Internal efficiency as a measure of school effectiveness is seen in terms of the flow of students in a school system and their performance at the end of an educational cycle. Internal efficiency is basically dependent on physical, monetary and human resources all of which can be expressed in monetary terms. This study looked at the nature and impact of resource mobilization strategies like user fee, state subsidy, student labour, community funds, NGO funds, income generation activities and schools foundations on internal efficiency measured in terms of the levels of retention, repetition and performance of students. A descriptive survey research design was used. The study used 61 schools out of a sample of 72 public schools in the district. A stratified random sampling technique was used. A head teacher’s questionnaire was used to collect data from the schools in addition to an observation schedule and an interview schedule. Reliability of the instrument was ascertained using a test-retest procedure getting a Pearson’s correlation co-efficient of 0.70. Research and Educational Economics specialists from the University of Nairobi were consulted to help validate the instruments. Both descriptive and inferential statistics were used to analyse the data. Findings indicated that more financial resources resulted into enhanced internal efficiency. The regression analysis results showed that student performance as a measure of internal efficiency had positive relationship with all the considered resource mobilisation strategies. Retention rates had positive relationship with all the strategies in question a part from community funds which showed a negative relationship. Finally, repetition rates had a positive variation with income generating activities and state subsidy. The strategies of user fees, community funds and student labour however had negative relationship with repetition rates. The study recommended that schools should exploit the resources at their disposal effectively and efficiently to reduce the cost of education and cut down wastage in schools. Also the school managers should ensure that schools are run as business entities whose profitability relies on the ability to manipulate available resources to enhance performance, increase retention rates and reduce repetition rates.
INTRODUCTION

Background to the Study

Provision of public education involves mobilization and consumption of resources. The act of resource mobilization can be seen as a concerted effort to generate resources for a specified entity to fulfil a planned purpose. Such resources include, finance, human, material, machines, time, and nature itself (Ngware, 2007). Financial capital is a significant resource often assumed to be a part of physical capital. It is actually the basis for procurement, utilization, and maintenance of all types of resources. Without a strong financial base, it will be difficult to produce the right types of goods and services in desirable quantity and quality. Since the human economy is monetary, the availability of funds in any organization or institution is vital to its productive process and quality of its products and services. Specifically, resources are mobilized to achieve sustainability, non-dependency on single sources of funding, supplementary sources to existing funding, support to institutional overheads, alternative resources for new projects and to build reserve within the organization to allow for long-term investments such as infrastructure equipment or purchase of land (Omukoba et al, 2011).

The importance of financial resources in management of education cannot be over emphasized. It might not be possible to deliver effective education without enough resources. Instructional resources provide a solid basis for thinking, increase the propensity of brain to retain information, make learning more interesting; and take cognizance of individual differences. Quality of resources available to any education system provides a basis for the assessment of the managerial abilities of an education manager. Resources can be used to create wealth which eventually can be ploughed back to support the school budget and improve internal efficiency in education (Psacharopoulos, 1987).

In a social research paper compiled at Kenya Institute of Public Policy and Research Analysis (KIPPRA), Ngware (2007) observed that the situation in most developing countries characterized by an education sector increasingly claiming a big chunk of household and public sector resources against the backdrop of widespread low income growth, mounting international debt and rapidly growing population whose demand for education cannot be fully met by traditional means of financing. There was therefore a need to focus on cost reduction and non-traditional sources of funding in order to expand quality secondary education in Kenya. In the 2009 economic survey, the government observed that to adequately fund Free Day Secondary Education (FDSE), extra resources away from general tax revenue need to be sought. A report by the Institute of Policy Analysis and Research (IPAR) in 2009 indicated that even with FDSE, schools still needed money for lunch, school infrastructure and boarding facilities. Further, households are also expected to provide non-discretionary items such as school uniforms, sport kits, books and stationery. Accordingly, the institute did recommend that schools should establish localized fee waiver mechanisms and income generating activities.

The largest potential source of funds for schools is payment of fees for tuition and related instructional services such as registration, examinations, computers and access to library services. There can be a considerable variation both among institutions and regions in terms of fee payments. Before the commission of the FDSE program, payment from parents constituted 92.1% of school income (Gogo, 2009). However, the delays experienced by the government to disburse the funds and her inability to cover all costs of secondary education showed that even the state is
financially fatigued (Republic of Kenya, 2012). In 2009/2010 financial year, the Kenyan government spent 124.63 billion shillings on education alone amounting to 15.5% of the national budget (Republic Kenya, 2011).

The rationale for government intervention in education relies in the need to enable the country to use its limited resources better and avoid ad hoc educational development policies in order to achieve the capability of providing education which is both sustainable and affordable. Particularly in African countries; there are a number of factors which influence the planning and financing of sustainable education systems, which include; demographic factors; national economic performance, including the structure of the economy, degree of industrialization and rural/urban economic activity; unemployment and, the distribution of income; external assistance and levels of external debt; patterns of previous provision and social demand; and external advisers and external models.(Psacharopolous,1985)

In short, financing is an important dimension in any relationship of accountability, as without financing, the agent lacks the means to perform the delegated tasks. When education services fail clients, an analysis of the manner in which the government spends money offers solid initial steps in isolating the underlying problem. If politicians and policy makers spend more money than they can sustain, public services deteriorate. If budgets are misallocated, basic services remain under funded, and frontline providers are handicapped. And if funds are misappropriated, service quality, quantity, and access suffer (Fredriksen, 2011). The budget is a critical link in the long route of accountability connecting clients to providers through politicians and policy makers. Thus it is important to take a closer look at the budget when assessing the performance of education services delivery.

