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INVESTIGATING THE FINANCIAL KNOWLEDGE MANAGEMENT IN SELECTED NGO'S IN YEI COUNTY, REPUBLIC OF SOUTH SUDAN

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Abstract

The study was conducted in selected NGO's in Yei county, Republic of South Sudan which are three in number that is ZOA, SUHA, and IPCS. The study objectives was to assess the level of financial knowledge management in selected organizations (ZOA, IPSC and SUHA); The study used a descriptive survey research design in conducting this study and employed both quantitative and qualitative approaches that described accurately the financial knowledge management of selected organizations. Findings revealed that the level of financial knowledge management is high; whereby the level of financial record was high at a (mean= 3.89, S.D= 1.00); the level of Financial analysis was found to be high at a (mean= 3.09, S.D= 1.35), and the level of Financial control was found to be high as well at a (mean= 3.34, S.D= 1.26).

Keywords: Financial Knowledge, Controls, Yei County, Southern Sudan

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INTRODUCTION

World over, it has become common place to assert that the post-industrial and global economy is information intensive but even more remarkably, the call to knowledge is being sounded at all levels of economic analysis: at the macro level of global markets and economic trends: at the meso-level of the inter-firm networks and value chains that construct and deliver value to customers and at the micro level of the firm especially finance sector (Demarest, 2007). In agreement with Demarest (2007), Andrew B. Whinston and Mei Lin, Xuqing Ke (2005) asserts that the hallmark of the new economy is the ability of organizations to realize economic value from their collection of knowledge assets as well as their assets of information, production distribution and affiliation. More especially financial knowledge management which comprises the management of financial records, analysis of cash flows and functionality of financial controls through processes of capture, utilisation and re-utilisation of financial knowledge based on staff experience enhances innovation and creativity within and through the value chain of organisational activity thus contributing to improved productivity, revenue, staff quality and employee satisfaction in organisations (Dixon, 2004).

In addition to Dixon's assertion (Dixon, 2004), studies have shown that financial knowledge management contributes to a firm's financial performance in several ways: enhances the effectiveness and efficiency, facilitates employees' learning from internal and external sources and fosters the development of new knowledge-based products or significantly adds value to the existing ones (Smith and McKeen, 2005). In a critical look at the African perspective, a study conducted by Ndlela and du Toit (2006) in a South African Company (Eskom Transmission Group) on the effect of financial knowledge management on organisation's financial performance reveals that for a sustained and high edge performance of organisations, accurate financial knowledge and practices are a pre-requisite, a finding that concurs with an earlier report by Andrew B. Whinston and Mei Lin, Xuqing Ke (2005) but in another incident, a study conducted by David (2006) in the Sub Saharan Africa indicated that amidst the outburst of concern for public institution performance, there is frequently a failure to distinguish among its components—policy-making, leadership, general internal administration and bureaucratic hygiene (accounting, procurement, the merit system) each of which has effect on the financial performance of an institution (organisation).

In the same breathe, Sori (2009) in his study of a Sudanese company asserts that financial knowledge management is a vital component to all organisations irrespective of whether they exist for profit or not for profit purposes however cascading this scenario to the selected organisations (ZOA, Sudan Health Association and Institute for promotion of civil society - IPCS), they maintain an elaborate financial knowledge management system (ZOA Annual Report, 2011, SUHA, 2011 and IPCS, 2011) yet a review of their financial performance for the last 3 years indicates that the organisations experienced frequent budget overruns, work overload on few finance staff, difficulty in generating financial reports and high staff turnover factors underlying this study.

Consensus has it that appropriate financial knowledge management leads to better financial performance and consequently the organization through efficient resource use and innovativeness (Darroch, 2005).

This is further attested by the findings of Kamukama, Ahiauzu and Ntayi (2011) and Houselid (2013) who concur that the better staffs are equipped with financial knowledge coupled with the existence of financial controls, the better their performance. However, despite the existence of a financial knowledge management system at ZOA, SUHA and IPCS, cases of budget overruns, work overload on few finance staff, difficulty in financial report generation and interpretation among others

have continued to be a common occurrence at the organisation (ZOA Job Performance Evaluation report, 2009 – 2011, SUHA, 2011 and IPCS, 2011). It was on this premise that the researcher seeks to assess the level of financial knowledge management at ZOA – Republic of South Sudan.

MATERIALS AND METHODS

The researcher used a descriptive survey research design in conducting this study and employed both quantitative and qualitative approaches that described accurately the financial knowledge management of selected organizations the results obtained were used The study was conducted in selected nongovernmental (ZOA, SUHA and IPCS) that have been operating in Yei County, Republic of South Sudan for the last ten years. The population of the study consisted of Senior Executives, Managers, Heads of Departments and Assistant Heads of Departments totaling to ninety nine (99) persons from the three participating nongovernmental organizations (ZOA Human Resource Status, 2012, SUHA, 2011 and IPCS, 2011) that were all included in the study. Additional data were collected from key informants comprising of 3 board members (those concerned with finances one each from participating organizations) and 2 Yei County Officials (Finance and Capacity Building Sections). These respondent groups are involved in setting rules, policies and participate in decision making of their organizations, and they also have the technical

