the constant comparative method. To Silverman (2000:179) the comparative method means that the qualitative researcher should always attempt to find another case through which to test a provisional hypothesis. The constant comparative method involves simply inspecting and comparing all the data fragments that arise in a single case. I employed this constant comparative method in my study of how finance is managed in Section 21 schools. I focused on multiple realities revealed by informants as adequately as possible. I also focused on testing my findings against the views of various groups from which the data was drawn and of persons who are familiar with Section 21 policy.



Applicability, according to De Vos (1998:349), refers to the degree to which the findings can be applied to other contexts and settings or with other groups. Generalization is not relevant to this study, because every research situation is made up of a particular researcher in a particular interaction with particular informants. The strength of this method is that it is conducted in naturalistic settings with few controlling variables. I have defined each situation as unique and each case is thus less amenable to generalization. Applicability, then, is not seen as relevant to qualitative research because its purpose is to describe a particular phenomenon or experience, not to generalize to others. Guba's model in De Vos (1998:349) presented the second perspective on applicability in qualitative research by referring to fittingness, or transferability, as the criterion against which applicability of qualitative data is assessed. My findings can be

transferred to a situation or population other than that of my own original study, because I attempted to present sufficient descriptive data to allow comparison.

For **consistency**, I assigned instances to the same category by the same observer on different occasions. I assigned instances to SGBs, SMTs and finance committees of different schools and observed those instances on different occasions. I have documented my procedure and demonstrated that categories have been used consistently. To De Vos (1998:350) consistency is the extent to which repeated administration of a measure will provide the same data or the extent to which a measure administered once, but by different people, produced equivalent results. The restricted methods of observation that I have used intended to pass this replication test.



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Neutrality refers to the degree to which the findings are a function solely of the informants and conditions of the research and not of other biases, motivation and perspectives (De Vos 1998:350). Guba's model in De Vos (1998:350) shifted the emphasis of neutrality in qualitative research from the researcher to the data, so that rather than the neutrality of the investigator, the neutrality of the data is considered. I attempted to achieve neutrality by adhering to established criteria of truth value and applicability.

3.9 Research ethics

Mason (2002:41) states that “qualitative researchers should be as concerned to produce a moral or ethical research design ...” this means not only trying to carry out the data generation and analysis morally, but also to plan the research and to frame questions in an ethical manner too” (Mason 2002:41).

The case study involves obtaining a lot of personal and intimate data from respondents. The common problem for qualitative researchers is to balance detail and respect for privacy. Ethical issues I have taken into consideration were anonymity, confidentiality and voluntary participation of my respondent. I experienced proper limits to unwelcome questions in seeking data relating to respondents' private and professional lives. Thus, where the respondents show reluctance to elaborate, I respected their decisions.

Scott & Usher (1996:38) recommend that open and democratic research, participants and institutions require that they give their informed consent to take part in the research and individuals must be consulted about and agree as to what data is to be collected and included in the research. I have written a letter to the institutions and consulted the participants for the research (see appendix A &B).

To safeguard the rights of those researched in this study; I requested permission from the Department of Education to have access to documents in provincial

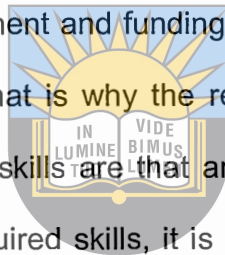
and district offices and informed the DoE that consent to research on sites had already been granted by the institutions in question. I explained the purpose of the study and the procedures to be employed to the SMT members, finance committees and SGB members concerned. Davies (1999:42) cites that one problem with informed consent is that participants may not be familiar with the terminology of the research. However, participants in this research, all qualified educators and experienced in research at degree level, are familiar with the terminology of the phenomenon under study. Except for those SGB members who are illiterate I have made use of Xhosa language to explain the questions. I have used pseudonyms for the sites and names of the SMT members, SGB members and participants in the research report to ensure anonymity.

The next chapter consists of data presentation, analysis and discussion.

CHAPTER 4

4.1 Data Presentation

The research question this study seeks to answer is whether SGB members have the required or adequate skills to manage finance in disadvantaged Section 21 rural schools. The Section 21 School model requires that the governing body be legally responsible for the management of the school. This means that such bodies have greater managerial and decision-making power with regard to financial management and funding. The Section 21 policy is new in disadvantaged schools and that is why the research sets out to determine what the financial management skills are that are required by SGB members. After having established the required skills, it is important to establish how the proposed skills will be introduced and implemented.



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This chapter presents the data gathered through interviews, observation and documentary records.

4.2 Triangulation

In presenting a comprehensive portrayal of the phenomenon under investigation, I have used three sets of triangulation. In this study I have administered an in-depth interview schedule, made use of documents, and have complemented these data with a series of observation. This constitutes the first set. For the second set, I have gathered data from the group with an interest in the study the disadvantaged schools and from ex-Model C schools and from SADTU. For the third set I have used documents and several groups of

stakeholders, such as Fort Beaufort district officials and officials from the Department of Education in the Eastern Cape. This enabled me to compare aspects of Section 21 policy.