Mobilization of resources available to schools can help bridge the financial gaps in education budget. A number of strategies could be used to ensure effective and efficient exploitation of resources available in the schools. The Kenyan government through the Sessional Paper Number 6 of 1988 expressed the need to cost-effectively use the available resources in schools like land, finance, human resources, time, facilities and equipment to ensure provision of quality and relevant education (Republic of Kenya, 1988).

In addition to cost effectiveness, another strategy which can be used to mobilize resources is cost recovery. The structures in the school and other facilities can be put on hire to recover costs. This can provide money not only for maintenance but also for expansion (Psacharopaulos, 1985).

Further, schools can request for donations and grants from various development partners to sponsor school programs and projects. To try and streamline this strategy, the Kenya Education Sector Support Program (KESSP) was instituted (Republic of Kenya, 2005). All monies got from donors were to be used transparently. Also, students from poor families can request for bursaries from the ministry of education and the constituency development fund, however, the screening process has been faulted for favouring the politically correct rather than the needy (Ngware, 2007)

Engaging in income-generating activities as a strategy can also create funds to schools. This can help make them become self-sustainable. Agricultural activities can heavily support the school budgets (Kuingu, 1990, Wesonga, 1996). A survey conducted in Eldoret Municipality, Omukoba (2011) noted that secondary schools have a potential to mobilize resources to help support teaching and learning activities, however, there was no policy framework for planning and mainstreaming Income Generating Activities, limited capacity and entrepreneurial ability to support the various
strategies. A study in Suba district found out that schools have financial inadequacy and depended on fees and *harambees* as major sources of finances. Further, income-generating activities were still far from solving financial burdens of the schools because of lack of planning (Oduogi, 2004).

**Statement of the Problem**

In 2008, the Kenya government implemented the Free Secondary Education (FSE) program which was aimed at enhancing access to secondary education and improve on internal efficiency. As a result there was a substantial increase in enrolment from 1,335,907 to 1,914,824 in the year 2012 (Republic of Kenya, 2013). Public expenditure on education was estimated to be 27.5 percent of total national recurrent budget by 2012 (Republic of Kenya, 2013). After five years of implementation of subsidised secondary education, the momentum seemed to be fading as enrolments stagnate even as the population is rising. This was on the background of increased poverty levels amongst parents and dwindling state resources (Republic of Kenya, 2013). Over expenditure in education can mean limited funding to other productive sectors of the economy thus leading to educated unemployment (Ngware, 2007). Both government and parental funding leaves a financial gap in the schools which calls for resource mobilisation. Over and above the Free Secondary Education program, the schools still need to raise funds for development, boarding and national examinations. Clearly, there is a fundamental problem facing secondary education that requires serious investigation. School fees waivers might not necessarily be the cure for low participation and achievement. There could be a need to diversify the funding base of the secondary schools which is likely to affect students’ performance in national examinations and retention in school. To find a way out of this financial distress, it could be imperative that school managers mobilize and efficiently use the available communal and institutional resources such as land, finance, physical facilities, human resources and time to generate income and sustain capital for the necessary learning and teaching resources in an attempt to improve internal efficiency. How then do schools mobilize available financial resources and use them effectively to support their budgets, so as to improve graduation and performance index? It is in this background that the research looked at the effect of various financial resource mobilization strategies on internal efficiency of public secondary schools in Rachuonyo South subcounty.

**Purpose and objectives of the Study**

The purpose of this study was to investigate the extent to which schools apply the financial resource mobilization strategies and their impact on school internal efficiency. The specific objective of the study was to determine the effect of financial resource mobilisation strategies on internal efficiency of public secondary schools in Rachuonyo South Sub County.

**REVIEW OF RELATED LITERATURE**

Resource mobilization theory attempts to explain social movements by viewing individuals as rational actors that are engaged in instrumental actions that use formal organizations to secure resources and foster mobilization. The success and failure of a social organization is determined by external factors affecting resource flow out and from an organization (McCarthy and Zald, 1987). A supply and demand model can be used to describe resources -in and resource out of organization.

Resource mobilization needs a lot of preparations and plans. The following are steps to follow: First step is to identify and analyse the organization, community, or institutional needs. Second step is to identify the necessary stakeholders and potential donors or contributors, and try to analyse how you are going to convince them.
to support your project. Third, do mapping of potential supporters. List all potential contributors and analyse their ability (in terms of skills, financial and material) to contribute toward the achievement of the program. (Aduogi, 2004)

Another consideration is to formulate a resource mobilization theme. The theme should be touchy, appealing that enters in the contributors’ mind and emotions, so that he/she can contribute. The reasons why people donate money depend on their head and the heart. Finally, consider how you position and communicate the problem to the society. Communication strategy should be very much effective, in addressing the resource mobilization campaign. Resource mobilization is therefore an incessant process that needs proper planning from initiation through implementation to evaluation.

The importance of resources in the management of learning institutions cannot be underrated. It is not possible to deliver effective education without relevant resources. A number of education specialists have highlighted this. As observed by Nchor (1998), instructional resources provide a solid basis for conceptual thinking; increase the propensity of the brain to retain information, make learning more interesting and taking care of learners individual differences. The difference made by availability and use of financial resources in schools is critical in improving the internal efficiency of education.

The standard definition of efficiency is that entails securing ‘maximum inputs for any given quality and quantity of service provided’; or the ‘maximum output for any given set of source inputs’. However, this definition does not imply that resources are used in a socially optimal way, since to make such a judgment requires output to be valued (Levacic, 1995). Similarly, he argued that efficiency is achieved when a given quantity of outputs is produced at minimum cost. He also presented a view that, the issue of efficiency cannot be separated by the distribution of costs and benefits, since making working practices more or less efficient often implies increasing work effort or changing working practices.

