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A Comparison of Principals' Perceptions of Desired and Actual Participation in the Building Level Budget Decision Process

Barbara Y. LaCost and Marilyn L. Grady

School-based management, a contemporary concept in educational policy development, has varied descriptions in the literature (for discussions, see David, 1989; English, 1989; Guthrie, 1986; Marburger, 1985; White, 1989). A general assumption about site-based management is that management decisions are brought closer to the people impacted by the decisions. Budgeting, a critical element of school-based management, is the allocation of resources to achieve institutional and organizational goals (Odden & Picus, 1991, 300). Although principals' decision-making responsibilities for the allocation of resources tend to vary among districts and among buildings within a district, recent shifts to school-based management may precipitate a more expansive decision-making role for principals in the school budgeting process (Cox, 1989). The current emphasis both in the field and in preparation programs on site-based management may provide opportunities for principals to become more proficient in the budget process.

Limited empirical research concerning the relationship between principals' roles and budgeting procedures at the site level exists. In a recent Illinois study, Small (1991) investigated urban and suburban principals' levels of involvement in selected budget process areas—staff salary decisions, materi-

als purchasing, and physical site improvement decisions. Correlation coefficients indicated significant relationships between actual and desired participation levels in all areas. Specifically, the results indicated that principals desired to be more heavily involved in decisions concerning textbooks, educational supplies, office supplies, instructional equipment, library books and equipment, and improvement to the facility. These principals were less interested in taking greater responsibility for salary decisions and custodial supplies (Small, 1991, 24). The budget areas described in Small's study served as the basis for this survey of K-12 principals in rural and urban settings in a mid-Plains state. The study described in this article, however, differs from Small's study in that we surveyed a more diverse principal population and tested for significant differences between principals' actual and desired levels of budget process involvement.

Background

School-based management is one approach to decentralizing the decision-making process to those involved at the school level—specifically principals, teachers, and parents (White, 1989, 6). The traditional rationale is that persons in schools have different needs that can best be met at the building level, not the district level (Cox, 1989, 21). Seen alternately as empowerment, as an effective business practice, or as a method for improving student achievement, school-based management has several elements (AFT Center for Restructuring, 1988, cited in Cox, 1989). Cawelti (1989), in studying several districts that have experimented with forms of school-based management, ranks site-based budgeting as 1 of 7 elements associated with bringing decision and control closer to those most affected.

Purpose

The purpose for conducting this study was to compare principals' actual and desired involvement in the budget process at the building site. The study was guided by the following research question:

To what extent do principals' perceptions differ concerning their actual decision-making involvement and their desired decision-making involvement in three areas of budget processing: salaries, purchasing, and physical site?

Four hypotheses were developed:

1. Principals desire a greater level of involvement in salary decisions for certified staff than they actually have; therefore, a significant difference exists between principals' actual and desired participation in salary decisions for certified staff.
2. Principals desire more involvement in salary decisions for non-certified staff than they already have; therefore, a significant difference exists between principals' actual and desired participation in salary decisions for non-certified staff.
3. Principals desire a greater level of involvement in school-site purchasing decisions than they actually have; therefore, a significant difference exists between principals' actual and desired participation in school-site purchasing decisions.
4. Principals desire a greater level of involvement in physical-site improvement decisions than they actually have; therefore, a significant difference exists between principals' actual and desired participation in physical-site improvement decisions.

Procedures

Sample

The state education agency's school directory provided the listing from which the study sample was selected. Each school in districts that maintain both elementary and sec-

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ondary schools was coded. A random number table was used to select the sample of 50 principals from schools located in 278 public kindergarten through grade 12 school districts in a mid-Plains state.

Survey Return Rate

One mailing and one follow-up were conducted. Thirty-two principals (return rate of 64%) responded to the initial survey. A follow-up letter produced an additional 10 responses resulting in an overall response rate of 42 (84%).

