

Effects of School Heads' Leadership Capability and Teachers' Financial Literacy on Teachers' Performance

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Abstract: *The main concern of the study was to assess the effects of the school heads' leadership capability and the teachers' financial literacy on the teachers' performance. A descriptive-correlational research design was used in the study and utilized standardized instruments as data gathering tools. The respondents of the study were teachers at public schools in both elementary and secondary levels in the District of Plaridel, Bulacan for the school year 2019-2020. The results were processed using the Statistical Packages for Social Sciences (SPSS). The findings were exhibited using the necessary tables and figures. The results were analyzed and interpreted using descriptive and inferential statistics. Specifically, the school heads' leadership capability, teachers' financial literacy, and the teachers' performance were quantified using weighted mean procedures. The effect of the independent variables on the dependent variable was analyzed using correlation and regression procedures. The findings revealed that the school heads' leadership capability showed the general mean value of 3.65 and interpreted as "High". The teachers' financial literacy revealed the general total mean value of 2.66 and interpreted as "highly literate". The teachers' performance revealed an "outstanding" rating with the general total mean value of 4.50 to the following indicators of IPCRF. Both school heads' leadership capability and teachers' financial literacy did not produce significant combined effects on teachers' performance. The findings drew several implications that may help school heads and teachers realize the need for a comprehensive awareness of leadership capability, financial literacy, and teachers' performance.*

Keywords—School Heads' Leadership Capability, Teachers' Financial Literacy, Teachers' Performance

1. INTRODUCTION

Behind every great staff of teachers in any school, there is an equally great school head coordinating and managing the activities of both students and staff members. The work of a school principal combines elements of teaching with some administrative tasks.

The school heads should be capable of leading the school. They have the responsibility to monitor the fulfillment of the mission, vision, and values of the organization. One of the functions of the school head is to assure the outstanding accomplishments of their staffs in developing their personal and professional conduct. Meaning to say, the school head inspires their teachers to do more, to achieve more, and to dream more to become effective and efficient warriors of education.

Department Order No. 42, s. 2007, "The Guideline on the Selection, Promotion, and Designation of School Heads" includes the following criteria such as performance rating, experience, outstanding accomplishments, education and training, and potentials. This is to set a high standard qualification for the position of school heads in our public schools.

Aside from this matter, the applicants for the position should also pass the "Principals' Test" or National Qualifying Examination for School Heads (NQESH) before taking the item. The purpose of the examination is to evaluate and measure their leadership capability. However, DepEd Order No. 97, s. 2011, "Revised Guidelines on the Allocation and

Reclassification of School Head Position", cited the exception in passing the National Qualifying Examination for Principals (NQEP), moreover, it may be allowed provided the applicant has superior qualifications such as: (A) supervising a school that belongs to top 10 Performing Schools in the region/division/ secondary or elementary level for the last 2 school years based on any three (3) of the following: a) National Achievement Test; b) Completion Rate; c) Cohort Survival Rate; d) Drop Out Rate; or, e) those who have achieved the maturity level of School-based Management practice and Level III accreditation. And, (B) introducing, adopting and/or implementing innovations in curriculum and instruction (i.e. documented Outstanding Accomplishments) certified by the Schools Division Superintendent. This is the evidence that our school principals have already the leadership and management skills before occupying the positions.

2. RELATED WORKS

As to the profile of school administrators, a bigger number of those school heads were master's degree holders, and mostly availed local and regional trainings/seminars and a great majority of them had served more than 9 years. These were evidencing that school heads are capable to lead our schools based on their profile [1]. School heads exhibited very satisfactory level in performing their managerial functions in all management areas and the performance of teachers are above average/very satisfactory level [2].

There are studies show that the school heads' leadership capability will affects the teachers' performance, consequently, teachers' performance affects the students' performance. Over-all, it affects the quality of our education.

A study declared that student success was dependent upon teacher success, teacher success was dependent upon principal success, and principal success was dependent on their ability to display a balance of theory and practical knowledge [3]. Leadership is the mediator which activates inspiration, motivation, support and guidance towards the right direction bringing out the maximum of teachers' potential and achieving school improvement [4].

However, the result of the 2019 National Assessment Test (NAT) do not lend support to Naz's findings. According to Gatchalian (as cited by Aguinaldo, 2019), the quality of basic education remains low despite Republic Act No. 10533 or the Enhanced Basic Education Act of 2013, judging from the recent National Achievement Test (NAT) average scores of Grade 6 and 10 students. NAT scores were low during the school year 2016-2017 with Grade 6 students recording a 40% average, while Grade 10 students were graded at 44.1%. The performance was slightly lower than the 41.5% and 44.7% averages, respectively, in the 2015-2016 school year.