Educational efficiency is divided into two broad categories. In this context, Coombs (1968) indicated that efficiency was determined by a combination of many factors. He divided efficiency into two categories: external efficiency and internal efficiency. External efficiency means the benefits accruing to the students and to the society from earlier investments. On the other hand, internal efficiency is the relationship between the system’s outputs to its inputs.

There are a wide variety of ways of financing educational investments. Governments which are sufficiently determined can devise strategies for shifting some of the financial burdens of education to individual students and their families through tuition fees or student loans, to employers through levies and payroll taxes or to local communities through self-help building or help with operation costs. In addition, they may devise taxes earmarked for education such as graduate or professionals surtax. All these are in realisation of the fact that central government funding is not only or necessarily the most desirable way to finance education investments (Psacharopoulos, 1985)

**Theoretical Framework.**

The research used the Education Production Function (EPF) adopted from Dreeben and Thomas (1980). The “Education Production Function Theory” conceives schools as enterprises in which raw materials (students) and other inputs (teachers, time, books, libraries, laboratories, physical facilities and financial allocations) are combined to produce certain outputs. It is usually a function mapping quantities of measured inputs to a school and student
characteristics to some measure of school output. Education at whatever level is costly and investment in education claims a substantial share of national resources in most countries. Besides the direct costs, there are private and social indirect costs that are incurred whenever investments are made in education. In order to assess the efficiency of an education system, one must have knowledge of the effectiveness and quality of the variables that are used in educational processes. 

The study of financial resource mobilization took resources as inputs and the methods or strategies of manipulation as the process while the impacts they have on schools internal efficiency as outcomes. It is prudent to note that the research concentrated on the inputs, process and the outcomes. The theory was found appropriate for this study because it makes it easy to assess inputs, processes and predict outcomes. In essence it can allow for manipulation of the processes to give out appropriate results. However, the education industry is far different from other plants in scope and character and further, one is faced with the difficult problem of multiple outputs in the production process. Essentially, educational outcomes are not directly linked to inputs. Again, measurement of some of the educational outcomes like attitudes is quite subjective. Nevertheless, the research overcame the setbacks through use of proxy quantities and holding some of the factors constant.

RESEARCH METHODOLOGY

The study adopted the descriptive survey design that had both qualitative and quantitative aspects. The quantitative data was expressed in ratios and percentages and presented on frequency tables. The qualitative data appeared in form views and opinions. The dependent variable was internal efficiency measured in terms of performance in KCSE, repeater rates and retention rates. The independent variables included user fees charged, government subsidy, income generated from school activities, student labour savings and community contributions all measured in Kenyan shillings.

A stratified random sampling technique was used for the study. This technique was appropriate to this study because schools are classified in different groups. Amongst them were day and boarding schools, developed and developing schools. Rachuonyo South 88 schools according to the records at the sub-county Education Office as at the year 2012. Out of the 88, twenty schools were offering boarding facilities while the remaining 68 were day schools offering lunch programs. The schools used in every category were randomly selected to ensure representation and equal distribution of chances. The research targeted the principals alone as respondents because they are the accounting officers and other likely informants like bursars and accounts clerks are all answerable to them.

The data collected from the interview schedules was qualitative in nature and was analysed through transcriptions and thematic analysis. The dominant themes like user fees, income generating activities, government subsidy (FDSE), internal efficiency, retention, dropping out repetition and graduation were captured and narrated within the text. The data from the questionnaires and the document analysis were of quantitative in nature and were coded and tabulated for computer analysis. From a coded data sheet, entries were made into the Statistical Package for Social Science (SPSS) software to aid in data analysis. Tabulations were made of both independent and dependent variables one after the other. To establish relationships between variables, cross tabulations were done. Correlation analysis was used to test the association between resource mobilization strategies and school internal efficiency. Regression analysis was used to establish the strength of relationship between the variables to come up with appropriate policy options relevant to
FINDINGS AND DISCUSSION

At the terminal stage, internal efficiency is finally measured through the use of examination results which will show the Grade Graduation Rate (GGR). It would show how many students from a given cohort actually finished the cycle and got certificates of achievement. This can also give the year per graduate which indicates the average length of time one takes to graduate from a given cycle of education. The quality of the grades would indicate level of internal efficiency.

Table 1: Performance in KCSE in Rachuonyo South District 2009-2012

<table>
<thead>
<tr>
<th>Performance index</th>
<th>no of schools</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0-3.5</td>
<td>3</td>
<td>5.0</td>
</tr>
<tr>
<td>3.6-7.0</td>
<td>52</td>
<td>85.2</td>
</tr>
<tr>
<td>Above 7.0</td>
<td>6</td>
<td>9.8</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Kenya National Examination Council 2013

Majority of the schools, 85.2% had recorded a mean score range of 3.6 to 7.0. This was followed 9.8% who were in the range of 7.1 and above. The remaining 5.0% registered a mean of 1.0 to 3.5. Within a scale of one to twelve most of the schools involved in the study can be described as being average performers in Kenya Certificate of Secondary Education (KCSE) with just a few performing below and above average.

Relationship between Financial Resource mobilization strategies and Internal Efficiency: a Correlation Analysis

Internal efficiency was measured in terms of three different quantities. These included the student performance in national examinations expressed in terms of school performance index. Another measure was repeater rate which was expressed as a percentage of the total enrolments in the schools. Finally, the retention rate expressed as a percentage of the total enrolments was also correlated to the various resource mobilisation strategies.

Correlation between Financial Resource Mobilisation Strategies and Student Performance

To determine the relationship between student performance and the resource mobilisation strategies a correlation analysis was done. The strategies included total user fees charged, total community funds, income generating activities funds, free secondary education funds and savings from use of student labour. The findings were as shown on table 2.