By combining multiple observers, theories, methods, and data sources, I hope to overcome the intrinsic bias that comes from single-method, single-observer, and single-theory studies. The data are presented according to themes identified by triangulation. Respondents are distinguished from each other by means of the following codes:

P= Principal

SGB= School Governing Body

EDO= Education Development Officers

PO= Provincial Official

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SADTU= South African Democratic Teachers Union



The numbers (1-4) indicate the order in which the transcripts were analyzed.

The following are the themes that emerged from the data obtained from the three sets of triangulation:

- Changes in education
- Lack of Training
- Financial management for self-managing schools
- Lack of support and guidance
- Threats or challenges

4.3 Responses

4.3.1 Changes in education

All new policy initiatives in education imply change, whether for better or worse. In the last decade we have seen a large number of educational policies developed at national and provincial levels in order to bring about radical change in the educational system.

4.3.2 Situational analysis

“Changes in education” emerged as a strong theme in this study. Most respondents indicated that no situational analysis preceded the Section 21 policy’s introduction.

P1 claims that no situational analysis was done in his school,

I am still having the old resources of the ex-Model C school which was a school for whites, now it is 90% black, 8% colored and 2% white. The conditions are not the same, because the very community that is serving the school is poor now.

When I visited the school, I observed that the buildings were outdated; resources for technical subjects were old and partially defunct, an indication that things were not as before. If a situational analysis had been carried out it would have shown that the situation in ex-Model C schools has changed and the largest population of the school is now black learners from impoverished communities.



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P4 reiterates:

... Look at the classrooms that block can fall any time, no school telephone, photo-copier is broken, we do not have even one computer yet the school is given R39000 for the whole year, what is R39000? Where do we start---

Principals from disadvantaged schools indicated that they do not know even what principles and concepts underlie the Section 21 policy. They believed that if a situational analysis had been done their schools would have been renovated before they were given Section 21 status. They claim that the money they are given is too minimal if it includes maintaining school buildings.

All SGB members indicated that no situational analysis ever happened in their schools, unless it was done without them by the Department of Education. They strongly feel that a situational analysis is necessary, so that every school can be funded according to need. Education Development Officials from Fort Beaufort district and officials from the Eastern Cape Province, who are dealing with Section 21, indicated that situational analysis was done through Education Management Information System (EMIS) forms. Everything about the schools was derived from EMIS forms, and they allocated funds on the basis of information so provided to them.

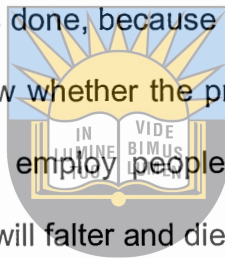
PO:

There is only one person in the Province who is dealing with Section 21. She cannot manage to visit all 24 Districts in the

Province; therefore we depend on the information we get from EMIS, the information the schools supply to us. We only hope that the information is true since it has passed so many hands before it reaches us, like Education Development Officers and the District Managers.

SADTU:

No situational analysis was done, because there is no human resource at our district, we do not know whether the province has people to do that. The Department needs to employ people to carry their vision through otherwise all their policies will falter and die because of the lack of human resources.



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My observation as to whether a situational analysis was done or not, confirms that no analysis was undertaken. The Department of Education, however, indicated that it relies on the information provided by schools on the EMIS-forms. The documents also show that the Department made use of EMIS-forms and census. No one from the Department visited the schools for verification; therefore the information may be skewed.

4.3.3 Why Section 21?

The Section 21 model requires that the governing body be legally responsible for the financial management of the school. The Schools Act was the first attempt to involve communities in governance and to set out guidelines for

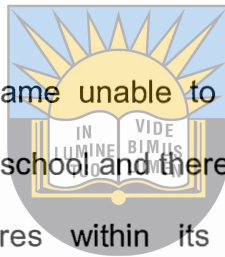
managing schools. It gives responsibility to school governing bodies, making parents primarily responsible for the education of their children (SASA 1997:23).

P1 and P2 said

The government wants the schools to be autonomous and communities to own the schools and emphasizes a partnership between the parents and itself

P3 and P4 commented

That the state became unable to meet all the finance related requirements of the school and therefore forces the SGB to take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education to all learners at school.



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The SGBs also believed that the government is shifting responsibility to them, and that is seen to be confirmed by a lack of support from the Department of Education.

Edo's believe that the

Education system is driven by schools that are independent, and self sufficient, and that the government wants schools to have more freedom in managing their affairs, and so opened the door to better ways of managing the moneys available.

PO contends that

The new policy was introduced in order to empower schools to use their communities in determining how resources could be applied to greatest effect, and efficiently. It was also introduced to redress the imbalances of the past.

The SADTU view is that

The introduction of Section 21 reflects a failure on the part of government to manage the schools, and SADTU is concerned about how the schools can be in a position to manage their finances, if the government could not. Therefore SADTU is saying the government is just shifting responsibility.

The respondents from disadvantaged Section 21 schools view the introduction of Section 21 as a shift of responsibility away from the government, while the respondents from ex - Model-C school view it as an opportunity to own the school.