Teaching profession is the mother of all professions. It is one of the most important professions in the world. Teachers prepare and mold our young people to become useful, active and upright citizen of our country. Teaching profession gives a brighter future to our young people through spreading quality education. They can make the lives of every individual better. They creating bridges to our young people for a better future that will create an ideal nation for the world.

According to the common adage "Be Proud to be a Teacher – The Future Depends on You". But how this adage will put into reality if many of our public school teachers are not focusing on their job due to different problems on how they support the basic needs of their own family. Many of them are complaining about their salary and many of them are submerged into loan. A study showed that the financial capability of public school teachers is far from what is desired and merely reflects the negative trend on financial capability nationally and all over the world [5].

Some studies revealed that low income levels are associated with low financial literacy levels. A Teacher 1 (Salary Grade 11) without dependents will receive a gross basic salary of Php 20,179 and a net take home pay (NTHP) of Php 20,012.89 from the previous basic salary of Php 19,620 and take-home pay of Php 17,220.86. However, some of the public-school teachers are not yet satisfied with their compensation compared with other professionals in the country. As an example, a Police Officer 1 (PO1) will now receive Php 29, 668, a 100 percent increase from the previous Php 14, 834 monthly basic pay. Another example is the typical Armed Forces of the Philippines Army Officer salary is Php 30, 104. Army Officer's salaries at Armed Forces of the Philippines can range from Php 26, 000 - Php 37, 313 [6].

Therefore, public school teachers received the least compensation among those examples. This is the reason why the public-school teachers experience the difficulties of budgeting their salary in everyday living. According to the National Economic Development Authority (NEDA) as a family of four must have a gross monthly income of at least Php 120, 000 at 2015 prices to afford things that they believe can make life easier for their families. An author was quoted in an interview with GMA-7 that an average Filipino family would actually need an aggregate income of Php 42,000 to live above the poverty line. This is based on the assumption that a household has two family members earning Php 21, 000 each per month which, under the tax reform law, exempts them from paying income tax. This is the reason why many of the public-school teachers are deciding to lend money from legitimate/non legitimate lending public/private institutions [7].

"Department of Education (DepEd) Secretary Leonor Briones said financial literacy is crucial for teachers, especially because the teachers' debt has been increasing". Data from the DepEd revealed that teachers from across the country have incurred Php 178 billion worth of loans from private institution. In this case, the DepEd Secretary Leonor Briones pursuing the "Financial Literacy Program" for public school teachers. Some of educators and lawmakers are disagreeing about the "financial literacy program" as the solution to the problem of our public-school teachers. They give another option that if our teachers are well compensated (receiving enough salary for living) they will avoid borrowing/lending money that will put them into severe debt.

Moreover, according to Presidential Spokesperson Harry Roque Jr., the President has already directed the Budget department to find ways and means to increase the teachers' pay [8]. This is good news to many of our public-school teachers because in this case, it is a big help for them to increase their financial capability. There is no monetary equivalent to the joy of teaching, but realistically, teachers have to help themselves before they could help their students. Teachers spend long, grueling hours managing overcrowded classrooms and making sure students get the quality education they deserve. This means preparing lesson plans beyond work hours, or even tutoring slow learners from class long after the bells have rung for dismissal.

But with the long hours of work, they earn barely enough to cover their day-to-day expenses, forcing many teachers to go into side jobs or take out loans just to make ends meet. The issue of teachers' loans and over-borrowing should "not be treated as a domestic problem but rather something that the government should look deeper as this has something to do with the teachers' socio-economic status which could greatly affect their quality of work." [9] This, the authors added, "could not be solved by the proposed financial management trainings". Based on the facts mentioned above with regards to School Heads' leadership capability and

teachers' financial literacy, the researcher triggers to identify how these variables affect the performance of our teachers or how these variables help to uplift the quality of teaching and learning process in our public schools.

3. STATEMENT OF THE PROBLEM

The research aimed to determine the effects of school heads' leadership capability and the teachers' financial literacy on the teachers' performance.

Specifically, this study sought to answers to the following;

1. How may the leadership capability of school heads be described in terms of the following dimensions:

- 1.1. Model the Way;
- 1.2. Inspire a Share;
- 1.3. Challenge the Process;
- 1.4. Enable Other to Act; and,
- 1.5. Encouraging the Heart?

2. What is the level of the teachers' financial literacy in terms of the following:

- 2.1. Financial Knowledge;
- 2.2. Financial Attitudes;
- 2.3. Financial Skills; and,
- 2.4. Financial Values?

3. What is the profile of the teachers' performance in terms of the following Individual Performance Commitment and Review (IPCR) indicators:

- 3.1. Content Knowledge and Pedagogy;
- 3.2. Learning Environment and Diversity of Learners;
- 3.3. Curriculum and Planning;
- 3.4. Assessment and Reporting; and
- 3.5. Plus Factor?

