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## Responding to school funding challenges in no-fee and fee-paying schools: Lessons from South African principals

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Drawing on the quintile system of categorising schools, South African public schools are bifurcated into no-fee and fee-paying schools. Emerging research has shown that school principals in both categories of schools encounter several challenges with regard to school funding. In this article, we employ contingency leadership theory to examine how school principals respond to the school funding challenges they encounter. An interpretive, qualitative case study drawing on semi-structured interviews with 4 purposively selected principals was conducted. To augment the interview data, purposively selected school documents were reviewed. Through thematic analysis, it was found that principals in fee-paying and no-fee schools employ a cocktail of practices to respond to the challenges they encounter. From the findings, we learn that school funding challenges push principals to enact a form of transgressive leadership where they adopt a context-driven, as opposed to a policy-driven approach to school leadership. Furthermore, the funding challenges drive school principals to renegotiate their roles as professional managers of the school and as ex-officio members of the School Governing Body. This results in school principals becoming more entrepreneurial in their school leadership.

**Keywords:** contingency leadership; fee-paying schools; no-fee schools; school categorisation; school quintiles

### Introduction

*Agenda 2063: The Africa We Want* is a blueprint for transforming Africa from a developing economy into a competitive global powerhouse. To attain this end, aspiration six espouses a sanguine vision of “An Africa whose development is people-driven, relying on the potential of African people ...” (African Union, 2015:8). Deriving from this Afrocentric aspiration, we surmise that the development of human capital is pivotal to Africa’s success. Hence, *Agenda 2063* prioritises the expansion of universal access to basic education (African Union, 2015). In this regard, many countries on the continent such as Uganda, Ghana, Egypt, Lesotho and Ethiopia, have opted for free primary education (FPE) as a tool to broaden access to education (Assaad & Krafft, 2015; Chicoine, 2019; Gaddah, Munro & Quartey, 2016; Moshoeshoe, Ardington & Piraino, 2019; Vokes & Mills, 2015). Given South Africa’s constrained public finances and the imperatives to align with continental trends to widen access to public education, devising “effective mechanisms to allocate this [limited] funding among competing priorities” has become a crucial priority for the government (Mestry, 2020:par. 2). The South African government, through its national *Amended Norms and Standards for School Funding* policy, opted for a two-pronged approach to public school education funding in respect of non-personnel, recurrent expenditure – no-fee schools and fee-paying schools (Department of Education [DoE], Republic of South Africa, 2006). This funding policy provides for a funding mix of revenue from “central government level, [and] external agencies ...” (Mestry, 2020:par. 2). As with all redistributive policies, it is only when the policy evolves to the stage of implementation that the constraints and enablements of the policy become visible (De Clercq, 1997). Given this, the focus of our article is on how school principals negotiate the challenges related to funding in their leadership of no-fee and fee-paying schools. Specifically, the purpose of the article is to make visible the lessons we learnt from the school principals of no-fee and fee-paying schools concerning their experiences of mitigating the challenges resulting from funding.

Research on the challenges experienced by school principals in no-fee and fee-paying schools in South Africa is growing (Kiprono, Nganga & Kanyiri, 2015; Mestry & Berry, 2016; Myende, Samuel & Pillay, 2018; Naicker & Ncokwana, 2016; Naong, 2013; Nordstrum, 2012; Sayed & Motala, 2012). While many of the studies provide perspicacious accounts of the challenges, there seems to be a paucity of literature on how school principals respond to the plethora of challenges they experience as a result of the funding mix in no-fee and fee-paying schools. Thus, in this article, we attempt to go beyond the challenges experienced by the school principals and document our learnings about how the school principals respond to the challenges. We, therefore, see our article as having significance at two levels; a policy level and a practice level. From a policy perspective, we envisage that the article may highlight some of the gaps in the regulative and procedural functions of the school funding policy and may thus provide some empirical evidence for rethinking some of the policy principles and policy values in respect of school funding. With regard to practice, the article may alert education officials and school principals working in school funding contexts similar to the school principals in the article, to the strategies that they can harness and deploy in meeting the challenges they experience in their leadership practice.

