

# Cypriot Primary School Headteachers' Perceptions about the Delegation of School Finance

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*This paper is about decentralisation through the delegation of financial decisions. The English school management model is presented as a reference point of extensive delegation where the reform has had time to take place and be evaluated in the literature. The impact delegation has on schools, and on headteachers in particular, is given more concern since headteachers hold important posts and are perhaps those most affected by it. At a point when Cyprus is on the verge of decentralising its management structure and there has not been sufficient research to support and document any reform initiative, the present study investigates the views of 7 primary school headteachers regarding the delegation of finance in their schools. Through the use of semi-structured interviews an attempt is made to reveal the interviewees' perceptions as to what the weak and strong points of the current system are; as to which decisions they believe should or should not be further delegated; as to whether they would be willing to accept some changes which usually accompany financial delegation; and finally as to what they think about highly delegated management schemes. Many important findings emerge from the headteachers' views with the most important one being a unanimously proposed model of school financial management which, as it is believed, would benefit the schools if implemented. Altogether, the study offers an original view into financial decentralisation in Cyprus and aims to contribute towards the initiation of a general discussion around decentralisation and school management.*

## **Literature review**

### **Decentralisation – School based management**

Decentralisation is an attempt to maximize effectiveness and efficiency, by shortening the distance between the parts of an organisation and shifting the risks to a lower level (Karstanje, 1999). It must be noted that decentralisation should not be regarded as a unitary phenomenon since models range across a spectrum from centralized to decentralized systems (Foskett and Lumby, 2003). The degree of responsibility for - and discretion in - decision making, transferred by the central authorities in every case, is context bound and varies, according to local needs and traditions (Bush, 1999).

In education decentralisation is often named School Based Management (SBM) and it is identified as one of the megatrends of the last two decades (Foskett and Lumby, 2003). Abu-Duhou (1999:17) describes the phenomenon of educational decentralisation as “a repositioning of power from higher (the center) to lower (the school) authorities in relation to curriculum, budget and resource allocation, staff and students, and in some instances assessment” while Bullock and Thomas (1997) add ‘access’ to the above areas of decisions which can be repositioned.

While there are contradicting views as to which reasons underpin the shift to school based management, generally the movement towards it can be attributed to three categories of motives:

- a) political motives – in most of the world there is a groundswell of enthusiasm for increased participation in public decision-making by groups that have or claim to have been excluded earlier
- b) funding motives – central governments do not want to or can not provide the finance to meet demand for schooling
- c) efficiency motives – prompted by an argument that more local decision-making will reduce the cost of producing a unit of output

(Adapted from McGinn and Welsh, 1999)

The motive of increasing school effectiveness (Abu-Duhou, 1999) through improving instructional quality and learning outcomes (Newcombe et al., 1997) can also be added to the above.

### **Financial delegation**

Delegation is an extensive approach to decentralisation which describes transfers of managerial responsibility for specifically defined functions which end to be only indirectly controlled by the central government (Abu-Duhou, 1999). The rationale behind financial delegation is that decision-making near the point of delivery of service will closely reflect the needs and priorities of the students and the school community (Newcombe et al., 1997).

Extended financial delegation touches all four interdependent key management stages (resource acquisition, resource allocation, resource application and evaluation), with the major responsibility for relevant decisions being passed over to the school. Evaluation becomes an important part of the process, especially for the central authority, which needs to know the results autonomous management of finance produces. The curriculum and the learning outputs which schools must provide often get standardised, in order for the efficiency and effectiveness of individual schools to become easier to judge.

## **Presentation of the implementation in England**

### **Background of implementation**

In England the introduction of schemes giving greater flexibility in the way schools handled resources has passed through various stages which started to surface from as early as the 1970s. The most important reform effort was made with the Education Acts of 1988 and 1992, which included parallel processes of centralisation and decentralisation (Oplatka et al., 2002).

Local management of schools (LMS) was introduced as part of the reform and extended financial autonomy to all schools over the following few years. Under LMS budget control has passed from Local Education Authorities (LEAs) to individual schools (Smith, 2002); which have to exercise this control and self-manage almost all of their expenses within general guidelines (Johnson, 1994). The principle of LMS is that the large majority of expenditure on schools should take the form of locally

managed budgets (Davies and Ellison, 1992). At present, schools control costs of teaching and non teaching staff; heating, cleaning, decorating and altering of premises; supplies, services, books and equipment; training or other services as well as the use of any income they can raise (Creissen and Ellison, 1998).

### **The role of the headteacher**

LMS have changed the whole nature of management of schools and, therefore, have brought significant changes in the role of headteachers, governors and school staff. Johnson (1994) explains that with the devolution of administrative power and financial control to schools the post of headship becomes even more critical to school success. Headteachers are being called on to accept new responsibilities (Clarke and Newman, 1992); they have to master the techniques of costing, budgeting, negotiating, contracting and financial control (Everard and Morris, 1996). Hill et al. (1990) describe this change as dramatic, especially for those headteachers who fail or refuse to comply with a managerial role.

Bell and Rowley (2002) make clear that headteacher's duties in both managerial and educational role have increased and this has resulted in headteachers not having the time to carry out both giving them equal emphasis. After the reform headteachers report working longer hours (Levacic, 1995); spending more time on management, administration and financial issues; and being less in contact with the classroom and directly educational matters (Bullock and Thomas, 1997).

