State appropriations and performance of former Model C schools in South Africa

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DECLARATION

I, Christopher Jon Hammond, declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Christopher Jon Hammond

Signed at the Wits Business School, Parktown

On the 29th day of March 2019

DEDICATION

I dedicate this applied research article to my wife, Catherine, for her tremendous love, encouragement, support and commitment during this trying time. My daughter Sophia and my son Noah your energy and enthusiasm made the journey that much more enjoyable. Lastly, our special little Lara whose support from above never wavered.

AND

My father, who provided guidance and financial support, and my mother who reinforced the importance of education as a means to personal development.

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SUPPLEMENTARY INFORMATION

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- Project Plan
- Invitation to Participate in Research Study
- Interview Consent Form
- Interview Questionnaire
- Consistency Matrix

ABSTRACT

South African schools are under pressure to perform and provide their stakeholders with high quality teaching and learning. Former Model C schools have witnessed a decline in state appropriations, and many are battling to deliver the same level of performance that is consistent with their independent school competitors. Although the literature has identified the roles of School Governing Bodies (SGBs) as key role players in school performance, there is very little empirical research pertaining to additional role players such as past pupils and the school business manager.

The aim of this study is to explore principals, SGB members and business manager's current financial responsibilities and investigate which of these responsibilities has the greatest influence on performance. The study also attempts to analyse the causal mechanism of fluctuating state appropriations in order explore the relationship that exist between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

Qualitative, exploratory research procedures were implemented to gain new insights into fluctuating state appropriations and the casual mechanism which affect performance. A total of 12 semi structured, in-depth interviews were conducted with principals, business managers and SGB members, all with senior levels of authority, from four different schools. The interviews lasted roughly 1 hour and were analysed through thematic content analysis.

The key findings acknowledged the SGB's as crucial players in school performance and reinforce their responsibility as game changers in the financial management training of former Model C schools SMTs. The literature paid tribute to their role in financial management but did not recognise other participants as stakeholders on which former Model C schools can depend. It was determined that developing the human capital; using a combination of rewards and recognition and recruiting and selecting qualified educators provided the best opportunity to improve these school's performance. The findings from this research add to the existing literature in the field of state schooling and performance.

Keywords: Appropriations; performance; Model C schools

INTRODUCTION AND BACKGROUND

State school governance and superior school performance in South Africa has for the most part been a painful, complex and controversial narrative which has had sporadic and limited support from stakeholders (Mabasa & Theman, 2002; Fiske & Ladd, 2003; Lewis & Naidoo, 2004; Chaka, 2008; Mncube, 2009; Bush & Heystek; 2010; Xaba, 2011). School Management Teams (SMTs) in conjunction with the South African government has failed to address many of the inequalities from the past, as such significant resistance to collaboration and collegiality has been experienced by role players (Gilmour, 2001; Mestry & Barry, 2016). The demographics of the decision makers at SMT level, composition of governing bodies, school fees, admission policies and governance as well as professional management has been criticised (Bush & Heystek, 2010) as the main foundations of poor school performance. The notion of school governance has morphed from a two-dimensional education system focusing on policy control and implementation (Sayed, 1999) to a post-Apartheid governance structure characterised by ‘‘financial inclusion, democracy and uniformity’’ (Chaka, 2008; p. 30). More recently, a strong link between parent involvement and their role in the performance in the democratic governance of schools has been established (Mncube, 2009). More specifically parents are being held accountable for issues in school governance such as discipline, finances and recruitment (Bush and Heystek, 2010). Mncube (2004) provides a lucid narrative whereby they articulate school governance and performance as a complex issue in which structural and behavioural factors inhibit its extent.

Through a deliberate and extensive literature review that is available on state appropriations and performance of former Model C school’s it was determined that there are key role players who are both directly and indirectly involved in the management and leadership of former Model C schools (Mabasa & Theman, 2002; Fiske & Ladd, 2003; Lewis & Naidoo, 2004; Mestry, 2004; Battersby, 2004; Mestry, 2006; Chaka, 2008; Mncube, 2009; Bush & Heystek; 2010; Xaba, 2011; Botha, 2012; Mestry, 2016; Soupen. 2017). These include but are not limited to the South African government, the SGB, the principal, various trusts, parents, past pupilss and the community. The literature offered many of the assigned role players in seclusion and appeared to place an emphasis on the responsibility of SGB's in growing and maintaining superior levels of performance (Mabasa & Theman, 2002; Chaka, 2008; Bush & Heystek, 2010; Xaba, 2011). Occasionally, additional role players were examined in conjunction with the function of School Governing Body's (SGBs) (Mncube, 2004), however, viewing the accountability of school performance in former Model C school governance was never consistently addressed through a range of theoretical lenses. The allocation of state appropriations to drive performance has appeared in discussions amongst stakeholders such as SGB's, school executives, educators, parents and the community. However, the narrative has been addressed by academics in terms of higher education (Humphreys, 2000; Schuknecht, 1996; Hillman & Toutkouskian, 2012) and there is very little literature, apart from Mestry and Berry (2016), on the impact of declining state appropriations and effects on state school performance in South Africa. The alignment between government and its education departments has been examined, as the literature reveals that schools are steadily losing their allocation of state appropriations and are having to fund many of their own initiatives to remain competitive (Fiske & Ladd, 2003).

By interviewing former Model C school principals, SGB members and business managers the aim of this study is to generate insight into developing a sustainable school model that will develop a more effective means to achieve a high level of performance, with the intention to engender a coherent responsibility framework that will equip stakeholders with the tools to address problems of governance and the effects of fluctuating state appropriations. This form of preliminary research drew on a wide range of literature that is concerned with forms of school governance and the role of the school in exploiting state appropriations to maintain competitive levels of performance. In order to provide a way forward on how to effectively compete and sustain high levels of performance, recommendations for former Model C schools will need to be formulated that allow and encourage the teaching and learning process to dictate the way forward. These solutions need to be sustainable, participative and equitable.

Performance in this discussion will have its foundation in what is considered three of the most important criteria at school level (Xaba, 2011 & Mestry, 2016). Firstly, financial performance will be addressed through the ability of the principal to maintain the daily running costs of the school. These include maintenance and utility costs, as well as the ability to raise funds from school fees. Pass rates also provide a means to measure performance. They allow parents, government education departments and schools to effectively compare result against competing former Model C schools. Lastly, teacher/pupil ratios allow school stakeholders to gauge the duty of care and level of individual attention that the learners will receive in the classroom.

Appropriations are resources that are provided by the state to former Model C schools. These are effectively subsidies that allow former Model C schools to compete and maintain appropriate levels of performance. According to Reyes and Rodriguez (2004) the state dictates that the average annual R700 000 appropriation must be spent on learner / teacher support material, maintenance and utilities. Moreover, Levacic (2008) remarks that according to the Department of Education (DoE), the appropriation needs to be assigned in the following increments: 50% to the development of educator / learner support, 38% to be allocated to utilities and 12% must be assigned to the maintenance of buildings, classrooms and equipment.

Having comprehensively studied the literature on state appropriations and performance, this research will disclose the causal mechanism of fluctuating state appropriations and investigate the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools. Identifying these key considerations will provide motivation for SMTs to adopt a more contemporary form of governance structure with a focus on the impact financial management has on school performance. Furthermore, there is a desire that this research will provide principals, as the definitive authority at school level, with a means to improve school performance. Ultimately, the question of who is responsible at school level for the management of fluctuating state appropriations, how this influences performance and what performance management strategies will be used to make schools more sustainable and competitive will be explored.

Purpose of the Research

The purpose of this research on the casual mechanism and relationship relating to state appropriations affecting performance of former Model C schools, is to possibly establish a renewed school management model that simplifies key responsibilities of stakeholders. For principals, SGB’s and business managers, this research has the potential to express a more comprehensive method to tackle issues relating to effective financial school governance. The conduct, performance (financial performance, pass rates and teacher-pupil ratios) and provision of quality education systems in former Model C schooling must compete with a booming model of independent schooling (Fiske & Ladd, 2003) and appears to be losing the battle in terms of superior education (Sayed, 1999). Moreover, as a result of fluctuating state appropriations, there is an increasing trend for educators to be moved onto SGB salaries or leave former Model C schools all together (Bush & Heystek, 2010). This has the potential to damage the performance and sustainability of former Model C schooling. The purpose of this study is to clarify who is responsible at school level for the management of fluctuating state appropriations and how these management strategies will be made more sustainable needs to be explored. Establishing the main driver of financial management within former Model C schools will enable principals and other stakeholders to trigger effective school processes in order to improve the performance and provision of quality education systems. This research will, therefore, be of significance in view of developing former Model C schools in South Africa. Furthermore, sound financial management at former Model C schools will hopefully deliver a competitive financial model which could alleviate ‘‘insufficient funding to address the backlog of educational resources’’ (Mestry & Barry, 2016, p. 82) thereby allowing these schools to improve performance and effectively compete with the rapidly expanding independent school model. This study will potentially discover a financial model and responsibility framework, allowing former Model C schools to remain relevant and competitive.

Research Problem

The purpose of this section is to develop and expand the understanding of performance (financial, teacher / pupil ratios and pass rates) of former Model C schools, consider current roles and responsibilities of stakeholders in former Model C schools, establish new insights into how these roles could change in order to potentially provide financial recommendations and governance structures to deliver improved fiscal performance.