Table 2: Financial Resource Mobilisation Strategies and Student Performance: Correlation Coefficients Matrix

<table>
<thead>
<tr>
<th>PERFORMA</th>
<th>USER</th>
<th>COMMUNITY</th>
<th>IGAS</th>
<th>FSE</th>
<th>LABOUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERFORMANCE</td>
<td>1.000</td>
<td>0.710</td>
<td>0.274</td>
<td>0.772</td>
<td>0.805</td>
</tr>
</tbody>
</table>
The relationship between the total user fees received by the schools was found to have a strong positive relationship with student performance as a measure of school internal efficiency \( r = +0.710, \ p < 0.001 \). An increase in total fees collected translates into an increased performance index. Secondly the amount of community funds raised for a school had a weak positive relationship with student performance \( r = 0.274, \ p < 0.001 \). Consequently, a boost in harambee collections would result into minimal increase in student performance. Thirdly, income generating activities funds and student performance as a measure of internal efficiency were found to be positively and strongly related \( r = 0.772, \ p < 0.001 \). That is to say high returns from income generating activities will translate into increased internal efficiency as measured by student performance index.

Fourthly, free secondary education funds had a very strong positive relationship with internal efficiency \( r = 0.805, \ p < 0.001 \). As such, an increase in government capitation will increase the performance index of the schools. Finally, savings realised from use of student labour in school had a strong positive relationship with student performance \( r = 0.728, \ p < 0.001 \). Thus, an increased use of student labour in school will save the school expenditure and hence increased student performance index and thus enhanced internal efficiency.

**Correlation between Financial Resource Mobilisation Strategies and School Repeater Rates**

Within the education system internal efficiency can be seen in terms of how fast a student is able to move through the grades. There are those who would repeat grades thus using double resources in the subsequent year. The different strategies had divergent effects on repeater rates as depicted on table 3.
Table 3: Financial Resource Mobilisation Strategies And Repeater Rates: Correlation Coefficients Matrix

<table>
<thead>
<tr>
<th></th>
<th>Repeater rate</th>
<th>User fees</th>
<th>Community funds</th>
<th>IGAs</th>
<th>FSE funds</th>
<th>Labour savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repeater rate</td>
<td>1.000</td>
<td>0.186</td>
<td>0.049</td>
<td>0.145</td>
<td>0.153</td>
<td>0.062</td>
</tr>
<tr>
<td>User fees</td>
<td>-0.186</td>
<td>1.000</td>
<td>0.349**</td>
<td>0.742**</td>
<td>0.898**</td>
<td>0.750**</td>
</tr>
<tr>
<td>Community funds</td>
<td>0.049</td>
<td>0.349**</td>
<td>1.000</td>
<td>0.289*</td>
<td>0.327*</td>
<td>0.318*</td>
</tr>
<tr>
<td>IGAs</td>
<td>0.145</td>
<td>0.742**</td>
<td>0.289*</td>
<td>1.000</td>
<td>0.867**</td>
<td>0.766**</td>
</tr>
<tr>
<td>FSE funds</td>
<td>0.153</td>
<td>0.898**</td>
<td>0.327*</td>
<td>0.867**</td>
<td>1.000</td>
<td>0.873**</td>
</tr>
<tr>
<td>Labour savings</td>
<td>0.062</td>
<td>0.750**</td>
<td>0.318*</td>
<td>0.766**</td>
<td>0.873**</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

When correlated, user fee payment showed an indirect relationship with repeater rates \((r = -0.186, p < 0.001)\). As such, the higher the user fees charged in schools the lower the repeater rates. Repeating would mean a double cost to the fee payers and would therefore ensure it is avoided. Again, high user fees would discourage students who had dropped out due lack of school fees from rejoining the school at the point they had left.

The amount of community funds collected had a positive relationship with repeater rates \((r = 0.046, p < 0.001)\). The relationship was however very weak. In essence, the more money a school receives from community initiatives, the higher the number of repeaters. This is due to the fact that more community resources will reduce the user fees needed for infrastructure development. With lower charges, students who slow learners can be encouraged to repeat in an attempt to learn effectively without incurring a lot of costs.

Money collected from Income Generating Activities (IGAs) had a positive relationship with repeater rates \((r = 0.145, p < 0.001)\). The more the amount of money collected through school initiatives, the high the number of repeaters. The reason being reduction of direct costs to the users encourage repetition. Schools would decide to charge lower fees as they get money from their farms and other local resources and this can encourage even those who had dropped out to rejoin school increasing the number of repeaters.

Funds received from Free Secondary Education program was found to be having a positive relationship with repeater rates \((r = 0.239, p < 0.001)\). Consequently, FDSE funds had the strongest direct relationship with repeater rates. The higher the amount of FDSE funding, the higher the rate of repetition. Reduced private costs of education encourages repetition in schools as low achievers take longer in school and dropouts come back to school. This explains why school enrolments have almost doubled with the declaration of free education program in Kenya (Republic of Kenya, 2013).

Savings from using students labour had a direct relationship with repeater rates \((r = \)
0.062, p < 0.001). As the savings increase the number of repeater is likely to increase though minimally. This can be explained by the fact that the savings expands the financial base of the school and thus making it cheaper even to stay longer in school. The work-for-fees program can also enable slow learners to finance their own education.

Correlation between Financial Resource Mobilisation Strategies and School Retention Rates

School retention rate shows how efficient a school is by taking into account the ability of a school to carry with itself all the students who enrolled into it from initial to final grade. Schools with high retention rates are said to be more efficient than those which experience low retention rates. It is in that background that the financial resource mobilisation strategies were correlated to school retention rates. The correlation coefficients were as shown on table 4.