4.4 Lack of Training

A strong theme emerging from the data is that training is very important when a new policy is introduced. Training that is coherent and continuous helps people to move from old competences to new competences and is to develop new behaviors (skills), beliefs, and ways of thinking. One cannot hope to implement change without persuading people that it is necessary, and that can be done through training.

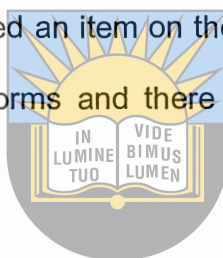
Most respondents such as principals, SGB members and SADTU, highlighted training as most crucial for the introduction of Section 21 policy. They claim that no training took place, although it is most necessary for principals most of whom do not have the financial management skills required to manage Section 21 schools. Most SGB members are illiterate and therefore cannot handle huge amounts of money. SADTU indicated that to improve the conditions of schools is not to allocate thousands of rand to people who do not know how to use the money effectively. SADTU insists that people should be trained first and money allocated afterwards.



Principals and SGB members claim that they need to be capacitated in order to assume the functions to be performed by Section 21 schools. One of the reasons provided was that these days a lot is expected of the principals and the SGB members in the running of the school.

P1 argued that they were never trained by the Department of Education. They were fortunate because, as ex-Model C school they had been practicing this policy for quite a long time. He explained that they are also helped by their union because they are called twice a year to a principals' symposium, where they are equipped with knowledge and skills regarding the management of schools. When they come back they report in the form of a workshop and all cooperate to implement the change.

The district and the province indicated that they did do the training. The province said they have trained people from 24 different districts to such an extent that they are busy with their second round of training, but unfortunately our district was not represented. The district said they have done 2-3 workshops during 2004, training principals and SGB members and they intend to have another workshop when schools reopen in January 2005. When I went back to P2, P3 and P4, they claimed that they were called to a meeting by the district only once. The agenda contained an item on the issue of Section 21, but they were merely given application forms and there was no one to address their concerns.



4.5 Financial management for self-managing schools

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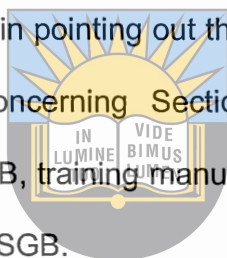
The process of change away from the apartheid education model has resulted in a very different structure for the schooling system at all levels, from the national Department of Education down to the individual school. The powers and functions of schools have been redefined and enhanced within a new system of school governance. Hence the following picture that emerges from the respondents reveals the importance of financial management for self-managing schools:

4.5.1 Financial Responsibilities of the School Governing Body

Parent involvement can become real if parents perform the duties assigned to them. The SGB, therefore, should be in a position to form committees especially

a finance committee. They should be able to budget, establish and implement internal auditing, make purchases for the school and control the school's bank account.

All respondents in disadvantaged schools claimed that, although they have documents that indicate responsibilities of the SGB, their SGBs cannot manage to do such duties. They said the Department of Education has got to be patient with them; they are not ready to perform these duties because they need training first. SADTU echoed this in pointing out that our SGBs are illiterate, and do not understand anything concerning Section 21 schools. Even if the government plans to train the SGB, training manuals should also be available in Xhosa to benefit members of the SGB.



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Respondents from ex-Model C schools do not have such problems, because they have been exposed to this way of working for a long time.

SGB1 explains:

We are used to doing these functions, but we need support and guidance in order to improve upon our strategies, which may be outdated in some ways.

DO and PO feel that the SGB is responsible for the management of finance in Section 21 schools. The SGB may delegate, in writing, the responsibility of managing the finances to the finance committee. The governing body may appoint people who are not members of the SGB to serve on these committees to ensure expertise.

4.5.2 Responsibilities of the Finance Committee

If the organizational structures are in place, the necessary committees will be established and therefore they would be able to manage their school funds. The finance committee should administer the school finance in accordance with the responsibilities of the SGB and ensure that proper financial records of all income and expenditure are kept. It should prepare financial records and draw up a financial policy for the school.

In ex-Model C schools there are well established finance committees able to develop and implement a finance policy and construct a budget and keep control of it. By contrast, most disadvantaged schools, have no finance committees.

P3 said

We have just elected the finance committee now in November, for the first time in this school; they are still learning how to perform their duties.

To ensure effective functioning of finance committee, P1 suggests,

it is vital for this committee to conduct regular meetings to discuss financial matters and members should be committed to carrying out their responsibilities.

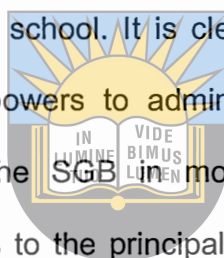
4.5.3 Financial responsibilities of the School Management Team

The School Management Team, headed by the principal, is an important role-player in the financial management of the school. The principal should serve on

the SGB and Finance Committee and monitor the implementation of the financial policy. The deputy principal should assist the principal and, if instructed, be responsible for school finances and the maintenance of services and buildings. The principal can delegate some responsibilities to senior members of the staff.

