

Dynamics Of Financial Management Among Higher Education Institutions (HEIs) Faculty In The New Normal

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ABSTRACT

The study employed a qualitative research design, specifically a Key Informant Interview, in which faculty members were asked about the dynamics of their financial management practices. This involved a progressive identification and integration of categories based on faculty members' lived experiences with financial management in the new normal. Data collection included fifteen participants from various higher education institutions for the 2022-2023 academic year. These participants were selected for their firsthand knowledge and experience in managing their finances. The interviews were loosely structured, relying on a list of issues related to faculty financial management practices, the challenges faced, and the insights gained. Methods of analysis were discussed. Themes emerged from the experiences of these faculty: Fair Financial Management Practices, Insufficient Salary, Prioritisation and Proper Allocation of Income and Expenses, The Pandemic Savings, Budget Frequency, Factors that Affect Budgeting, "Needs First, Wants Later", Academic Ranks versus Budgeting, and the Importance and Effectiveness of Budget Plans.

Keywords: Financial management practices, Insufficient salary, Prioritisation, Proper allocation, Pandemic savings, Budget frequency, and Budget plan

1. INTRODUCTION:

The global COVID-19 pandemic has caused significant economic impacts worldwide. Efforts to control the spread of the coronavirus have led to layoffs across various sectors, including restaurants, bars, entertainment venues, airlines, hotels, automakers, and manufacturing. Suddenly, there are more unemployed people than after major natural disasters such as hurricanes, wildfires, and floods. That does not exclude the faculties in higher education institutions (Dhore, 2020).

According to Dhore's study (2020) titled "The Importance of Financial Literacy During the COVID-19 Pandemic," there have been efforts to address the immediate problem. The government, along with other agencies, has urged the financial services sector to meet the financial needs of individuals affected by COVID-19. Some of the country's leading financial institutions have responded with measures to assist their customers, including teachers. Another way to support faculty is by improving their financial management skills. Now is a suitable time to emphasise the importance of employee financial education.

In the article by Mallinder (2020) titled "Financial Management During a Pandemic," with quarantine measures expected to continue for weeks or months in some countries, it is natural for funds to feel restricted. After a prolonged period of strict lockdowns due to the COVID-19 pandemic, people will be preparing for difficult days (or even weeks) ahead, even as these measures are gradually relaxed. People need to find ways to make ends meet. Moreover, while it is difficult to

predict how and when this crisis will end, it is more important than ever to make prudent financial choices.

Financial management is the efficient and effective allocation, acquisition, and utilisation of funds. It involves understanding how money functions: how an individual earns, manages, invests, and spends it. Effective financial planning, prudent debt management, accurate interest calculations, and a grasp of the time value of money are essential elements of financial literacy (Flores, 2016, p. 13).

This study aimed to:

1. Assist teachers in becoming financially literate by understanding how their income is distributed.
2. Provide teachers with the knowledge and information on how to save and budget their meagre earnings; and
3. Create a handbook that could enhance personal financial management among faculty in Higher Education Institutions (in the New Normal).

2. METHODOLOGY

This study adopted a qualitative research design, specifically the Key Informant Interview method, which aims to conduct in-depth interviews focused on a list of issues related to a topic, providing exclusive insights from individuals with extensive knowledge or experience in that area (Kibuacha, 2024). Its primary goal is to obtain a qualitative description of perceptions or experiences, rather than measuring specific aspects of the experience. This seeks to establish the following process:

Phase 1: Perform environmental scanning by collecting data on the faculty's financial management. The study started with an environmental review of faculty practices within higher education institutions concerning financial management. Informants from various higher education institutions (HEIs) were interviewed, and data were gathered.

Phase 2: Data Analysis. The data collected was analysed to identify the most common practices in managing finances.

Phase 3: Draft the proposed handbook. A draft of the handbook is prepared once the data reaches saturation. The handbook will discuss the faculty's financial management practices during this pandemic and offer suggestions for achieving economic independence. It will also include samples and sample forms for practising their budgeting skills.

Phase 4: Submit the handbook for review to the IP office. The handbook is submitted to the Intellectual Property Office for assessment.

Phase 5: Production of the handbook. Finally, if approved by the Intellectual Property Office, the handbook becomes available for distribution or use.