The article commences with a brief review of the literature on no-fee and fee-paying schools in South Africa. Next, the theoretical framing, namely contingency leadership, is explicated upon. The methodology underpinning the study is thereafter explained, followed by a presentation of the findings and a discussion of the

findings. In bringing the article to a conclusion, we return to the key question informing the article, namely, the lessons we learnt from the school principals of no-fee and fee-paying schools concerning their experiences of mitigating the challenges resulting from funding.

#### No-Fee and Fee-Paying Schools in South Africa

In South Africa all public schools are categorised into one of five quintiles based on two equally weighted criteria – the one criterion is the physical condition of the school, the quality of its facilities and the crowding of the school in terms of learner enrolment, and the other criterion is the relative poverty of the community surrounding the school (DoE, 1998). The schools in Quintile 1 are regarded as being “most poor”, and the schools in Quintile 5 are regarded as being “least poor” (DoE, 1998:28). The schools in Quintiles 1, 2 and 3 (lower quintiles) are categorised as no-fee schools and comprise 60% of all public schools (DoE, Republic of South Africa, 2006). This cohort of schools are legally not permitted to charge school fees and are expected to survive mainly on government funding (Hall & Giese, 2009; Mestry, 2018; Sayed & Motala, 2012). The schools categorised in Quintiles 4 and 5 (higher quintiles), which comprise 40% of all public schools, are fee-paying schools (DoE, Republic of South Africa, 2006). These schools are lawfully allowed to levy school fees to supplement government funding. The no-fee schools are funded at a substantially higher level as compared to the fee-paying schools. To illustrate, for the 2020 school year, the per capita funding of a learner at a no-fee school was R1,466 compared to fee-paying schools of R735 in Quintile 4 schools and R254 in Quintile 5 schools, respectively (Department of Basic Education, Republic of South Africa, 2020). Thus, the funding of a learner at a no-fee school is approximately six times that of a learner at a fee-paying Quintile 5 school. Commenting on the power of schools to attract funding outside of government, Mestry (2016) observes that lower quintile schools struggle to devise self-initiated fundraising plans while higher quintile schools are able to supplement their finances from school fees and through fundraising activities, sponsorships and donations (Mestry, 2016). Thus, this funding model, which was ostensibly created to reduce the disparities between no-fee and fee-paying schools by diverting a higher amount of state funds to no-fee schools, has seemingly not had its intended effect (Ahmed & Sayed, 2009; Matlhale & Erasmus, 2015). Instead, it has created a widening chasm between no-fee schools and fee-paying schools in terms of access to quality and sufficient resources as well as output of learner learning outcomes (Ahmed & Sayed, 2009; Mestry, 2014, 2020).

Notwithstanding the targeted policy interventions of the state on a differentiated basis concerning non-personnel school funding, both no-fee and fee-paying schools experience a plethora of challenges linked to funding, which ultimately impacts on the teaching and learning enterprise. Research by Mestry and Berry (2016) indicates that no-fee schools often experience running out of funds well before the end of the school year owing to their funding not being adequate to meet all their school’s needs. To add to the woes of no-fee schools is the practice of ring-fencing budgets by the state, which entails prescribing how funds allocated by the state should be strictly spent. This practice leaves schools with very little room to manoeuvre in terms of diverting budgets to areas they consider needy (Naicker & Ncokwana, 2016; Williams, Abbot & Mupenzi, 2015). Further, the tardiness in the timeous disbursement of funds to public schools by the state is also raised in the literature. Consequently, some no-fee schools operate with limited funds or without funds until as late as the second term (Naicker & Ncokwana, 2016), which is about four months after schools have opened for the school year. This challenge, however, is not unique to South African schools. Kenyan and Ugandan fee-free schools seem to experience a similar problem of funding not reaching them timeously (Kiprono et al., 2015; Vokes & Mills, 2015). The delays in disbursing funding, coupled with the quantum of the funding being inadequate, impacts on the quality and quantity of resources the schools are able to procure. This in turn adversely impacts on the quality of education no-fee schools are able to offer (Assaad & Krafft, 2015; Gaddah et al., 2016; Kiprono et al., 2015; Vokes & Mills, 2015).