P2 agrees:

The Department sets down the criteria we have to follow in managing the school. It is clear that the SGB is provided with all the powers to administer and control the whole school, but the SGB in most cases delegates various financial tasks to the principal and thus holds the principal accountable.



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P4 claims that:

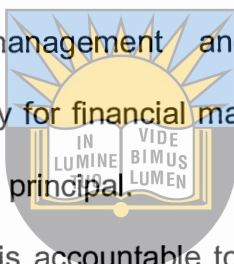
Although the SGB is accountable to the parents for school funds, the principal is always there, ensuring that the school's finances are managed efficiently. The principal is the first and the last person to account to the government about everything that takes place at school.

Even the SGB confirms that they are responsible for management of finance, on paper; in fact, the principal does everything for them in the management of finance.

And DO says:

The SGB is responsible and accountable for the management of funds of the school. The principal must facilitate, support and assist the SGB in financial management issues. When we need information about finance in schools we go straight to the principal, not the SGB, hence they should support one another.

SADTU comments: Most SGB members have no or little information about financial management and that means the prime responsibility for financial management will, in most cases, rest with the principal.



Despite the fact that the SGB is accountable to the parents for school funds, principals see their role as guides in ensuring that decisions are taken and actions are carried-out in the best interest of all concerned.

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4.5.4 School's finance policy

In order for a school to manage its finances effectively and efficiently a School finance policy must be developed and adopted by all relevant stakeholders and implemented accordingly. In ex-Model C schools there is a finance policy and it identifies the values and the basic principles to be applied to specific needs of the school.

Disadvantaged schools do not have a written policy but there are procedures that they follow when dealing with finance.

To the SGB of disadvantaged schools, finance policy is something that should

be known by the principal and so they depend on the principal's view as far as the management of finance is concerned. They indicated that they need to be shown how to draw up a financial policy. SADTU claims that all these specifics still come back to training, if all could be covered in a training manual, and then there would be no problem.

PO acknowledges that some schools do have finance policies and suggests that those who do not have should devise one, because the financial policy may eliminate or reduce the mismanagement of school funds.



4.5.5 Budgeting

A budget is a written financial plan for managing money, setting out expected income and expenditure. All respondents indicated that they do budget but some said the needs are always more than their income, especially in disadvantaged schools. The schools differ as to the time of the year in which they sit and budget; some do it at the end of the year, whilst others do it at the beginning of the year.

P1 suggested that:

It is always the case that the needs are more than the income; we fight that by fundraising, and asking people to donate to the school. We even ask sponsors from parents who can afford and we also look for sponsors beyond the country.

The DO stressed the aims and the importance of budgeting. She states that serious thought should be given to assisting principals to adjust to the increasing demands that are being placed upon them. SGBs agreed in pointing out that, although they are the governing body of the school, strong emphasis is placed on the significance of the principal to the effectiveness of a school.

PO warns that:

All stakeholders should see that the budget is being followed as planned, and that no unauthorized expenditure is allowed. She contends that budgeting should be an integral part of the whole school planning and decision-making process.

Collective views of respondents indicate that the budget can be viewed as a guide in collecting and spending money. Budgeting is an important avenue for enhancing collaborative and participative involvement of all stakeholders in the financial management of the school.

4.6 Lack of support and guidance

The strongest theme for all respondents is that of support and guidance. Supporting stakeholders in their search for good practice is central to improving school management and teaching and learning. In examining whether guidance was given during the implementation stage of the new Section 21 policy, and

whether there is continuous support to the schools that are practicing this new policy, an interesting picture emerges. Here are the details:

P1:

Besides giving neither guidance nor support, the Department of Education cannot even provide sufficient information to schools concerning the management of finance.

P2:

Management of finance is a crucial issue even in our homes.



A school may have sufficient financial resources, but if these resources are not managed efficiently and effectively then they will not contribute to the attainment of educational goals. Such schools need support and guidance.

P3:

The Department of Education failed in managing schools; hence they throw the idea to individual schools: how do you expect them to give guidance and support now? It's unfair to them.

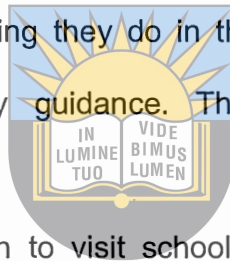
P4:

From whom do you expect guidance and support? Our district has a shortage of human resources and I assume

the same is true for the province, because since we started talking about Section 21 we never saw any one from the province, to explain to us about this new policy.

SGBs:

It is even worse with us because some of us are illiterate, and many do not possess financial school management skills. Respondents from disadvantaged schools claim that there is nothing they do in that area because they never received any guidance. They are looking forward to guidance.



DO and PO:

It is our wish to visit schools but due to lack of human resources we fall short. Next year we plan to visit the schools as early as January, to try to minimize the problems that are indicated by people. We are busy now devising means of getting hold of some districts, but we cannot reach all of them.

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SADTU:

There is neither support nor guidance from the Department of Education reasons best known to them. We are frustrated because our members are crying to us; seeking for help not knowing what to do about the forms they were given. Others are saying so much is deposited in their school's account, and they do not know where to start. That shows lack of support and guidance from the government.