Table 1. Level of Financial Knowledge Management

Financial Knowledge Management	Mean	Standard Deviation	Interpretation
Financial Records			
Maintaining financial records (receipts, payments etc) is important	4.26	0.83	Very High
There is a well laid and understood procedure for recording financial transactions in my organisation	3.90	1.14	High
The knowledge I posses makes it easy for me to record financial transactions	3.74	1.03	High
Financial records are done in line with the rules and procedures in the financial policy/document/manual	3.67	1.03	High
Sub Total	3.89	1.00	High
Financial Analysis			
Financial analysis using financial ratios (self sufficiency ratio, total grants & contracts etc) are regularly conducted	3.03	1.33	Moderate
The cash flow in the organisation is reviewed on a regular basis	3.17	1.37	Moderate
There is routine analysis of the organisation expenses, ratios and cash flows	3.19	1.39	Moderate
It is very simple to analyse cash flows, expenses and financial ratios	2.98	1.32	Moderate
Sub Total	3.09	1.35	Moderate
Financial Controls			
There is a standard financial recording and analysis format	3.77	1.08	High
The financial recording and analysis is done in a systematic manner and involves all the relevant staff	3.21	1.41	Moderate
All recordings and analyses that do not follow the accepted procedures are rejected	3.31	1.33	Moderate
There is regular update of the financial recording and analysis processes of the organisation	3.58	1.04	High
Staff always have opportunity to critique the financial status (records, cash flow, ratios etc) of the organisation	2.81	1.44	Moderate
Sub Total	3.34	1.26	Moderate
Grand Mean	3.44	1.20	High

N = 99

Source: Primary Data

Legend: 1.01-1.80 = Very Low, 1.81-2.60 = Low, 2.61-3.40 = Moderate, 3.41-4.20 = High and 4.21-5.00 = Very High

Table 2. showing the Mean Range of Likert scale

Sno	Description	Mean Range	Scale	Interpretation
1	Strongly Agree	4.20 – 5.00	5	Very High
2	Agree	3.40 – 4.19	4	High
3	Not Sure	2.60 – 3.39	3	Moderate
4	Disagree	1.80 – 2.59	2	Low
5	Strongly Disagree	1.00 – 1.79	1	Very Low

Source: The Researcher

knowledge regarding the financial status. Census technique was used to determine the respondents who participated in the study since all the staff in their various categories in the organisation in one way or the other contributes to the proper financial knowledge management which reflected in their performance. The researcher used the questionnaire, an interview guide and a document review guide whereby primary data were collected from the target population using questionnaires with both open and close ended questions administered by the researcher. The open-ended questions were designed for qualitative data where respondents expressed their views and suggestions. This was a means of soliciting for accurate information through statements of facts and personal opinions from respondents. Both methods of data were interpreted using the Mean Range of Likert Scale as below;

RESULTS AND DISCUSSION

This study focused on the financial knowledge management where aspects such as financial records management, analysis and controls were investigated in selected organizations (ZOA, SUHA and IPCS), renowned Non Governmental Organization that have been operating in Yei County, Republic of South Sudan for more than 10 years and captured data within the last four years (2009 – 2012) so as to generate a comprehensive and reliable data. As noted in this study, the objective was to assess the level of financial knowledge management in the selected organisations (Republic of South Sudan) and this objective was analysed using descriptive statistics and presented as means, standard deviations and interpreted using the ranges of Likert scale as shown in Table 4 below:

An assessment of the level financial knowledge management in the respective organisations revealed the knowledge that “maintaining financial records (receipts, payments etc) is important” as the element that scored the highest mean (mean = 4.26) whereas “it is very simple to analyse cash flows, expenses and financial ratios” scored the least with a mean of 2.98. Items such as “all recordings and analyses that do not follow the accepted procedures are rejected”, “the financial recording and analysis is done in a systematic manner and involves all the relevant staff” and “there is routine analysis of the organisation expenses, ratios and cash flows” scored moderate means of 3.31, 3.21 and 3.19 respectively among others (Table 1) however, generally there is high level of financial knowledge management at the respective selected organisations as attested by a grand mean of 3.44 (Table 1).

Much as the finding about financial knowledge management reveals that there is a high level of financial knowledge management (grand mean of 3.44), items such as the “staff always have opportunity to critique the financial status (records, cash flow, ratios etc) of the organisation (mean = 2.81)”, “financial analysis using financial ratios (self sufficiency ratio, total grants and contracts etc) are regularly conducted (mean = 3.03)” and “the cash flow in the organisation is reviewed on a regular basis (mean = 3.17)” among others scored moderately, a scenario that potentially can lower the level of financial knowledge management to critically dangerous levels in the selected organisations if caution is not taken to address them.

This finding agrees with those of Griffin (2013) and Oprosko (2013) that sound financial knowledge management is very key for determining the financial health, reliability and stability of organisations.

Conclusions

On the basis of the findings of this study, the following conclusions have been drawn that as much as there is generally high level of financial knowledge management in the selected organisations, some of the critical sub components of financial knowledge management scored moderate means hence the high mean value should be treated as an aggregate effect rather than individual performance of the sub components. This implies that emphasis needs to be put on those weak sub components to improve them in order to truly reflect the status of financial knowledge management.

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