This shift in their responsibilities and working conditions has not been welcomed by some headteachers who find decentralisation "a heavy burden" (Murphy and Beck, 1995:170) and do not enjoy increased financial autonomy (Arnott and Raab, 2000). When they encounter the conflict between the headteacher as a manager and the headteacher as a teacher, these headteachers lean clearly in favor of the latter. Gerald (1997:313) claims that "English headteachers have recognised that markets in education intensify the 'winner-loser' syndrome" and have sensed "the moral, ethical, and professional dilemmas which markets generate for school leaders".

Other research findings contradict this pessimistic view and present data suggesting that delegation has been welcomed by headteachers. Douglas (1989) and Southworth (1999) note that headteachers appear to enjoy the greater control over their schools which LMS has given them; and appreciate the autonomy and the flexibility in managing school money and in setting priorities (Bullock and Thomas, 1997). Levacic (1995) reports that the majority of headteachers has responded positively to local management and do not want to return to the previous system.

Although it is not clear whether financial delegation has been welcomed or not, what is clear is that headteachers need to get relevant training in order to cope with their new responsibilities. No matter how much help headteachers receive from others, a considerable specialised workload remains to be done by them. That is why some training in decision making, accounting, building school budget and planning strategies is essential to be conducted (Nightingale, 1990); preferably prior to the takeover of headship (Johnson, 1994).

### **Negative implications of the delegated budget in England**

Like almost any reform, delegation of budgets has caused both desirable and undesirable results. Some of the reported disadvantages are: the amount of time spent on financial management at the expense of instructional leadership (Abu-Duhou, 1999); the creation of a market oriented competitive environment (where school funding is based on pupil roll) which is alleged to increase inequalities between schools with the “rich getting richer and the poor getting poorer” (Bullock and Thomas, 1997:163); and the tendency of schools to adopt a cautious approach to spending since they are accountable for any overspending. This sometimes this leads to controversial and dangerous experiments and approaches such as looking for the cheapest rather than the best teachers (West et al., 2000); reducing the teaching force by increasing class size; and transferring tasks traditionally undertaken by teachers to non teaching staff (Downes et al., 2000).

### **Positive implications of the delegated budget in England**

At the same time, researchers acknowledge some advantages of delegated financial management namely the satisfaction of schools’ most immediate needs (Nightingale, 1990); the improvement of the flexibility and the speed of management; the active involvement, empowerment and motivation of staff; and the establishment of an incentive for economy since any savings from one budget heading can be transferred to another or even be used in the following year (Downes et al., 2000). Economy is also achieved through the increase of accountability. In contrast to the previous system of centralised budgeting in which headteachers tended to overspend since they were not accountable (Bartlett, 1992), in decentralised budgeting all expenses are carefully planned, supervised and evaluated.

## **The Cypriot educational context**

### **Background – History**

Cyprus is an island in the northeastern Mediterranean sea with a land area of 9,251 square Km. In 2003 the estimated population was 800,000 with an ethnic composition of 80% Greek Cypriots, 17% Turkish Cypriots, 3% foreign residents, and a few Maronites, Armenians, and Latins. These figures are not inclusive of Turkish settlers and soldiers, estimated at 120,000 and 40,000, respectively, who have moved into the Turkish-occupied areas since the Turkish invasion in 1974. At that time one third of the Greek population (about 200,000 persons) was forced to abandon their homes in the north and resettle in the south (Pashiardis, 2004).

Education has suffered a severe blow as a result of the invasion since 44% of the students in secondary education and 42% of the pupils at the primary school level were deprived of their schools and fled to the free areas to seek education and settlement there (MOEC, 2003). Despite a series of United Nations Security Council resolutions<sup>1</sup> condemning the invasion and the efforts of the Turkey controlled ‘authorities’ to establish a separate state, the troops remain on the island and the government of Cyprus can exercise no control over the north part. That is why the reference to Cypriot schools in this dissertation will include only the schools on the

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<sup>1</sup> (SCR365 (1974), SCR367 (1975), SCR541 (1983), and SCR550 (1984))

free part, which are under the administration of the Ministry of Education and Culture (MOEC).

### **Structure of the Cypriot educational system**

Compulsory full-time education in Cyprus has 3 phases: kindergarten school (ages 5-6), primary school (ages 6-12) and lower secondary school (ages 12-15) and is free of any charge. All students are taught the same subjects and use the same books in this 10 year comprehensive period (Zembylas and Papanastasiou, 2004). Public upper secondary school is divided into general and technical school, both of which are also free but not compulsory. Higher education includes different types of tertiary institutions including the University of Cyprus (four years), public-sector non-university institutions (three years) and private sector institutions (one to four years) (EURYDICE, 2000). As of 2003 there were 344 primary schools with 59359 pupils and 3805 teachers. In secondary education the numbers were 111, 52104 and 5742 respectively (MOEC, 2004). The ratio of Cypriot students in Tertiary Education (locally and overseas) is one of the highest internationally and it was estimated to 63% of secondary education graduates in 2001 (MOEC, 2001).

The Ministry of Education is the policy-making and administrative body of the Government for education and prescribes syllabi, curricula and textbooks; prepares new legislation; finances schools and; regulates and supervises all institutions under its authority (Pashiardis, 2004). Appointments, secondments, transfers, promotions and discipline of all teaching personnel are the responsibility of the Educational Service Commission, a five-member independent body appointed by the President of Cyprus for a six years period (MOEC, 2001).

