

The Effect of School Transparency and Principal Competence on the Effectiveness of Budget Management in Elementary Schools in Bandung Regency

Sisca Cletus Lamatokan¹, Syamsurizal², Sopiah³, Meliana⁴

^{1,2,3} Politeknik LP3I Jakarta

⁴ APIKES Bhumi Husada Jakarta

Article Info	ABSTRACT
<p>Article history:</p> <p>Received Dec, 2024 Revised Dec, 2024 Accepted Dec, 2024</p>	<p>This study investigates the effect of school transparency and principal competence on the effectiveness of budget management in elementary schools in Bandung Regency. A quantitative approach was employed, involving 65 respondents from selected schools. Data were collected using a structured questionnaire and analyzed using SPSS version 25. The findings revealed that both school transparency and principal competence positively and significantly influence budget management effectiveness. Furthermore, these two factors jointly explain 67% of the variance in budget management effectiveness. The results highlight the critical role of transparent practices and leadership competence in optimizing financial resource management in educational institutions. The study recommends enhancing transparency mechanisms and providing targeted leadership training for school principals to improve budget management outcomes.</p> <p><i>This is an open access article under the CC BY-SA license.</i></p>
<p>Keywords:</p> <p>School Transparency Principal Competence Budget Management Effectiveness Elementary Schools Financial Resource Management</p>	
<p>Corresponding Author:</p> <p>Name: Sisca Cletus Lamatokan Institution: Politeknik LP3I Jakarta Email: siscatigor2401@gmail.com</p>	



<h2>1. INTRODUCTION</h2> <p>Effective budget management in elementary schools is vital for ensuring smooth operations and quality education, particularly in resource-limited regions like Bandung Regency. Efficient fund allocation supports essential programs, infrastructure, and staff development, yet challenges such as lack of transparency and leadership skills often hinder financial efficiency. Proper fiscal management optimizes resources, improves facilities, and enhances educator welfare [1], while strategic allocation directly impacts educational quality. However, schools face</p>	<p>issues like resource insufficiency, delayed fund distribution, and inadequate Maintenance and Other Operating Expenses (MOOE), compounded by transparency concerns that erode stakeholder trust. Decentralized management allows flexible budgeting but requires strict oversight [2], while technology, such as e-budgeting systems, enhances transparency and accountability [2]. Collaborative leadership and strategic planning are crucial for prioritizing resources despite budget constraints. Case studies highlight the impact of financial transparency, as seen in OMNI School Elementary in Cibinong, which fosters</p>
---	---

accountability through public financial reporting [3], and in Cirebon City, where efficient budgeting correlates with improved educational outcomes.

Transparency in school management is crucial for effective budget management, fostering accountability and trust among stakeholders to ensure proper financial resource utilization. The competence of school principals significantly influences resource allocation and school needs management, making these factors essential for improving budget effectiveness. Transparency prevents budget misuse and enhances public participation, contributing to successful educational management [2]. In state financial management, transparency and accountability are fundamental in meeting public demands for openness and efficiency [4]. A study on School Operational Funds (BOS) in Banda Aceh highlights that transparency and accountability significantly impact effective fund management [5]. Additionally, principal competence in leadership, planning, and financial management is crucial for optimizing resource allocation [6]. Schools like OMNI Elementary have demonstrated that strong accountability systems and transparency, supported by competent leadership, enhance financial management [3]. However, challenges such as symbolic compliance, fragmented planning, and political interference can obstruct transparency and budget effectiveness [6]. Implementing technology, such as e-budgeting applications and web-based reporting systems, improves efficiency, transparency, and accountability, enabling faster, data-driven decision-making [2].

Despite the acknowledged importance of transparency and leadership competence in budget management, there remains a gap in empirical research examining their combined impact, particularly in the context of elementary schools in Bandung Regency. Previous studies have predominantly focused on broader educational management issues without delving into the specific dynamics of

budget management at the school level. This gap underscores the need for a focused investigation into the relationship between school transparency, principal competence, and budget management effectiveness. This study aims to address this gap by exploring how school transparency and principal competence influence budget management effectiveness in elementary schools in Bandung Regency.