The selection of participants was based on a strategy called "purposeful selection," whereby specific settings, individuals, or activities are deliberately chosen to gather information that cannot be obtained through other methods. In this study, participants were included if they met the following criteria: they must be faculty members from any higher education institution in the Panay area, have experienced financial management difficulties in budgeting their income during the pandemic, and be willing to provide the necessary data for the study. Conversely, faculty members who have not faced financial challenges are excluded.

The participants were interviewed using a guide intentionally designed by the researcher through Google Meet and Zoom, while others received the interview questions directly. Interviews continued until data saturation was achieved, ensuring the sufficiency and depth of the information collected. The participants were informed about ethical considerations, including confidentiality and the voluntary nature of their participation. The online interview started with several open-ended questions, followed by probes if the participant appeared to misunderstand what the researcher was suggesting.

The participants' responses were documented to ensure accuracy. These data will be analysed using thematic analysis, following the six-phase model developed by Braun and Clarke (2006), which provides a structured method for identifying, analysing, and reporting patterns (themes) within qualitative data.

3. RESULTS AND DISCUSSION

From the participants' responses, the following themes were identified:

Theme 1: Fair Financial Management Practices

Academic staff in higher education institutions (HEIs) are aware of their income and expenses. However, most are honest enough to admit that their financial management practices are not sufficient to budget their money effectively. They sometimes fail to pay attention to where their money is going, whether it is for their family's needs, personal expenses, savings, or unforeseen costs. In Zarate's (2015) study, titled "Lifestyle and Financial Management of Public School Teachers," it was revealed that concerns about poor financial management arise when individuals cannot meet their financial needs or when their economic situation is inadequate.

According to Participant 2, "So far, I am not good at managing my finances. So, I buy whatever amount is in my ATM." Participant 14 shared, "I find it difficult to manage my finances since I am the breadwinner of my family. What I meant was that my salary is good enough to cover my daily needs, but I end up using it all and wait until my next payday." Additionally, Participant 11 stated, "My financial management is good, although I think I can save more if I just stick to my budget." Participant 8 said, "I constantly monitor my expenses by jotting them down in my personal budget notebook."

Theme 2: Insufficient Salary

Although many believe that faculty in higher education institutions (HEIs) earn higher salaries than those in basic education, whether private or public, many still admit that their wages are insufficient to meet their basic needs. Even those with higher academic ranks recognise that they have just enough to cover their family and personal expenses, but not enough to save money. In an article in Act Forum Online (2023) entitled 'Filipino Teachers, Stand Firm for Salary, Rights and Education! Struggle for a Nationalist, Progressive, and Free Education,' it states that the teachers' basic pay is considerably below the national living wage and does not adequately compensate them for their work. The starting salary of most Filipino teachers is not substantial.

"My salary is insufficient to support my family and meet my needs, especially at my current rank," according to Participant 1. Participant 9 stated, "It is not sufficient, but then again, it depends on one's perspective on how to utilise their salaries and the satisfaction they derive from it." Meanwhile, Participant 10 said, "At this time of continuous increase in the prices of commodities, I do not think my salary is sufficient." According to Participant 14, "No, with the rising costs of daily needs, my salary is not sufficient at all. I have been a government worker for three years, and I usually receive my salary on the 15th and 30th of each month. Although my salary is increasing, most of it is allocated to my school fare. With the rise in transportation fares nowadays, I will have difficulty again in budgeting my salary."

Theme 3: Prioritisation and Proper Allocation of Income and Expenses

The pandemic has caused numerous changes in faculty budgeting at Higher Education Institutions (HEIs). As restrictions on leaving their homes persist, budgets are carefully allocated to essentials such as food, electricity,

medicines, and the Internet, since most are working and attending classes from home. They ensure their earnings are spent wisely to avoid unnecessary expenditure. In his article "Financial Management During a Pandemic" (2020), Verderber (2018) stated that during the quarantine period and strict lockdowns, funds felt tight, and people were preparing for difficult days or weeks ahead to make ends meet. Moreover, while it is challenging to predict how and when this crisis will end, it is more important than ever to make sound financial decisions and allocate income wisely.