Local School Boards are committees formed by 5-11 elected members of each community or district and serve for a period of five years. The government has given them the responsibility to administrate schools in their district. They undertake the financial management of schools and cooperate with the schools' headteachers to achieve their best operation. Local School Boards manage schools' budgets; give suggestions about the reallocation of pupils in the district's schools and are responsible for schools buildings and equipment. Their role is similar to the role of LEAs in England, especially prior the reforms, because they both are transitional agents between central authority and schools.

Headteachers hold the most critical posts in Cypriot schools as they are responsible for their schools operation and well functioning, both in the educational and in the administration sector. Their duties include class teaching; guidance, evaluation and report of the teachers' work; collaboration with the Local School Board; writing down and submitting schools' needs to be included in the following year's budget; managing any money given by the Board or Parents Association; and handling the schools' paperwork and mail (Law 223 of 1997).

### **Cyprus and decentralisation**

Altogether, the educational system is highly centralized and there have been many criticisms of this centralisation (i.e. Pashiardis and Orphanou, 1999). Since Cyprus independence in 1960 not much has changed despite the fact that the bureaucratic and highly centralized structure of the Cyprus educational system has proved to be ineffective. A review conducted by the Ministry of Education and Culture (2001) has

pointed out structural deficiencies and weaknesses in the administration and management as two of the main problems of education. The Ministry has included the restructuring of the education system, so that it becomes flexible and adaptable, as a primary goal for the years to come.

The most recent reform initiative was commenced in 2003 with the appointment, by the Council of Ministers, of a committee which would study and evaluate the educational system, in order to prepare a report for the restructuring and modernisation of Cyprus education. This committee was named Committee for Educational Reform (CER) and has recently reported back on its findings. It has found that the system of management is strictly centralised, hierarchically bureaucratic, inflexible and antiquated. The authority and participation of school units is very limited, if existent at all. Therefore, some form of decentralisation is needed, as far as management and structure of schools are concerned (CER, 2004).

It seems that Cyprus is on the verge of restructuring its education and possibly policy makers are currently working on future action plans. The decentralisation which will occur might touch financial management as well and this research intends to contribute towards the commencement of discussion around this aspect.

## **Method of study**

### **Aim and Objectives**

The research aimed at investigating Cypriot primary school headteachers' perceptions about delegation of schools finance and more specifically:

- 1) to look into the current system of financial management in Cyprus' schools and identify its advantages and disadvantages
- 2) to investigate which financial decisions the headteachers believe that should or should not be delegated and why
- 3) to investigate the headteachers' willingness to accept some accompanying changes that come along with financial delegation
- 4) to investigate what headteachers believe about systems with extended financial delegation (i.e. England)

### **Selection and justification of research approach**

A qualitative approach was chosen since meeting the objectives set required for flexibility and for collection of non-numerical data. Data was acquired through interviewing given that the aim was to 'grasp the subjects perspective', to investigate and to understand their opinions (Corbetta, 2003). A semi-structured interview design was preferred in order to provide adequate 'shape' and structure to prevent directionless gathering of data which might lead to an unfeasible analysis and meaningless results. The existence of predetermined questions served more as a guide than as a constraint because "the order can be modified based upon the interviewer's perception of what seems most appropriate" (Robson, 2002:270).

The interview schedule was a product of combining the most important themes emerging from the literature review and of the researcher's personal interests in

investigating school finance in his country. Each category of questions was designed to meet one of the objectives and, as a whole; the schedule revolved around the headteachers' opinions about school budgets and delegation. Interviews were tape-recorded to acquire accurate records and more valid data.

### **Research population**

All schools within a small range from the researcher's residence were part of the sample and a total of 10 headteachers were directly contacted with visits to their schools. Out of the 10 headteachers 7 were men and 3 women, a proportion which is fairly representative of the total number of male and female headteachers. Unfortunately two of the women encountered some family problems and did not participate eventually, while one of the men insisted on answering the questions on the interview schedule in writing and was excluded from the sample. In that way, 7 interviews were conducted and analysed, 6 from men and 1 from a woman. The sample can be considered as homogeneous, since all of the headteachers come from urban schools set in a similar context in the capital of Cyprus Nicosia. In addition their schools are of similar size, ranging from a pupil roll of 166 to 270 pupils, with the exception of only one school which has 417 pupils. The interviewees' age ranges from 50 to 59 and their years of experience in headship range from 2 to 6.

### **Analysis of interview transcripts**

All the taped recordings from the interviews were transcribed word by word and the transcripts were given back to the headteachers to verify their accuracy and assure that they presented what they had actually said. Subsequently, the researcher took the interview transcripts, one by one, and used a Word processor to group the relevant pieces of text, using a different color of letters for each analytical category/theme which was aligned with one of the research objectives. Summaries of the main points were made for each category within each transcript and characteristic quotations were selected to be translated into English. Afterwards, the summaries of the matching themes from all the interviews were compared and combined together so that an overall view of what all headteachers had said could be acquired.

## **Results**

### **The current system of financial management in Cyprus**

The current system of financial management is described by the headteachers as centralised. The Ministry of Education and Culture (MOEC) is the highest, central authority. MOEC approves or modifies the expenses suggestions given by the Local School Boards (LSBs) and supervises LSBs in allocating funds to each school under their authority. The Ministry's Technical Services have to approve of any funds relating to buildings or premises in general and undertake the works.