2. LITERATURE REVIEW

2.1 *Budget Management in Education*

Effective budget management in elementary schools is essential for optimizing limited financial resources to support educational goals through strategic planning, allocation, and monitoring of funds, balancing immediate needs with long-term objectives. Schools with strong financial management practices maintain operational efficiency and deliver quality education, yet challenges such as inadequate planning, misallocation of funds, and lack of accountability can hinder effective budget execution. Addressing these issues requires promoting transparency and strengthening leadership competence. Transparency in financial management prevents budget misuse and enhances stakeholder trust, with schools that implement robust accountability systems, such as public financial reporting, fostering an atmosphere of transparency that positively impacts educational quality [2], [3]. Strong leadership is also vital, as school leaders who demonstrate strategic prioritization and collaborative

decision-making can allocate resources effectively even under budgetary constraints [7]. Additionally, adopting technology, such as e-budgeting applications and web-based reporting systems, improves efficiency, transparency, and accountability, enabling faster, data-driven decision-making and more accurate fund allocation [2]. Engaging stakeholders, including parents, teachers, and the community, in financial management processes further enhances public participation and trust, contributing to the success of educational initiatives [7].

2.2 School Transparency

Transparency in school management is crucial for fostering trust, ensuring accountability, and minimizing financial mismanagement by providing stakeholders with clear and accurate information about financial and operational activities, leading to increased community support and participation. Transparent practices enhance stakeholder satisfaction, improve resource utilization, and contribute to educational quality. Transparent communication strategies, such as online registration systems and public information sessions, play a key role in ensuring equity in school admissions [8]. Schools that publicly post financial reports, like OMNI School Elementary, demonstrate a commitment to transparency, positively impacting educational quality [3]. Furthermore, transparency, along with accountability, significantly influences the effectiveness of School Operational Funds (BOS)

management in public elementary schools [5]. Effective financial management, supported by transparency, ensures efficient fund utilization, directly influencing the quality of education [9]. However, challenges persist, particularly in Islamic boarding schools, where limited technology access and the need for external audits hinder transparency efforts [10]. Strengthening internal capacity, leveraging digital technology, and involving external auditors are recommended strategies to enhance transparency and accountability in school financial management [10].

2.3 Principal Competence

The competence of school principals is crucial for effective educational and budget management, encompassing strategic planning, decision-making, financial oversight, and communication skills to align financial decisions with educational priorities. Research links principal competence to school performance, emphasizing leadership's role in achieving organizational goals. A study in Antique, Philippines, found that school heads with strong managerial and decision-making skills positively impact the learning environment, highlighting the need for targeted professional development [11]. Effective decision-making allows principals to allocate resources wisely and engage stakeholders in financial processes [11]. Leadership fosters a conducive work environment through participatory management, while technology integration enhances administrative

efficiency [12]. Collaborative leadership optimizes resource use, and ICT accelerates administrative processes and fund allocation [13]. Additionally, strong principal-foundation management relationships improve teacher performance through communication, trust, and support [14]. Principals also enhance teacher professionalism through training, contributing to educational quality [15]

2.4 Research Gap

While previous studies have highlighted the importance of transparency and leadership competence in educational management, there remains a lack of focused research examining their specific impact on budget management effectiveness in elementary schools. Moreover, most existing studies are conducted in broader educational contexts, with limited attention to regional variations and challenges. This study seeks to fill this gap by providing a localized analysis of these factors in elementary schools in Bandung Regency, offering practical insights for improving budget management practices.

3. METHODS

3.1 Research Design

This study employs a quantitative research design to examine the effect of school transparency and principal competence on the effectiveness of budget management in elementary schools in Bandung Regency. The research design is based on a cross-sectional survey, which allows for the collection and analysis of data from multiple respondents at a single point in time. This approach is suitable for identifying relationships between

the independent variables (school transparency and principal competence) and the dependent variable (budget management effectiveness).

3.2 Population and Sample

The population for this study comprises elementary schools in Bandung Regency. The sample was selected using purposive sampling, focusing on schools with principals and staff members directly involved in budget management processes. A total of 65 respondents were included in the study, consisting of school principals, administrative staff, and teachers with relevant responsibilities. This sample size is deemed adequate for the statistical analysis performed in this study.