This research aims to:

- Explore principals, School Governing Body (SGB) members and business manager's current financial responsibilities.
- Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.
- Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

LITERATURE REVIEW

Introduction

Much of the prior research conducted in financial modelling and stakeholder responsibilities in education dealt with fiscal policies and how fluctuating state appropriations at public universities resulted in a decline in the share of higher education expenditures subsidised by the state (Schuknecht, 1996; Kane, Orszag & Apostolov, 2002; Tandberg, 2009 and Hillman & Toutkouskian, 2012). This subsequent decrease in government spending on education had, according to Kane, Orszag & Apostolov (2002, p. 124), ''an adverse effect on the quality of staff and students as well the means of education delivery''. Although their narrative dealt with tertiary education, many of the author's discussions around political, demographic and social shifts as well as the decrease in spending on state education provide valuable insight on which this study will rely. Effective and careful management of former Model C school's state appropriations delivers improved performance when dealing with fiscal ineffeciencies, pass rates and teacher / pupil ratios (Botha, 2012).

There is a surplus of literature on participation, accountability, challenges and responsibility of state school governance in South Africa (Mabasa & Theman, 2002, Fiske & Ladd, 2003; Lewis & Naidoo, 2004; Chaka, 2008; Mncube, 2009 and Xaba, 2011). However, much of the current and past examinations of state school governance has dealt with the roles and responsibilities of principals and SGB members in many of the state schools. Very little literature has described the ability of principals, SGB's and business managers in former Model C schools to provide relief from fluctuating state appropriations. The casual mechanism and relationships that affect performance in former Model C schools have not been identified as crucial factors that sustain a school's competitive advantage. Performance measurement in former Model C schools appears to be rather under researched, apart from Mestry and Barry (2016) who suggested the practice of user funds and fundraising initiatives by schools to increase revenue streams and Sayed (1999) whose valuable educational decentralisation approach in which an optimal balance between community involvement and state appropriations be maintained.

Mestry (2004) frames financial performance in former Model C schools as the responsibility of the SGB or principal. However, business managers are becoming increasingly active in many former Model C schools and insufficient research has been attributed to the roles of these crucial stakeholders. The involvement of business managers as the fiscal caretakers of former Model C schools will not resolve the ‘‘two-tiered system of public (state) schooling stratified into well-resourced schools and a majority of marginalized, state reliant schools’’ (Sayed, 1999, p. 149). However, business managers could increase financial performance and provide an alternative to assist the principal with difficulties pertaining to fiscal irregularities and complications. Their role does not directly affect teacher / pupil ratios and pass rates. However, with sound financial diligence, business managers may to able to provide the monetary means to employ more teacher, indirectly improving the teacher / pupil ratios and pass rates of former Model C schools.

With state resources under scrutiny, it is becoming increasingly important in former Model C schools to cultivate a culture of fiscal diligence, develop collaborative efforts amongst stakeholders to leverage available resources and to remain transparent during this process (Bush & Heystek, 2010). In order to develop a deliberate and coherent methodology the following areas pertaining to former Model C school performance have emerged to be crucial in the literature review:

Former Model C School Governance

South African schools have been portrayed as a dichotomy between the independent school model and the former Model C or state school system. The focus within this particular anaylsis is on former Model C schools, yet the differences in performance (financial, teacher / pupil ratios and pass rates) that exist amongst these schools deserves careful attention. Stakeholders that exist within former Model C schools have welcomed the frameworks provided by the DoE (Bush & Heystek, 2010) but the lack of support and transparency across the province, a fragile economy (Bush & Heystek, 2010) and the loss of human capital (Amanchukwu, 2011) to private schools have limited progression in terms of former Model C school performance. Thus, if former Model C schools are determined to deliver superior performances then these fundamantal responsibilities must be acknowldeged as a prerequisite for good governace.

Responsibilities

The South African Schools Act (SASA), Public Finance Management Act (PFMA), Employment of Educators Act (EEA) and the Education Laws Amendment Act as well as school policy states participation and representation in the governance of former Model C schools must be administered by all stakeholders (Lewis & Naidoo, 2004). Parents, educators, support staff, learners, co-opted, and the principal form part of the decision-making process. SGB's are responsible for school policy making whereas the principal is responsible for the operational management of the school (Bush & Heystek, 2010). However, the division between "governance" and "management" at school level does show some overlap amongst stakeholders. The possibility of increasing performance through the involvement of business managers within former Model C schools has not been explored. The selection process for the SGB finance committee and the impact good governance has on former Model C schools' performance has limited literature. Careful reflection and analysis of these crucial processes could afford principals of former Model C schools a greater degree of independence and develop superior levels of performance.

Challenges

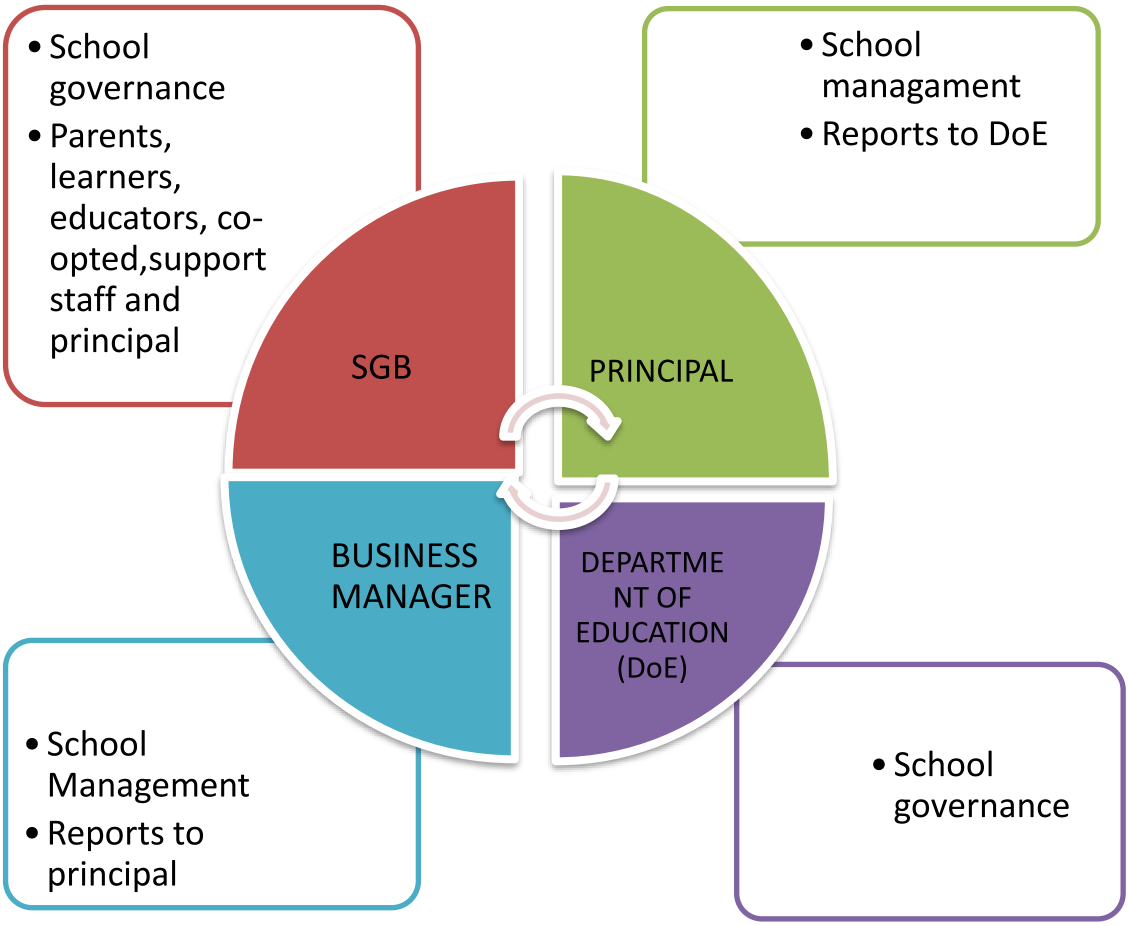
In many former Model C schools the extensive range and ability of stakeholders have created accidental barriers to performance which interrupt improvements in governance. Learners and parents face challenges of particpation (Lewis & Naidoo, 2004) and SGB's face comprehensive implementation issues such as the complexity of functions, training of members as well as under-representation and under-participation (Chaka, 2008). On the other hand, principals as operational heads of the school, must balance DoE requirements pertaining to admissions, staffing and discipline with parent's expectations. The distortion of roles and responsibilities in governance have in turn fashioned increasing pressures on principals. Thus, the challenges outlined above affect performnace and must be dealt with timeously since education is a prerequisite for good governance and good governance enhances education (Amanchukwu, 2011).

National Norms and Standards for School Funding (NNSSF)

According to Mestry (2013) the current state funding model has established ‘‘widespread misconception as to who is accountable for public (state) schools’ finances, and whether social justice and equity have been adequately served by its implementation’’ (p. 162). The lack of equity in funding has failed to deliver adequate performances and enhancements in the accessibility and eminence of many former Model C schools (Bush & Heystek, 2010). The improvements and augmentation of resources in some schools have left others behind creating disparities around social justice, transformation and equality (Mestry & Barry, 2016).

The NNSSF model has its foundation in the quintile school system. The former Model C state schools that have been selected in this study are quintile 4 and 5. They are fee paying schools and parents have the responsibility of raising funds for school fees. The DoE provide minimal support and to effectively run these schools, the principal and the SGB have dedicated fee collection processes and personnel for them to perform at the level they recently have achieved. The NNSSF model has discouraged quintile 1-3 schools to successfully manage processes such as admission, fee collection, staffing as well as the teaching and learning process. The recommendations and solutions derived from this study have the potential to narrow the gap between the quintiles and it is hope that many of the schools may become more self-sufficient.