The literature also documents the challenges that fee-paying schools encounter. Owing to the better quality of education offered by numerous fee-paying schools, many parents from disadvantaged communities enrol their children in fee-paying schools in the hope that they will be able to apply for school fee exemptions (Mestry, 2016). The policy on fee exemption permits schools to claim compensation from the provincial DoE for all fee exemptions granted (Mestry, 2014). However, due to the complex processes and procedures for claiming the fee exemptions, some principals decide not to claim the reimbursement (Naicker & Ncokwana, 2016). Similar to no-fee schools, studies reveal that fee-paying schools also experience delays in the payment of funds into the schools’ bank accounts. This adversely impacts on the capacity of the schools to deliver quality service to their learners (Nishimura, Ogawa, Sifuna, Chimombo, Kunje, Ampiah, Byamugisha, Sawamura & Yamada, 2009; Sayed & Motala, 2012; Vokes & Mills, 2015).

### A Theoretical Lens: Contingency Leadership

We subscribe to two claims in this article. Firstly, we align ourselves with the claim that leadership and context are interconnected – leadership is embedded in and influenced by context (Bredeson, Klar & Johansson, 2011). Secondly, we align ourselves to the claim that the categorisation of schools into no-fee and fee-paying schools generates several challenges for these schools (Naicker, 2019; Naicker & Ncokwana, 2016). Hence, we endorse the words of Bush (2006:17), who professes that “in [a] climate of ambiguity, traditional notions of leadership require modifications.” Based on Bush’s assertion and our claims above, we draw on contingency leadership as a theoretical perspective. Contingency theory is premised on the assumption that there is no single best way to make decisions and that some approaches to leadership are more effective than others (Tarter & Hoy, 1998). In Hoy and Miskel’s (1991) view, the best approach to leadership is the one that fits the circumstance. In describing contingency leadership, Bush (2006:17) suggests that leaders are required to “recognise the diverse nature of schools and the advantages of adopting leadership styles [and leadership practices] to the particular situation, rather than adopting a one size fits all stance.”

We argue that the milieu of no-fee and fee-paying schools presents unique contextual spaces for leadership. Consequently, the way leaders respond to the challenges within these contexts cannot be driven by a single approach to leadership. This, therefore, suggests that leaders ought to be able to master a repertoire of leadership practices (Leithwood, Jantzi & Steinbach, 1999) in order to respond to the unpredictable circumstances that confront them in these contexts. Bush’s (2007:402) observation sums up our theoretical stance quite aptly:

South Africa has one of the most diverse education systems in the world. It ranges from well-endowed city schools, comparable to the best in developed countries, to very poor schools without access to the most basic facilities, such as water, power, and sanitation. Given such disparities, it is unwise to prescribe one universal approach to school leadership and management.

Likewise, we argue that the context of no-fee and fee-paying schools is a proxy for the two types of school worlds that Bush presents above. Hence, the school principal’s responses to the challenges of funding will also vary depending on the context of the school.

### Methodology

Since we wanted to describe and make meaning of how school principals in no-fee and fee-paying schools responded to the challenges they experienced from the principal’s perspective, we took an interpretive, qualitative approach to this

study. Adopting an interpretive, qualitative paradigmatic stance allowed us to embrace the voices of the selected school principals and to construct knowledge from the principals’ experiences through social interaction with them in their naturalistic environment namely, their respective schools (Bless, Higson-Smith & Sithole, 2013; De Vos, Strydom, Fouché & Delpont, 2011; Yanow & Schwatz-Shea, 2011). We used a case study research design because exploring contemporary, real-life phenomena such as the responses of school principals of no-fee and fee-paying schools to the challenges they experienced in their natural environment aligns with case study research (Yin, 2009). In our study, the case is the responses of the school principals to the challenges they faced. In terms of what the study is a case of, we aver that it is a case of no-fee and fee-paying schools. Concerning the focus of the case, we attempt to make visible the lessons learnt from these principals of their experiences in response to the challenges in these two school contexts (Rule & John, 2011). Given that a case is a bounded system, the temporal boundedness of the case was limited to three years and the spatial boundary of the case comprised four schools (Rule & John, 2011).