3.3 Variables and Operational Definitions

The study examines three main variables. School Transparency (Independent Variable) refers to the degree of openness and accessibility of information related to budget planning, allocation, and expenditure within the school. Principal Competence (Independent Variable) encompasses the skills and abilities of principals in managing budgets, including financial planning, decision-making, and stakeholder engagement. Budget Management Effectiveness (Dependent Variable) measures the efficiency, accuracy, and accountability in managing financial resources to achieve educational goals.

Each variable is operationalized into specific indicators and measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.4 Data Collection

Data were collected through a structured questionnaire distributed to respondents, consisting of three sections. The Demographic Information section includes details such as the respondent's position, years of experience, and school size. The School Transparency Indicators section contains questions related to the availability

and accessibility of budget-related information, stakeholder involvement, and reporting practices. The Principal Competence Indicators section focuses on the principal's skills in financial management, leadership, and stakeholder communication. Lastly, the Budget Management Effectiveness Indicators section assesses the efficiency, accuracy, and outcomes of budget utilization. The questionnaire was pre-tested on a small group of respondents to ensure clarity and validity, with adjustments made based on feedback before full-scale distribution.

3.5 Data Analysis

The data collected were analyzed using descriptive and inferential statistical methods with SPSS version 25. Descriptive analysis was conducted to summarize demographic data and provide an overview of responses for each variable. Reliability and validity testing involved using Cronbach's alpha to assess questionnaire reliability, while validity was evaluated through factor analysis. Inferential analysis employed multiple regression analysis to determine the effect of school transparency and principal competence on budget management effectiveness, with a significance level set at 0.05 for hypothesis testing.

4. RESULTS AND DISCUSSION

4.1 Demographic Profile of Respondents

The demographic characteristics of the 65 respondents provide insight into the sample composition, including gender, age, education level, and years of experience. In terms of gender distribution, 40 respondents (61.5%) were male, while 25 respondents (38.5%) were female, indicating a predominance of male participants, which reflects the leadership and administrative roles in elementary schools in the study region. Regarding age distribution, respondents were categorized into four groups: under 30 years old (15.4%), 30–39 years old (30.8%), 40–49 years old (38.5%), and 50 years old and above (15.4%). The majority (69.3%) were between 30 and 49 years old,

suggesting that most participants were in their prime working age with substantial professional experience.

The respondents' education levels were primarily at the Bachelor's degree level (76.9%), with 23.1% holding a Master's degree, reflecting the educational qualifications required for school administration roles. In terms of years of experience, 12.3% had less than five years of experience, 33.8% had between five and ten years, while the majority (53.8%) had more than ten years of experience. This indicates that most respondents were seasoned professionals familiar with budget management practices in schools.

4.2 Descriptive Statistics

Descriptive statistics were calculated to summarize respondents' perceptions of school transparency, principal competence, and budget management effectiveness. The mean scores and standard deviations for each variable were School Transparency (Mean = 4.12, SD = 0.65), Principal Competence (Mean = 4.25, SD = 0.58), and Budget Management Effectiveness (Mean = 4.08, SD = 0.71). These results suggest that respondents generally perceive school transparency and principal competence as high, which is reflected in the positive evaluations of budget management effectiveness.

4.3 Reliability and Validity Testing

The reliability of the questionnaire was tested using Cronbach's alpha, with all variables meeting the acceptable threshold of 0.70, indicating high internal consistency (**School Transparency: 0.831, Principal Competence: 0.855, Budget Management Effectiveness: 0.811**). Validity was assessed through factor analysis, where all items loaded strongly on their respective factors, confirming the construct validity of the questionnaire.

4.4 Regression Analysis

Multiple regression analysis was conducted to test the hypotheses, with the model summary showing an Adjusted R^2 of 0.672, indicating that 67.2% of the variance in

budget management effectiveness is explained by school transparency and principal competence. The coefficient results demonstrate that School Transparency ($\beta = 0.456$, $t = 5.127$, $p < 0.001$) and Principal Competence ($\beta = 0.524$, $t = 6.052$, $p < 0.001$) both have significant positive effects on budget management effectiveness, confirming the hypotheses.