Figure 1: Stakeholder engagement diagram (Bush & Heystek, 2010; Mabasa & Theman, 2002 and Xaba, 2011)



Conclusion

Possibly the greatest challenge facing SGB members, principals and business managers is the difficultly in developing a pattern of collaboration and collegiality amongst stakeholders (Mestry & Barry, 2016). These relationships provide the foundation for effective school management, governance and performance. The financial management of former Model C school's resources is dependent on the prioritisation of the school's objectives which will include but will not be limited to regular and effective financial monitoring (Mestry, 2004). State school governance has a mottled history characterised by severe challenges such as the NNSSF, financial mismanagement and implementation issues, yet through an oftendysfunctional education system the performance of former Model C schools remains competitive and the delivery of rigorous teaching and learning still plays out in many of the classrooms (Rangongo, Mohlakwana & Beckman, 2016).

THEORETICAL FRAMEWORK

Research Question 1: Explore principals, SGB members and business managers current financial responsibilities?

Research question 1 aims to explore what responsibilities principals, SGB members and business managers have when considering the management of financial resources and what decisions they need to make surrounding this component of overall school management. The overriding concern is how can they drive perfromance.

Research Question 2: Investigate what are the causal mechanisms of fluctuating state appropriations at former Model C schools?

There has been a rapid increase in the demand for schooling (both private and state as well as primary and secondary) in the last decade. The National Norms and Standards for School Funding (NNSSF) was introduced in 1998 to ensure the state addresses equity in state appropriations (Mestry, 2004). This research question seeks to investigate whether the demand for education and the introduction of the NNSSF has placed fiscal strain on certain former Model C school’s resources.

Research Question 3: Analyse what are the casual relationship between fluctuating state appropriations and performance (financial performance, pass rates and teacher-pupil ratios) in former Model C schools?

This question attempts to analyse how former Model C school performance is affected by fluctuating state appropriations. According to the literature, former Model C schools appear to be thriving nothwithstanding possible deductions in state funding (Mestry & Barry, 2016). Furthermore, this question will provide lucidity on whether schools who do not have the backing of additional stakeholders, are suffering due to fluctuating state appropriations.

RESEARCH METHODOLOGY

Introduction

The preferred research methodology in which this study has its foundation will be discussed in this section. The literature review on performance of former Model C schools shaped the groundwork of the strategy of the methodology and the interview instructions that was used during the in-depth, one-on-one interview process. This research on former Model C school performance implemented an exploratory and qualitative methodology. The research design, method, sampling and data analysis supported the nominated approach.

Proposed Methodology

Qualitative exploratory research provided the foundation for the investigation as it allows the researcher to tap into the 'rapid social change and the resulting diversification of life worlds' (Flick, 2009, p. 30). Thus, the need for effective inductive reasoning when dealing with the diversity of stakeholders within former Model C schools provided uncertain responses to preliminary enquiries and renewed perceptions were achieved during the procedure (Saunders & Lewis, 2012; Zikmund, Babin, Carr & Griffin, 2013).

In addition, qualitative research has allowed the researcher to explore and address stakeholder's roles and responsibilities of former Model C schools. By making use of methods that are concerned with how people interact with the social world (Patton, 2002), it enabled the researcher to analyse the causal mechanism of fluctuating state appropriations in former Model C schools. The researcher, by making use of the qualitative methods, has recognised the ''meaning people have constructed in making sense of the world and the experiences they have in it'' (Merriam, 1998, p. 6) as well as being able to analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

This study had the purpose of initiating fresh ideas and concerns into the area of former Model C School's performance where little research has been conducted. The development of the understanding of the responsibilities of principals, SGB members and business managers in fiscal accountability will hopefully allow for the researcher to gain a broad understanding of their importance, whilst developing new financial management strategies that could be applied at a school level in order for the school to remain competitive. Moreover, the purpose of this study was to discern new understandings of the causal mechanism of fluctuating state appropriations in former Model C schools. By describing the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools, an area where little research has been conducted, the aim was to gain a broad understanding of what drives performance whilst developing new concepts and constructs on the chosen topic (Patton, 2002). Therefore, a qualitative exploratory research method was needed (Saunders & Lewis, 2012; Zikmund, 2000; Zikmund et al., 2013).

The collection of data was through multiple groups within the former Model C school hierarchy, ranging from principals, SGB members and business managers. The study was cross sectional in nature as the data collection period fell in between the 2nd and 3rd term (Saunders & Lewis, 2012; Zikmund et al., 2013). The research environment took place at the participant's place of work and therefore was not simulated. An in-depth interview strategy based on semi-structured interviews of the participants was implemented as this has the advantage of acquiring new understandings and insights as well as expressing speculative responses to a few of the preliminary enquiries (Saunders & Lewis, 2012). The interviews consisted of open-ended questions which, according to Henning, Van Rensburg and Smith (2004, p. 70), ''gives freedom to participants to express themselves and as a result would be encouraged to provide as much information as possible''.

Scope

The scope consisted of knowledgeable education decision makers that have the potential to influence performance of former Model C schools. They are principals, SGB members and business managers who are involved in financial management and governance. Due to the nature of the research, each school was not equally represented. A cross-section of schools was chosen to explore the need to study a group or scope, with variables that can be measured, but which have often eluded researchers (Creswell, 2007). Therefore, the scope that made up the study included 'knowledgeable people' in education who have a deep understand, proficiency and experience in the financial management and governance of former Model C schools within Gauteng.

Participants Size and Method

The participants were from 12 former Model C schools at a primary and high school level. Due its qualitative nature, the size was small and included principals at 4 high schools (H) and a primary school (P). 3 business managers (BM) and 3 school governing body members (SGB). The primary school that was selected was used to determine if there are disparities in resources and staff as well as if they engage in similar financial management and governance practices as their high school counterparts. The participants were derived from former Model C schools in quintile 4 and 5. A purposeful, two layered non-probability sampling strategy, including judgemental and quota sampling was used as it assures superior responses (Creswell, 2007; Saunders & Lewis, 2012). It selected individuals and sites for the study thereby allowing the researcher to purposefully inform an understanding of the sensitive phenomena and problem in the study (Creswell, 2007).

Table 1: Participants, level of experience in the role, size of school

NUMBER	PARTICIPANTS	EXPERIENCE	SIZE
1	Principal (H)	29	900
2	Principal (H)	18	1155
3	Principal (H)	2	870
4	Principal (H)	1	1300
5	Principal (P)	14	700
6	Business Manager (BM)	18	780
7	Business Manager (BM)	13	1150

NUMBER	PARTICIPANTS	EXPERIENCE	SIZE
8	Business Manager (BM)	3	1700
9	SGB	10	1050
10	SGB	8	1050
11	SGB	7	700
12	SGB	1	1050

Unit of Analysis

Individual participants in former Model C schools and their perceptions on school performance.

Data Collection

Piloting in-depth interviews and probing existing academic literature is a valuable way to conduct exploratory research (Saunders & Lewis, 2012). Data collection was in the form of semi-structured, in-depth, open-ended, one-on-one interviews of the principals, SGB members and business managers. The participants will be from former Model C schools as described in the participant's size and method. The individual participants in former Model C schools were requested to involve themselves in the interview process through a customary email. The research aim was clarified, and the participants could review the consent form (Appendix 3). Once they acknowledged their involvement, a validation email was directed to them along with a meeting invitation of the planned time that suited the participant.

The invitation is available in Appendix 2. Creswell (2007, p. 27) recommends that ‘‘ethical issues of care, establishing positive relationships with participants, and recognising power and ownership of materials’’ are crucial during the interview process. Therefore, a study of each participant and the organisation commenced before the interview. Each participant was asked to complete and sign the consent form to ensure that the data that was gathered was used in an ethical way (Saunders & Lewis, 2012). Saunders & Lewis (2012), acknowledge the importance of the consequent research questions being concentrated on a set of programmed themes. The interview questions were extrapolated straight from the research questions set out in this report (Agee, 2009). The interview guideline, as seen in Appendix 4, are aligned to predetermined theme around state appropriations and performances of former Model C schools.

The lack of experience on the part of researcher might have influenced the results of the qualitative investigation (Agee, 2009). However, in order to enhance the in-depth interviews a pilot study was undertaken prior to the data collection. (Saunders & Lewis, 2012). A pilot study allows the researcher to refine the interview questions and the procedures (Creswell, 2007). In preparing for the formal in-depth interviews the researcher prepared well in advance and was adequately primed to guarantee a significant level of skill was developed and absorbed throughout the process (Agee, 2009). Due to the potential sensitivity that may lie with the performance of former Model C school's governance and financial management, the researcher was respectful of the participants and their location to not marginalize them.

Creswell (2007) highlights the importance of being flexible during the data collection process. 12 semi-structured, face-to-face interviews were completed with principals, business managers and school governors from an assortment of quintile 4 and 5 schools as described in the participants size and method. The interviews took place at convenient locations for the participants and the majority were convened at each participant's school. One interview took place at a coffee shop as the location was most convenient for both the participant and the researcher. (Saunders & Lewis, 2012). Individual interviews were recorded, with the participants permission, by means of a voice-recording device (Creswell, 2007). The deliberate simplicity of the interview questions was used to encourage open dialogue and allow conversations to develop around relevant former Model C school content while continuing to report on explicit school performance issues. (Zikmund et al., 2013). The participants were encouraged to answer questions openly to support the exploratory nature of qualitative research (Creswell, 2007). Each interview was typical in terms of length, with headmaster's providing the longest recorded interviews as they appeared to have the most in-depth knowledge of how their schools perform. The longest recorded interview took 57 minutes and the shortest recorded interview took 21 minutes. The average interview lasted approximately 40 minutes.