With regard to the selection of research participants and sites, we adopted a purposive sampling strategy (also known as judgemental sampling) because we wanted to access participants that were considered to have the relevant knowledge of the phenomenon being researched (De Vos et al., 2011; Maree, 2012). Four schools were selected from the KwaZulu-Natal province (KZN) in South Africa. Two of these schools were fee-paying, and two were no-fee schools. We selected the school principal from each of the schools as participants, because, as the school manager and ex-officio member of the School Governing Body (SGB), the principal is an insider with regard to the challenges of school finances. Further, even though financial management accountability is the key responsibility of the SGB and not the principal, in many schools the de facto responsibility is delegated or taken over by principals. This is the reality at many public schools owing to the belief by many parent governors that principals are better informed about financial management (Myende et al., 2018).

In keeping with approved ethical protocols in operationalising and writing up social science research, we obtained gatekeepers’ permission to conduct the research in the four schools from the KZN DoE. As part of the principle of autonomy, we also obtained informed consent from the school principals. In order to maintain confidentiality of the identities of the school and school principals, we used pseudonyms to anonymise the schools and school principals (Rule & John, 2011). We were

also cognisant of issues of relational ethics, and ensured that in presenting the narratives of the school principals, other persons and organisations referred to by the principals were anonymised (Ellis, 2007).

In order to provide some context of the research sites and participants, we furnish a brief narrative. Mr Lingisa is the principal of Green Secondary School, a fee-paying school in the Pinetown District. This school is located in a township surrounded by informal settlements. Mr Lingisa has 11 years' experience as a school principal. White Secondary School, a fee-paying school in the Umlazi District, is led by Mr Calata. Mr Calata has been the principal for the past six years. His school is located in a middle-income area neighbouring low-cost housing settlements. Red Primary School is a no-fee school in the Umlazi District, which is situated in a low-cost housing settlement. The school principal, Ms Radebe, who has seven years' experience, was selected from this school. School principal, Mr Dube was selected from Grey Secondary School, a no-fee township school in the Pinetown District. This no-fee school is surrounded by several informal settlements.

We used two methods of generating data; semi-structured interviews and document review. The semi-structured interviews enabled us to elicit participants' deeper descriptions regarding how they responded to the challenges in their schools (De Vos et al., 2011; Kvale, 2007). With the consent of the participants, the interview sessions were audio-recorded and, thereafter, transcribed for data analysis. Documents which were considered relevant to the focus and purpose of the study were reviewed (De Vos et al., 2011; Nieuwenhuis, 2012). These documents were the minutes of meetings of the SGB (including its sub-committees) and staff meetings. Records of these meetings served as evidence of how the SGB responded to the challenges in the schools they were leading.

To bring order and make meaning of the generated data, we conducted qualitative data analysis. We engaged in an interpretive reading of each of the interview transcripts, as suggested by Smith (2004), to familiarise ourselves with the data. Thereafter, we engaged in line-by-line coding (Silverman, 2013), which involved re-reading each transcript line-by-line while marking certain words and phrases (codes) that were relevant to the key question driving this research. This was followed by the grouping of codes into categories, which was done by putting together all those codes that had similar meanings (Cohen, Manion & Morrison, 2011). Sub-themes and themes were developed from the categories. The document review was used to augment the information contained in the themes and sub-themes. For example, if a

participant principal said something about the sub-theme "transgressing our mandate as school principals", we then scanned the selected documents for data that had relevance to this.

### Findings

In this section, we present the findings of the study. We commence by presenting how school principals in fee-paying schools responded to the challenges they faced, followed by how school principals in no-fee schools responded to the challenges they encountered.

#### School Principal Responses to the Challenges of Funding in Fee-Paying Schools

Our selected fee-paying schools were schools which did not have much funds in reserve. They were schools that just had enough for their immediate needs. Therefore, any unplanned expenditures or increases in budgeted costs for items created a financial disequilibrium at their schools. We report on findings of how participant school principals responded to the challenges of funding in fee-paying schools in the three themes reflected below.