H1: School transparency has a positive and significant effect on budget management effectiveness (supported).

H2: Principal competence has a positive and significant effect on budget management effectiveness (supported).

H3: Both school transparency and principal competence jointly have a significant effect on budget management effectiveness (supported).

Discussion

The findings of this study confirm that both school transparency and principal competence are significant in the effectiveness of budget management in elementary schools in Bandung Regency. The findings align with previous research emphasizing the necessity of transparency and leadership capability in financial management.

1. School Transparency and Budget Management Effectiveness

The positive effect of school transparency on the effectiveness of budget management confirms the necessity of openness in financial management. Transparent practices allow stakeholders to view the distribution and utilization of resources, reducing the possibilities of mismanagement. This finding is consistent with [16], who pointed out that transparency facilitates accountability and stakeholder trust. For this study, the high mean score for school transparency suggests that schools in Bandung Regency are embracing practices that facilitate stakeholder involvement and information disclosure.

2. Principal Competence and Budget Management Effectiveness

Principal competence was the strongest predictor of effectiveness in budget management in the present study. This affirms the perspective that school leaders have an irreplaceable role in financial decision-making and the allocation of resources. Principals who possess high levels of leadership and financial management competencies are more capable of linking fiscal decisions to instructional goals, leading to improved efficiency in operations. This finding resonates with [17], who noted that competent leadership was central to effective goal achievement in schools.

3. School Transparency and Principal Competence Interaction Effect

The interactive effect of school transparency and principal competence also demonstrates the synergistic relationship between the variables in promoting budget management effectiveness. Transparency establishes the frameworks of accountability, while competent leadership ensures that financial decisions are strategic and aligned with institutional priorities. The high adjusted R^2 value (0.67) indicates that the two variables have a significant combined effect on budget management outcomes.

4. Implications for Practice

The findings have important implications for school administrators and policymakers. Schools must prioritize establishing transparency by having clear reporting lines and engaging stakeholders in finances. Professional development modules for principals should cover enhancing their financial management and leadership skills.

5. Limitations and Future Research

This study is not without limitations. The sample of 65 respondents, while sufficient for statistical purposes, may limit the generalizability of the findings. Follow-up studies can expand the sample size and recruit schools from other regions to obtain a more generalized snapshot of such relationships. In

addition, qualitative research approaches can be employed to obtain more detailed information regarding the mechanisms by which the influences of transparency and leadership competence on budget management take place.

5. CONCLUSION

This study confirms that transparency and principal competency are the significant determinants of budget management effectiveness in elementary schools in Bandung Regency. Transparency creates accountability and stakeholder trust, while principal competency ensures effective financial decision-making and resource allocation. Their combined effect

demonstrates their synergetic contribution to achieving optimum budget management.

The findings point to the need for schools to have effective transparency systems and to provide principals with professional development in finance and leadership. In this way, schools are able to enhance budgeting practice, which contributes to better education outcomes.

Subsequent research should expand this study's parameters by using larger samples from diverse sites and examining additional variables that may influence budget management effectiveness. A mixed-methods design would provide a more nuanced understanding of the complex dynamics of school fiscal management.