LSBs are the 'middle agents' between MOEC and schools and the managers of budgets. LSBs gather the needs of all schools under their authority and present them prioritized to the MOEC. After funds are approved LSBs allocate the money to schools on a priority scale, according to schools' needs. Each school is given a fund which mainly covers educational means and consumables expenses. The fund is given in the form of a predetermined list of headings with the schools not being allowed to transfer money from one heading to another or satisfy a different need.

The budget building and allocation procedure is described in the following quotation from Headteacher 1:

Basically it is like a triangular relation with the vertexes being the school the Local School Board and the Ministry (Technical department). We give our suggestions both to the Board and to the Ministry. After the Ministry considers its priorities it will give, for example, 25 millions for the Nicosia Board, 12 for Paphos and so on. The Nicosia School Board, in cooperation with the Ministry, will decide on the priorities after gathering all schools' needs. What is important is to convince the Board on one hand and the Ministry on the other, at the same time, that we need certain things.

Headteachers have almost nothing to do with budgets and the managing of money. They are just 'executives' following instructions from the Ministry and the Boards and make only non-binding suggestions, through the filling of some standardised documents which are sent both to the MOEC and to the appropriate LSB. Headteachers' role in building the budget and acquiring the funds stops as soon as they submit school needs whereas they are only responsible for the spending of a small sum of money, under very strict rules, given each year by the LSB. In some cases, they also have to manage some money given by their school's Parents Union, which offers money according to its financial robustness.

#### **Negative aspects of the system/ disadvantages**

The system's restriction in managing this small amount of money is recognised by most headteachers as one of its weaknesses. The strict allocation of funds into predetermined headings does not allow the use of money where and when they are more needed. Another disadvantage mentioned by all headteachers includes the time delays, the lengthy procedures and bureaucracy which leave schools with unresolved problems. This often occurs with small needs when "everyday something comes up and until the Board responds there are difficulties in the school's functioning" (Headteacher 2) but is more obvious and problematic when the needs are bigger and more expensive to satisfy.

An additional weakness of the system reported by nearly all headteachers relates to them having to invest much time and effort in order to achieve the satisfaction of some needs. They have to try and find ways to be convincing, while sometimes the Board and the Ministry do not seem to understand the importance of certain things. According to Headteacher 1 this is "because they do not live [work] insight the school to see the reality. To see the problems evolving". Finally another negative point is mentioned by some of the headteachers who reported that they are discouraged from being active leaders of their schools. The reason is that they do not feel responsible about how well their school is doing since the potential of their involvement is constricted.

#### **Positive aspects of the system/ advantages**

At the same time, the headteachers mention some positive aspects of the system. The advantage mentioned by the majority of the interviewees was that headteachers and schools are relieved from an important workload and of the responsibility to manage money, especially since schools do not have the staff and the infrastructure to support autonomous financial management.

Other advantages reported are that headteachers are left with time to devote to their 'educational work', to support and evaluate teachers and pupils; that there is central control from the state and in this way every single school is controlled on how and where it spends public money (economy); and that sometimes it is possible to cover additional expenses with help from the Board, whereas if schools were managing their own budget and run out of it, that would not be possible.

### Decisions that should or should not be delegated and why

#### Headteachers' suggestions about which decisions should or should not be further delegated

Category of need	H1	H2	H3	H4	H5	H6	H7
Purchase of educational means	D	D	D	D*	D	D	D
Purchase of equipment	D	D	D	D*	D	D	D
Purchase of services		D	D	D*	D	D	D
Expansion of premises	N	N*	N*	N*	N*	N*	N
Maintenance of premises	D	D	D	D*	N*	D*	D
Teacher payment	N	N	N	N	N	N	N
Teacher selection/ appointment	N	N*	N*	N*	D	N	N*

D= Delegated

N= Not delegated

N\*= Not delegated but the headteacher gets to have a say

D\*= Delegated only for small buys or when the need is urgent

D, N= Not mentioned by name, implied

As the table shows the headteachers want decisions concerning the purchase of educational aid means, equipment and services to be delegated to schools, to be made and managed by them. The reasons given by headteachers as to why these decisions should be better made at the school level include that: (head)teachers know their schools needs better; in this way schools will have more scope to innovate and develop teaching and learning; and sometimes needs are immediate and the school can satisfy them more speedily.

As far as school premises are concerned, all headteachers agree that major expenses, for big works like the expansion of buildings, must be managed centrally. Five out of seven add that their opinions as school leaders should be taken into account in decisions concerning their schools and the remaining two do not want anything to do with expansion of premises. In the case of the maintenance of premises, the predominant view is that schools and headteachers should be actively involved. All headteachers but one want to decide on their own if and when maintenance is needed. The other one believes that the responsibility for that decision should better remain centrally, but again, wants to have a say on the matter.

Teacher payment is the one and single area of decision in which all headteachers do not want to have any say about, or be involved in any way. In so far as teacher selection and appointment is concerned most headteachers (four out of seven) want the issue to be managed centrally with their participation and opinion being high-weighted, two of them want the central authority to solely decide on the issue and

one wants to select the school staff himself. One of the headteachers who are against the devolution of authority on hiring teachers justifies his position by arguing that external factors (like political parties) would interfere in the selection process and favouritism would harm the system.

