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RESEARCH ARTICLE

Best Practices Framework of Headteachers' Steward Leadership towards Expenditure Control in School Finances

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ARTICLE INFO	**ABSTRACT**
	This article proposes the best practices framework in steward leadership, based on the empirical study on expenditure control, as one of the internal control elements in school finances. This framework has been developed based on the integration of the Steward Leadership Practice Framework, pioneered by April, Peters, and Kukard in 2013, and General Treasury Instruction 308, which acts as the guideline for internal audits in Malaysian public schools. In this study, a total of six respondents were selected, focusing on six Malaysian public elementary school headteachers. This qualitative study is using the interview as main data collection method, and the data obtained was analyzed using Nvivo 12. The developed framework serves as a guideline for educational leaders to evaluate their leadership practices in managing and maintaining internal control over school finances. This leadership framework should be widely disseminated in the education ecosystem setting to establish excellent financial governance. Researchers suggest that a follow-up study be carried out on the Responsibility Centre (PtJ) of selected Malaysian public schools, as these schools manage their own financial resources, to gain deeper comprehensive understanding of their financial management practices

INTRODUCTION

Malaysian Education Blueprint 2013–2025 states to increase the efficiency of education delivery by optimizing expenditure for students' success in every ringgit and developing equitable funding principles for schooling aid (MOE, 2013). Thus, an organization needs effective leaders who can manage the competitive situation today (Raed et al., 2018). The International Organization of Supreme Audit Institutions (INTOSAI) defines the Internal Control System (ICS) as a process or control system implemented by the managers of an organization to address risks. The purpose is to achieve effective operations, fulfill accountability obligations, comply with applicable laws and regulations, and protect resources from loss, misuse, and damage (INTOSAI, 2010).

Afterward, the Treasury Instruction 308 listed expenditure control as one of internal control elements. It is as outlined by the Ministry of Education (MOE), specifically referring to the internal audit checklist, executed through cross-referencing method (MOE, 2017). Expenditure control is crucial to ensure that expenditures are made for approved purposes, supported by adequate documentation, authorized by designated officers, paid within the stipulated time frame, and properly, completely, and accurately accounted (MOE, 2021). In term of expenditure control, there are accounting control, payment management and payment control under Treasury Instruction 59. Overall, it is reported that RM7.19 million loss regarding to several cases caused by weaknesses of expenditure control in 2020. The recurring issues persist due to several weaknesses, as outlined in the report.

Efficient expenditure management is a key factor in ensuring that allocations are managed prudently and waste is avoided. In accordance with Section 13 of the Financial Procedures Act 1957, all public expenditures must be approved by law and carried out in compliance with regulations such as Treasury Instructions, Treasury Circular Letters, guidelines from the

Malaysian Ministry of Education, and the Accounting Management Procedures for School Fund Accounts (KPM Consolidated Audit Report, 2021).

To ensure the expenditure control can be effectively applied in school's financial governance, the headteachers are required to instill integrity and effective leadership practices. Therefore, they have an obligation to prioritize the organization's interests over personal desires (Gui et al., & Hasnah, 2019; Kamer, 2018). In addition, they should act as effective leaders who can inspire followers (Barid, 2017). The elements of expenditure control as one of the ICS elements demand a collective working system, such as task separation, delegation of authority, as well as internal auditors and the financial committee members' support (Holloway, 2023). These practices drive the effective implementation of expenditure control through the efficient headteachers' leadership. As a result, public funds can be protected and fully channeled to the target group in school.

However, despite most previous studies focusing on the headteachers' financial management practices, but there is a lack of research addressing to the guidelines on the best leadership practices that headteachers should adopt when implementing expenditure control for school finances (Siti Noorzainah, 2017; Sudarno, 2018; Katsande, 2021). Additionally, numerous studies have explored leadership practices in internal audits, but rarely focusing on expenditure control, despite the fact internal control is one of the key components influencing the effectiveness of internal audits (Abdul Karim, et al., 2022; Mahaputra, 2022). Most studies conducted have predominantly been based on the public and private sectors, rather than specifically addressing the educational setting (Siti Zabedah et al., 2018; Anuar & Saiful, 2019).