The researcher started off with a formal overview of the research title and research questions. The notion of state appropriations and performance of former Model C schools was explained as: *the relationship between allocated school resources (physical and human) and the causal mechanism that affect performance (financial, pass rates and teacher-pupil ratios).* This allowed the participant to gauge the context in which the performance of former Model C schools would be framed. The researcher subsequently asked the participants, five open-ended, non-leading questions. It was anticipated that the participants were to reply be means of their subjective observations and sentiments, relying on existing and previous involvements (Agee, 2009).

Notes were taken during each individual interview. The interview process culminated with the participants being requested to offer any concluding views or ask any other relevant enquiries (Saunders & Lewis, 2012). The hand-written notes and recordings from the interviews were transcribed and processed in Excel. Thematic analysis will be used as it is considered an accessible and theoretically-flexible approach to analysing qualitative data (Braun & Clarke, 2006). Rich new data was generated as seen in results and discussion section. (Saunders & Lewis, 2012; Zikmund et al., 2013).

The Stakeholder Engagement Diagram (Figure 1), which is illustrated in the literature review, was in response to the problematic issues identified in the introduction and background regarding state appropriations and performance of former Model C schools. The theoretical framework relied on the engagement of each stakeholder (Lewis & Saunders, 2012). This allowed the formulation and development of the research questions and the interview questions used in the guideline. The interview questions were plotted against the research questions and within the context of each stakeholder's engagement to warrant reliability between the reviewed literature, the established research questions, and the questions that were used as an indicator in the interview (Creswell, 2009). This ensured a greater understanding of the recognised causal mechanism and relationships of former

Model C schools and confirmed the collected data was of significant quality. Table 2 presents the alignment and mapping between the interview questions and the research questions. The researcher's arrangement, strategy and aim of the established questions was to encourage new understandings to be exposed between the engagements of each stakeholder but also to make sure the authentication of, and potentially the additional development of, the causal mechanism and relationship that affect former Model C school performance (Braun & Clarke, 2006). The semi-structured interview guideline is evident in Appendix 4.

Table 2: Interview Question Mapping and Research Question

RESEARCH QUESTION	INTERVIEW QUESTION
Question 1: Explore principals, SGB members and business manager's current financial responsibilities?	1. What is your understanding of the role you play in managing your school's / organisations appropriations? 2. What drives financial efficiency in your school?
Question 2: Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.	3. Have state appropriations decreased in the last 2 years? How does your school manage these fluctuations? 4. Does your school engage in active entrepreneurial activities to raise additional funds? If so, could you provide some background?
Question 3: Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.	5. How can your school improve performance (financial, pass rates and teacher-pupil ratios)? Provide recommendations.

Data Analysis

The pre-interview process allowed careful formulation of the question to provide a deeper understanding of the data that was analysed. During the post-interview process the researcher collated and analyse the data. Thematic analysis was used as it is a technique that can recognise and examine themes and patterns in qualitative data (Braun & Clarke, 2006). The written notes and recordings were read numerous times, transcribed and categorised into codes (Saunders & Lewis, 2012). After collating specific codes into common themes, the codes were then reviewed as coding is a continuing organic process (Braun & Clarke, 2006) to see whether the pattern of themes work in relation to the coding. Before culminating in the report, the researcher enhanced each theme by creating focussed definitions and labels for each theme. (Braun & Clarke, 2006).

The recordings from the interviews of the principals, SGB members and business managers as well as the detailed notes were revisited during the data analysis. The "Phases of Thematic Analysis" (Braun & Clarke, 2006, p. 87) as labelled in Table 3 below, were administered during the process.

Table 3: Phases of thematic analysis (Braun & Clarke, 2006; p. 35).

Phase	Description of the Process
1. Familiarising yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specific of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Data Validity and Reliability

Golafshani (2003) advocates a need for some kind of qualifying check or measure for research if it to be considered valid. Therefore, it will be incumbent on the researcher to be accurate and avoid partiality during the coding process. By examining and ensuring the reliability of this qualitative research, attention will be paid to the trustworthiness of the research (Golafshani, 2003). Thus, the research will safeguard itself from interviewer bias, interpreter bias and response bias.

(Saunders & Lewis, 2012; Zikmund et al., 2013). The semi-structured format will lend itself to opportunities for the participants to prepare and adjust during the interview process. Moreover, the researcher's rigid processes in sampling, data collection and analysis found in the previous sections will not be manipulated thus enhancing the validity and reliability of the study.

Research Limitations

The subjective nature of qualitative research does not limit the significance of the research but rather affords it an opportunity to mature during the process (Creswell, 2007). However, the research limitations that are present include:

- It was incumbent on the researcher to acknowledge interviewer, interpreter and response bias from the outset of the study (Creswell, 2007). According to Merriam (1998) this was important so that the participants and readers understand the researcher's position and any biases or assumptions that may impact the study. In this explanation, ''the researcher will comment on past experiences, biases, prejudices, and orientations that will likely shape the interpretation and approach to the study'' (Creswell, 2007, p. 208).
- Sensitivity existed with the disclosure of certain financial obligations and limitations (Creswell, 2007). Participants evaded crucial question to avoid embarrassment.
- Participant distribution was small as it extended across only one province, namely Gauteng. This created problems of generalisation (Creswell, 2007). However, Braun and Clarke refute this claim as they suggest that the ''questionnaire data will become clearer as the reading and re-reading of data is less time consuming with smaller participants'' (2006, p. 16).
- The scope was not diversified enough. Only senior decision makers were part of the study and not the bottom-line.
- The experience of researcher was limited which had the potential to influence the results of the collected data (Agee, 2009).

RESULTS AND FINDINGS

Introduction

The results and findings are displayed and set out based on the Research Questions. This piece offers the results of the investigation of the data that was collected through the detailed, one-on-one, proficient interviews. The interview questions were formulated using a consistency matrix (APPENDIX 5) and were plotted with the Research Questions which facilitated in supporting and ensuring consistency between the Research Questions, reviewed literature, data collection and methods of analysis.

Description of the participants

The sampling techniques consisted of judgmental and snowball sampling to select the 12 participants who were genuine authorities on state appropriations and performance in former Model C schools. Each participant's role in the school is considered crucial in the effective management of state appropriations. Due to their past experiences and previous roles associated with former Model C schools, it is perceived that the participants had a vast depth of knowledge on the subject. The completed sample comprised of 3 females and 9 males with all participants being either headmasters / headmistresses, SGB chairmen, business managers or were previously in one of these positions. The entire sample had a great amount of seniority and knowledge in the financial management of state appropriations of former Model C schools. Furthermore, the participants knowledge concerning financial performance, pass rates and teacher / pupil ratios of former Model C schools allowed them to allocate these appropriations to their schools more effectively.

Presentation of Results

The presentation of results as per the Research Questions and the interview questions as mapped in Table 4, 5, 7, 8 and 9.

Results for Research Question 1

RESEARCH QUESTION 1: Explore principals, SGB members and business manager's current financial responsibilities

The aim of Research Question 1 was to explore the roles and responsibilities of the participants within former Model C schools and to establish if their roles are connected to financial efficiency. The two questions endeavour to determine if the participants understanding of the role, they play in managing state appropriations was aligned to the expectations of the DoE. The participants individual accountability pertaining to their responsibility of managing the state appropriations will provide a preface to the identification of key drivers of financial performance.

Understanding of the participants role in managing appropriations

Interview question 1 was setup to identify whether the participants roles in managing the appropriations provided by the state related to financial management differ. Some interpretations were tapered and attentive, whilst others assumed a wider perception when considering their understanding of state appropriations and the management thereof. Table 4 illustrates the common understandings of the participants role in managing state appropriations within the context of former Model C school performance. The highest ranked understanding of the participants role in managing appropriations is 'the recruitment and retention of educators. This construct, according to the participants, delivers the teaching and learning process.

Table 4: Participants role in managing appropriations

RANK	CONSTRUCT	FREQUENCY
1	The recruitment and retention of educators	8
2	Identification of operational pressure points: Management and development of human resources and the estate	6
3	Scholastic (Academic and curriculum) issues	5
4	The controlling of expenses was not enough: Build up the capital base	4
4	The management of the school trust	4
5	Collaboration with Model C's	3
6	Contracts are soundly structured and adhered to	2
7	Run the school through principles borrowed from business	1
7	Set strategies and policies aligned with GDE regulations	1

In analysing the construct, all participants agreed that their responsibility of managing former Model C schools was either operational or related to school governance. For some of the participants, they felt that there was room for dual responsibility. Many individuals agreed with retention and recruitment of educators as a fundamental responsibility. Although not directly related to financial performance, capable educators can manage larger class sizes, drive pass rates up and have skills sets such as effective budgeting, that extend beyond their actual subject. One school governor mentioned the importance of educators as they have the "ability to tune in to the nuisances of learners and how they perform". A further participant shared this view point summarizing his role in managing state appropriations by stating that his "strategy was to employee great educators, as strong school have strong educator". One participant went as far as to say that the "poaching of educators is a reality therefore its critical you can play in the same space". On the other hand, and surprisingly, a very experienced headmistress mentioned that although educators are crucial for effective teaching and learning, she opened the conversation by saying "I believe every educator is replaceable provided the correct resources are in place" and explained that "as long as educators could adjust to the transformative climate, appropriations would manage themselves according to the DoE's transformative objectives".