#### *Being transgressive: Going beyond our mandate as school principals*

School principals, Mr Lingisa and Mr Calata indicated that they admitted many learners whose parents qualified for school fee exemptions. They lamented the late payment of reimbursements for school fee exemptions as well as the sum received per learner being considerably lower than the school fee set by the SGB. Despite the school principals being powerless against the DoE's tardy and unclear reimbursement protocols for school fee exemptions, the participant principals resorted to unpopular and sometimes unlawful means to secure funds to keep their schools operational. Mr Calata explained that he occasionally resorted to badgering parents by constantly reminding them of their outstanding fee accounts by sending text messages, addressing the issue of outstanding fees at parents' meetings and issuing learners' progress reports to parents with the intention of engaging them one-on-one on school fee payments. To ensure that their schools had sufficient funds to commence the school year, participants revealed that they compelled new learners to pay a deposit as a prerequisite for registration. Mr Lingisa explains:

*When we admit Grade 8 and new learners, we don't enrol without a deposit ... a more than a 50% deposit for a Grade 8 learner and for a new learner ... and that amount helps us to manage between January and June.*

Mr Calata elucidates how the finances from early admissions offset delayed payments from the Department.

*Sometimes you start your admissions early in April ... Those parents who enrol their learners this year for next year are compelled to pay a registration fee ... I use those finances in order to compensate for the late payment on the part of the Department.*

The levying of compulsory school fee deposits or registration fees when learners are enrolled transgresses regulations governing school fees. Thus both principals were acting beyond their mandate.

#### *Change in role identity: Resorting to bargaining and negotiating*

In order to maximise funds available for running their schools, participant principals explained how they took on roles as negotiators in order to bargain with service providers so that they could secure discounts to benefit the school. Mr Lingisa clarified: *"We negotiate prices so that we can afford more with our limited budget ... in procuring learning and teaching support materials we bargain with service providers thus enabling us to purchase more."*

The minutes of the finance committee (a sub-committee of the SGB) of White Secondary recorded that the principal, Mr Calata negotiated discounts and better deals with the school's service providers to cushion shortfalls in income from school fees and school fee compensation from the Department. Further, the minutes of a finance committee meeting a year later recorded that Mr Calata had negotiated with some service providers to delay payments for up to three months. This desperate measure had to be taken because the school finances were not in a healthy state. Mr Calata indicated that this was a strategy to *"play for time"* knowing that finances would improve in the coming months owing to planned fundraising initiatives.

#### *"We don't have people who think big ...": Mobilising corporates and other sponsors*

To augment school finances, both participants resorted to approaching the corporate world for sponsorships and donations. This, however, did not always have the desired outcome. Mr Lingisa explains some of the challenges that he and his school experienced in this regard:

*We have many sponsors ... we have cellphone company, we have a finance company, we have a schoolwear company and so on ... their contributions are small. I must admit we are not good fundraisers ... in this depressed economy we cannot raise the amounts to make our school truly self-sufficient. Every year our efforts do not give us what we thought we will get ... we don't have people with the specialised skills to bring in the big money ... we don't have people that think big when it comes to fundraising ... that think of millions.*

Mr Calata pointed out that without sponsorships and other fundraising activities his school would

not survive financially. With his school being located near a low-cost housing settlement, he had to not only raise funds to keep his school afloat, but he also needed to raise funds to support some of the indigent learners at the school. Mr Calata volunteered: *"We actively solicit private donors ... we approach large companies ... this, however, is not enough. We, therefore, go on fundraising drives. We need to do so for the many learners who are needy in our school."*

Drawing from the principals' comments, fee-paying schools have to mobilise external funding apart from school fees in order to remain functional. In the poor economic climate that schools function in, generating additional funding through various fundraising efforts is an onerous task.