### **A system of financial management proposed by headteachers**

When headteachers in this sample were asked to propose a system of financial management which would best suit their schools' needs, none of them considered the current situation as ideal and they all suggested some changes. Some form of further decentralisation is generally wanted, with interviewees' dominant request being to be given the right to determine priorities, to manage some money (around £5000<sup>2</sup>) and to be able to transfer the money from one heading to another. They propose a system of management somewhere in the middle of the current one and a system with extensive decentralisation, like the English system:

I do not suggest for an absolute financial autonomy but a kind of smaller autonomy to allow the headteacher not to beg and not to spend more money for mail paper [requesting for something] than the amount of expenses [to satisfy the need]. This kind of autonomy will be about the contemporary, everyday, small expenses of the school.

(Headteacher 1)

They want to find 'a middle way', a 'golden mean' where the school would have more decision-making authority, mostly for matters related to its everyday operation, but it would not manage all its expenses. In addition, the headteachers would like to participate in central decision-making committees (for staff appointments and major premises works mainly) and to have the right to argue about, and justify, their suggestions:

I have to have a say [about teacher appointments], at least for some time period. Us headteachers could submit our school's programmes [plans] and justify why we want certain staff members...The teacher is the one who knows the needs [in buildings]. The Technical Services will suggest something based on their specialized knowledge, in architecture, mechanics etc. But it is the teacher who knows the needs.

(Quoted from H2)

### **How would the proposed system change things?**

The interviewees were asked to estimate the changes that would result from the implementation of the system each had suggested. They all said that the proposed system of further delegated management would have a positive impact on the school. Schools' needs would be directly and quickly addressed and the condition of premises and the overall appearance of the school would be improved:

It will surely have a positive impact. The results of using the funds will be more visible within the school... if the decision-making point gets closer to the school, things will be done quicker.

(Headteacher 1)

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<sup>2</sup> 1 CY pound = 1,16 GB pound

Schools' levels of attainment would rise because the necessary conditions will be given for schools to do so. More specifically long term planning would be possible, school staff would feel safer knowing that basic needs would be satisfied and teachers would give their best to improve the school, given that they would feel "responsible for rising their school's standard because they will have all the favorable conditions to do so" (Headteacher 2). Especially headteachers would be free of constraints and would have more time to devote in other important aspects of their work. In addition, professional development would be enhanced through the purchase of training and re-education services; and more people would be involved in the management of the school and the preparation of the school development plan.

## **Delegation and accompanying changes**

### **Control and accountability through National Standards and Tests**

All the headteachers consider control, accountability and evaluation as elements necessary in every job and believe that they should be increased in theirs if money is given to the schools to manage. At the same time it is proposed that increased accountability and control should be accompanied with the 'strengthening' of headteachers, by giving them flexibility in managing finances and by supporting them with trained and adequate staff which headteachers themselves might select.

As far as National Standards and Tests are concerned, five out of seven headteachers acknowledge some difficulties in their introduction and have some reservations about them. They consider their implementation in other countries as problematic, or at least controversial. Headteachers question standards' validity and argue that they sacrifice overall development of children for high attainment in tests. Like Headteacher 2 explains, "the teacher teaches for exams' sake. He or she is not concerned with the development, the overall development of children". To overcome these problems the headteachers propose that standards should be carefully designed and should give more emphasis on measuring value added.

### **Movement towards more management and less teaching duties – Increase in headteacher workload.**

There is a unanimous agreement that headteachers' primary role is in the educational sector of the school; above all the interviewees consider themselves as educators. They see their role as educational leaders: supporting and consulting teachers in their practice and professional development; monitoring teaching, learning and pupils' development; and building their schools' vision and culture. This is illustrated in the following quotation:

What inexperienced teachers need is not an administrator but a headteacher next to them, in the classroom, to share experience with them... I am afraid I will lose contact with class. In the two years I have been a headteacher I feel that I am receding from the desk and this hurts me...

(Headteacher 1)

Their preference to the headteacher as an educator model makes them resent the idea of becoming administrators only, in other words, of having the responsibilities a financial manager has in other organisations. They prefer a model where they would monitor, evaluate and supervise the budget process without doing the accounting

work and the record keeping, for which headteachers argue that they should be provided with assistants.

When faced with the possibility of having to deal with an increased workload as a result of decentralisation, the interviewees reply that this might not be the case. As they explain, currently headteachers do everything in their schools and their time is already restricted. Apart from being educational leaders, teachers and administrators, they also deal with secretarial and caretaker tasks. So, even if the system changes to a more decentralised one – up to the extent that they have suggested – the headteachers argue that they would not be much burdened, provided that they would have assistants and caretakers and they would also save time and effort in trying to convince others to disengage money for school needs.

### **Training in financial management**

In the case of training, all headteachers appear to appreciate its value and are willing to follow some if required. In the words of H5 “training is a precondition for the success of any innovation”, like financial delegation. Training is characterised as ‘necessary’ and ‘useful’ and it is also proposed that it should be continuous and specific. It is argued that formal training in School Management, which could lead to Diploma or Masters Degree, should be a prerequisite for the post of headship:

Training of headteachers is necessary. I suggest that all teachers with the aspiration of managing a school...should follow a course leading to a degree in School Management. Whoever takes it [the degree] should become a candidate for assistant headship.