One headmaster introduced his role through the notion of "controlling operational pressure points". This reflects the balance between the management and development of human resources and that of the estate. According to him his "focus has been on highlighting the longer-term needs in terms of physical and human infrastructure such as upgrading boarding and classrooms, while trying to remain competitive in terms of salary brackets".

All three business managers as well as two headmasters highlighted their roles as going beyond controlling expenses. The participants roles all reflected their ability to manage and control traditional costings (budget, sign off payments and payroll), but many agreed, as one business manager put it "there needs to be a greater drive for schools to run according to an income generation model".

Drivers of financial efficiency

The intention of interview question 2 was to categorise the main drivers of financial efficiency in former Model C schools and to establish whether the participants roles and responsibilities in managing state appropriations had an impact and influence when holding former Model C schools to account for their financial performance. The interview question determined if the participants role and their identified factors they perceived to be the most influential drivers of financial efficiency in former Model C schools were associated. A considerable amount of time was spent discovering each identified driver of financial efficiency in order to gain a profound understanding as to why the participant believed the identified factor was a key driver of performance. Table 5 presents the factors that drive financial efficiency in the participants former Model C schools. Across each of the interviews, the participants continuously emphasized the importance of increasing the number of fee-paying parents. This could prove to be a crucial opportunity for schools to address as the battle to recoup school fees continues.

Table 5: Drivers of financial efficiency

RANK	CONSTRUCT	FREQUENCY
1	Increase the number of fee-paying parents	12
2	Diversified revenue streams	9
3	Stakeholders with professional finance backgrounds	7
4	Effective budgeting	4
4	Process, policies and procedures to streamline financial decision making	4

Model C schools are hugely reliant on their parents to pay school fees. One former chairman of an SGB insisted that it is “critical for parents to understand how important school fees are; the success or failure of our school is through fee collection”. However, the DoE’s introduction of the fee exception policy has placed former Model schools under significant financial pressure. The need for a dedicated debtor has become a critical job in former Model C schools. One school’s business manager mentions how “fees drives financial efficiency and our collection through a dedicated employee allows us to have a very strong debtors book; We have a great recovery rate and are at times we are labelled as aggressive, but the funds allow us to develop the school brand”. Another SGB chairmen mentioned “if we drop our [fee] collection rate by 1% that culminates in a few educators being removed”. Table 6 shows the average fee collection rate of all five schools that formed part of the interview process.

Table 6: Collection rate of former Model C schools

SCHOOL	FEE PAYING PERCENTAGE
Boys High School	94%
Boys High School	89%
Boys High School	83%
Boys Prep School	93%
Girls High School 5	78%
AVERAGE	**87.4%**

All the schools that are represented in this study have managed to develop a diversified and private income stream. Most of the schools that were part of the research had existing boarding facilities which provided an opportunity to generate secured income. Furthermore, one participant mentioned how boarding provides schools “diversified revenue which provides schools an opportunity to finance larger capital projects”. However, the schools were unanimous in acknowledging the importance of their trusts to remain competitive. Former Model C schools according to a highly skilled headmaster “need their trusts otherwise you run the risk of becoming the next run-down public school which ultimately serves no one and the good kids end up going to private schools”.

Financially stable former Model C school like the ones that formed part of this study had capable, qualified and dedicated stakeholders who were able to make crucial high-level financial decisions. The participants had varying levels of pedagogical experience but as one school governor stated, “my weakness is educational pedagogy, but my strength is understanding key drivers in education; I understand the importance of enrolment has on finance”. However, for headmasters there appears to be a reluctance to engage in many of the financial decision-making processes. Apart from one headmaster who specified the importance of “developing a culture and mindset of financial management and not delegate those responsibilities to others. Headmasters appear scared as they are not trained in it [financial management].”

The responsibility of budgeting at all levels enable former Model C schools to achieve the financing of capital projects. Cash flow management and long-term budgeting as well as an efficient debt collection allows these schools to function at a higher level in terms of what state appropriation have provided to them. The financial responsibility of stakeholders at every point is crucial. One business manager stated how “the budgets that have been agreed to are small, therefore we have to prioritize key projects and source reputable service providers who give you the best product. We don't have a private school budget which means we are always looking for more effective ways to make use of every rand spent”.

Having processes, policies and procedures in place allow many former Model C schools to entertain parents and students with superb facilities, low teacher/pupil ratios and higher pass rates. All the schools involved in this study had a very specific brief when it came to the signing of any procurement activities. Payments are always co-signed to allow for tighter control. One qualified his understanding of their processes by stating “capital projects have to be signed off by three designated people.

RESEARCH QUESTION 2: Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.

The aim of Research Question 2 was to determine whether state appropriations have decreased in the last two years. The guidelines in the interview questions gave background to the different types of possible appropriations that are provided by the state. Furthermore, it allowed for the participants of each of the identified former Model C schools to offer their account of how they manage these fluctuations. The interview question allowed participants the opportunity to consider the mechanisms that are used or that could be used to allow their identified factors of managing these fluctuations, to be enacted or experienced when wanting to ensure or influence performance within their school.

Fluctuations and management of state appropriations

Schools were unanimous regarding the fluctuations of state appropriations in the last 2 years. They all felt that appropriations have decreases. However, they affirmed the difficult position the state is in as a result of the huge education system that they support. One participant mentioned that former Model C schools "have to recognize that the state is under severe pressure to improve education across the board; Resources have to be spread more evenly, and this places greater pressure on schools like us to perform without the DoE's assistance". The acceptance of these schools in the study to take on board a reduction in subsidisation from the state allows them to manage these fluctuations more innovatively. The threat of the DoE withdrawing additional teachers is there and where there has been a cutback in personnel expenditure or a pro-poor diversion the SGB have had to cover that loss.

One principal, who was the least experienced but who had a financial background cited the fluctuations stemmed from "the lack of maintenance paid by the DoE. Our maintenance bill is 4 million Rand annually and none of that amount is paid back from the DoE. Ultimately our old boys are paying for the upgrade and building of assets that are not theirs". However, to manage these fluctuations one school governor mentioned how they have begun "listing people on ITC which allows us to be able to get money in arrears". Another strategy to accommodate fluctuations in appropriations as one participant put it was to "increase [the number of] boarders to offset costs because you have leverage as they are obliged to pay or else their children are removed". The appropriation shortfall causes schools to charge higher fees and get on with it as business as usual. However, most schools were sensitive to continue offsetting the decrease in appropriations and charge these shortfalls to their existing parents.

Table 7: Management strategies regarding a decrease in state appropriations

RANK	CONSTRUCT	FREQUENCY
1	Additional revenue streams	8
2	Adjust the admission policy to accommodate more boarders	4
3	Non-fee-paying parents listed on ITC (Credit rating affected)	3

Categories of entrepreneurial activities to raise additional funds

Fundraising activities such as golf days, raffles and events hosted by the school parents' associations provide an avenue to raise additional funds and effectively takes some of the financial pressures off parents as the schools can supplement some of the costs through these entrepreneurial endeavours. The importance of creating a means to raise additional revenue was highlighted as significant, however, one extremely experienced headmistress stressed her concern regarding fundraising stating that in her experience "personal contacts provided funding which isn't fair and perpetuates historical privilege". Another participant drew on his expertise as a chartered accountant and reinforced the importance of fundraising by stating "if we drive business acumen into our fundraising initiatives, we are able to build up capital so we can have an endowment to fund large capital projects; infrastructure upgrades and refurbishments which otherwise should have been provided by the state".

Advertising around school fields and on campus allows former Model C schools to engage with their past pupils; as well as providing additional revenue streams by appealing to school communities. One former SGB chairman mentioned how his mandate was to drive entrepreneurial opportunities through "exposure and marketing". One participant supported this notion and introduced the concept of the need for the school to "dream bigger and active marketing will allow us to raise additional capital". However, surprisingly the business manager of the same school was against excessive marketing as he felt "security on campus is our biggest

Table 8: Categories of entrepreneurial activities to raise additional funds

RANK	CONSTRUCT	FREQUENCY
1	Fundraising	11
2	Marketing, branding and advertising on campus	7
3	Hosting of tournaments, festivals and events	3
4	Acquisition of properties to improve balance sheet	2
4	Rental of facilities	2

challenge as it provides opportunities for opportunists. We don't have security control to leverage income generating opportunities".

Tournaments, festivals and events for one school provided a substantial amount of cash for them with the headmaster of the same school mentioning "our Easter festival provides us with substantial income generating opportunities". However, most of the participants felt these events did not have long term sustainability.

The acquisition of properties was given by the participants as an opportunity for staff to be accommodated and the rental of facilities allowed the schools to raise additional money to continue with the maintenance of buildings and classrooms. No significant opportunities to improve performance was noted.

RESEARCH QUESTION 3: Analayse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

Research question 3 aims to analyse the interplay associated with the casual relationships of fluctuating state appropriations and performance of former Model C schools. The interview questions try to establish an understanding of the possible subtleties between former Model C schools and the DoE as well as the dynamics between fluctuations in state appropriations and performance.

The two interview questions that relate to Research Question 3 allowed for participants to firstly consider whether all former model C schools have been affected by fluctuating state appropriations or if the fluctuations are an isolated event. Following this, the second question allowed participants the opportunity to consider how the participants can influence the performance of their schools. The recommendations for improving performance will allow leaders to generate coherent processes to assist with improving the performance of former Model C schools.