It is clear that the schools received neither support nor guidance, because all respondents indicated that they need support since the policy is new, especially respondents from disadvantaged schools.

4.7 Threats or challenges

4.7.1 Strong finance committee

Respondents feel that although Section 21 policy is advantageous it has its own threats and challenges. P1 points to the challenge of forming a strong finance committee with very strong financial and decision making skills.

SGB1 highlights personal clashes that might arise:

There might be problems emanating from different stakeholders who form the committee. Remember that the finance committee is made up of parents, principal, educators and learners. Where people are involved there will always be difference of opinions and personality clashes.

Principals are also aware that not all committee members are equally strong and reliable. This may lead to some members being overloaded, as P4 explains: "I do a lot of things myself because other members are not available."

SGB2 pointed out that there might be personal clashes, which cannot be accommodated properly, and there might be different agendas.

4.7.2 Changes in Education policies

The Department of Education has issued a series of new education policies, all with the broad aim of redressing the legacies of apartheid. Principals see “Change in education policies” as threats to schools because some decisions they take could be contrary to any of the policies of the Department of Education and land them in difficulty. Compliance with policy also emerges as an issue for P1 who claims that “---to manage the school based on the departmental policy--- a challenge on its own. For example one parent came to school to tell me that I am not allowed to chase her child out of school simply because she cannot afford to pay school fees.



SADTU1:

We just wonder how they separate change from empowerment. Change is a generative process; it must be accomplished by people. The people who must accomplish it deserve and require much more consideration than most designers of school improvements give them. Hence we are threatened by this new Section 21 policy, because we foresee privatization.


SADTU2:

Why the government is keeping on introducing policies, and overlooking its human dimensions? Is it because the government wants these policies (especially Section 21 policy) to fail and privatize its schools?

With change schools experience a growing gap between rising expectations and the resources available to meet them. Most schools cannot achieve fundamental restructuring without funds, because funds are needed for training, consultation and transition management. The funding problem is apparent, especially in disadvantaged schools. Respondents are threatened by change because they foresee privatization.

4.7.3 Managing finance in Section 21 schools

P1 commented:



I have rarely met a leader who felt that the resources available were adequate to meet the demands of the job. Leaders feel caught between the requests of staff for more resources and the realities of limited supplies. Resources usually come down to money, either directly or indirectly. But no matter how much money is available in schools, it is never enough.

To P1 and P2 managing finance in Section 21 is no big deal because it is not far from managing finance in ex-Model C schools. They explained that there is nothing new in the way they manage finance in Model-C schools and how finances should be managed in Section 21 schools. The challenge they are faced with is the amount of money, which they claim to be too minimal and the time that they receive the money.

P2 adds:

Imagine being given R9000 in November for you to manage the school with 450 learners, from January until the end of the year. How are you going to cope with all the demands at school from January until the money is available in November?

P1: Do not forget that the government is saying if the parent cannot pay school fees; let him or her be exempted from payment. It is my fear that I won't be able to manage the school without money.

P3 and P4 find it very difficult for them to manage finance in Section 21 schools because they come from disadvantaged schools, with illiterate SGB members and no people with financial management skills in their communities. The principals from disadvantaged Section 21 schools claim that they are not used to this new kind of management, because the government used to do many things for them especially in this area of finance. If there is a need for this change, they wish to be trained.

SGB1: We do have expertise in this area but the amount and timing as my principal already indicated are frustrating. I think Section 21 policy is going to lower our standards. Management of finance is the big challenge in Section 21 schools.

SGB2: It is better for us because we do have investments and we are used to asking for sponsors and we can fundraise.

Most SGB respondents from disadvantaged schools indicated that to them managing finance is a threat more than a challenge. They were never exposed to that kind of management, and they need to be empowered.

The overall picture that emerges is mixed, but overwhelmingly negative. Most principals and SGB members do not welcome Section 21 policy due to confusion that needs to be cleared up. Above all, they are afraid of mismanaging the money and ending up in jail. They do not want to be involved in conflict caused by a lack of knowledge about financial management. All the data sources I have used the interviews, observation and documents confirm that the respondents do not totally reject Section 21 policy but they are determined that they should be trained first, to discover, from there, whether the policy will work or not.

4.8 Data Analysis and Discussion

Data are analyzed and discussed according to the themes identified:

- Changes in Education
- Training
- Financial management for self-managing schools
- Lack of support and guidance
- Threats or challenges

4.8.1 Changes in Education

Respondents view changes in education as disruptive and disturbing to the people involved. They claim that these changes create confusion and even failure rather than innovation and success. According to Van Wyk (2003:2) another issue of concern for government is that policies are developed and implemented within the context of a particular set of values, pressures and constraints. Because of these factors, much can go amiss between the conceptualization of a policy, its formulation and implementation.

Interviews confirm that a situational analysis was never done before Section 21 policy was implemented, Principals from disadvantaged schools believed that the idea of Section 21 schools as in other countries, looks superb, but they strongly feel that a situational analysis should have been done in South Africa, since situations differ.