<table>
<thead>
<tr>
<th></th>
<th>Retention rate</th>
<th>User fees</th>
<th>Community funds</th>
<th>IGAs</th>
<th>FSE funds</th>
<th>Labour savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention rate</td>
<td>1.000</td>
<td>0.196</td>
<td>-0.011</td>
<td>0.094</td>
<td>0.218</td>
<td>0.118</td>
</tr>
<tr>
<td>User charges</td>
<td>-0.196</td>
<td>1.000</td>
<td>0.349**</td>
<td>0.742**</td>
<td>0.898**</td>
<td>0.750**</td>
</tr>
<tr>
<td>Community funds</td>
<td>-0.011</td>
<td>0.349**</td>
<td>1.000</td>
<td>0.289</td>
<td>0.327</td>
<td>0.318</td>
</tr>
<tr>
<td>IGAs</td>
<td>0.094</td>
<td>0.742**</td>
<td>0.289</td>
<td>1.000</td>
<td>0.867**</td>
<td>0.766**</td>
</tr>
<tr>
<td>FSE funds</td>
<td>0.218</td>
<td>0.898**</td>
<td>0.327</td>
<td>0.867**</td>
<td>1.000</td>
<td>0.873**</td>
</tr>
<tr>
<td>Labour savings</td>
<td>0.118</td>
<td>0.750**</td>
<td>0.318</td>
<td>0.766**</td>
<td>0.873**</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The amount of user fees payable to a school had a negative relationship with student retention rates (r = -0.196, p< 0.001). As the fees amounts go up the retention rate of a school is likely to go down. The high fees will deny the children of the poor a chance to stay in school. An increase in user fees will increase the private cost of education which pushes out those who cannot afford from the school system. Even those who would have liked to repeat grades for better academic achievement would be discouraged. It thus becomes imperative to keep user funds as low as possible to enhance internal efficiency of a school through retention.

The community funds were found to have an indirect relationship with school retention rate (r = - 0.011, p <0.001). As such an increase in the funds expected from the parents as harambee fund will lower the number of students in school. Therefore, for a more internally efficient education system extra school levies should be reduced or be scrapped altogether.

The amount raised through income generation activities had a weak positive correlation with retention rates (r=0.094, p< 0.001). As the generated funds increase, the number of students who stay in school amplify. Through the school generated income a number of students can be cushioned against the vagaries of
educational expenses. Schools should therefore be encouraged to intensify their effort towards income generation to improve retention rates hence enhanced internal efficiency.

The funds received from Free Secondary Education (FSE) had a positive correlation with retention rates \((r = 0.218, p < 0.001)\). The more funds a school receives through state sponsored FSE, the higher the retention rate. The funds were meant to reduce private costs to education to enable more students enroll and stay in the schools. More students are able to remain in school because of reduced educational costs thus high retention rates and hence enhanced internal efficiency.

Finally, savings from use of student labor was found to be positively related to school retention rates. \((r = 0.118, p < 0.001)\). The higher the amount saved through the use of student labour in a school the higher the retention rates. The program ensures that the school saves through not employing workers and the savings used to support the children of the poor who would otherwise dropout from the school. As such, to make the schools more internally efficient retention rates needs to be enhanced through keeping more children in school and using their labour instead of hiring workers.

**Relationship between School Internal Efficiency and Financial Resource Mobilization strategies: Regression Analysis**

Linear regression was used to establish the extent to which the various resource mobilisation strategies influenced internal efficiency as measured by student performance in Kenya certificate of education, repeater rates and retention rates.

**School Performance and Financial Resource Mobilisation Strategies**

To find out the extent to which each strategy influence school performance as a measure of internal efficiency a linear regression analysis was done and the regression coefficients were as indicated in table 5.

**Table 5: School Performance and Financial Resource Mobilisation Strategies: Regression Coefficients matrix**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>4.050</td>
<td>17.476</td>
<td>0.000</td>
</tr>
<tr>
<td>User Fees</td>
<td>0.005</td>
<td>0.029</td>
<td>0.977</td>
</tr>
<tr>
<td>Community Funds</td>
<td>0.006</td>
<td>0.067</td>
<td>0.947</td>
</tr>
<tr>
<td>IGAS</td>
<td>0.294</td>
<td>1.873</td>
<td>0.066</td>
</tr>
<tr>
<td>FSE Funds</td>
<td>0.461</td>
<td>1.593</td>
<td>0.117</td>
</tr>
<tr>
<td>Labour Savings</td>
<td>0.096</td>
<td>0.595</td>
<td>0.554</td>
</tr>
</tbody>
</table>

From the regression coefficients the following linear relationship emerged.

\[
Y_1 = 0.005X_{11} + 0.006X_{21} + 0.294X_{31} + 0.461X_{41} + 0.096X_{51} + 4.050
\]
Where,

\[ Y_1 \text{- Internal efficiency as measured by students’ performance (dependent variable)} \]

\[ X_{11} \text{- User Fees Payments} \]

\[ X_{21} \text{- Community Funds} \]

\[ X_{31} \text{- Income Generating Activities} \]

\[ X_{41} \text{- Free Secondary Education Funds} \]

\[ X_{51} \text{- Student Labour Savings} \]

From the above equation, the total amount of fees a school collects had a positive relationship with students’ performance. However, the relationship was found to be weak (0.005). Further the meant that a only a 0.5% proportional change in internal efficiency as measured by student performance would be as a result of the amount of school fees payable. The money raised by community members also had positive (0.006) though insignificant relationship with student performance as a measure of internal efficiency of the schools. Additionally, it can be argued that a 0.6% variation in student performance as a measure of internal efficiency would be associated to community funds.