Recommendations for improvement in performance (financial, pass rates and teacher-pupil ratios)

According to many of the participants, former Model C schools financial security on average is declining. Part of the concern stems from the decrease in financial expertise from SGB members. This was reinforced by a principal with more than 30 years as a leader, when she suggested "middle class professional from former Model C schools SGB's have been lost to the private sector. SGB's are not as strong as in the past. I had progressive thinkers on the SGB who were not conservative and reactive and knew were the country was going". Thus, for the participants recommendations to be sustainable, schools must make sure what they are doing in the present day is what is relevant in the present day and in the future. The best of the what schools had before must not be lost, provided it is not an unearned privilege.

The promotion of a school culture that encourages teacher training was the most frequent recommendation that was provided by the participants. One participant summed his belief as to the promotion of financial training by stating "the ability of staff to effectively budget, maintain accurate costing and manage financial targets will ultimately improve performance and the longevity of former Model C schools". This was supported by a business manager who reinforced the importance of financial training for educators by stating "planning and professional development of educators is crucial. This not only improves budgeting but also encourages staff to have equally high expectation of their learners to improve their pass rates". "Classroom programs and strategies to facilitate effective teaching and learning" was a suggestion that one headmaster felt would go a long way in improving pass rates of former Model C schools. During the interview he alluded to the expertise of his staff but pointed out that “schools frankly don’t do enough”. Thus, the training of staff must incorporate financial as well as scholastic aspects which effectively can improve performance.

The fee exemption policies need to change and must be supported by the state and not the school. Full exemptions at former Model C schools are becoming more common. These schools according to one participant “must develop very rigid and tight systems when parents are applying for exemptions”. One principal emphasised the implication of the question that was asked, asserting that “improving performance can be achieved if the DoE can address their admission and fee exemption policies”. Another highly experienced former principal and currently the business manager of a former Model C school suggested that “the state must support schools more because as urbanisation and demographic changes occur, schools are becoming more reliant on their staff to manage appropriations that used to be controlled and looked after by the State”.

Relationship development between the school and its past pupils appear to be a critical engagement that can be used by former Model C schools to leverage improved performance. The principal and SGB must be skilled at relationship development and management to enhance the cohesion and communication process between the school and its past pupils. They provide funding options to employ experience and well qualified teachers as well as improving the teacher / pupil ratio. Moreover, most past pupils have a vested interest in their school and are keen to offer donations to assist with capital projects in and around the school. Recommendations for improved financial performance have included the opportunity for a particular class / year to contribute to the renovation of an existing infrastructure such as the refurbishment of a classroom. Other options have included the rental of past pupils’ professional services at reduced rates to offset incurred expenses. These included hiring roofing specialists, plumbers and architects whose professional services. However, it must be noted that as one headmaster cautions “passion and financial support are welcomed but they [past pupils] must be careful not to function in the school’s governance and operational

Table 9: Recommendations for improvement in performance (financial, pass rates and teacher-pupil ratios)

RANK	CONSTRUCT	FREQUENCY
1	Promote a culture of financial training	7
2	Manage the fee exception carefully to limit the absorption of GDE staff onto SGB payroll	5
3	Active engagement with past pupils to assist with operational and governance issues	4

spaces”. This potential headbutting between stakeholders creates unnecessary tension and deflects collaborative efforts away from improved school performance.

Conclusion

The results from the five interview questions are presented in this analysis. The constructs that emerged during the in-depth interviews and through the analysis of the data collected are supported by the existing literature on the topic of state appropriations and performance of former Model C schools. Furthermore, new insights, knowledge and findings were developed through the process and contribute to the understanding of the factors that influence performance of former Model C schools. The results and research findings from this section will be discussed in detail based on the present literature and a proposed framework to understand the state appropriations and performance and how these casual mechanism and relationships relate will be shown.

DISCUSSION OF RESULTS

Introduction

In this section the results are deliberated in detail, in the context of the study of state appropriations and performance of former Model C schools and considering the literature released in the literature review. The insights reached through the findings are provided in this section and are compared to the concepts and constructs offered in the current literature in order to answer the three research questions. The research findings contribute to a greater understanding of state appropriations and performance of former Model C schools and offer new insights that are currently uncharted in the reviewed literature. The significance of the results and the literature pertaining to this study are charted in the following sections.

RESEARCH QUESTION 1: Explore principals, SGB members and business manager's current financial responsibilities.

Research Question 1 pursued to recognise what were the school leaders alleged current financial responsibilities pertaining to former Model C schools. It was necessary to incorporate principals, school governors and business managers points of view as there are the financial custodians and decision makers involved in former Model C schools. The Research Question further sought to explore the responsibilities pertaining to operational and governance issues of these schools (Mabasa & Themane, 2002; Bush & Heystek, 2003; Lewis & Naidoo, 2004; Mestry, 2004; Mestry, 2006; Chaka, 2008; Levacic, 2008; Xaba, 2011; Botha, 2012; Fitzgerald & Drake, 2013; Mestry, 2016 and Mestry, 2018).

As the concept of appropriations had been identified in higher education institutions (Hillman & Toutkouskian, 2011; Humphreys, 2000; Kane, Orszag & Apostolov, 2002), it was important to establish a common definition of an appropriation provided by the state at a former Model C school in South Africa. Once the participants were able to clearly articulate and define the concept of an appropriation, it laid the platform for the analysis of their role in managing these crucial resources.

Understanding of the participants role in managing appropriations

The data from the interviews reinforced the formulation of a common understanding of the participants roles in managing appropriations. Table 4 presents the seven shared understandings of the participants roles in managing state appropriations within the context of the individual being held to account for their performance at their former Model C school. The data was examined based on frequency and accumulated totals of the participants responses. The highest ranked understanding of their role with a frequency total of 8 was ‘The recruitment and retention of educators’ and thus can be considered a common understanding of the management of state appropriations. The second and third highest construct with totals of 6 and 5 was the ‘Identification of operational pressure points: Management and development of human resources and the estate’ and ‘Scholastic (Academic and curriculum) issues’. All of these and their roles in performance related to sound financial management practices at former Model C school are supported by Mabasa & Theman (2002); Mestry (2004, 2006, 2016 and 2018); Lewis & Naidoo (2004); Chaka (2008); Mncube (2009); Bush & Heystek (2010); Heystek (2010); Mestry & Barry (2016). In studying the top three constructs that arose, it can be assumed the discoveries prescribe that the responsibilities associated with financial management is in relation to a how effectively the principal can recruit staff with a fiscal enthusiasm who understand the impact budgeting and financial planning has on schools. The early identification and effective handling of operational pressure points as well as scholastic excellence will encourage greater alignment, collegiality and collaboration amongst staff. These two drivers deliver an improvement in teaching and learning and will ultimately advance the financial management of state appropriations and improve performance of former Model C schools. Interestingly, the attained results did not make mention of the state funding model provided by Mestry and Barry (2016). Mestry and Barry’s (2016) solutions to improved school financial management was not recognised by the participants who in its place engaged Marishane and Botha’s (2004) theme that suggests financial accountability must be empowered through a school-based management approach by encouraging a decentralised form of financial control through the principal, staff and SGB.

Drivers of financial efficiency

The participants in the second interview question were required to identify what they believed to be drivers of financial efficiency in their former Model C school. Mestry (2016) suggests that user fees and fundraising initiatives be used as drivers of financial efficiency. Other than the highest frequency associated with increasing fee-paying parents, the findings repudiate the literature regarding drivers of financial efficiency and rather adopted four supplementary constructs which are presented in Table 5.

The data accumulated from the interview ranked the construct ‘Increase the number of fee-paying parents’ highest, with a frequency count of 12. This construct was expected and is in line with current literature. Mestry (2004) in his search for financial accountability reinforced the literature reviews position that an imperative function of the school is to ‘‘ensure that school fees (school funds to be paid by the parents of learners) are collected according to decisions made by stakeholders’’ (p. 127). He goes on further to suggest that “training in the management of school fees is crucial” (p. 129).

The discoveries in this study are aligned with the literature, which continually reinforce the importance of former Model C schools need for diversified revenue streams (Bush & Heystek, 2003; Battersby, 2004, Levacic, 2008 and Myende, Samuel & Pillay, 2018). Parents and the community usually received consistent feedback concerning the school’s financial situation. The participants agreed that former Model C schools had well-constructed revenue streams and all stakeholders, especially olds boys, were continuously engaged to become more active. The data suggest that these stakeholders have the desire and capabilities to be tactical in their attempts to raise money. It appears that SGB’s and principals in many former Model C schools explore possibilities to secure funds and exploit financial opportunities (Lewis & Naidoo, 2004; Mbatsane, 2007; Mestry, 2016 &

2018). The literature implies that principals and to a lesser extent educators, should see the process of diversifying the school's revenue streams as part of their responsibility.

A significant competitive advantage of these former Model C schools is their ability to leverage the professional finance acumen that many of their old boys seem to possess. The participants reinforced the stakeholders finance backgrounds, with many SGB members professional chartered accountants. Rangongo (2011) highlights their importance by stating "bringing professional expertise to bear on the technical leadership and executive management of the school, without any costs" (p. 34) is a crucial recruitment process for former Model C schools to engage in.