SGB members feel that changes are necessary but, they suggest that the building of infrastructure should come first, then Section 21 policy can be implemented afterwards. District and provincial officials indicated that a situational analysis was done by making use of EMIS-forms and census information. The information from Emis-forms might be incorrect, since schools were not visited for verification. Both district and province officials complained about a shortage of human resources. SADTU indicated that the government needs to employ people to carry their vision through otherwise all the policies will falter and die because of the lack of human resources.

Of interest in this study is the fact that the ex-Model C principals indicated that the aim of government in introducing Section 21 is to make schools to be autonomous and communities to own the schools, whereas principals from disadvantaged schools indicated that the government was unable to meet all the financial-related requirements and is shifting the responsibility to schools. SADTU agrees, with principals from disadvantaged schools, that it is true that the government is shifting the responsibility, because it has failed to manage the schools.



When the structure and functioning of the Section 21 schools is examined, it becomes clear that much time was devoted to enshrine the concept of community-based education in legislation and organizational structures, while little effort was made to promote the managerial and personal skills of school management teams. From the interviews, combined with my observation, it is clear that of all kinds of information in the school system, none is more important than financial information since all the activities of the school rely on soundly managed finances.

4.8.2 Lack of Training

Although extensive changes in education have been proposed since 1994, there have been difficulties in providing sufficient government finance to implement the policies. What makes the situation even worse is that broad policy is determined by the national Department of Education, while the provincial

departments are responsible for the implementation of policies. Yet, most provinces cannot afford to provide adequate training for stakeholders. It is, unlikely, however, that all members of the governing bodies can participate fully in decision-making and make informed judgments without adequate training.

All respondents, including principals, indicated that training is important. In disadvantaged schools, many parents have no prior experience of school governance and management of finance and do require training. Capacity building programmes for especially governing bodies are therefore necessary. Many governing bodies are ill prepared for the complexities of their tasks. In this regard, one of the principals interviewed said that although the SGB took decisions, they were not trained to do so and that this diminishes the role they should be playing. SADTU adds by saying we are not ready, and that requires the government to be patient enough, until proper training is done before we can implement Section 21 policy.

4.8.3 Financial management for self-managing schools

I have found that although SGB members can delegate in writing the responsibility of managing the finances to a finance committee, some schools do not have finance committees. The SGB can also co-opt a community member with expertise in this field of financial management, but in disadvantaged communities such people are scarce. That is why training of SGBs is crucial, especially in disadvantaged schools.

Suggestions have been advanced to enable schools to cope with financial management. Schools have to form finance committees that should conduct regular meetings to discuss financial matters. Teamwork is encouraged as it promotes effectiveness in schools and encourages support for one another. The Department of Education should be the primary source of support for the SMTs because SMT members are not trained for the managerial positions they occupy when they assume duties. If SMTs are supported by the government they will be in a position to guide and support SGB members. This study also reveals that SMT members too need to undergo formal training and be given ongoing support with regard to managing finance in self-managing schools.



Comments from four principals revealed that this change of policy is just an extension of the work load of the principals. District officials state that serious thought should be given to assist the principals to adjust to the increasing demands that are being placed upon them.

Respondents view budgeting as important to ensure that there are funds for day-to-day needs, for special funding, such as educational tours and for planning how one will develop the school. Provincial officials believe that if one understands what the budget cycle involves, then there will be fewer problems. A budget cycle involves the identification of needs, analysis and prioritizing, planning, recording, reporting and evaluating whether the budget is working or not.

Ex-Model C schools highlighted that given the little funding that the government provides, there are still more needs than income and, schools should look to fundraising, donations and sponsors, in order to cope with the demands of Section 21 policy.

4.8.4 Lack of support and guidance

Some principals claim that the government failed in managing schools, hence they shifted the responsibility to schools and therefore they are unable to give support and guidance. SADTU claims that there is a shortage of human resource in our districts. hence there is lack of support and guidance. SGB members need the support since those from disadvantaged schools claim that they are illiterate and do not possess financial management skills. District officials and officials from the province agree that they do not give support due to the lack of human resources. Officials in the province say that they are trying to devise means of visiting districts next year, although they do not promise to reach all the 24 districts.

4.8.5 Threats or Challenges

Respondents feel that a strong finance committee with strong financial and decision-making skills is needed. The threat perceived is that strong financial committees may cause personal clashes because different people always have different opinions. Not all members are equally strong and reliable. The finance

committee needs members who are self-reliant and who can demonstrate a commitment to good governance.

The Department of Education has issued a series of new education policies, all with the broad aim of redressing the legacies of apartheid. This is a threat because schools have to abide by the rules of the government, and there should be no clashes or contradictions. For example, the government exempts parents who cannot pay school fees and does not offer anything for such children so that schools could cope without this payment. Schools are threatened because they claim that as people who must accomplish change in schools, they deserve and require much more consideration than most designers of school improvement give them. SADTU claims that they are overlooked because the government wants these policies to fail and to privatize its schools. Privatization is another perceived threat at schools. Some principals are afraid because they are not ready to manage Section 21 schools there being so much money involved. They are afraid for fear they could be called to book for spending money, unwittingly, in ways not allowed for by regulation and higher authorities, and end up in jail.