4. Does the leadership capability of the school heads significantly affect teachers' performance?

5. Does the level of the teachers' financial literacy significantly affect teachers' performance?

4. METHODOLOGY

The descriptive-correlational method of research was utilized in the study to determine the effects of school heads' leadership capability and financial literacy of the teachers on their performance.

Descriptive-correlational research is a systematic investigation of the relationship present between two or more variables. It is an appropriate research design in analyzing cause and effect studies.

The study made use of a quantitative research approach in analyzing and understanding the effect of the predictor variable on the criterion variable. Standardized and validated questionnaires on the capability of leadership of the school

head and on the teachers' financial literacy were used as primary data gathering tools.

The respondents of the study were the public school teachers in the Municipality of Plaridel, Bulacan, during the school year 2019-2020. It includes both elementary and secondary high school public school teachers (Junior High School and Senior High School). Table 1 and 3 show the distribution of respondents by school category.

Guided by the Slovin's Formula, a 40 percent sample was drawn from the population of interest utilizing a systematic random procedure.

The study utilized two standardized instruments:

The Leadership Practices Inventory (LPI). The instrument is used in assessing the leadership capability of school heads [10] The LPI is a 30-item questionnaire assessing leadership practices of school heads in five parameters: Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act, and Encourage the Heart. The teachers assessed the leadership practices using a five-point Likert Scale with the following options: 1 = Never/ Very Low, 2 = Rarely/ Low, 3 = Sometimes/ Average, 4 = Often/ High, and 5 = Always/ Very High.

The LPI registered a Cronbach's Coefficient Alpha ranging from .82 to .96, indicating a high reliability coefficient for the whole test.

The Financial Literacy Questionnaire consisted of 20 questions, five questions per sub-area labelled: Financial Knowledge, Financial Skills, Financial Values, and Financial Attitudes. The questionnaire recorded a Cronbach's Alpha of .82 indicating good internal consistency of the instrument [11].

The teachers' performance was measured through the Individual Performance Commitment and Review (IPCR). It was composed of the following indicators, namely; Content Knowledge and Pedagogy, Learning Environment and Diversity of Learners, Curriculum and Planning, Assessment and Reporting, and Plus Factor.

The researcher utilized the documented data from Individual Performance Commitment and Review (IPCR) of the respondents.

5. RESULTS

The School Heads' Leadership Capability

The school heads' leadership capability revealed the general mean value of 3.65 and interpreted as "High". School heads' leadership capability obtained "high" to the following practices; model the way (M=3.53), inspire a share (M=3.53), challenge the process (M=3.64), enable other to act (3.78) and, encouraging the heart (M=3.78). On the other hand "enable other to act" and encouraging the heart" recorded the highest total mean value of 3.78. However, model the way

and inspire a share recorded the lowest which revealed the total mean value of 3.53 and interpreted as “high”. It revealed that all indicators of leadership capability of the school head interpreted as “high”.

The Teachers’ Financial Literacy

The teachers’ financial literacy revealed the general total mean value of 2.66 and interpreted as “highly literate”. Teachers’ financial literacy obtained “highly literate” to the following indicators; financial knowledge (2.72), financial attitudes (2.65), financial skills (2.61), and, financial values (2.64). Financial knowledge was recorded the highest mean value of 2.72 and financial skills was the least. This suggests that the teachers’ financial literacy in terms financial knowledge were slightly more inclined to manipulate the school processes to achieve the desired goals than other indicators.

The Profile of the Teachers’ Performance

The teachers’ performance revealed an “outstanding” rating with the general total mean value of 4.50 to the following indicators of IPCRF; learning environment and diversity of learners (4.50), curriculum and planning (4.50), assessment and reporting (4.54), and plus factor (4.52). “Assessment and Reporting” was recorded the highest average mean score of 4.54. Moreover, content knowledge and pedagogy revealed “very satisfactory” with the least general average mean score of 4.44. This suggests that the teachers’ performance in terms assessment and reporting were slightly more inclined to manipulate the school processes to achieve the desired goals than other indicators.

Effects of School Heads’ Leadership Capability on Teachers’ Performance

The null hypothesis which states that school heads’ leadership capability does not affect significantly the performance of the teachers was tested. The data collected were subjected to regression analysis to determine the extent of impact the predictor variable on the criterion variable.