Effective budgeting and the process, policies and procedures to streamline financial decision making were the two lowest constructs but provide a credible solution to improved financial performance. Xaba (2011) references to underperforming schools having "problems with budgeting, balancing expenditure and budgeted income, using correct procedures regarding the use of finances and deviations from the budget" (p. 206). In all the former Model C schools that were interviewed they all appear to consider budgeting a key process that needs to be understood and addressed by all members of staff. Mestry's (2018) most recent but crucial evaluation of the role governing bodies play in the management of financial resources supports the literature review in that "training sessions [for SGB's, staff and principals] should be well-structured and cover essential topics such as budgeting, how to prepare cash flow projections, the LTSM procurement process, monitoring and controlling school funds, correctly interpreting legislation and policies, and teaching governors and principals to be entrepreneurial in all fundraising initiatives" (p. 398).

Conclusive findings for Research Question 1

The investigation concluded that principals, SGB members and business manager's current financial responsibilities vary. Whilst a common understanding of the importance of financial management and its impact on former Model C school's performance was established, the delivery and accountability of each stakeholder differed at various levels. A significant range of constructs occurred through the examination of the data, illustrating the differing individual stakeholder perceptions. Performance of former Model C schools is still an intricate and growing concept which is not easily understood or defined and therefore stresses the need for this study. The association between stakeholders' roles and responsibilities and the need for drivers of financial efficiency is of significance when establishing a school system that has a healthy appetite for superior performance.

RESEARCH QUESTION 2: Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.

Research Question 2 sought to investigate the casual mechanism that affect performance of former Model C schools. According to the participants, appropriations provided by the state have become more unpredictable, which interrupts and destroys the progress of these schools. Growth in urban student populations, higher enrolment rates of diverse students and an increase in mobility has place the State under significant financial pressure. This question seeks to afford an opportunity for schools to manage these fluctuations and categorize unique entrepreneurial activities, so they stay competitive.

Fluctuations and management of state appropriations

The participants highlighted the importance of management's challenge of providing additional revenue to balance the decrease in appropriations from the state. Principals are acutely aware of finding additional revenue streams though a more decentralised approach to management. Marishane and Botha (2004) suggest "decentralising the functions of financial management and affording a potentially large-range of financial decision-making powers to SGBs" (p. 100). This according to numerous authors (Reyes & Rodrigues, 2004; Rangongo, 2011; Mestry, 2016; Mestry, 2018) appears to be the most important strategy aimed at the generation of supplementary income and improved school performance. Sayed (1999), in his influential work strengthens the literature reviews thoughts as he "cautions against unqualified commitment to educational decentralisation in countries in transition marked by gross disparities in educational opportunity and access" (p. 150). However, apart from Sayed their does seem to be a growing agreement that a balance between centralised and decentralised modes of educational governance in the South African will deliver greater degrees of performance. Sayed's (1999) commentary on this balance is a critical piece of literature. He indicates that within a South African context these ''educational inequities [will have] a key difference being that current educational policy may accentuate inequities along the lines of class rather than race" (p. 150).

The adjustment of the policy to accommodate more boarders was introduced to counter the MEC for education in Gauteng's revised policy on admission. The MEC's attempt to make schools more centralised for parents was based on a 5km radius, in which parents were only eligible to send their children to a school within that range of their own home. However, schools can accommodate boarders from any area with no limitations. This management strategy has permitted the schools in this study to hand select quality learners from a much larger pool. Limited literature at this stage could be sourced as this policy was only introduced in 2018.

By listing non-fee-paying parents on ITC their credit ratings are affected. Business managers and principals that are involved in this study have employed dedicated teams to address the growing trend of parents who don't pay school fees. It must be noted that very little literature on the subject was evident and thus this topic will need to be addressed in the future.

Categories of entrepreneurial activities to raise additional funds

Progressive stakeholders within former Model C schools are involved in active entrepreneurial activities to raise additional funds through patronage from past pupils, contributions from the broader school community and business. Mestry (2016) advocates "unconventional fundraising initiatives" (p. 2) in which all stakeholders aggressively market and raise money to improve school performance. With substantial budgets that are raised from donations and the endowment from their trusts these schools as able to accommodate large capital projects, introduce innovative teaching and learning processes, state of the art extra-mural facilities, as well as providing the wages of supplementary educators “above the post provisioning norm determined by the DoE” (Mestry, 2016, p. 2).

Participants of schools specified that fundraising ventures were not always effectively executed. However, these negative sentiments from the participants were limited. To counter these adverse feelings towards fundraising, Mestry’s (2016) makes mention of the importance of self-managing school possessing an “Entrepreneurial Style” (p. 5). He remarks that this “entails the practice of involving parents and other external actors in school processes, acquiring resources for the smooth running of a school, building coalitions with external agents, and engaging in a market approach to leadership” (p. 5).

SGB’s, business managers and principals need to engage in more creative approaches to improving performance. Though collaboration with all stakeholders, schools should afford them an opportunity to market and advertise on campus. These entrepreneurial endeavours are critical. Mestry and Barry (2016) suggest “embracing the skills and practices of entrepreneurship, principals and SGBs may have a better chance of accessing additional resources to allow learners to fully participate in their education and in this way build self-esteem and improve their chances of a more successful future” (p. 94). The recent study by Mestry (2018) exposed SGB’s of no-fee schools revealing how they “lacked the necessary financial and entrepreneurial skills” (p. 385). It is thus incumbent on principals, SMTs and SGBs to take on more entrepreneurial roles in former Model C schools.

Conclusive findings for Research Question

The results for Research Question 2 indicate that state schools have had to accommodate the rapid increase in enrolment of students. This has placed significant pressure on state appropriations forcing former Model C schools to resort to an active engagement in entrepreneurial activities. This engagement is critical for an effective and sustained teaching and learning process. Management strategies ranged from ‘Additional revenue streams’ ranked first to an ‘Adjustment in the admission policy’ and ‘Listing non-fee-paying parents’ ranked second and third respectively.

‘Fundraising’ has noticeably the greatest influence when wanting to raise additional revenue for schools. ‘Marketing, branding and advertising on campus’ with a frequency score of seven provided substantial scope for revenue generation. Both these constructs rely heavily on old boy and parent involvement. The involvement of these two critical school stakeholders in school performance should be considered in more comprehensive research in the future.

RESEARCH QUESTION 3: Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

Research Question 3 pursued the interaction between fluctuating state appropriations and performance. Performance was categorised into financial, pass rates and teacher pupil ratios. Financial performance was measured by means the school’s financials, the health of the trust and additional revenue generating through various stakeholders. Pass rates are subjective, however most schools look for 100% pass rates. Teacher pupil ratios of 1/25 are considered an optimum for the teacher and learning process to be effective. This question sought to explore and understand the possible relationship that may exist between these fluctuations and the performance of former Model C schools. Participants were asked to provide recommendations that schools could use to improve performance.

Recommendations for improvement in performance (financial, pass rates and teacher-pupil ratios)

Rangogo (2011) interestingly suggest that although many schools need financial training and the promotion of a culture of financial adequacy there are several growing issues. The same author states, “the quality of the training that they [SGB’s principals and staff] have received does not adequately empower them to manage finance successfully as it is offered by incompetent people” (p. 5). Recommendations for improved financial performance must be associated with what Rangongo recommends “an investment in SGB training is an investment in their empowerment and decentralization of finances to public schools. If well trained

SGBs could render a better service in managing public finances" (p. 5). Mestry and Barry (2006) affirm Rangongo (2011) by stating "training in financial management is fundamental in preparing and equipping school managers with financial skills" (p.91). However, was is concerning is the lack of capacity and management from the DoE to offer financial training. Mestry and Barry (2016) disparage that "despite efforts by the DoE to provide financial management training to principals and SGBs, the financial management, reporting and auditing requirements remain complex and onerous, and proper budgetary management is beyond the capacity of these stakeholders" (p. 90-91). The upskilling and growth in training will promote a culture of financial excellence that will allow a more effective utilisation of state appropriations and improve former Model C school performance.

Section 39 of the Schools Act stipulates that state school fees may be decided and waged only if most parents have adopted that agreement under the condition that they have attended the annual budget meeting. All the schools involved in this study are fee paying and exemption rates are considerably low with an average collection rate of 87.4%. (See Table 6). According to Sayed "the partial, conditional or total exemption of parents from the payment of school fees" (p. 149) is the prerogative of the minister and the school in question. The exemption policy in practice appears to encourage equity and access to state schooling. However, the number of parents who can afford fees but do not pay has begun to grow significantly. Moreover, there are parents who are eligible to apply for the exemption but do not as "the process is time-consuming and the cost of dignity in terms of how parents and learners may be treated at school is regarded as too high" (Mestry, 2013; p. 173). Although the schools in this study were state schools, the fees were quite substantial ranging from R27 000 per annum to R55 000 per annum. Consequently, parents who demand 'superior' state education must tolerate the school's high fee expenses. Failure to acknowledge the fee obligation will result in their kids not being permissible to continue with their schooling and parents face the possibility of being listed on ITC.

An active engagement with past pupils to assist with operational and governance issues is a construct that has received very little attention in academic circles. The former Model C schools in this study are highly dependent on their past pupils for financial, legal, operational and governance support. This topic should be considered for future research.

Conclusive Findings for Research Question 3

The outcomes of this question indicate that a relationship between the identified constructs is essential for improved school performance. For each construct to have the maximum effect when ensuring state appropriations are managed strategically, an active engagement with past pupils must accompany the allocation of the appropriation. This will be further explored in the conclusion and recommendations.

CONCLUSION AND RECOMMENDATIONS

Introduction

A responsibility framework and financial proposal of former Model C school when dealing with the effective management of state appropriations will be discussed. The original tables identified and developed through the literature review, research findings and discussion of results will be explored. Grounded on the results and the established proposal, endorsements for SMTs and future research are presented.