The respondents revealed that success of change depends heavily on the readiness of people, the organizational capacity of schools and the kind of leadership that is exerted.

From the data collected it was proved that change threatens people's sense of competence, frustrating their wish to feel effective and valuable. During change, people no longer know what their duties are, how to relate to others, or who has

the authority to make decisions. That is why clarity is needed to avoid the belief that politics rather than policies are now governing everyday behavior.

The fifth and concluding chapter that follows contains a summary of the findings, recommendations and suggestions for further research.



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CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to investigate whether SGB members and SMT members have the required or adequate skills of managing finance in disadvantaged Section 21 rural high schools. A secondary goal was to explore how the disadvantaged Section 21 schools compare with ex-Model C schools regarding financial management skills.



5.2. Summary of findings

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The analysis of the data collected has shows that Section 21 policy is not yet fully understood in the disadvantaged rural high schools in the Fort Beaufort district, by either SGB members or SMT members. The implementation of Section 21 policy is not coordinated in this district because, it is argued, there is a shortage of human resources in both the district and the province.

5.2.1 Research Question One

What are the present financial management skills and limitations of the disadvantaged Section 21 rural high schools under investigation? All the respondents in disadvantaged Section 21 schools reveal that SGB and SMT members lack some skills required to manage finance in self-managing schools.

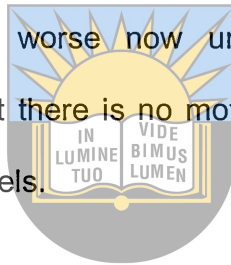
According to the findings in this study, there are limitations with regard to financial management skills in disadvantaged Section 21 rural high schools:

- **Make parent involvement real** - One of the aims of Section 21 policy is to let the parents own the schools. For the parents to own the schools, they need to be involved in most if not all school activities. In disadvantaged schools under scrutiny, parents and community members do not attend school meetings and they do not value being involved, claiming that they are illiterate. Bisschoff et al (1997:68) state that no organization can exist without having meetings, because that is where information is disseminated and where decisions are made.


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- **The creation of an organizational structure** – Organizational structures to handle the various financial management tasks are not in place in disadvantaged Section 21 rural high schools. These schools do not have finance policies because they do not have people skilled in gathering and storing financial information in their schools. According to Bisschoff et al (1997: 55) financial management can only be successful if it is planned and organized. The principal should coordinate all activities to ensure regular organization.
- **Time, money, and motivation** – Respondents have minimum tolerance for reform if there is no money to implement basic programmes. Many

principals complained of not having money for renovating buildings and solving other urgent school problems. Reforms require extra time and funding for planning and programme development. There is a huge cost, in principals' and teachers' time and effort, required to make any form of Section 21 policy work well, especially in the early years of implementation (Leithwood & Menzies 1998:13). The teaching profession already suffers from high levels of stress under traditional forms of school governance, it is even worse now under the new SGB system. Respondents confirm that there is no motivation at all from the schools districts and provincial levels.




5.2.2 Research Question 2

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How do the disadvantaged Section 21 rural high schools compare with other Section 21 schools ex-Model C regarding financial management skills?

- **Changes in education** – Changes in education can be very disruptive and disturbing to the people involved, especially in disadvantaged schools because they do not know how to lead and implement change as it is expected, unlike in ex Model-C schools, where they know exactly how to deal with change. Ex-Model C schools stressed that for educational changes to be effective, all role players must understand and agree with the meaning of the change, and also understand how to implement and sustain change. One principal from an ex-Model C school

suggests that when complex changes, such as the introduction of Section 21 schools, occur, people are changed simply by mandate, because what really matters in complex changes are skills, creative thinking and committed action. It is therefore evident that if the principal is not equipped to deal with the new changes to the system, then the new system will fail.

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• **Collaborative decision making** – Although there is no strategy in place to redefine teachers' jobs in order to allow time for collaborative decision-making, both teachers and the communities believe that teachers should devote their time to students, principals to staff and parents to schools. Principals from ex-Model C schools believe that decentralizing school decision-making will lead to improved performance. Involving all stakeholders in decision-making encourages them to assume higher levels of responsibility.
- **Planning, leading, and controlling** – Planning is the first step towards effective financial management. SGB and SMT members from ex-Model C schools agree and add that the focus is on the school's annual budget, so that attention should be given to the procedures involved in drawing up the budget. Ex-Model C schools suggested that also the relationship between the schools' mission and the budget should be taken into consideration. Effective leadership and guidance is essential in order to

achieve the objectives of the school as effectively as possible. According to Bisschoff et al (1997:146) control refers to the monitoring that need to be in place to ensure that goals are achieved, sound accounting practices are implemented, and information shared. The emphasis today in South Africa is on transparency and collective information sharing.

5.2.3 Research Question 3

After comparison and having established the required financial management skills, how will the proposed financial management skills be implemented in the disadvantaged Section 21 rural high schools under investigation?