(Headteacher 4)

### **Systems with extended financial delegation**

#### **Attitudes towards highly delegated systems**

Headteachers’ attitudes towards systems of extensive financial delegation varied in this sample. Some were in favour of such systems, others were against and the rest were neither for nor against. In spite of their differences in the liking of extensive delegation, they were all capable of pointing out some of their advantages and disadvantages. In addition, it was commonly stated that, at least for the near future, extensive delegation in budgets can not be implemented in Cyprus.

#### **Advantages of highly delegated systems**

Regardless of the interviewees’ overall attitude they all were in place to identify some advantages of heavily delegated budgets. One set of advantages has to do with headteachers themselves. It is believed that under such management systems headteachers are empowered and become the dominant figures who decide on policy issues. In addition, they are given more flexibility in managing the budget and they are supported by other staff members. They stop being left alone, to take over everything, and they are especially relieved in the everyday functioning of their schools, with the presence of caretakers. Finally, headteachers’ exemption of teaching duties, to allow more time for other duties, is also considered as positive.

Another set of advantages has to do with schools in general and with the satisfaction of schools’ needs. It is thought that needs are more likely to be better and sooner met

under heavy delegation. That is because schools make their own decisions, based on their context, and priorities are determined by them. In that way, the phenomenon of all schools been given exactly the same things, despite local conditions, ceases to exist.

In addition, when schools decide about everything, including the selection of staff, they have the advantage to choose the staff which will best serve their needs. Furthermore, the chance to employ staff members for as long as they are needed, allows for the building of a school culture, for the implementation of a stable development plan and for the more effective and immediate implementation of innovations. Headteacher 4 makes this point in his own words:

It has advantages because you can select staff according to your needs, you can achieve permanence of staff. Permanence of staff means creation of a culture, because there will be some people who will work together for many years and will create a scent of a school, a culture.

Finally, it is argued that in such a system pupils are benefited because teachers are put under increased pressure to produce results and continue to improve.

### **Disadvantages of highly delegated systems**

Apart from advantages, all the headteachers were able to recognize some disadvantages as well. Like in the case of such systems' strengths, one set of weaknesses has to do with headteachers. Headteachers in heavily delegated contexts are burdened with a significant workload, having to make important decisions all the time; they sometimes find it difficult to undertake some of the procedures that are currently under central authority in Cyprus (i.e. to find supply teachers) and do not have enough time to do educational work. It is also pointed out that some headteachers may lack the ability to lead their school in such a way. In addition, heads are responsible and accountable for schools' outcomes and a possible failure may even cost them their jobs. Furthermore, extensive delegation systems are believed to be prone to favouritism, with headteachers being dependent on the parents and trying to get along well with them.

A different set of disadvantages is related to the school as a whole, as an educational organisation. It is recognized that many people must collaborate in order for the system to work and that is not always easy to achieve. The effect heavily delegated budgets have on learning outcomes is questioned. In addition, risks are believed to increase because the central authority, which usually implements conservative and less risky educational programmes, no longer controls what is happening and so schools are free to experiment with high-risk programmes and innovations, the possible failure of which will have a direct negative effect on each school. In addition, there is increased time cost for management and the small size of schools is considered to weaken them, because they have fewer resources available and are charged with higher, retail prices for the purchase of services, equipment and materials.

A final category of extensive delegation disadvantages is associated with education and society in general. Some headteachers maintain that the introduction of market elements in education would be in conflict with the collaborative spirit the school wants to establish and might cause a social problem. A competitive environment would push schools away from the essence of education, which according to the

headteachers should be the pursuance of the whole person development, towards showing off. The headteachers explain that the social problem could be caused from parents moving away their children to other schools:

...the best teachers will be gathered in good schools in prosperous areas and the small schools in the mountains will be left with the rest; in the end those who are good will become better and the others...

(Headteacher 1)

## **Discussion**

### **Objective 1**

A closer examination of the four theme categories of results, each of them associated with one of the objectives, is useful in evaluating the importance of the findings and their potential implications. Cypriot schools' financial management system is described and characterised as centralised. This is in agreement with the formal evaluations which were conducted by the Ministry of Education and Culture (2001), as well as by the Committee for Educational Reform (2004). Headteachers acknowledge some disadvantages of the system and this fact can be considered as an important requirement for their eagerness to accept a differentiated scheme, which might be implemented in Cyprus as part of the officially stated aim for decentralisation. Heads are clearly annoyed by the limitations they face in managing money allocated to their schools and by the system's time delays, lengthy procedures and bureaucratic processes which come in their way. The fact that they feel restraint and limited in performing their mission and in leading their school might be seen as a positive element for the success of any forthcoming decentralising effort and has to be accounted by policy makers. At the same time, though, those who design policy innovations must take into account that the headteachers value some provisions of the existing management scheme, like the time they allowed to do educational work, and would not be fond of their elimination.

It is interesting to point out that the current situation in Cyprus has many similarities with England prior the reforms (Brown, 1990). Local School Boards are equivalent to the English Local Education Authorities and they both are the middle agents between the central government and schools, with a decisive role in financial management (Jones, 1999). Headteachers in Cyprus complain about the limitations of centralisation like their colleagues in England have done some time ago (Brown, 1990). The Cypriot government has set as a goal to decentralise the educational system, repeating the manifesto of the English one, about 15 years later (MOEC 2001, DES 1988). Do these similarities mean that the same changes which took place in England must be repeated in Cyprus and, as a result, have the English system of financial management copied and re-implemented?