Recommendations for SMTs

Data from the interviews and findings from Research Question 1 – 3 demonstrated that the traditional funding model and current admission process is no longer pertinent in former Model C schools. Furthermore, the increasing effectiveness of fundraising and active entrepreneurship from stakeholders is of greater importance and more desirable when wanting to create a schooling system whose foundation is based on increased financial precision and performance.

The difficulty for SMTs is to recognise the DoE and the diminishing role they play in enforcing financial performance within former Model C schools. Moreover, SMTs are required to discover alternative ways of managing state appropriations in order to have an impact on improved financial performance. It is therefore recommended that SMTs employ the responsibility framework and financial proposal that was established by means of this research.

SMTs should aim to ensure that all three principal recommendations for improved performance are in operation and practised by staff through the application of the casual mechanisms recognised in the research. To promote a culture of financial training, control the fee exemption policy and promote an active engagement with past pupils' SMTs should:

- Acknowledge the importance of developing the human capital within the school's departments and promote a culture of financial distinction. By supporting this, SMTs are essentially growing constructive individual conduct and reassuring the growth of effective and collaborative relationships that will improve the performance of former Model C schools.

- Use a combination of rewards and recognition, compensation and motivations, and performance review systems. Frequent tracking of progress and the provision of feedback should be aligned to fully support the financial culture of excellence in former Model C schools.
- Recruit and select qualified educators with sound educational pedagogy. They should have a willingness to engage in active entrepreneurial activities and participate in financial training. This should improve the schools pass rates as well as improving their financial position.

Recommendations for Future Research

There is very little empirical evidence on the influence of identified drivers of accountability within organisations. The following six recommendations for future research would add significant value to the existing literature:

- The management of non-fee-paying parents and the fee exemption policy needs to be thoroughly addressed. The growing number of parents who expect free education is placing fiscal strain on former Model C schools. Thus, the administration behind the exemption policy and the enforcement of parents to pay fees must be validated.
- There is an overwhelming requirement for research to be conducted on the financial culture of these schools and how that influences performance.
- The ability of former Model C schools to fundraise as well engage in the marketing, branding and advertising on campus provides a significant opportunity for them to improve performance and remain competitive. Detailed research on the potential to supplement their income needs significant attention.
- Finally, an active engagement with past pupils to assist with operational and governance issues is an area that has received very little attention and needs to be explored.

Research Limitations

It was mentioned beforehand that qualitative research is subjective, and its neutrality is jeopardised by several biases (Saunders & Lewis, 2012; Zikmund et al., 2013). Further identified limitations are as follows:

- The study involved a boy's primary school, several boys' high schools and one girl's high school. No coeducational schools were selected which may limit the scope of opportunities in the future for schools to improve performance.
- Only former Model C schools (state schools) were considered in the study. Independent schools are more actively involved in educator training, staff development and general improvements in their educators' careers and thus may be able to provide state schools with more innovative, entrepreneurial and commercial opportunities to improve their performance.
- The sample consisted of principals, SGB chairmen and business managers or participants who were previously in that position. No conscious effort was made to generate the opinions of more junior (post level 1) educators in former Model C schools. Their perspectives were not considered.
- Only participants from Gauteng, South Africa characterised the sample. Consequently, geographical bias in the participant's responses could have taken effect.

Conclusion

High pass rates, effective financial management and low teacher/pupil ratios are central to improved performance of former Model C schools. There is very little literary evidence on decreasing state appropriations and the effect these deductions will have on school performance. However, former Model C schools may be able to compete through a more focused and deliberate stakeholder engagement. The purpose of this research was to provide SMTs an opportunity to remain competitive and close the gap that exists in the literature on school performance. The discoveries that developed through the interview process established a coherent narrative as to the best practice on raising former Model C school performance. The adoption of empirical research, on which this study is based, provides key insights into the nuances and complexities of state schooling. Furthermore, this research may contribute to the practice of leadership and the delivery of improved performance of both state and independent schools though the application and recommendations of the experienced leaders who are currently intricated in this complex process.

PROJECT PLAN

Refer to Appendix 1 for the proposed project plan. The project plan is an estimated scheduling of when each relevant section will be completed. This will continuously be reviewed and updated accordingly. The global module and additional electives have been incorporated into the project plan to allow for better planning and ensure timely completion with all factors being considered.

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Appendices

Appendix 1: Project plan

	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Initial supervision meeting										
Completed Literature Review										
Complete Chapter 1 - 3										
Complete Chapter 4										
Ethics Clearance										
Submit Research Proposal			31st July							
Complete Data Collection										
Complete Data Analysis										
Document Submission				31st Aug						
Complete Chapter 5 - 6										
Complete Chapter 7										
Global Elective							4th – 20th			
Elective 1		5th – 7th								
Elective 2		18th – 22nd								
Elective 3						16th – 20th				
Review									22nd Feb	
Hand in										28th Feb

Appendix 2: Invitation to Participate in Research Study

Dear XXXXX

Thank you for taking my telephone call earlier today. As discussed, I am completing an MBA at the Wits Business School and I am in the process of completing the compulsory research thesis component of the degree. My research project title is ‘Public Schools – a management strategy to remain competitive’. I believe that you have the necessary expertise and experience needed to provide key insights into this area of study. I would greatly appreciate your participation in this research by agreeing to be interviewed on the subject matter. The interview will be a semi-structure in-depth interview and will last approximately 30 minutes. I plan to conduct the interviews during the months of June and July. Please find attached a copy of the consent form that you will sign prior to the interview commencing. The interview will be confidential, and you will remain anonymous.

The research questions I aim to answer through this process are as follows:

1. Explore principals, SGB members and business manager’s current financial responsibilities
2. Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.
3. Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

Please can you confirm your agreement to take part, as per our telephone conversation and indicate your availability to be interviewed during the months of July and August 2018. I look forward to hearing from you.

Kind regards

Christopher Jon Hammond (chammond@kes.co.za)

Appendix 3: Interview Consent Form

'STATE APPROPRIATIONS AND PERFORMANCE OF FORMER MODEL C SCHOOLS IN SOUTH AFRICA'

Researcher: Christopher Jon Hammond, MBA Student at the Wits Business School

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Name of Participant: ____________________________

Organisation of Participant: _______________________

1. I confirm that I understand what the research is about and that I have had the opportunity to ask questions
2. I understand that my participation is voluntary and that I can withdraw at any time without giving reason
3. I agree to take part in the research
4. I agree to my interview being audio recorded
5. I agree to the use of anonymised quotations in publications

Participant's Name: _________________ Signature: ______________________

Researcher's Name: ________________ Signature: _____________________

Date: _________________

(Saunders & Lewis, 2012)

Appendix 4: Interview Questionnaire

Name: Start Time:

Organisation: End Time:

Job Title:

Date:

Thank you for agreeing to meet with me today. I really appreciate your time and input into this research.

The title of the research is:

State appropriations and performance of former Model C Schools in South Africa

The key objective of this research is:

- Explore principals, SGB members and business manager's current financial responsibilities
- Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.
- Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.

The nature of this research and interview is both conversational and exploratory. I would like to encourage you to speak freely and be confident in the fact that the information shared in this interview will be confidential and you will remain anonymous.

Before we begin, may I ask you to please sign the consent form and can you please confirm that you are happy for me to record the interview using an audio recording device?

Question 1:

What is your understanding of the role you play in managing your school's / organisations appropriations?

Question 2:

What drives financial efficiency in your school?

Potential prompts that could be used in the interview	
Systems – DoE	• Financial coach • District director • MEC
Peer/ Colleague/ Friend	• Leverage of business manager • Help from accounting staff • Deputy head role
Yourself	• Online • Training • Education

Question 3:

Does your school engage in active entrepreneurial activities to raise additional funds? If so could you provide some background?

Question 4:

Have state appropriations decreased in the last 2 years? How does your school manage these fluctuations?

Question 5:

How can your school improve performance (financial, pass rates and teacher-pupil ratios)? Provide recommendations.

Appendix 5: Consistency Matrix

Sub-problem	Literature Review	Source of data	Interview Guideline	Analysis
Question 1: Explore principals, SGB members and business manager's current financial responsibilities?	Mabasa & Theman (2002); Lewis & Naidoo (2004); Chaka (2008); Mncube (2009); Bush & Heystek (2010); Heystek (2010); Mestry (2004, 2006, 2016)	Interview Governing body minutes	• What are your current financial responsibilities? • What & who drives financial management in your organisation? • What are principals, SGB members & business manager's future direction? • How does the school supplement its income?	Thematic Analysis
Question 2: Investigate the causal mechanism of fluctuating state appropriations in former Model C schools.	Marishane & Botha (2004); Xaba (2011); Hillman & Toutkouskian (2012); Mestry & Barry (2016)	Interview	• How have state appropriations fluctuated in this school and what is the impact of this? • Cut backs in funding?	Thematic Analysis
• Question 3: Analyse the casual relationship between fluctuating state appropriations and performance (financial, pass rates and teacher-pupil ratios) in former Model C schools.	Schuknecht (1996); Kane (2002); Fiske & Ladd (2003); Marishane & Botha (2004); Lewis & Naidoo (2004); Tandberg (2009); Amanchukwu, (2011); Botha (2012); Mestry & Barry (2016); Mestry (2016);	Interview Governing body minutes	• Are the identified factors that drive financial management effective in isolation or do they work better in combination with other factors? • How are these factors united or pulled together in order to have an effect?	Thematic Analysis