Instrument

The questionnaire required 13 responses (see Appendix A). Three budget process decision areas were defined and a set of responses was required for each area: (1)the salaries area required 4 responses, (2)the materials purchasing area required 7 responses, and (3)the physical site area required 2 responses. Principals were asked to respond to two questions:

1. To what extent do you actually participate in the budgeting process decisions for the areas listed?
2. To what extent do you desire to participate in the budgeting process decisions for the areas listed?

The choices represented a range of responses from full decision-making responsibility to no decision-making responsibility. The responses and scale follow:

1. Presently make the decision
2. Recommend a decision
3. Suggest possible alternative decisions
4. Provide or gather information for the decision
5. Do not participate

Methodology

The Wilcoxon matched pairs signed-rank test was conducted on each of the 13 questions. The test determined whether a significant statistical difference existed between principals' desired and actual levels of involvement in decision-making in three areas of the budget process. The Wilcoxon test was selected because the measures were taken on the same sample and no assumptions could be made about homogeneity of variance between the two sets of responses. The test statistic was based on the rank of the absolute differences between paired observations and was then subjected to a normal approximation procedure resulting in a negative Z statistic (Kirk, 1984). For this study, $p \leq .05$ was considered significant.

Results

The demographic profile of the respondents is displayed in Table 1.

The ration of female ($n=9$) to male ($n=33$) respondents was approximately 1:3.7. Over half of the respondents 55%, ($n=23$) were over 47 years of age. Fifty-five percent ($n=23$) had over nine years experience as a principal and over 81% ($n=34$) had been in education for over 15 years. Nineteen respondents (46%) drew salaries of less than \$40,000, whereas 22 respondents (54%) earned over \$40,000 per year. Slightly over half of the respondents ($n=22$, 52%) administered schools serving over 300 students. Although 41 of the 42 respondents represented schools with enrollments of 101 students and over, one respondent was the principal of a school with an enrollment of only 12 students.

The descriptive and inferential statistics are displayed in Table 2. Means and standard deviations for both the actual level of involvement and the desired level of involvement are reported. The Wilcoxon signed-ranks test ranks data ordinally and tests for differences between sets of responses on the same subjects. The results are reported as negative Z scores with accompanying p values for each test of difference in columns 3 and 4 of Table 2.

Table 1
Demographic profile of survey respondents (N=42).

VARIABLE	NUMBER AND PERCENT*	
Gender		
Female	9	21%
Male	33	79%
Age		
≤ 35	4	10%
36 to 46	15	36%
≥ 47	23	55%
Principal Experience		
≤ 9 years	19	45%
≥ 10 years	23	55%
Education Experience		
≤ 15 years	8	19%
≥ 16 years	34	81%
**Salary		
$\leq \$39,999$	19	46%
$\geq \$40,000$	22	54%
School Enrollment		
≤ 150	7	17%
151 to 300	13	31%
301 to over 500	22	52%

* Totals may not equal 100 due to rounding.

**One respondent provided no information, $n=41$ this case.

Hypothesis 1: A significant difference exists between principals' actual and desired participation in salary decisions for certified staff.

The data in Part 1 of Table 2 indicate that a significant difference existed between desired and actual participation in all salary areas. Principals were asked to indicate the extent to which they actually participated in and desired to participate in decisions (1)about funds for new or replacement teachers and (2)about raises for teachers. Principals indicated that they wanted to participate more in the decisions about funds for new or replacement teachers (a decrease in the mean from 4.122 to 3.268) and in the decisions related to raises for teachers (a decrease in the mean from 4.561 to 3.268). The results were significantly different at a p value=.0003 and .0011, respectively.

The least deviation from the mean was found for actual involvement in decisions about raises for teachers ($s.d.=0.923$) and the most deviation was for desired involvement in areas related to funds for new or replacement teachers ($s.d.=1.467$).

Hypothesis 2: A significant difference exists between principals' actual and desired participation in salary decisions for non-certified staff.