The steward leadership framework was developed by April, Kukard, and Peters in 2013. It was initiated based on stewardship theory by Donaldson and Davis (1989), taking into the basis of steward leadership idealogy pioneered by Robert Clinton (1989), Rodin (2010) and Wilson (2011). The developed leadership framework focuses on the efficient management of resources to act as a steward in achieving organizational goals. The role of a steward leaders characterized by nine steward leadership traits (April et al., 2013; Hills, 2022). These traits stated that a steward leader leads by managing the resources that focuses on others, the community and society at large, rather than the self (April et al., 2013; Clinton, 2018; Hills, 2022). The leadership traits suggested by April et al. (2023) are personal vision, personal mastery, vulnerability and maturity, risk-taking and experimentation, mentoring, raising awareness, shared vision, valuing diversity, and delivering results (April et al., 2013; Kamer, 2018; Hills, 2022).

In this study, collective work of the organization members across these expenditure control, must be systematically guided by Treasury Instruction 308. The purpose is to ensure compliance in financial management in accordance with the procedures and regulations established by MOE. Therefore, most headteachers urgently need a comprehensive and detailed framework to enhance best leadership practices, enabling them to effectively lead the Internal Audit Committee during the implementation of ICS in schools. Thus, objective of this study is to propose best practices framework to improve expenditure control implementation in school finances for compliance, in accordance with the procedures and guidelines set by the MOE.

MATERIALS AND METHODS

Since this study requires an in-depth exploration of the best practices implemented by headteachers, this research uses a non-experimental research method. Therefore, a qualitative research method has been fully utilized. Qualitative research explores the understanding and experiences related to human behavior (Merriam, 2009). Qualitative research emphasizes quality and process and is not tested or measured experimentally (Denzin & Lincoln, 2005). Furthermore, qualitative research can provide a comprehensive perspective on the best practices of steward leadership by headteachers while leading the organization to implement expenditure control.

This study uses an exploratory case study approach to explore the best steward leadership practices of headteachers in real-life contexts or situations. In this study, multiple case studies have been chosen. The selection of this type of research design is based on the advantage that

each case can produce similar or different predictions. These predictions follow the patterns mapped in the research framework, which determines the reliability and validity of the study (Yin, 2014). In this case study, six cases of six respondents, respectively were selected to explore the best steward leadership practices. Researcher examines several cases to understand the differences and similarities between them (Miles & Huberman, 1994; Stake, 2005).

In line with the design of this case study, the researcher has used interviews method to obtain qualitative data, as this main method can produce rich, unique, detailed, and in-depth information. The in-depth interviews also provide an opportunity for the researcher to interact directly. This is done through natural and informal interview sessions so that both parties can adjust to the situation through close relationships and mutual trust (Kartini et al., 2012). As a result, the researcher and the participants are confident in providing sufficient information, ensuring that the data obtained is adequate for making conclusions.

Non-random sampling was chosen for this study, classified as purposive sampling, as the respondents are rich in information and can represent the issues being studied. Purposive sampling can provide detailed information based on unique characteristics or personal experiences that make their perspectives suitable to achieve the research objectives (Merriam, 2014 & Patton, 2015). The participants or units of analysis were chosen for their unique knowledge, experience, or influence within the research domain. In this study, the respondents share common criteria, as they are the headteachers from government-aided schools within public educational institutions and actively involved in financial management in schools.

In this study, the researcher chose to conduct interviews via Google Meet. This method is the closest to face-to-face interviews (Krouwel, Jolly & Greenfield, 2019). The expert panel revised the interview protocol questions to make them clearer and more focused on the research objectives. The interviews lasted for one and a half hours for each participant. The semi-structured interviews, also known as focused interviews, conducted in this study also provide flexible and spontaneous feedback from the participants, thus has the greatest potential for obtaining detailed and in-depth answers (Yin, 1994; Saldana, 2011). This method is suitable for the respondents, as they have a very good experience with excellent audit status in their school respectively. Therefore, the exploration of best practices in their leadership can be carried out in more detail. The information obtained is stored in secondary data storage to prevent the loss of primary data. During the interviews, the researcher also explores information using probing techniques. The probing technique aims to add data, obtain clarification, or gain more detailed understanding of the phenomenon being studied (Patton, 2002; Taylor et al., 2016).