### **Objective 2**

The headteachers themselves disapprove of such a prospect and believe that "transplanting a system to a different context will result to its expulsion" (Headteacher 4). What they do propose is a 'golden mean', a system in the middle of the existing and the English one and they do so in a remarkably common way. Under the second analytical category of results, they go on proposing the areas of decisions which would be better managed at the school level, and the remaining areas in which

decisions should better remain under central authority. It is encouraging that their proposals are similar enough to indicate the existence of a pattern and support the suggestion that a long-scale Cyprus-wide study could find analogous results, leading to a generally accepted by primary school headteachers management system.

From the investigation of this sample it appears that all headteachers want to manage a relatively small fund of money to cover their schools' contemporary needs, vive between headings and determine priorities. They believe that the everyday purchases of educational aid means, equipment and services should be managed entirely at the school level. None of them wants anything to do with teachers' payment, but they do want to be able to request and justify the presence of certain staff members who would be considered as necessary for currying out their schools' development plans. The headteachers seek to have a say in committees deciding about major premises works and have a decisive say in regard to premises maintenance. It appears that the interviewees desire their empowerment as leaders and their more active involvement in financial management because they do not currently feel entirely responsible for how well their school is doing. What Atkinson (1997) describes as being able to 'pass the buck' to central authority when things go wrong is clearly not sought by the interviewed headteachers, who want to be able to express their opinions and justify their school's needs and are not afraid of responsibility.

It is commonly agreed amongst the heads that further delegation, up to the described extent, would have a positive impact on schools. They argue that with the moving of the decision making point closer to the point of service, needs would be addressed more appropriately, directly and speedily. The fact that they consider themselves better able than Ministry or Board officials to prioritize needs and find solutions within their schools might have been expected, as any professional would think of himself as more capable to decide on his work matters than any 'outsider'. It does appear to be logical, however, that people inside the school should decide about what is happening around them because they are those who will have to live and work with it and, more importantly, they have knowledge of and proficiency in school related issues. Therefore, an enhanced voice of educators in relation to school financial matters should be sought in any system change.

According to the headteachers, if the system of management they recommended is put into action, attainment levels will rise, provided that all the available means will be in the hands of the appropriate staff; teacher professional development will be enhanced and the headteacher, as well as the school as a whole, will be free from constraints. An emphasis should be given by policy makers in achieving the usage of resources by educators who can make the best use of them, as it is not enough to just have all the appropriate educational means in a school or just the proper teachers and headteachers. A combination of both is essential for the effective and efficient use of resources which, ideally, will provide the desired academic results.

### **Objective 3**

In so far as changes in headteachers' duties which delegation will likely bring along are concerned, the interviewees comment that they would welcome more management responsibilities but only up to a certain extent. As they explain under the third findings category, they are font of further delegation up to the point that they, as the budget managers, will not lose their identity as educators and will not

become just 'administrators' and 'accountants'. That is why they have a strong preference in managing a small fund of money for everyday minor expenses and not the whole of the budget which coincides to their school. They do not want to deal with large budgets, not mainly because they are afraid of the responsibility but because they primarily see themselves as educators.

Headteachers in Cyprus appear to resemble to the group of their English colleagues who clearly sides with 'the headteacher as a teacher' rather than with 'the headteacher as a manager' model (Nightingale, 1990). Cypriot primary school headteachers believe that their mission is to lead the educational sector of their schools, to support and monitor teachers' and pupils' development, to devote time and expertise in teaching and learning. That is why they are very clear that they would readily accept delegation accompanied with more managerial tasks and an increased workload, only if this did not affect them in their primary duties. This strong belief should be noted by state officials and there should be an effort to find a balance between managerial and educational responsibilities in any future reform attempt. The involvement of more people in school management as well as the discharge of headteachers from other, minor importance, duties might be actions towards achieving that balance. Headteachers in Cyprus would welcome, for example, the hiring of caretakers as they appreciate the important role they play in the running of schools in England.

Findings also show that the issue of increased accountability and control which go together with delegation of resources will be complicated and might prove controversial in Cyprus. The interviewees are not against someone controlling and evaluating their work even though the competence of inspectors has been criticised in the literature (Pashiardis, 2004). On the contrary, they all consider accountability, control and evaluation as catalysts for the development of every organisation or school and they would welcome an increase of them in their profession if delegation occurs. What most are skeptical, or even negative, about are National Standards and Tests as they do not consider them as ideal evaluation and control measures and openly question their validity. It is important that headteachers' proposals for a careful design of the Standards as well as for the placing of the emphasis of Tests' evaluation on value-added rather than comparative measurements are noted and considered by the government.

What will probably be of a minor concern, if and when financial delegation is put in action in Cyprus, is the training of headteachers in coping with their new responsibilities. All heads have expressed their appreciation for the value of training as well as their willingness to follow some specialised training if a relevant innovation was implemented. Even at present the headteachers consider training as necessary and useful, since they feel that they need some professional help and support in dealing with the complexities of their various duties. It is proposed that training must be continuous and specific and could even become a prerequisite for promotion to a headship post.

In the case of a new management system, where the headteachers' role would be even more complex and demanding, it is significant to have the headteachers willing to be trained, but this should be accompanied by the appropriate training programme to have them successfully prepared for the job. Training might prove a decisive

factor for the success of any reform initiative and the government must invest in training to harvest in results. It might be also worthwhile for the state to consider a revision of promotion procedures, so that payment would be disassociated from the headship post, and in that way making it more likely to have those really interested in management to be appointed as headteachers.