Principals also were asked to rank their involvement and their desire to be involved in the budget processing decisions about raises for office personnel and custodians. Principals indicated that they desired greater participation in the budgeting process related to raises for both office personnel and custodians—more for the former (mean shifts from 4.195 to 2.732) than for the latter (mean shifts from 4.537 to 3.05). Whereas the difference in actual and desired means for each of the questions was judged significant ($p \leq .0000$), the greatest difference in preference was found to be between actual and desired participation in raises for office personnel. Principals' responses deviated least from the mean for actual involvement in decisions about raises for custodians ($s.d.=0.951$) and deviated most from the mean for desired involvement in raises for custodians ($s.d.=1.413$).

Hypothesis 3. A significant difference exists between principals' actual and desired participation in school-site purchasing decisions.

Displayed in Part 2 of Table 2 are the test results for seven questions related to purchasing materials at the building site. Principals reported significant differences in their actual and desired levels of participation in the decisions about 6 of 7 purchasing areas. The difference between actual and desired participation in textbook purchasing decisions was significant at $p=.0580$ —slightly more than the minimum p value established.

Principals indicated that they participate less in purchasing decisions about office supplies (mean=4.050) and library books (mean=3.024) than other purchasing areas. The responses also suggested that principals differ more in their perceptions for actual and desired participation in library book purchases than for other purchasing areas (substantiated by the z score of -2.8876 , $p=.0039$).

The least deviation among principals' responses was found for desired involvement in purchasing educational supplies and instructional equipment (s.d.=0.784 and 0.783, respectively). The greatest deviation in response was found for

Table 2
Descriptive and inferential statistics for principals' desired and actual perceptions of involvement using the Wilcoxon Signed Ranks Test (N=42).

Variable	Mean	s.d.	Z statistic	p
PART 1—SALARY				
Money for new teachers	Actual 4.122	1.208	-3.6214	.0003*
	Desired 3.268	1.467		
Raises—Teachers	Actual 4.561	0.923	-3.2658	.0011*
	Desired 3.683	1.386		
Raises—Office Personnel	Actual 4.195	1.209	-4.4206	.0000*
	Desired 2.732	1.342		
Raises—Custodians	Actual 4.537	0.951	-4.2857	.0000*
	Desired 3.050	1.413		
PART 2—PURCHASING				
Textbooks	Actual 2.390	1.243	-1.8955	.0580
	Desired 1.974	1.038		
Educational Supplies	Actual 2.000	1.183	-2.1405	.0323*
	Desired 1.525	0.784		
Instructional Equipment	Actual 2.098	1.158	-2.4111	.0159*
	Desired 1.550	0.783		
Library Books	Actual 3.024	1.458	-2.8876	.0039*
	Desired 2.325	1.228		
Library Supplies	Actual 2.659	1.425	-2.3062	.0211*
	Desired 2.175	1.174		
Office Supplies	Actual 2.024	1.214	-2.0304	.0423*
	Desired 1.675	1.047		
Custodial Supplies	Actual 4.050	1.395	-2.4483	.0144*
	Desired 3.487	1.485		
PART 3—PHYSICAL SITE				
Internal	Actual 2.923	0.929	-3.4557	.0005*
	Desired 2.128	0.833		
External	Actual 3.026	0.959	-3.3869	.0007*
	Desired 2.256	0.785		

* $p<.05$

desired involvement in purchasing office supplies (s.d.=1.485).
Hypothesis 4. A significant difference exists between principals' actual and desired participation in physical-site improvement decisions.

Principals were asked to indicate the actual and desired extent of participation in budget process decisions about internal and external facility improvements. Displayed in Part

3 of Table 2 are the results associated with the two questions on the survey. Principals indicated a preference for greater participation in the budget process for internal facility improvements (mean=2.128 versus mean=2.923). They also expressed preference for greater involvement in external facility improvements (mean=2.256 versus mean=3.026). Both differences in mean values were significant ($p=.0005$ and $.0007$, respectively).

