

Educational Financing Management to Improve the Quality of Education

Nurliana Hamsahtun Siregar*, Murniati, Bahrin

Master of Educational Administration Department

Syiah Kuala University

Banda Aceh, Indonesia

*nurlianahamsahtunsiregar@gmail.com

Abstract—One of the ways to improve the quality of education is through effective financial management. The paper argues that one of the main factors that can ensure educational quality in Indonesia is the responsible, wise, and proper use of funds. The purpose of this study was to determine the planning, using, funding allocations, and supervising of educational financing management in improving the quality of education in Senior High School. This study used a qualitative research approach with descriptive method. The data collection applied the interview techniques, observation, and study documentation. The implication of this study is the openness of principal, vice principal, and treasurer which has an impact on school members for understanding and knowing the financial management activities at school. Therefore, giving a priority to educational input factors may increase the students' achievement and quality of education as the output of the educational process. Improving the quality of education is an important thing that needs to be paid attention because it has a consequence for the educational budget.

Keywords—educational quality, financing, management

I. INTRODUCTION

Education administers an important role in the life of the state, because it can improve the quality of human resources. The reliable human resources are the basic capital for the country's development in order to keep existing in the competitive globalization era. The structuring of human resources quality needs to be enhanced gradually and continuously through the educational system. An education quality can be obtained through formal, informal, non-formal education starting from primary, secondary, and even higher education.

The word of education is pronounced frequently because the formation of someone's character is created and come from an acquired process. In an international conference of technology, art, and education that discussed the influence of teacher in improving students motivation, at the conference Niswaty et al., said that "Education is the main supporting factor in forming the productive people and having a skill to realize the competitive and prosperous society not only at the national level but also at the international level" [1].

Educational institutions have a big responsibility in realizing lofty ideals to educate the nation's life and form a virtuous national personality so that education can be defined as an important factor for realizing human resources quality. Education is also a strategic medium to improve the quality of human resources both in the development of a nation and in a global order. The human resources become a basic capital as well as wealth of a nation, while capital and material sources are production factors that can only be activated by human resources. The word of management is a word that we hear very often. It is related to the arrangement and accomplishment of an organization. The term of management has been interpreted by many experts with different meanings, such as establishment, arrangement, administration, and so forth.

Prestiadi et al. [2] explained that the principal as a school manager shows himself to be managerial technical implementer who has skills in running the school. To be able to act as a regulator of a school principal requires leadership traits. The principals in leadership require knowledge, conceptual skills, and ability to see the organization which includes the ability to see clearly the role of organization in overall development situation. The principal leadership is very useful in developing motivation that can balance out the attitude of staffs [2].

The quality of education is considered to be the heart of education for all. The quality of education refers to the value of education by referring to the input, teaching-learning process, and output/outcome. The quality of school facilities has an indirect impact on learning outcomes. According to William [3] in his study in America Latin; a study that recruited 50.000 students from grades 3 and 4. The results showed that the achievement level of students with poor classroom equipment and school facilities was lower than who were in well-equipped schools [3].

Based on the study, it is clear that the completeness of learning facilities in an educational institution greatly affects the quality of education. According to this view, the essence of the quality of the school can be simplified, namely the quality of the results, process, and supporting aspects of process. The quality of results is the quality of educational outcomes that are

obtained by the students as a tangible manifestation of the learning process. The quality of process is the quality seen from the extent to which the students feel comfortable with the learning services carried out by the teacher with the various resources had by the school. The quality of input is the quality which appears from various inputs for the learning process, including the quality of teachers, curriculum, facilities, students and various other things that contribute to the learning process.

The concept of educational quality means all the capabilities of an educational institution to fulfill all desires of the students. The main activator in allocating these resources is budgeting. The focus of problem in budgeting is determining how much the level of expenditure to finance the various activities for achieving the educational goals.