#### *School Principal Responses to the Challenges in No-Fee Schools*

Despite the no-fee schools sampled in the study receiving substantially higher state funding than their fee-paying counterparts, they struggled financially to keep the school on an even keel. We report on findings of how participant school principals responded to the challenges of funding in no-fee schools in the three themes reflected below.

#### *"Robbing Sinothile to pay Vuyani": Challenging and stretching policy*

The no-fee schools sometimes found themselves in hopeless and helpless situations. At one point, Mr Dube, after many failed attempts to improve the finances of his school through fundraising efforts, resorted to challenging the DoE with regard to his school's funding allocation. He lodged a written protest with the Department regarding the sum allocated to his school. He recounted: *"Desperate times calls for desperate measures ... I had to do something ... So I lodged a protest for the improvement of the allocation. I had no other option but to protest our funding allocation."*

He indicated that the Department just brushed his case aside and did not take it seriously. They refused to hear his grievance.

Owing to the poor financial state of Grey Secondary, the minutes of a SGB meeting reveal that the security staff did not receive a salary increment for the past year and would not receive any salary increment for the forthcoming year. Further, according to a SGB resolution it was reported that learning and teaching support material (LTSM) funds meant for consumer studies would be redirected towards paying security staff salaries. Mr Dube explained that the school was left with no other option but to *"reinterpret policy"* and shift funds around. In Mr Dube's words, *"we are robbing Sinothile to pay Vuyani."*

*“... Tightening our belts”: Being prudent with what we have*

In order to deal with funding not being substantial enough to meet the day-to-day expenditure and to cater for delays in the disbursement of funds to schools, the participants indicated that they had to put in place cost-saving measures. Ms Radebe aptly summed this up by stating: *“We engaged in tightening our belts.”* Mr Dube clarified that he had adopted a very stringent approach to budgeting, especially for the period between the beginning of the school year and the receipt of the current year’s monetary allocation. Mr Dube commented:

*As a no-fee school, there is no way we can work around delays in the allocation of funds ... even if you speak to the Regional Service Centre that handle the process of allocations to schools, you get nowhere ... they simply say we do the allocations in this specific period. They simply do not know how schools run ... that is why you have to be very conservative when it comes to spending – especially at the beginning of the year up to the next allocation. You cannot spend money you have willy-nilly.*

Ms Radebe fully supported the views of Mr Dube. She reinforced the notion of economising and doing more with less. She reported:

*We are still waiting for the change to come in terms of when monies are disbursed to schools. Until then, we have to economise. We have embarked on a culture where we emphasise to learners to save whatever we have ... take good care of it ... it could be water, it could be the lights ... anything that consumes money we try to save as much as we can.*

Mr Dube and Ms Radebe are trying to be prudent with what they have so that they can keep their schools functional. They have realised that depending on the DoE for help is not going to get their schools out of their funding predicament. Thus, they have put in place austerity measures at their schools.

#### *Renting out school space for a fee*

To alleviate funding challenges, participant principals indicated that, with the blessings of their SGBs, they became landlords in their school’s fiefdom by renting out school space in order to generate much needed income for the school. Faith-based organisations and the like are encouraged to use the school after hours for a fee. Ms Radebe elucidated: *“We charge rent from a community guy who sells food and refreshments at school ... Some people use our premises for church services and we levy a fee for the classroom they use after school hours.”*

Many no-fee schools are located in remote areas; many in deep rural areas. Consequently, some staff members have to commute great distances to get to school on a daily basis. To alleviate this, and at the same time generate some funds for the school, Mr Dube indicated that

unused space in the school is leased out to staff for a modest fee. He indicated that a teacher and the school’s security guard dwell on the premises for a monthly fee. He added that these small sums add-up at the end of the day to keep the school running.

#### **Discussion**

The findings show that the participant principals’ responses to funding challenges in fee-paying and no-fee schools are multilayered. Some responses transcended the school categorisation divide while others were distinct to each context. In the subsequent paragraphs, we discuss these findings.