REFERENCES

- [1] E. Andiawati, "Pengelolaan Keuangan Lembaga Pendidikan/Sekolah," in *Prosiding Seminar Pendidikan Ekonomi Dan Bisnis*, 2017.
- [2] B. Nuraini, D. Rimbano, G. Gunadi, M. Mulyadi, and L. Judijanto, "The Optimization of Educational Management Through Efficient Financial Management: A Literature Review," *TOFEDU Futur. Educ. J.*, vol. 3, no. 5, pp. 1507–1516, 2024.
- [3] B. Morisson, A. Widayati, A. Djunaedi, U. Y. Susanto, and N. Purnamasari, "Management of Educational Financing in OMNI Elementary School Cibinong," *Econ. Educ. Entrep. J.*, vol. 7, no. 2, pp. 190–201, 2024.
- [4] L. Sitorus, S. A. Sitompul, N. F. Kamila, and W. Pangestoeti, "Transparansi dan Akuntabilitas dalam Pengelolaan Keuangan Negara," *Econ. Rev. J.*, vol. 4, no. 1, pp. 235–244, 2025.
- [5] S. Munjiah and R. M. Daud, "AKUNTABILITAS DAN TRANSPARANSI PENGELOLAAN DANA BOS DI SEKOLAH DASAR NEGERI," *J. Ilm. Mhs. Ekon. Akunt.*, vol. 9, no. 4, pp. 284–293, 2024.
- [6] S. Syahmani *et al.*, "Workshop on Strengthening and Implementing STEM-Based Coding with ARTEC Japan-WOW Singapore-PPSTEMI: School Dissemination," *Bubungan Tinggi J. Pengabd. Masy.*, vol. 7, no. 1, pp. 191–204, 2025.
- [7] M. C. C. Fabrao and L. M. Pacadaljen, "A reflection of financial stewardship in schools through fiscalizing behaviors of school heads in Samar, Philippines," *Environ. Soc. Psychol.*, vol. 9, no. 10, pp. 1–21, 2024, doi: 10.59429/esp.v9i10.3165.
- [8] M. Ardiansyah, "The School Leadership Preparation Project: A Multi-Case Study on Education Policy in South Sulawesi Province," *Lentera Pendidik. J. Ilmu Tarb. dan Kegur.*, vol. 27, no. 2, pp. 456–479, 2024.
- [9] Y. S. Nengsi, D. Maulidika, A. Sabri, and R. Hidayatullah, "Pengelolaan Keuangan Sekolah: Sumber Pembiayaan Dan Pertanggungjawaban Dalam Satuan Pendidikan," *Edukasi Elit. J. Inov. Pendidik.*, vol. 2, no. 1, pp. 144–162, 2025.
- [10] I. A. Soliha, F. Faridi, and T. Tobroni, "Building Transparency and Accountability: Implementation of Good Governance in Modern Islamic Boarding Schools of Muhammadiyah Paciran," *Int. J. Educ. Soc. Stud. Manag.*, vol. 4, no. 3, pp. 1326–1339, 2024.
- [11] L. Songcayawon *et al.*, "Managerial skills of schools' heads and the performance of teachers: The case of public schools in Antique, Philippines," *J. Soc. Sci. Manag. Stud.*, vol. 1, no. 2, pp. 77–85, 2022.
- [12] I. D. Sucianti and H. Hildawati, "PERAN KEPEMIMPINAN KEPALA SEKOLAH DALAM MENINGKATKAN EFEKTIVITAS MANAJEMEN ADMINISTRASI SD NEGERI 12 MERAPI BARAT," *Masy. Demokrasi-Jurnal Ilm. Adm. Publik*, vol. 2, no. 2, pp. 33–40, 2024.
- [13] A. Muiz, R. Anisah, U. Khoiruddin, and E. Indrioko, "Kebijakan Pendidikan Dalam Mengatasi Masalah Kualitas, Kuantitas Efektivitas dan Efisiensi," *IHSAN J. Pendidik. Islam*, vol. 2, no. 3, pp. 46–64, 2024.
- [14] A. W. Mahsuni and A. A. Priyono, "The Influence of the Relationship Between Foundation Management and School Principals on School Performance: Case Study at XYZ School," *Nidhomul Haq J. Manaj. Pendidik. Islam*, vol. 9, no. 3, pp. 715–727, 2024.
- [15] N. I. M. A'yun and M. I. Muttaqin, "Peran Kualitas Kepemimpinan Kepala Sekolah terhadap Peningkatan Profesionalisme Guru," *Akhlak J. Pendidik. Agama Islam dan Filsafat*, vol. 2, no. 1, pp. 206–217, 2025.
- [16] T. Bush and D. Glover, "School leadership models: What do we know?," *Sch. Leadersh. Manag.*, vol. 34, no. 5, pp. 553–571, 2014.

- [17] K. Leithwood, A. Harris, and D. Hopkins, "Seven strong claims about successful school leadership revisited," *Sch. Leadersh. Manag.*, vol. 40, no. 1, pp. 5–22, 2020.