In the quality approach, the role of financing seems clearer. Consequently, the efficient use of educational costs is seen as the placement of every single effort that must be able to enhance the quality of education. Hence, giving priority to educational input factors can increase the students learning achievement and the quality of education as an output of the educational process. Improving the quality of education is an important thing to be paid attention and it assigns consequences for the educational budget.

The substance of its implementation varies from school to school. This diversity depends on the size of each school, the location and nickname of the school. In ordinary school whose community support capacity is still relatively low, the management of educational financing is still simple. If the ordinary schools have large community support capacity, the management of financing tends to be more complicated. This tendency is carried out because the schools must be able to accommodate various activities demanded by the community.

Based on the facts, the schools are inseparable from financing management because they are needed for school operations started from the remuneration of teaching and administration staffs to adding or improving school facilities in order to increase the quality and quantity of the school and to finance other school's needs. The school acknowledges that in order to carry out the financial management, parents are expected to participate in implementing the school's goals, in this case, the problem of financing.

The scale of input such as, funds, equipment facilities, teachers and students, as well as the fact of transactions and institutional expenditures in form of products can be accepted, desired, useful, efficient, and effective from the point of view of the government, society, private institutions, and stakeholder is the quality of education [4].

In the line with this, Igwe [5] argued that a quality crossed the formulation of policies and the implementation of educational process that covers the scope of curriculum; the teaching and learning process, resources and facilities, the environment of students and teacher. He views the quality of education as a better school environment, more qualified teachers, and an adequate supply of textbooks and relevant to

social needs. Therefore, it is important to be noted that the quality of education can only be guaranteed if the materials needed to improve the teaching and learning process are available as needed [5].

According to the clarification above, the author is interested in conducting more research about educational financing management, so that in this case the author writes an article "*Educational Financing Management to Improve The Quality of Education.*" Based on the illustration above, the purpose to be achieved in this study are:

First, to describe how educational financing can improve the quality of education, this is line with one of European Journals which stated "The cost and quality of schools are directly related", therefore in an educational financing institution is very vital. On the implementation of education in educational institution requires a fee to provide a minimum service standard for the activities to be carried out. The cost of education is a very important component in the provision of education, so that the planning for the implementation of funding and supervision is synergized in the world of education which is expected to spur the progress of education which ultimately leads to the improvement of educational quality and students' achievement in learning [6].

Second, to describe the implementation of educational financing. In this case the principal as a leader of an institution that has a goal which is described in the form of the vision, mission, and goals of the school. The achievement is done through various planning and activity programs as outlined in the school development plan. The budget plan made by the principal and other stakeholders is expected to provide objectives and serve as a guide in carrying out all future activities to assist management in preparing school budget. This is in line with the opinion expressed by Morphet, "educational cost has a positive effect through leadership and educational management factors as well as competent education personnel in improving educational services through quality improvement" [7].

Third, to describe the supervision of educational financing evaluation. In terms of mentoring, the efforts of collecting information on an ongoing are aimed to provide information to program managers for the benefit of the early indications of progress and shortcomings in the program implementation.

II. METHODS

This study used a naturalistic inquiry approach [8]. The approach was chosen because it is considered more in accordance with the character of the problem under study regarding to educational financing management. Scientific inquiry is the searching for knowledge using a method known as data collection analysis and interpretation. The research with a qualitative approach uses data collection methods that are as detail and in-depth as possible about a social phenomenon or thing in order to gain as much understanding as possible about nature of these symptoms. Information gathering to understand

the facts is carried out by research techniques such as interview, observation including participatory observation [8].

III. RESULTS AND DISCUSSION

A. Results

Educational funding is basically an effort to distribute the benefits of education and the burdens that must be borne by the community. In relation to the budget preparation process, the principals are expected to be able to assume greater responsibility in budget preparation development process. Therefore, it is recommended that the leaders be aware of the various problems they have to face in order to carry out their responsibilities in term of managing the financing and education finances effectively.

This is in line with the journal of Nurulia [9] stated that, "the costs have a broad scope namely all types of costs related to the provision education. Financial management and financing are the resources that support directly the effectiveness and efficiency of educational management." Therefore, fund management is basically a part of educational financing which is reflected in the budget set by the school [9].