The state expects of school principals as ex-officio SGB members and representatives of the DoE to ensure school financial matters are handled in line with policy prescripts. Therefore, within a rational leadership framing, one would expect principals not to endorse the practice of charging admission and registration fees; and engage in contravening rules around ring-fenced financing of items because it violates legislative and policy frameworks. The participant principals’ responses suggest that it is not always possible to work within the parameters of policy and organisational norms. In times of crises, principals are forced to make choices about which policies to observe and which ones not to, because of context-imposed challenges (Bayeni & Bhengu, 2018; Bhengu, 2012; Miller, 2015). As irrational as this may be, the principals consciously transgressed policy owing to “their understanding of the common good ... [for their] organisation” (Bouchikhi & Kimberly, 2013:2). From the principal’s perspective, the practice of levying admission or registration fees for new learners may be justifiable to facilitate effective planning on the part of the school and also to show commitment on the part of the applicant to take up a place at the school. Thus, to ease constrained school finances and ensure effective school planning, the lived experiences of school principals in this regard, may necessitate a review of the relevant sections of the school funding policy. The principals’ actions confirm what the contingency leadership framework suggests – that it is unwise to prescribe one universal approach to school leadership because the context will shape the actions of leaders (Bush, 2006).

As illustrated in our findings, principals are not merely “robotic” policy implementing agents. They have to constantly contend with enactment complexities that demand context-sensitivity in their day-to-day responses to the challenges posed by funding (Ivory, Hyle, McClellan & Acker-Hocevar, 2015). Noble as their intentions may be for their schools’ financial stability, their policy breaches may have unintended social justice consequences such as learner exclusion based on the inability to pay admission and/or registration fees. Given that in South Africa the ability to pay

school fees is strongly correlated to race, this practice by school principals may in the long term contribute to exacerbating the inequalities prevalent in an already unequal society (Dass & Rinquest, 2017).

School principals in the 21st century have to assume a multiplicity of roles in their quest to lead and sustain successful schools (Drysdale, Gurr & Goode, 2016). Many principals do this in a climate of funding constraints (Bayeni & Bhengu, 2018). Owing to dwindling school finances, many school principals are forced to venture into “territories” that fall outside their designated roles and responsibilities in order to ensure functionality of their schools. At times, they thus blur the boundaries between school governance and day-to-day professional management of the school (Basson & Mestry, 2019). For example, participant principals’ practices in both no-fee and fee-paying schools show that they played an active role in supplementing school funds, which according to the South African School’s Act, 84 of 1996 (Republic of South Africa, 1996), is a school governance competence (Myende et al., 2018). This suggests that at times, the prescribed leadership and management roles of school principals are reconfigured to play roles of “principalpreneurs” due to the funding demands at school level. The principals’ actions align with the contingency leadership framework since their role identity changes to one that best responds to the funding predicament faced by their school (Hoy & Miskel, 1991).

The findings illustrate that the principals in the selected schools steered clear of the mantra of one leadership practice fits all (Bush, 2006) and embodied an entrepreneurial mind-set in their leadership thinking and practice with regard to finances (Miller, 2018). Negotiating affordable deals and packages with service providers; canvassing sponsorships and donations from the business community; putting in place austerity measures and engaging in renting out school property reinforces the “principalpreneur” role that principals in no-fee and fee-paying schools have to take on to stretch their constrained school coffers. The practice where principals negotiate prices, discounts and better deals with the school’s service providers (e.g. companies that sell goods and services to the school such as textbooks, schoolwear, computers, furniture and school stationery), may be defensible. When these companies sell goods and services in large quantities to schools, the schools should benefit from economies of scale. Owing to the volume of goods and services transacted, these companies may be in a position to offer discounts and better deals to transacting schools. However, there must be transparency and accountability on the part of

the principal and the school when such deals are concluded.

Schools have thus become more like business enterprises, and school principals have become more like leaders of businesses in order to manage school finances (Hentschke, 2010). The lived experiences of the selected school principals illustrate that when the finances of the school become constrained, “traditional notions of [school] leadership require modification” (Bush, 2006:17). Accordingly, the principals in the study extended their leadership practice to become more entrepreneurial in dealing with school funding issues.