A review by the respondents were conducted to ensure the validity of the data. Participants were given the interview transcripts and asked to review all the information from the transcripts to avoid any mistakes during the transcription process from the audio recording to written form. One of the methods for ensuring the internal validity in this study is pattern matching to form themes. This was done by the researcher by categorizing each data according to patterns obtained to form themes through thematic analysis (Stake, 2006; Merriam, 2009). The data analysis process in this study, conducted inductively, is continuous and occurs over an extended period and repeatedly. Inductive analysis involves the researcher analyzing to determine codes and categorizing them into several categories, themes, or patterns derived from the data collection results in the field (Denzin & Lincoln, 2008).

Initially, the researcher analyzed the data using open coding techniques. Open coding is the initial stage of qualitative data analysis to generate preliminary codes for obtaining an initial overview or key concepts found in the data (Saldana, 2009). NVivo 12 software was used in this study to assist the researcher in data analysis. This tool organizes large sets of data from various types into specific forms and becomes an important part of qualitative data analysis because it saves time and increases the accuracy of the data analysis process (Zamawe, 2015). Data analysis in each case was used to obtain detailed information. Subsequently, data analysis based on relevant themes was carried out to explore best practices in steward leadership by headteachers in implementing expenditure control.

RESULTS

Research finding

The research findings show four themes emerge from this study. These themes are clarity of communication, assertiveness of principles, skill mastery, and personal stature, which align to internal audit elements which are accounting control, payment management, and payment control under Treasury Instruction 59. Categories of shared vision and delivering result form the theme of clarity of communication. For example, respondent three value feedback by discussing better plans and budgets for the school finances with school commitee. This is done to avoid misunderstandings when an issue arises and to ensure that expenditure control can be effectively implemented, such as the following statement;

"As headteacher, we must have a good plan to value committees' feedback. The budget for

students must be discussed in each committee or with each executive member so that they can

buy or manage the items or activities with reasonable expenditure control" R3L-(162-166)

Besides, the analysis shows the headteacher delivering results by upholding collective decisions. For

examples, respondent two stated that the headteachers need to ensure all the decisions achieved in

committee meetings are strictly followed. These decisions must be adhered as long it complies with

laws and procedures to ensure effective expenditure control.

"If we have reached an agreement in the meeting, I as the administrator must follow the things that were decided in the meeting. We need to follow the decisions made in the meeting to ensure that the expenditure we carry out is controlled" R2L-(291-296)

Next, categories of raising awareness and personal vision form the theme of assertiveness of principles. For example, respondent one raises awareness among members of the organization through the *Telegram* and *WhatsApp* apps. He shares information about the responsibility of managing finances prudently. Additionally, this participant disseminates information about the proper financial management procedures and the latest treasury circulars in force, as in the following statement;

"Usually, I will share information or remind them multiple times about the expenditure procedures through WhatsApp or Telegram in the school group so that both parties aware of the responsibilities and accountability we all need to hold to ensure effective financial governance" R1L-(101-104)

Additionally, the findings show that respondent one act according to vision to lead the organization to execute the expenditure control in school finances. Based on the data interview analysis, this element appeared when respondent one explained that the vision and actions in expenditure control must be aligned to ensure the proper procedures are followed, as below;

"...the three controls, such as accounting control, payment management, and payments under Treasury Instruction 59, must follow the correct procedures. All I do is to ensure our vision and actions are aligned. Thats' how I lead, and the same goes for expenditure control" R1L-(267-270)

Subsequently, categories of personal mastery, risk-taking and experimentation and mentoring form the theme skill mastery. For examples, respondent five ensures the personal mastery by setting a time frame for each commitees' members. She acknowledged that she faced challenges from his assistant, who questioned the expenditures made for a school program. Therefore, she set a time frame for her assistant to understand the process by always providing detailed explanations about the expenditure procedures, supported by relevant documents as evidence, as in the following statement;

"My assistant often questions and challenges me regarding the expenditures. Therefore, every time we have a meeting, I will ensure that my assistant is given a thorough explanation based on the school financial procedures manual and the guidelines provided, so they don't get confused with the expenditure process. With thorough explanations and relevant documents, I give him time to understand" R5L-(284-290)