The deviations of principals' responses from the means were fairly consistent for questions related to actual and desired participation in physical site improvement. All responses were less than 1 standard deviation from their respective means although there was greater variance for actual involvement (s.d.=0.929 and 0.959) than for desired involvement (s.d.=0.833 and 0.785).

Summary and Discussion

The purpose for conducting the present study was to determine the extent of differences between principals' actual and desired involvement in the decision-making process of the building-level budget. Four research hypotheses about principals' actual and desired participation levels in budget process decisions related to building staff salaries, materials purchased for use at the building site, and physical site improvements were postulated. Data were collected from a randomly selected sample of public elementary and secondary principals in a mid-Plains state. Interpretation of the data indicated that, overall, principals did not perceive that they participated as fully as they might in decisions related to the budget process areas surveyed.

The first and second hypotheses stated that principals desired a greater role in determining salaries of both certified and non-certified staff. In fact, principals saw themselves as needing to be more involved in salary decisions for non-certified staff and especially those salaries related to office personnel. The results differ from those reported by Small (1991). His findings suggested that principals desired greater involvement in other areas of the budget process than staff salaries.

The third hypothesis stated that principals desired greater involvement in material purchases at the building level. While no significant difference was found between actual and desired involvement in purchasing textbooks, principals did see themselves having greater influence over supply and office purchases. Of specific interest was the disparity between actual and desired involvement with the fiscal decisions associated with library books. The final hypothesis stating that there would be differences in actual and desired levels of involvement with budget decisions that affected the physical site was also supported.

Implications

Our data suggest that principals desire greater involvement and decentralization in the budget process. The principal's role is to "... coordinate, direct, and support the work of others by ... providing organizational resources"; furthermore, the tasks must be integrated with leadership skills such as decision-making (Sergiovanni, Burlingame, Coombs, & Thurston, 1987, 57). The authors identified four organizational core activities to which school administrators must attend: (a) maintaining cultural patterns, (b) attaining organizational goals, (c) maintaining and adapting to forces in the external environment, and (d) integrating the school system (59). The latter three activities may warrant shifts in thinking and behavior patterns for players in the educational arena when principals' involvement in the budget process is increased. Each of the three core activities is briefly described below. Implications for districts, professional organizations, and designers of preparation programs follow the descriptions.

Attaining organizational goals

Goal attainment requires that principals define objectives and mobilize resources to attain them (Sergiovanni et al., 1987, 60). Greater control over and input into site-level budget decisions grants principals the power to target resources to specific objectives, build in effective evaluation procedures, assure that resources are available to meet specific objec-

tives, and shift resources as evaluation procedures and building site preferences fluctuate.

Adapting to the external environment

The evolution of site-base management is an external political and social force to which principals must react (Sergiovanni et al., 1987, 61). Adapting to change while maintaining the school's identity, continuity, and balance may become the major challenge to principals. They will of course need to conceptualize the budgeting process more broadly as well as achieve greater technical expertise in managing a budget. In addition the challenge will require them to engage in self-inquiry, learn more about communicating with others and give more attention to linking goals to effective teaching and learning practices.

Internal integration

Maintaining the internal environment requires integration of two components, one structural and one psychological. Principals first must coordinate and unify school units and departments. They must also build and encourage a sense of identity and loyalty among staff and students (Sergiovanni et al., 1987, 62). Greater involvement in the budget process may shift the well-known and familiar parameters of the structural and psychological dimensions of a school. Principals who demonstrate greater sensitivity and communicate meaningfully with participants may cope more effectively as instability and uncertainty evolve into new norms and mores for the school.

If more autonomous decision-making at the building level continues to be touted as a strategy for reconfiguring the management of resources in public schools, thorough assessment of the principal's role in the budget process must be undertaken. The outcomes of the assessment will direct efforts to improve preparation programs. Implications for school districts, professional organizations, and designers of preparation programs follow.