#### **Objective 4**

The fourth category of findings relates to interviewees' perceptions about systems with extensive financial delegation, with the case of England being such an example and a point of reference. Headteachers' opinions contradict each other, with some heads being in favour of such schemes and others being against. Although there is a general agreement that for the near future a less decentralised system should be implemented in Cyprus, some headteachers set the system of England as a long-term goal, while others express their intense opposition to it. This dissidence in preference is in agreement with the English financial management system's discrepant evaluations from headteachers in England's schools. As it is revealed in the literature review, English headteachers' views vary considerably even though they are based on assessments of the same context. This might show that the formation of their opinions relies on subjective personal criteria rather than on objective and widely accepted measures. If this is true, it would provide with an explanation about the great variation in different views.

It has been argued by the sample that the introduction of market elements, like the laws of supply and demand, in education would be in conflict with the spirit of collaboration which schools want to establish and would cause social problems. What essentially has to be answered is whether extensive delegation in finance must necessarily be accompanied with the marketization of education, as it was done in the case of England, where schools have become competitors. Some might argue that competition is necessary to have schools and teachers working to their best and ensure continuous development. Others might reply that it is the collaborative spirit which makes the difference and produces the best results, while making the society a 'better' place to live in. A number of Cypriot headteachers have also argued that a competitive environment and an emphasis on attainment tests would move schools away from their officially stated ultimate goal which is the pursuance of the whole person development (MOEC, 2003), therefore, it would be against the essence of education.

In theory, highly decentralised financial management schemes can exist without the parallel installation of a market environment. In every case, though, the form and nature of any system is aligned with the reasons and the motives behind its implementation as well as with society's beliefs and expectations of what education and schools should be about. This is a good reason why practices can not be copied from one context to another. Even when school conditions might appear similar and stakeholders might seem to have common restraints and preferences, it is almost impossible for the aim of education and for cultural values of two contexts to match, therefore different outcomes will be expected from schools and educators. The successful introduction and implementation of a management scheme in one county might produce far from wanted results in another country. The English delegated budget should not be duplicated in Cyprus for an additional reason too, which relates

to size. Like headteacher 5 commends the population of Cyprus is smaller than a London's district and so different arrangements are needed for its schools.

What the reference to England and its financial management system does offer, is a deeper understanding of decentralisation and of school financial management as well as an opportunity to appreciate the effects their implementation has had on schools and more specifically on headteachers, who are of greater concern in this study. The variety of research conducted on the system and its consequences is helpful in appreciating the impact of the reform from an overall perspective and allows for the identification of positive elements, which might be adopted, and for negative elements, which should be avoided, in any future decentralising efforts in Cyprus.

## **Conclusion**

At this point someone might ask whether the pattern of common headteachers' perceptions, which evolves from the findings, is enough to claim that a solution to the problem of designing and implementing a better functioning financial management system for Cypriot schools has been found. The answer would be definitely no. It is acknowledged that the study has inherent limitations which do not allow for the construction of overbold claims. The small size of the sample and its non-random selection are negatively affecting the generalisability of findings while the usage of only one data gathering technique does not allow the strengthening of findings through triangulation.

Moreover, the research's perspective might be considered as narrow, since only headteachers' opinions are researched upon. Even though headteachers hold an important role within schools and their views should be valued, there are other important stakeholders whose opinions should be also asked for. Before making final decisions, policy makers should examine the stance of parents, teachers and their unions, LSBs as well as Ministry employees, since they are all part of the current management system and have 'lawful interest' to take part in any discussions and efforts to implement a new one. Other studies could and should follow, possibly using bigger samples and examining additional parameters as well. The strength of the present study is that it offers an original view into headteachers' perceptions about delegation of school finance and an initial basis for further research and discussion. Being the first research attempt to investigate the grounds for future delegation in Cypriot schools it can be considered as a step towards introducing the theme of financial decentralisation as an educational debate.

Such a debate should promote the productive confrontation of arguments to achieve an in-depth understanding of school management and to explore the breath of available possibilities. As a report of Coopers & Lybrand (1989) suggests there are significant strengths and weaknesses in both centralised and delegated arrangements. In a system of financial delegation some advantages are lost but others are gained. Neither centralisation nor decentralisation is good on itself and that should be acknowledged as the starting point of any discussion.

What could prove worthwhile undertaking after the current study, is piloting the proposed system of delegated financial management in some Cypriot primary schools. In that way, the system's implementation in the actual school context would

show whether the headteachers' estimations about its positive impact would prove real or not. The benefits of a successful pilot implementation would definitely outweigh the costs and the risks taken from such a trial.

Even if the management structure proposed proves to have the favourable affect that headteachers predict it is recognised that there are no guarantees for its Cyprus-wide introduction. Reforms are usually based on research findings but their implementation is ultimately decided on political grounds. Governments take additional factors into account before making any changes, with the economic cost often being one of them. Sometimes research and pilot implementations are buried because the changes they propose are judged as overly expensive by politicians. Moreover, before any innovative reforms are made to the educational management system it has to be proved that they will have a positive effect on pupils' outcomes. The improvement of attainment is essentially what is sought for and there might be no meaning in any kind of restructuring if learning is not benefited from it.

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