Moreover, respondent six serves and educates the members shows his personal mastery by understanding the problems or constraints of each member. Then, he works with them to overcome these constraints, thus create effective expenditure control, as in following statement below;

"...if there are certain constraints, I always serve and educate them in my leadership by understanding them. For example, if the audit wasnt well received or wasnt well organized this year, it's not a problem because next year I will work with them all the way to accomplish the tasks." R6L-(257-261)

Furthermore, respondent four as a headteacher taking risks and experimenting by encourages each members' new ideas based on the situations raised. As a result, the best method was chosen to resolve the issue in expenditure control, such as using digital expenditure recording such as below;

"...I have encouraged new ideas by raising expenditure issues and asking them to solve them collaboratively in groups. I saw they were brave enough to propose new ideas, such as the suggestion to develop a digital recording application for expenditure control, which I thought was unique" R4L-(285-290)

In addition, categories of vulnerability and maturity and appreciating diversity form the theme of personal stature. For example, respondent two uphold the vulnerability and maturity element by acknowledging mistakes to show his personal stature. He is willing to accept feedback from staff and provide an explanation if the mistakes were caused by his misunderstandings or lack of knowledge. Therefore, he will first analyze the issues that arise during his leadership to ensure that the processes involved in expenditure control are corrected and conducted appropriately.

"If I found there are financial staff not following the procedures, if they provide feedback, I am ready to accept that feedback and correct the mistakes if any mistakes caused by me, or explain if the shortcomings were due to misunderstandings or lack of knowledge. So, I analyze the issues that arise and make sure the processes in expenditure control are carried out correctly" R2L-(351-358)

Afterward, respondent five discuss employees' performance with all the senior committee members involved in financial management. The purpose is to receive feedback about the performance of staff from various backgrounds. Employees' performance is discussed to avoid misunderstandings when issues arise, such as in following statement;

"...in briefings or meetings, I usually discuss employees' performance with my assistant, or the administrative staff or head of finance commitee, especially when they are making plans for expenditure. I discuss directly with them to avoid any problems or misunderstandings and to correct any mistakes if they arise." R5L-(316-320)

Figure 1 below shows a tree diagram generated through Nvivo 12 related to an overview of the findings of this study regarding to headteachers' steward leadership best practices applied towards expenditure control in school finances;
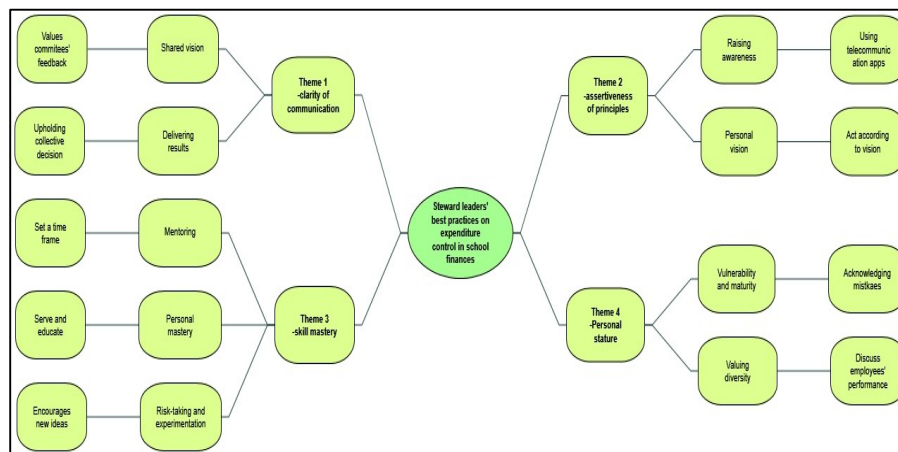
Figure 1: Headteachers' best practices in steward leadership applied to expenditure control in school finances, as generated by NVivo 12

DISCUSSIONS

The findings in this study describe the best practices of headteachers' steward leadership in expenditure control for school finances, including accounting control, payment management, and payment control under Treasury Instruction 59. Based on the findings, four main themes were identified to represent the headteachers' best practices; clarity of communication, assertiveness of principles, skill mastery, and personal stature. Overall, all six headteachers have demonstrated the best practices of steward leadership to implement expenditure controls in their school financial management. This highlights the commitment of headteachers, who show credibility and high initiative in fulfilling their duties as steward leaders.

