Abstract

The ever increasing demand for education, the expansion of the education systems and the rising costs in education due to world-wide inflation, have led to massive increase in educational spending in most countries. For example, the rate of increase of Kenya's public expenditure on education has been greater than the increase in total public expenditure, which has in turn exceeded the rate of increase in G.N.P, (Republic of Kenya 1998). This has reinforced the determination to cut governmental spending on education. A more fundamental effort in most countries is the attempt to make individual recipient of the benefits of education pay a bigger share of the cost. This supplements the share contributed by other stakeholders in education. From this, there is every reason for the stakeholders to have an idea on whether the resources they provide are utilized efficiently.

This study was therefore designed to investigate the extent of efficient resource utilization for public secondary schools in Nyandarua District. The main objective of the study was to investigate the optimal size and establish whether these schools enjoyed internal economies of scale in their operations. The basic significance for the study was to give information and shed light to stakeholders on whether to establish new schools or expand the existing ones based on the extent of resource utilization.

Literature review was done from all spheres on optimal size, unit cost and economics of scale. The study involved a population of 80 public secondary schools. Data from the field was collected from a sample of 24 public secondary schools in Nyandarua District, which represented 30% of schools. Stratified random, proportionate and purposive sampling techniques were used to select the sample. The research instrument for this study was a detailed headteachers' questionnaire on school and its resources. Piloting was done in two schools, which were not included in the sample. The pilot study was carried out to pretest the validity and reliability of the research instrument. The researcher individually collected data from the field. It was then analyzed through basic descriptive statistics. In addition, regression analysis was used. To get the optimal size and determine existence of economies of scale an Econometric package (e'Views) was used together with Statistical Package for Social Sciences (SPSS).

The study found that the optimal size for the schools was 400 students, while the optimal cost of educating a single secondary school pupil was Ksh 29,787.19 per year. The study also found that there would be significant savings if a school increases its size towards the optimal. In addition, the study concluded that the secondary schools under study enjoyed economies of scale in their operations. Nevertheless, there was inefficiency in their operations.

Based on research findings, the study recommends that establishing new schools should not be a priority until all the existing ones attain the optimal size to ensure that all the inputs are efficiently utilized. The study further recommends that guidance and counseling should be intensified to improve the poor performance registered in these schools.