The striking differences regarding the educational system in Indonesia and in Finland cause educational financing also very different. As the study of Setiawan [10], "Education will run well in a country if it is supported by costs". In Indonesia, it allocates 20% of the total APBN. This is the state revenue and expenditure budget with a total of 416.1 trillion rupiah which is used to improve access and quality of education in Indonesia. The budget total is used to rehabilitate classroom at both central and regional levels, with detail 54.739 central classroom and 27.140 regional classroom at SD, SMP, and SMA levels with general and religious backgrounds [10].

In addition, it is uses to subsidize educational costs with the school operational assistance program, which is given to 8.5 million students at the central level of IDR 800.000 for MI and IDR 1.000.000 for the MTS level and given to 46.2 million students at the regional level, each of IDR 800.000, IDR 1.000.000 and 1.4 million rupiah for SD/MI, SMP/MTS, SMA/SMK. The educational budget is also used to provide Bidik Misi assistance to 362.7 thousand students, for the professional allowance of 1.3 million civil servants of teachers, 41.6 thousand civil servants specifically for regions and 102.7 thousand lecturers get certification allowances. The last one, provided facilities to 19.7 million students in the form of smart cards [11].

As in the journal analysis above, educational financing in Indonesia is only 20% of the total APBN. Therefore, it is not pure educational financing in Indonesia is fully covered by the state budget. Whereas, in Finland, students are free of charge. All costs at all levels of education are borne by the government. Even without paying more, they have a healthy lunch at school and there is no discrimination between upper and lower class students [12].

Contrary to the journal above, according to Nurabadi [13], "the community is obliged to provide resource support in the implementation of education". Furthermore, Rowland and Ferris [14], stated that community participation in education includes the participation of individual, groups, families, professional organizations, employers, and community organizations in the implementation and control of the quality of educational services. The form participation expressed by Rowland is in accordance with the financing of Indonesian education, namely the community also participates in educational financing.

Then, the other journals also convey the same thing that the leader is the most important role in improving the educational quality in the institution led. Blumberg and Greenfield [15] said "leadership as a way to maximize the role of organizations in order to enhance the quality of educational institutions as a whole". TQM leadership perspective is based on the philosophy of improving work methods and process that will continue to enhance the quality of education [15].

B. Discussion

The implementation of financial supervision in schools is carried out by the principal and vertical agencies above it as well as government financial audit officials. School funding that comes from the government, such as BOS funds, is supervised by the Education Authorities in Aceh province and the inspectorate. The purpose of this financial supervision is to maintain and encourage in order that; (a) the budget execution can run according to the plan that has been discussed; (b) the implementation is in accordance with the instructions and predetermined principles; (c) the difficulties and weaknesses at work can be prevented and overcome; (d) the implementation of tasks can run efficiently, effectively, and on time.

The supervision is carried out to determine whether the funds are appropriate with their use and the financial administration has been orderly or not, and whether it is in accordance with applicable regulation, the characteristics of good supervision are; (a) it finds the fact of duties implementation; (b) it prevents the deviation and diversion of the plan arrangement; (c) it is directed at the present; (d) it increases the efficiency; (e) it finds the fault; (f) it guides the implementation in carrying out the tasks.

It is different with the educational financing in the Netherlands. If it has different education systems, it has different financing management. The secondary education in the Netherlands is divided into three main lines, namely the pre-vocational for 4 years (VMBO), the general secondary for 5 years (HAVO), and the pre-university for 6 years (VWO). The lowest level for 4 years, MBO, is divided into a basic level (VMBO-BK) and high level (VMBO-GT) [16].

The core part of the curriculum in grades 7, 8, and 9 as described by the Ministry of Education is aimed at all students and targets 58 core objectives formulated globally. Each school determines its own concrete description of the core objectives

in a subject, project, learning area or a combination of these [17].