This study found that headteachers, as steward leaders, share a vision by fostering a culture of valuing feedback and using grassroots input for budgetary needs and program evaluations to avoid unnecessary expenditures. This planning includes annual budgets and evaluating the relevance of specific programs to maximize positive impacts on students. These findings support research by Okpala and Caldwell (2019), which emphasizes the importance of leaders valuing the feedback process to establish specific goals within an organization. Next, headteachers deliver results by upholding consensus-based decisions to ensure transparent and balanced financial governance, aligning with organizational goals. This practice enhances clarity in fund allocation and expenditure management. Thus, this study aligns with the views of Hidayat (2023), who states that leaders who uphold transparent decisions balance decision-making processes. As a result, organizations possess clear objectives and directions regarding financial management, particularly in fund allocation and expenditure, as derived from mutual agreements.

The study also found that headteachers leverage communication tools, such as WhatsApp and Telegram, to raise awareness about the consequences of financial mismanagement and share success stories. These tools inspire integrity and motivate organizational members to emulate best practices. These findings are consistent with the studies of Kulshreshtha and Sharma (2021), which suggest that communication mediums can shape individual ethics or moral philosophies and instill positive values within an organization. Furthermore, headteachers uphold their personal vision by consistently aligning decisions with the organization's goals. They demonstrate clear financial management objectives and effectively resolve conflicts. Vision-based practice, as one of the steward leaders' goals, fosters confidence and trust while ensuring long-term organizational success. Findings related to this vision-driven leadership align with research by Sama et al. (2022), which concludes that steward leaders act according to their vision. These researchers emphasize that steward leaders develop strategic plans to foster followers' confidence and trust, ensuring long-term positive outcomes for the organization.

Moreover, headteachers, as steward leaders, serve as mentors by providing timeframes for tasks that enable organizational members to master financial procedures and resolve conflicts effectively. This approach promotes preparedness and mitigates negative impacts on performance. This timeframe-based practice allows organizational members the opportunity to learn and acquire necessary skills while providing space to address conflicts arising during expenditure management, thus preventing adverse effects on organizational performance. These findings support the views of Fritschel (2018), who states that timeframes enable organizational members to better prepare, change behaviors, and work diligently to develop the organization. The study found that headteachers serve and educate team members, addressing issues without judgment and offering continuous guidance. This practice enhances skills, fosters trust, and creates a positive work climate, improving organizational performance. This finding is consistent with previous research by Murphy (2022), which concludes that steward leaders willingly serve and nurture employees, making them feel valued, thus building strong leader-follower engagement and mutual trust.

Furthermore, headteachers encourage experimentation by soliciting and integrating fresh ideas from all members, fostering creativity and adaptability in addressing financial challenges. This approach enhances problem-solving skills and aligns solutions with modern demands. This finding is consistent with earlier research by Kuppelwieser (2011), which concludes that leaders who encourage new ideas can foster unique solutions from organizational members to adapt to changes and improve organizational performance. Additionally, headteachers acknowledge their mistakes and admit errors, demonstrating vulnerability and maturity. They use these experiences as learning opportunities to improve their skills and maintain organizational performance. This attitude correlates with statements by Akdol et al. (2017), who assert that leaders who admit mistakes exhibit high accountability by being honest and apologizing for personal limitations to avoid negatively impacting organizational performance.

Besides, the study found that headteachers discuss employees' performance as one of the best practices for expenditure control. Regular discussions of individual performance, accompanied by actionable plans, are signs of their noble attitude to value diversity, enhance productivity, and promote transparency. Two-way communication ensures clarity, thus enabling employees to improve effectively. This finding aligns with studies by Torfing and Bentzen (2020), which reveal that leaders who discuss employee performance enhance organizational performance after employees take corrective actions based on provided guidelines, ultimately satisfying stakeholders

These best practices reflect the core principles of steward leadership. To evaluate the importance and contributions of this study, the researcher proposes a Steward Leadership Best Practices Framework for implementing expenditure control in school financial management. This leadership framework serves as a guideline for headteachers to lead the organization and strengthen financial management in elementary schools. Figure 5.2 below consists of three main parts: the headteachers' best practices in steward leadership, the implementation of expenditure control based on Treasury Instruction 308, and the effectiveness of school financial management according to internal audits. These three elements form the foundation of the suggested leadership framework.