In order to provide for greater principal involvement in site-based budgeting, districts must:

1. develop and articulate rules and regulations affecting the amount or resources allotted and the accompanying procedures;
2. coordinate and adjust rules about class size, tenure, and salary so that implementation of site budgeting is enhanced;
3. develop clear and articulate policies regarding fund excesses that may occur (Cox, 1989); consider allowing the carry over of funds from year to year to promote flexibility and efficiency (Guthrie, 1986).
4. expand the business manager's scope of responsibility to include serving as a liaison to sites;
5. provide adequate and compatible computer hardware and software systems (Cox, 1989);
6. commit to investing in human capital through training programs and periodic evaluation of staff;
7. trust and support the site managers in their efforts.

Professional associations are in the position to advocate and disseminate information about site-management alternatives that may promote a more effective learning environment for students. Supporters in organizations should:

1. stimulate policy-making bodies to examine and restructure rules that prevent effective change at the district and site levels;
2. seek and promote federal and state fiscal support for experimenting with alternative models of administering schools;
3. aid in the dissemination of knowledge from the researchers to the practitioners;
4. increase the scope and frequency of feedback from members.

Designers of administration preparation programs should:

1. assess the current status of experimental administrative models;
2. implement different site-base administration models and conduct multilevel evaluations including results from school boards, superintendents, principals, teachers, students, parents, and community members;
3. develop and implement experiential preparation experiences, including case studies, involvement with practitioners, periodic clinical observations, and practice;
4. expand knowledge and skills related to delegation of responsibilities (Thomas, 1989);
5. place greater emphasis on the role of the assistant or vice-principal (see, for example, Marshall, 1991);
6. expand budgeting curriculum to include greater variation in type and length of budget development;
7. emphasize more collaborative models in superintendent preparation strands;
8. provide for evaluation strategies that are linked to practical applications of knowledge.

Finally, the research implications of this report suggest the continued assessment of principals' willingness to take on broader budget-related responsibilities. Assessments should vary by state, demographic differences, and purpose. For instance, the consistency with which this study's sample indicated a desire for greater involvement prompts questions about why principals seek more involvement, what is the scope of responsibility perceived, and what district and prepa-

ration support features are envisioned. Further recommended research efforts include: (a) appraisals of superintendents' perceptions of the scope of responsibility to be assumed by principals; (b) the implementation and evaluation of coordinated preparation efforts between university preparation programs and school sites; and (c) development and assessment of methods for upgrading communication efforts among site and district managers, professional association representatives, and programs evaluators.

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Appendix A

No. _____

The purpose of this study is to identify **principals'** actual levels of participation and desired levels of participation in the building level budgeting process. Please take a few minutes of your time to complete and return the questionnaire in the enclosed envelope.

The following is a two-fold task. Use the proposed scale to respond to the statements in both instances.

On the left side of the response sheet, rate your **level of participation** by circling the appropriate response to each statement.

On the right side of the response sheet, rate your **opinion of your desired amount of involvement** in the task. Again, circle the appropriate response according to the scale provided.

Scale

1. Presently make the decision
2. Recommend a decision
3. Suggest possible alternative decisions
4. Provide or gather information for the decision
5. Do not participate

TO WHAT EXTENT DO YOU PARTICIPATE IN THE BUDGETING PROCESS FOR THE AREAS LISTED?

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

1	2	3	4	5
1	2	3	4	5

Comments:

TO WHAT EXTENT DO YOU DESIRE TO PARTICIPATE IN THE BUDGETING PROCESS FOR THE AREAS LISTED?

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

1	2	3	4	5
1	2	3	4	5

Salaries:

Funds for new or replacement teachers
 Raises for teachers
 Raises for office personnel
 Raises for custodians

Materials Purchasing:

Textbooks
 Educational supplies
 Instructional equipment
 Library books
 Library equipment
 Office supplies
 Custodial supplies

Physical Site:

Facility improvement—internal
 Facility improvement—external

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