According to Participant 4, "I made sure that my expenses are for my needs." Participant 7 shared, "I allocate to tithes first, then investment, savings, bills, expenses, and insurance." Additionally, Participant 9 said, "Prioritisation is what my wife, my kids, and I are doing. The highest priority is, of course, our daily meal or baon at school; next are education-related expenses. Finally, those outside these, like a budget for holidays or trips, are the least likely to be prioritised unless there are reasons to push us to do so."

Theme 4: The Pandemic Savings

While some ensured their budgets were allocated correctly, many managed to save money during the pandemic. As most people work and attend classes from home, they save on transportation costs to and from work in the morning and home in the afternoon. In Manuel's (2022) study, entitled "Employees' Financial Management Practices of a Private University In The New Normal," it was revealed that most respondents agreed they save and invest for emergencies and retirement. They have also practised saving in the new normal, including investing and managing credit. The pandemic also significantly affected how they save.

Participant 4 stated, "Expenses are lower during the pandemic as people fear going out often." Meanwhile, Participant 8 remarked, "During the pandemic, since I mostly stayed at home, I could limit my spending and save some money." Additionally, Participant 10 commented, "During the pandemic, as going out in public was limited, I was able to save more money because we were not allowed to leave the house for unnecessary reasons." Participant 11 added, "I do not spend much during the pandemic since we have a work-from-home setup."

Theme 5: Budget Frequency

Budgeting earnings each month can be difficult, but budgeting twice a month or on each payday is more effective because transactions are limited to what was received during that period. Monthly budgeting involves many transactions, making it hard for some to identify their monthly needs. In contrast, when they receive their salary, they can easily determine the necessities for that period. Proper budgeting and management of funds and resources show the faculty's ability to use money efficiently and understand how they allocate their budget, whether on a bi-monthly or monthly basis (Fernando & Arrieta, 2023).

Participant 3 said, "Twice a month, every time I receive my salary," while Participant 4 mentioned, "Every payday or bi-monthly, as expenses and needs are already

identified." Regarding Participant 6, "I budget monthly, but I found it very difficult due to various transactions."

Theme 6: Factors that Affect Budgeting

A low salary significantly impacts one's budgeting. For faculty members, managing a budget with limited resources over two weeks is a major challenge. Other factors affecting their budgeting include being the family breadwinner, pursuing professional development, inflation, loans, emergency hospitalisation, and personal desires. In the study by Fernando and Arrieta (2023), titled "Income, Expenses, and Expenditure Patterns of Elementary Public-School Teachers: Inputs to a Proposed Financial Literacy Programme," teachers recognised rising prices of goods and services and agreed that these changes influenced their spending and decision-making.

Participant 1 said, "Aside from my low salary, I think the factors affecting my budget are life's unexpected curve balls that require much money, which was not in the budget." Participant 9 stated, "I believe the factors that impact my budgeting are, firstly, the amount of money that comes in—salary, commissions, talent fees, and business. Secondly, there is the basic-needs budget requirement, accounting for inflation. Thirdly, the education budget is not only for children but also for professional development and advanced studies. Moreover, finally, there are payments for loans." Additionally, Participant 6 said, "Hospitalisation, increases in electric bills, school projects, and rising food prices affect my budgeting."

Theme 7: "Needs First, Wants Later"

To ensure their earnings are spent wisely, most faculty members plan their budgets by first recognising their needs. By identifying these needs, they can prioritise what to purchase, what to pay for, and how much to save, if any. Most of them list where to spend their money to monitor its flow. If they have money left, they will spend it on their wants. Additionally, the study by Fernando and Arrieta (2023), titled "Income, Expenses, and Expenditure Patterns of Elementary Public-School Teachers: Inputs to a Proposed Financial Literacy Program," revealed that all participants reported high expenses. They need to tighten their belts, but they agreed to prioritise their spending, especially on essentials.

"I make a financial budget and realistically prioritise needs over wants," according to Participant 6. Meanwhile, Participant 1 said, "I need to list the needs that are most needed." Participant 5 said, "It is very different during the pandemic; food is the priority." Additionally, Participant 9 said, "The highest priority is, of course, our daily meal; next are those expenses associated with education."