The fundraising potential of the selected schools seemed to be constrained by context. While the literature confirms that no-fee paying schools have limited success at fundraising initiatives owing to context (Kiarie, Gesimba & Mwaura, 2019), the experiences of one of the principals from a fee-paying school located in a township seems to indicate that they too have problems associated with fundraising. The principal appears to ascribe his school’s lack of success in fundraising to not having ambitious fundraising teams. A school’s fundraising potential seems to be strongly associated with what Bourdieu (1986) terms “cultural capital” and “social capital” of school personnel. Cultural capital confers social status and power on an individual. It refers to the knowledge and acquired dispositions that school personnel can draw on in their interaction with people (Bourdieu, 1986). Social capital, on the other hand, signifies the resources that a person accumulates owing to being part of a social group. It includes the social connections, the relationships the person cultivates and the resources he can draw on due to his/her social connections (Bourdieu, 1986). In fundraising, the social network that school personnel have access to (i.e. social capital) and the know how or craft knowledge that school personnel accumulate on fundraising (i.e. cultural capital) can be important assets in influencing the amount of money a school can raise. Thus, being able to think big in terms of fundraising may have some correlation to the cultural capital and social capital of those involved in the fundraising initiatives.

### Conclusion

The aim of this paper was to examine what can be learnt from the school principals of no-fee and fee-paying schools concerning their responses to the challenges resulting from school funding. From the principals’ responses, we draw two key lessons.

Firstly, there seems to be a disjuncture between what school funding policies enunciate and the realities posed by context. As a result, school leadership becomes a space for negotiation between what policy prescribes and what works in

a given context. Ideally, as accounting officers, principals have to implement the policies of the DoE. However, taking on identities of mere implementing agents did not work for these principals and their schools. These school principals were cajoled into being more context-sensitive as opposed to policy responsive. Thus, we learn that these school principals were transgressive in their leadership, opting to make policy more malleable to suit the context in which they were working.

Our second lesson involves the role reconfiguration of school principals in relation to school financial issues. The experiences posed by dwindling school finances push principals to negotiate between their role as professional managers of the school and the supportive role they afford to school governors. The study has shown that there has been some “overreach” by some of the school principals where they took on functions of SGB members, especially with regard to finance. While principals serve ex-officio on SGBs and are required to support SGBs, we learn that they played roles beyond just support. These principals became entrepreneurial in their school leadership. They took on identities of “principalpreneurs” in order to leverage more finances for their schools and/or creatively use their school finances to ensure school functionality.

Even though this study sampled only four principals, its findings nonetheless have important implications for policy and practice. The study acknowledged that in the schools of the sampled principals, much of the work on school financial management is undertaken by principals; something that is not aligned with policy. Given the challenges that have already been reported on this practice where principals are accused of mismanagement and misappropriation of school finances but get acquitted on the premise that they are not responsible for financial management, there is a need to re-imagine principals as key players in financial management. This may require revising their roles and responsibilities and reconfiguring them so that both the principal and the SGB are collectively held accountable for school financial management. While the experiences highlighted in the article may not apply to several schools, the findings do show that there is a need for policy to be more context-sensitive. Hence, amending the roles and responsibilities of principals should not be done as one-size-fits-all. Instead, it should consider the capacity of SGBs to discharge their financial management roles. Where capacity does exist, principals can perform a supportive role, instead of being fully in charge of financial management.

The late disbursement of school funds seems to have pressured principals into making decisions that are incongruent to the principles of the school

funding policy. In this regard, the root cause of the problem (i.e. the policy itself) rather than the symptoms of the problem needs to be addressed. At the level where budgets for schools are drawn and disbursed i.e. the provincial education departments, there needs to be greater accountability and commitment on the part of provincial education officials to transfer funds to schools timeously.

While the above lessons and implications are important for policy and practice, further research in this area is needed. Given the limited scale of this study, we suggest further research be carried out to establish the array of financial management practices prevalent in the diverse school contexts in the country and how these practices may inform policy change.

### Authors' Contributions

The data for the manuscript was generated by ZTN. Much of the writing and analytical interpretation of the data was done by IN and PEM. All authors reviewed the final manuscript.

### Note

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