- **Lack of training**

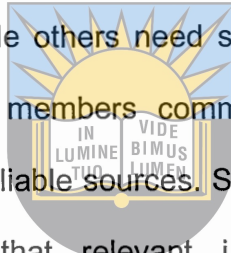
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Although change is a generative process, it must be accomplished by people. Evans (2001: xii) states that people who must accomplish change deserve and require much more consideration than most designers of school improvement give them. All respondents confirmed that continuous training of SGBs and SMTs is necessary, if change is not to lead to higher stress levels. Any change in education requires training, if training is not done, stress will be there. Little attention has been given by the Department of Education to empowering schools with financial management skills. Due to the lack of training there is insufficient knowledge of what Section 21 status entails and implies in terms of qualitative improvements in the schools. Training and development are seen as

major requirements by all respondents, especially for the financial management of the school.

- **Lack of support and guidance**

There is a need to examine more closely what kind of support different kinds of schools will require. Different schools need different support and guidance because each school is unique. Some schools need support in terms of know-how (knowledge and skills) while others need support in terms of information sharing and processing. SGB members commented that they need ready access to knowledgeable and reliable sources. School principals and Education Departments should ensure that relevant information is gathered and disseminated so that people are kept up to date with developments and issues and are in better position to make informed decisions.



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5.3 Recommendations for practice

- Before a new policy is implemented, the policy formulators should meet with the policy implementers at schools to provide first hand information about the new policy and how it is to be introduced.
- School districts need to provide appropriate training in financial management techniques for SGB members and SMT members. Officials should be a source of assistance in introducing these techniques. They need to develop more systematic and varied strategies for sharing information at the school site.

- Understanding the need for change is the first step during a transition period. Having a vision of what the change entails and what it is trying to accomplish is extremely important. Developing a shared vision of the organization links people together and provides goals and criteria for change activities and ongoing decisions. Therefore, districts and schools should involve stakeholders at all levels in forming the vision.
- SGB members need clarity on their roles beyond the mere description of duties. Principals need to consult SGBs in everything because that will lead to cooperation. Ownership will only develop in people who feel valued.
- Provincial officials need to develop a combination of strategies and skills for sustaining Section 21 policy. Clarity is needed about the purpose and goals of Section 21 policy. There is a need for redesigning the entire school organization, particularly the finance system.



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5.4 Recommendations for further research

This study has indicated that support and guidance is important in the implementation of any policy. Further research is needed to establish what mechanisms can be put in place to support schools with financial planning and control. Further strategies to ensure the effective, efficient and economical management of school finances must be developed.

Although some work has been done to determine the skills required to manage Section 21 schools, more attention should be given to developing intervention strategies that would facilitate the sustained implementation of Section 21 policy.

5.5 Conclusion

The results of this study led to the realization that for Section 21 policy to be effective in disadvantaged schools there must be ongoing support and continuous training of SGBs and SMTs. It is hoped that this study will assist policy makers in education to empower both SMT members and SGB members in Section 21 schools.



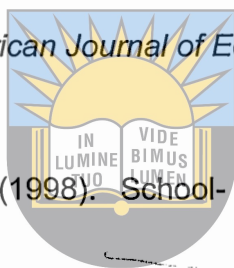
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5. In societies, with discrepancies in socio- economic status, local responsibility for education usually means that poor communities continue to have less access to education as they are unable to take the burden of financing education provision. What is your view about this matter?

Accountability

1. Who is accountable to whom as far as management of Finance in schools?
2. What are the perceptions of Provincial officers with regard to the accountability of the management of school's Finances?
3. What guidelines may be offered in order to help SGB to be in a position to manage their school's finances efficiently?
4. Who must pay for the training of Governing bodies?
5. Who should be accountable for the lack of training of the SGB?



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OBSERVATIONAL GUIDE FOR SCHOOLS

This observational schedule shall be completed by the researcher.

(a) Name of the school: _____

(b) Circuit: _____

(c) District: _____

(d) Date: _____

1. TIME MANAGEMENT

(a) starting time of the day _____

(b) starting time of the period _____

(c) end of the day _____

(d) Punctuality/ Late coming _____

(e) Punishment /Reward _____



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2. PHYSICAL SETTING

(a) grounds and outside environment _____

(b) infrastructure (buildings) _____

(c) availability of toilets _____

(d) availability of telephones _____

(e) availability of water _____

3. RESOURCES

Availability, condition and control

(a) Computers _____

(b) Photocopier _____

(c) fax machine _____

(d) television set & video _____

(e) learner support material _____

4. HUMAN AND INTERACTIONAL SETTING

- (a) between students and teachers _____
- (b) between teachers and school management team _____
- (c) between SMT and principal _____
- (d) principal and staff _____
- (e) principal and non-teaching staff _____

5. PROGRAMME SETTING

- (a) duration of the period _____
- (b) What is happening during change of periods _____
- (c) duration of the break _____
- (d) what is happening during break times _____
- (e) reaction of staff and learners to the bell _____
- (f) programmes after school _____



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