Theme 8: Academic Ranks vs. Budgeting

Promotion to an academic rank raises the salary grade. As a result, the salary also increases. This change impacts an individual's financial management, since a higher salary leads to greater needs and demands further investments, savings, and other expenses for both professional and personal development.

Participant 1 shared, “As academic rank increases and salary rises, income, expenses, and priorities will evolve, so it is important to review your budget regularly.” According to Participant 4, “I know that if you get promoted, your salary will also increase. Which means that it will matter when it comes to budgeting because you will now have a larger amount to allocate.” Accordingly, Participant 8 stated, “A higher academic rank comes with a higher salary. It could enhance financial freedom. A salary increase alters financial management practices because if you earn more, you also think more and spend more.” In addition to these, Participant 9 said, “The higher the position and the higher the salary, the more your budgeting could be affected; the smaller budget might be cut back, and when you have a sufficient budget, for example, to pay your debts, then you may be investing your additional funds.”

Theme 9: Importance and Effectiveness of Budget Plan

Budgeting is crucial for living within one’s means and ensuring financial stability in the future. It also encourages quality spending by helping organise finances efficiently. A budget plan benefits staff by allowing them to monitor expenses and stay informed, leading to better financial management. Moreover, the study by Fernando and Arrieta (2023), titled "Income, Expenses and Expenditure Patterns of Elementary Public-School Teachers: Inputs to a Proposed Financial Literacy Programme," demonstrated that having a personal budget plan is vital for teachers to achieve their financial goals and commitments, as well as to retire comfortably, attain financial freedom, make wise financial choices, and take advantage of every financial opportunity.

According to Participant 1, “Budgeting is essential in my life, and knowing what I am earning and spending. A budget plan can help me avoid spending more than I earn and may allow me to keep an up-to-date budget to maintain control over my finances and show exactly how my money is being spent.” Participant 6 stated, “Budgeting is important to ensure quality of spending money, and a budget plan is useful.” Accordingly, Participant 8 said, “Budgeting is essential. If you do not know how to budget, no matter how big your salary is, it will never be enough. Proper budgeting can create peace of mind and better financial stability. I am already doing and filling a budget plan, and it is quite effective.” Participant 9 shared, “Budgeting is the best way to maximise resources for greater benefits, and I will use a budget plan if given.”

With these themes, a clear financial management manual was developed as a guide to attain financial independence, enabling faculty at Higher Education Institutions to publish and reflect on their budget plans. It also integrates core philosophies of money management alongside practical financial tips.

4. CONCLUSION

Based on the generated themes, the following conclusions were drawn: Faculty in higher education institutions are aware of their earnings and salary details. However, they

are honest enough to admit that they lack the management skills to budget their income effectively. Some faculty members believe they cannot save money or borrow because their salaries are too low. Most think that, regardless of their academic rank, their wages are sufficient to meet their family and personal needs. Therefore, they focus on satisfying their needs rather than their desires. Other faculty members managed to save some money during the pandemic by prioritising and allocating their income to essential expenses. This was because they could not go out, as lockdowns were in place in several areas. Most faculty members found it difficult to manage their earnings under the monthly salary structure, but they believed it would be better to pay salaries twice a month. Lastly, most faculty members believed it would be better to have a budget plan so they could monitor their expenses and track where their earnings were going.

5. RECOMMENDATIONS

In light of the conclusions drawn, the following recommendations are proposed:

Higher Education Institutions should organise regular lectures or seminars for faculty members to keep them informed about their financial status and the importance of financial management within their socio-economic context.

Faculty members should understand why salaries are paid monthly or bi-monthly, as not all Higher Education Institutions disburse wages in the same manner. The Higher Education Institutions' Budget Officer must discuss this matter with them.

Faculty members at higher education institutions may attend workshops on budget planning to enhance their financial management skills, as they are aware of their earnings and salary deductions.

Although workloads in Higher Education Institutions are substantial, faculty members must recognise the importance of being financially knowledgeable and patient enough to implement their budget plans until they master budgeting. This approach will enable them to gradually work towards financial independence.

6. ARTIFICIAL INTELLIGENCE DISCLAIMER

The author(s) hereby affirm that no artificial intelligence (AI) was used in preparing this study.

7. CONFLICT OF INTEREST

There are no conflicts of interest associated with this study.

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