The variable which had significant and positive relationship with performance as a measure of internal efficiency was income generating activities. From a regression coefficient of 0.294 it can be said that in every proportional change in student performance as a determinant of internal efficiency, 29.4% of the variation can be related to funds got from income generating activities. Another variable which was found to have a strong positive relationship with student performance was free secondary education funds with a regression coefficient of 0.461. From that one can conclude that almost fifty percentage variation in student performance results from a change in FSE funds. Finally, savings which are made from using students labour instead of hiring school workers positively affected performance though not very strongly (0.096). It is important to note that according to the findings of this research, over 86% of the level of performance as a measure of internal efficiency of a school depends on availability and use of financial resources other factors constant.

From the regression analysis it was also found that FSE funds had the greatest impact on school internal efficiency. User fees had the lowest effect. The findings could be attributed to the fact that the introduction of FSE ensured high retention rates and thus enhanced examination performance.

**The Relationship between Repeater Rates and Resource Mobilisation Strategies**

One measure of internal efficiency which was considered is repetition rate. The number of students who repeat classes use extra time in school and also use double the resources on the same content. To establish how it is influenced by resource mobilisation strategies a regression analysis was done. The regression coefficients were as shown on table 6.

<p>| Table 6: Repeater Rates and Financial Resource Mobilisation Strategies: Regression Results |</p>
<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.405</td>
<td>0.701</td>
<td>4.857</td>
</tr>
<tr>
<td>User fees</td>
<td>-0.037</td>
<td>-0.154</td>
<td>0.878</td>
</tr>
<tr>
<td>Community funds</td>
<td>-0.027</td>
<td>-0.186</td>
<td>0.853</td>
</tr>
<tr>
<td>IGAs</td>
<td>0.125</td>
<td>0.460</td>
<td>0.647</td>
</tr>
<tr>
<td>FSE</td>
<td>0.276</td>
<td>0.708</td>
<td>0.482</td>
</tr>
<tr>
<td>student labour</td>
<td>-0.250</td>
<td>-0.911</td>
<td>0.366</td>
</tr>
</tbody>
</table>

Dependent Variable: Repeater Rates

From the regression coefficients the following linear regression equation was derived;

\[ Y_2 = 3.405 - 0.037X_{12} - 0.027X_{22} + 0.125X_{32} + 0.276X_{42} - 0.250X_{52} \]

Where,

\(Y_2\) internal efficiency as measured by repeater rates (dependent variable)

\(X_{12}\) user fees payments

\(X_{22}\) community funds

\(X_{32}\) income generating activities funds

\(X_{42}\) free secondary education funds

\(X_{52}\) student labour savings

From the regression equation, user fees payments had a negative impact (-0.037) on repeater rate. That means if there is a percentage decrease in repeater rate then 3.7% of that change can be associated to user fees payment. Total fees payable had an indirect relationship with repetition of students since increased fees results into lower repetition because it will be an additional cost which parents cannot afford. The parents would not like to pay double the amount for one class as the school fees is raised.

In the same vein, community funds had a negative influence (-0.027) on repeater rates. This meant that if there is a percentage decrease in repeater rate then 2.7% of that variation is due to an additional community levy. When the amount collected through community initiatives is higher, students who cannot afford development funds are cushioned thus low repetition rates. Furthermore, many harambees will discourage students who would want to stay in school longer.

On the other hand, funds from income generating activities had a direct relationship (0.125) with repeater rates. Going by that then, if there is a percentage increase in repeater rate then 12.5% of the increase can be as a result of funding from income generating activities. With income generating activities, schools can bolster the poor students against being sent home for fees. This can encourage repetition because the private costs are reduced.

Free secondary education funds had a positive relationship (0.276) with repeater rate in the schools. This meant that a 27.6 percentage increase in repeater rate is accounted for by the amount of free secondary education funds. When the government subsidy increases, repeater rates go up due to increased number of school dropouts who rejoin the schools at the grades they had left at. Also, students who
want to better their terminal grades repeat without stress because the state funds all the learners in school.

Student labour savings had a negative relationship (-0.250) with student repeater rates. Accordingly, if there is a percentage decrease in repeater rates then 25.0% is associated with the savings from use of student labour. Use of student labour saves for the school and could therefore lead into lower repetition, since even fee defaulters would stay in school. The poor students could even pay fee in kind through offering their labour and thus learn continuously.

**Retention Rates and Resource Mobilisation Strategies: Regression Analysis**

In an attempt to find out the relationship between the ability of the schools to retain students and the resource mobilisation strategies a regression analysis was done. The coefficients that emerged when retention rates were regressed against the resource mobilisation strategies were shown on table 7.

**Table 7: Retention Rate and Financial Resource Mobilisation Strategies: Regression Coefficients Matrix**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>116.581</td>
<td>4.857</td>
<td>.000</td>
</tr>
<tr>
<td>User fees</td>
<td>-.072</td>
<td>-.154</td>
<td>.878</td>
</tr>
<tr>
<td>Community funds</td>
<td>-.071</td>
<td>-.186</td>
<td>.853</td>
</tr>
<tr>
<td>IGAs</td>
<td>.093</td>
<td>.460</td>
<td>.647</td>
</tr>
<tr>
<td>FSE</td>
<td>.021</td>
<td>.708</td>
<td>.482</td>
</tr>
<tr>
<td>Student labour</td>
<td>-.009</td>
<td>-.911</td>
<td>.366</td>
</tr>
</tbody>
</table>

From the coefficients the following equation was derived;

\[ Y_3 = 0.072X_{13} - 0.071X_{23} + 0.093X_{33} + 0.021X_{43} - 0.009X_{53} + 116.581 \]

Where,

- \( Y_3 \) internal efficiency as measured by retention rate (dependent variable)
- \( X_{13} \) user fees payments
- \( X_{23} \) community funds
- \( X_{33} \) income generating activities funds
- \( X_{43} \) free secondary education funds
- \( X_{53} \) student labour savings

The total school fee collected by a school affects student retention positively (0.072). That meant that if there is an upward change in school retention rate then 7.2% of the variation is as a result of fee payment. It demonstrates that the more fees a school is able to collect the more students it will retain in school since service delivery will
improve and thus high internal efficiency. However, arbitrary increment of school levies can result into high dropout rates as the cost of education goes up affecting retention negatively.