Results of the regression analysis revealed that all of the five variables of leadership capability affect the performance of teachers in varying extent as shown by the obtained B Coefficients 0.817 (model the way), 21.736 (inspired a shared vision), 30.419 (challenge the process), 40.746 (enable the others to act), and 1.369 (encouraging the heart). This means that for every unit improvement in the leadership capability of the school heads could generate 0.817, 21.736, 30.419, 40.746, and 1.369 increases on teachers’ performance. A closer look at the obtained Beta Coefficients, one could deduce that of the five leadership capability, it was the “Challenge the Process” that exerted the greatest influence (Beta=7.019), followed by “Enable the Others to Act (Beta=5.397) on the performance of teachers. Results of analysis of variance revealed an F ratio equal to 1.164 with an associated probability equal to .422. Since the p value is greater than the significance level set at 0.05, the null

hypothesis is accepted. It may be safely concluded that the inspired a shared vision, challenge the process, enable the others to act, and encouraging the heart pertaining to leadership capability did not produce significant combined effects on the performance of teachers.

Effects of Teachers’ Financial Literacy on Teachers’ Performance

The null hypothesis which states that teachers’ financial literacy does not affect significantly the performance of the teachers was tested. A regression analysis was employed to determine the possible relationship between the variables.

Analysis of data revealed that the four variables of financial literacy affect the performance of teachers in varying extent as shown by the obtained B Coefficients 3.1 (financial knowledge), 1.727 (financial attitudes), 3.87 (financial skills), and 2.454 (financial values). This means that for every unit improvement in the financial literacy mentioned could generate a 3.1, 1.727, 3.87, and 2.454 increase on teachers’ performance. A closer look at the obtained Beta Coefficients, one could infer that of the four variable of financial literacy, it was the ‘Financial skills’ that exert a greatest influence (Beta=3.87) on the performance of teachers.

Results of analysis of variance revealed an F ratio equal to 1.316 with an associated probability equal to .351. Since the p value is greater than the significance level set at 0.05, the null hypothesis is accepted. It may be safely concluded that the financial knowledge, financial attitudes, financial skills, and financial values referring to financial literacy did not produce significant combined effects on the performance of teachers in the municipality of Plaridel, Bulacan.

6. DISCUSSION

It is very encouraging that the school heads demonstrated high leadership capability. This implies that the administrators have the ability, the passion, and purpose to change the way things are. This can be used to advantage in helping teachers further improve their level of encouragement and positivity in the classroom.

The high financial literacy ratings of the teachers indicates that they know the path to sustainability, and this means that they possess the ability, the knowledge, attitudes, skills, and values to manage their financial resources as well as their family. Let it be said that in general, the higher the level of financial literacy of a person, the more favorable the level of economic/financial status. May this positive result further motivates the teachers to work even more, in furtherance of their financial literacy.

The findings of the study revealed that the five sub-variables of leadership capability correlated positively with teachers’ performance. This implies that leadership capability as a whole, directly influence the productivity of the teachers.

Moreover, the variable that exerted the greatest influence was “challenge the process”. Let it be a food for thought for the school heads that they have the ability to help teachers know who they are as well as who they can become. Exercising therefore, their leadership capability effectively would do a lot in further enhancing the performance of the teachers.

The findings of the study also provided evidence that school heads and teachers should continue to give importance to financial literacy through financial education. Financial education should be carefully thought of and well adapted to the economic situation of people and society. Especially at this time of economic crisis, educating people would definitely result to increased financial knowledge, attitude, skills and values [12].

7. CONCLUSIONS

The school heads demonstrated high leadership capability and this indicates that they have the ability to lead, particularly in the areas of coaching and cheerleading, sustaining human relationships that enable teachers, and in helping teachers know who they really are, as well as who they can be.

The teachers exhibited high financial literacy in terms of knowledge, attitudes, values and skills. This means that they have the ability to manage their financial resources effectively for lifetime financial security.

The teachers registered outstanding performance, particularly in the areas of learning environment and diversity of the learners, curriculum and planning, assessment and reporting; and plus factors.

The null hypothesis which states that the school heads’ leadership capability does not affect the performance of the teachers was accepted.

The null hypothesis which states that the teachers’ financial literacy does not affect their performance was sustained.

8. RECOMMENDATIONS

School heads may utilize their leadership capability to advantage in helping teachers further enhance their motivation, level of engagement, and positivity in the classroom. Also, teachers may use their high financial literacy in managing their financial resources particularly in this time of crisis. May the positive results of the financial literacy assessment further motivates them to work even more in furtherance of their financial and economic status. They may consider it a matter of professional responsibility to sustain their outstanding performance and work even harder to become specialist in the content knowledge of their discipline and teaching pedagogy. Nevertheless, school heads may continue utilizing their leadership capability especially in the area of “challenge the process”. Doing this would contribute a lot in enhancing the teaching performance of the teachers. Lastly, school heads and teachers continue giving importance to financial literacy through financial education.

Educating people would definitely result to increased financial knowledge, attitudes, skills, and values.

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