Based on the findings of research on educational financing in Indonesia, it shows that the supervision of financing is internally carried out by Education Authorities in Aceh Province, and the supervision is also not too strict because the school treasurer arranges the reports to Education Authorities. Then, external supervision is carried out by inspectorate three times in a year, and the authorized institution. The final part of BOS management is the preparation of the BOS financial report, which is a manifestation of the transparency and accountability of BOS funds management to the public. The financial transparency is needed to increase the support of parents, community, and government in implementing of all educational programs at schools.

The funds sourced from the government are BOS funds. The use of them were not conveyed or allocated to the community because in general, the communities did not know how much the BOS funds were received, and where the funds is spent, but the communities also did not care about this because they believe that the funds are used appropriately.

In the Netherland, in terms of financial reporting and supervision both school and private have been included in their school curriculum. Many studies had been done on the effect of including basic financial principles in secondary school curricula on financial knowledge of young adults had been investigated (for the United States, such as Walstad and Rebeck [18], Mandell and Schmid-Klein [19], For New Zealand, such as Cameron et al. [20]). However, the findings were inconsistent.

While, Walstad and Rebeck [18], Cameron et al. [20] found a positive effect of attending finance classes on financial literacy. Mandell and Schmid-Klein [19] did not find significant relationship between the two. Sarjana did not find a positive effect of attending finance classes on financial knowledge discussed possible reason for this result [18].

Mandell and Schmid-Klein [19] said the students may lack motivation to acquire or maintain the financial knowledge.

Cameron et al. [20] believed that students-related characteristics can result in better learning outcomes in finance classes. These characteristics are language skills and mathematical skills that support the acquisition of financial knowledge.

IV. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

The general conclusion of this problem shows that the financing management always follows the applicable rules and procedures. The source of funding comes from the government, namely routine funds and school operational assistance (BOS), allocations, realization of placement and responsibilities based on instructions and guideline book for using BOS funds. They are not based on school needs. The main components that have

to be monitored are the allocation of school funds, beneficiaries, distribution and use of funds, service and complaint handling, and financial administration. Financial supervision has the function of supervising financial planning and the implementation of financial use whether it is in accordance with technical guidelines or not. So that, to carry out the proper supervision, the principal is required to understand the work carried out by the implementation of financial administration, understand the government regulations governing the use and accountability as well as financial administration.

The efficiency of educational financing is the use of educational costs appropriately based on the priority level of needs to realize a quality learning process in order to produce quality output in accordance with the competencies assigned to each level and type of education. Hence, the cost of education could be accounted in an honest and trustworthy manner for improving the quality of the learning process and graduates. Each country has different education systems and even curriculum. Furthermore, due to these differences, the financing management of each country is also different.

B. Suggestions

- The financial planning that has been carried out is in accordance with the planning procedures. It should be maintained. Every six months, it is advisable to evaluate the plans that have been prepared and make revisions if it is necessary. The use of allocation of funds must be transparent and accountable by announcing the amount of funds received and the use of BOS funds on the school announcement board.
- In the quality approach, the role of financing seems clearer. Consequently, the efficient use of educational costs is seen as the placement of every single effort that must be able to enhance the quality of education. It means that costs are used as benchmark in determining the quality of education as the output of the process that has been supported by the charge.
- The cost plan and the use of resources should be used as a guide for making plans in implementing the activities and achieving the results. During the implementation process, efforts must always be made to create a conformity between the cost and activity plan with the actual usage costs from the realized funding sources.
- The implementation of activities. It is hoped that the suitability between plan and realization will achieve the results achievement in accordance with the educational goals. In other words, the role of cost is as the main consideration or benchmark in determining educational outcomes and activities.
- One of the factors that affect the quality and relevance of education is the ability to use the educational budget, because these factors may develop an educational system for example, the existence of adequate teachers

and staffs, books and educational facilities, as well as the availability of educational facilities such as, laboratories, library, and learning tools that can improve the mastery of knowledge quickly.

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