Community based collections had a negative (-0.071) relationship with retention rates since it increases the extra education levies. This can be interpreted to mean that any percentage decrease in retention rate 7.1% can be attributed to increase community fund levies. It was found that the amount of community funding influenced retention rates indirectly. The more the community funds, the more the dropouts and hence low retention rates and consequently reduced internal efficiency.

Income generation activities influence school retention positively (0.093). The higher the income generated the higher the school retention rates. That means that if there is a proportional change in retention rate 9.3% of the change is as a consequence of the amount of funds from income generating activities. The income so earned can be used to support the needy students and thus keeping them in school.

Another factor that influences retention directly is free secondary education funds. The coefficient of regression was found to be 0.021 which signifies that a 2.1 percentage variation in retention rate can be attributed to free secondary education funds. More students would therefore stay in school consistently translating into high retention rates since no student would dropout due to lack of school fees.

The saving from student labour had a negative relationship (-0.009) with retention rates. Apparently the relationship was very weak. The interpretation would be that a 0.9 percentage negative change in retention rate is accounted for by savings from student labour. The savings from student labour increases the level of student responsibilities. Most students don’t like menial duties and some can opt out of the school leading to lower retention rates hence the negative relationship. Reduced retention is an indication of lack of internal efficiency.

Another factor that influenced retention directly is free secondary education funds. The more the funds, the lower the cost of education to individuals and families thus low dropout rates. More students would therefore stay in school consistently translating into high retention rates.

Savings from student labour increases the level of student responsibilities. Most students don’t like menial duties and some can opt out of the school leading to lower retention rates hence the negative relationship.

Financial resources mobilised through Income Generating Activities were found to be positively related to internal efficiency of the schools. The proceeds were used to subsidize the lunch and boarding budgets hence releasing more funds for tuition related activities. As had been found by Wesonga (1996) in Kakamega district, IGAS had a potential of supporting learning programmes but was underutilised. Similarly, Singh (1988) reported that the IGAS in most UNESCO member countries tended to be opportunistic in their choice of activities which were uncoordinated across education institutions and limited in scale. However, the research in the contrary found out that as much as the IGAs had a positive influence if it is not well managed the profit making motive might override their contribution towards internal efficiency.

Use of student labour in addition to school staff providing services to community members had positive influence on student learning and performance thus internal efficiency of schools. For instance, when students work in the school farm they are likely to internalise best agricultural practices and would perform better in agriculture and related subjects. As had been observed by Ngware (2007),
mobilisation of resources through entrepreneurial ability students and staff would maximise returns as it enables schools to create financial resources and provide practical learning experience. Conversely, this research found out that if not checked the staff members would exploit the school facilities for personal gain at the cost of students’ performance.

The study found out that the total Free Secondary Education funds had a positive and significant effect on internal efficiency of the schools in Rachuonyo south sub county. Enhanced state capitation ensured more teaching and learning facilities which means consistency in school attendance and concomitant performance. Free secondary education policy helped increase transition rates in Kenya from 62.5% to 81% in 2007 as indicated in a UNESCO survey in 2010 (Ngware,2007). However, the policy was found to be faced by a myriad of challenges; most schools had been overenrolled leading to a low teacher / student ratio which impacts negatively on school internal efficiency. Government subsidy is supported because social benefits of education exceed private benefits. It is also advocated for to ensure equity and equality of opportunity irrespective of one’s socio-economic status. Finally, education is subject to economies of scale and thus it is more efficient to finance and provide education as a public good (Psacharopoulos, 1985).As found in the research government subsidy through the FSE program created some exigencies. It created over enrolment and laxity among parents and also benefits the rich more than the poor. This is in tandem with the findings of Jallade (1973) and Psacharopoulos (1985). The two argued that public subsidies for education in developing countries had the perverse effect of transferring income from poor tax payers to rich families whose children benefit from subsidised education.

Community resource mobilisation was found to have a positive influence on school internal efficiency. More resources got through harambee would be used to acquire teaching and learning resources to boost student examination performance. But if over stressed it can be retrogressive as had been observed by Acholla (1988). Intensive harambee collections will push the children of the poor out of school since their parents cannot meet the set target at the right time. Increased dropping out would be a sign of lack of internal efficiency.

Payment of user fees was found to have a positive but insignificant relationship with internal efficiency. That meant that an increase in school fees would increase student performance though minimally. An attempt to provide tuition free education will increase school retention rates. This corroborates to the findings of Thobani (1983) in Malawi where open door policy of admission was implemented. Nevertheless, increased demand for education due to reduced cost is likely to affect internal efficiency negatively.

V: CONCLUSIONS AND RECOMMENDATIONS

The resource mobilisation strategies had varied relationships with internal efficiency as measured by examination performance, retention rates and repeater rates. Conclusively it was found that about 86% of variation in student performance hinges on availability of school resources. Therefore to positively influence school internal efficiency effective resource mobilisation strategies must be employed.

The total amount of fees a school collects had a positive relationship with students’ performance. However, the relationship was found to be weak (0.005). Further this meant that only a 0.5% proportional change in internal efficiency as measured by student performance would be as a result of the amount of school fees payable. The money raised by community members also had positive (0.006) though insignificant relationship with student performance as a
measure of internal efficiency of the schools. Additionally, it can be argued that a 0.6% variation in student performance as a measure of internal efficiency would be associated to community funds.