Looking at the headteachers' best practices in steward leadership in the framework, four main qualities strengthen the headteacher's stewardship in implementing expenditure control. These include clarity of communication, assertiveness of principles, skill mastery, and personal stature. The first quality, clarity of communication, is developed through personal mastery and the delivery of results. The second, assertiveness of principles, is defined as the headteachers' ability to raise awareness within the organization and remain firm with their personal vision while leading. The third quality, skill mastery, refers to headteachers consistently engaging in mentoring and personal mastery to improve both their own skills and those of other members. The final quality, personal stature, is demonstrated when the headteachers show maturity and values diversity within the organization.

All of these qualities must be applied by the headteacher while leading the organization to implement expenditure control according to Treasury Instruction 308, which includes accounting control, payment management, and payment control under Treasury Instruction 59. The headteachers' best practices in steward leadership, when applied to the expenditure control elements, help establish a collective culture within the school organization. Therefore, when a collective culture is successfully created for all parties to collaborate and strengthen expenditure control as one of the internal control elements, the organizational goal of ensuring the effectiveness of school financial management will be achieved. This can be interpreted as the effectiveness of internal control being significantly related to the efficiency of internal audits.

As a result, the organization will move toward compliance with laws and regulations, operational efficiency, and resource protection. In turn, public funds will be maximally utilized for the benefit of students in the school. As a conclusion, the funds and allocations provided by the government can be optimally utilized by every student, as envisioned in the National Education Policy. This fulfills the value-for-money policy, thereby preventing organizational wastage and enhancing the efficiency of the financial decentralization process as intended by the Ministry of Education (MOE). The best practices framework in steward leadership towards expenditure control in school finances is illustrated in Figure 2 below.
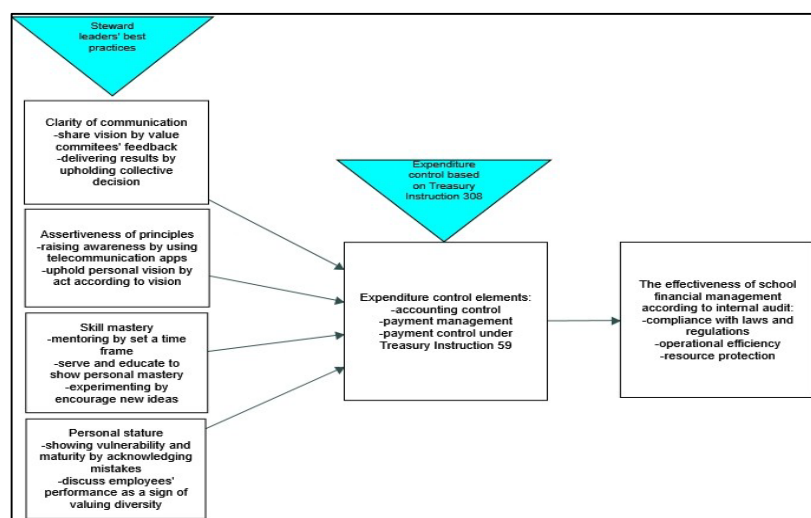

Figure 2: Best practices framework for headteachers' steward leadership in expenditure control of school finances.

CONCLUSION

In conclusion, the best practices framework proposed in this article can significantly serve as an effective guideline for headteachers to adopt best practices in steward leadership for implementing internal controls in school financial management. Thus, school finances will be handled efficiently and effectively, ensuring compliance with established standards as outlined through internal audits. This will impact the ultimate leadership skills required to shape organizational dynamics within a more positive, holistic, and sustainable educational ecosystem. As a result, school financial governance can be improved through right actions by all parties once this awareness is established.

Authors' Contributions

Mohamad Firdaus, Mahaliza, and Noor Lela contributed to the design and implementation of the research, to the analysis of the results and to the writing of the study.

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