The variable which had significant and positive relationship with performance as a measure of internal efficiency was income generating activities. From a regression coefficient of 0.294 it can be said that in every proportional change in student performance as a determinant of internal efficiency, 29.4% of the variation can be related to funds got from income generating activities. Another variable which was found to have a strong positive relationship with student performance was free secondary education funds with a regression coefficient of 0.461. From that, one can conclude that almost fifty percentage variation in student performance results from a change in FSE funds. Finally, savings which are made from using students labour instead of hiring school workers positively affected performance though not very strongly (0.096)

From the regression analysis it was also found that FDSE funds had the greatest impact on school internal efficiency. User fees had the lowest effect. The finding was attributed to the fact that the introduction of FDSE ensured high retention rates and thus enhanced examination performance.

The total school fee collected by a school affects student retention positively (0.072). That meant that if there is an upward change in school retention rate then 7.2% of the variation is as a result of fee payment. It demonstrates that the more fees a school is able to collect the more students it will retain in school since service delivery will improve and thus high internal efficiency. However, arbitrary increment of school levies can result into high dropout rates as the cost of education goes up affecting retention negatively.

Community based collections had a negative (-0.071) relationship with retention rates since it increases the extra education levies. This can be interpreted to mean that any percentage decrease in retention rate 7.1% can be attributed to increased community fund levies. It was found that the amount of community funding influenced retention rates indirectly. The more the community funds, the more the dropouts and hence low retention rates and consequently reduced internal efficiency.

Income generation activities influence school retention positively (0.093). The higher the income generated the higher the school retention rates. That means that if there is a proportional change in retention rate the 9.3% of the change is as a consequence of the amount of funds from income generating activities. The income so earned can be used to support the needy students and thus keeping them in school.

Another factor that influences retention directly is free secondary education funds. The coefficient of regression was found to be 0.021 which signifies that a 2.1 percentage variation in retention rate can be attributed to free secondary education funds. More students would therefore stay in school consistently translating into high retention rates since no student would dropout due to lack of school fees.

The saving from student labour had a negative relationship (-0.009) with retention rates. Apparently the relationship was very weak. The interpretation would be that a 0.9 percentage negative change in retention rate is accounted for by savings from student labour. The savings from student labour increase the level of student responsibilities. Most students don’t like menial duties and some can opt out of the school leading to lower retention rates hence the negative relationship. Reduced retention is an indication of lack of internal efficiency.

From the regression equation, user fees payments has a negative impact (-0.037) on
repeater rate. That means if there is a percentage decrease in repeater rate then 3.7% of that change can be associated to user fees payment. Total fees payable had an indirect relationship with repetition of students since increased fees results into lower repetition because it will be an additional cost which parents cannot afford.

In the same vein, community funds had a negative influence (-0.027) on repeater rates. This meant that if there is a percentage decrease in repeater rate then 2.7% of that variation is due to an additional community levy. When the amount collected through community initiatives is higher, students who cannot afford development funds are cushioned thus low repetition rates. Furthermore, many harambees will discourage students who would want to stay in school longer.

On the other hand, funds from income generating activities had a direct relationship (0.125) with repeater rates. Going by that, if there is a percentage increase in repeater rate then 12.5% of the increase can be as a result of funding from income generating activities. With income generating activities, schools can bolster the poor students against being sent home for fees. This can encourage repetition because the private costs are reduced.

Free secondary education funds had a positive relationship (0.276) with repeater rate in the schools. This meant that a 27.6 percentage increase in repeater rate is accounted for by the amount of free secondary education funds. When the government subsidy increases, repeater rates go up due to increased number of school dropouts who rejoin the schools at the grades they had left at. Also, students who want to better their terminal grades repeat without stress because the state funds all the learners in school.

Student labour savings had a negative relationship (-0.250) with student repeater rates. Accordingly, if there is a percentage decrease in repeater rates then 25.0% is associated with the savings from use of student labour. Use of student labour saves for the school and could therefore lead into lower repetition, since even fee defaulters would stay in school. The poor students could even pay fee in kind through offering their labour and thus learn continuously.

The research therefore concludes that to maintain and improve internal efficiency of public secondary schools; the institutions must identify the readily available resources locally, mobilize both material and non-material resources to support their budget, ensure that the strategies applied are cost effective and time sensitive, use the generated income to cushion the bright and needy students, create a conducive learning environment and ensure reduced dropout and repeater rates coupled with good academic performance. All these would ensure sustainable school internal efficiency.

As a result of the findings of the research the following policy recommendations were made to help improve resource mobilization and internal efficiency in secondary schools;

1. Resource mobilisation has a marked impact on school internal efficiency. Every school should therefore endeavour to mobilize local resources to support their budgets, give remissions to the needy and bright and sustain their growth. This will ensure consistency in learning resulting into low dropout rate and improved performance. Both will translate into high internal efficiency.

2. All income generation activities must be formalized and their proceeds officially receipted and put in a specific vote head. The income should be reflected on the monthly trial balance of the school to avoid embezzlement of the profits. The
earnings need to be ploughed back in the school system to cushion the poor against high cost of education so as to reduce wastage in education and ensure internal efficiency.

3. Checks and balances need to be put in place to ensure that the resource mobilization strategies do not interfere with core objectives of the school. Any aspect of a strategy that can negatively impact on learning activities must be galvanized. Resource mobilisation if not checked can be counterproductive and thus lowering internal efficiency.

4. For efficient school management repetition and dropping out of students which was evident in the schools amounts to wastage of resources and can be curtailed through cost reduction, cost recovery and improvement of both home and school environment. The effective implementation of free secondary education policy which is reliable and timely becomes imperative in enhancing internal efficiency of schools.
REFERENCES


Fredriksen, B(2011): Education Resource Mobilization and Use In Developing Countries

Scope for Efficiency Gains Through More Strategic Use of Education Aid, Results for Development Institute


