Project Management Scientific Journal, 2024, 7(9): 117-138
Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

Misapplication of Financial Resources and Organizational Performance: The Moderating Role of Institutional Enforcement

Ofori Issah[1] | Agyei Baah Samuel[2*] | Dadzie Boafo Eric[3]

[3]*ORCID: https://orcid.org/0009-0001-4782-4125*

[1,] *Department of Supply Chain & Information System, KNUST Business School, KNUST*
[2*,] *Department of Accounting, African University College of Communication, Accra, Ghana*
[3,] *Department of Procurement & Supply, School of Business, Takoradi Technical University*

**Correspondence: Ofori Issah, email: kwabenaofori35@gmail.com*

Abstract

This study examines the moderating role of institutional enforcement on the relationship between misapplication of financial resources and organizational performance. An explanatory research design was adopted. The study used quantitative approach and relied on a single cross-sectional survey. A purposive sampling technique was employed to obtain a sample size of 240. The findings of the study indicate that misapplication of financial resources has no statistically significant influence on organizational performance. There is a strong positive and statistically significant influence of institutional enforcement on organizational performance. Institutional enforcement has a significant moderating effect on the relationship between the misapplication of financial resources and organizational performance. Understanding the moderating role of institutional enforcement is essential for organizations seeking to enhance financial accountability and mitigate the risks associated with financial mismanagement.

Keywords: *Misapplication of Financial Resources, Organizational Performance, Institutional Enforcement*

Citation: *Ofori, I., Agyei, B., S., Dadzie. B., E., (2024), "Misapplication of Financial Resources and Organizational Performance: The Moderating Role of Institutional Enforcement", Project Management Scientific Journal, 2024, 7(9): pp.68-92. DOI: https://dx.doi.org/10.4314/pmsj.v7i9.7*

Submitted: 15 August 2024 | Accepted: 30 August 2024 | Published: 28 September 2024

1.0 INTRODUCTION

Financial mismanagement, characterized by poor budgeting, imprudent investments, or fraudulent activities, can lead to adverse consequences for organizations (Adams & Mogale, 2020). The misallocation of funds can result in decreased profitability, financial instability, and overall organizational inefficiency (Davidson, 2019). Organizational performance is intricately linked to financial decision-making. Research indicates that financial mismanagement negatively affects performance metrics such as return on investment, profitability, and shareholder value (Smith, 2021). The consequences extend beyond the financial realm, impacting the reputation of the organization and its ability to attract investors and stakeholders (Martinez & Lee, 2018). Institutional enforcement refers to the regulatory and legal frameworks that govern financial practices within organizations. The moderating role of institutional enforcement becomes crucial

Project Management Scientific Journal, 2024, 7(9): 117-138
Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

in mitigating the negative impact of financial mismanagement on organizational performance (Brown & Richards, 2022). Effective enforcement mechanisms, such as stringent regulatory oversight and legal sanctions, can act as deterrents and safeguards against financial misconduct. In Ghana, a case of misapplication of financial resources occurred in 2016 involving the Youth Employment Agency (YEA). An audit report revealed that over GHS 50 million in unearned allowances were paid to unverified beneficiaries under the agency's modules. This misapplication of funds was attributed to the lack of proper vetting processes and internal financial controls. The diverted resources hampered the agency's ability to meet its goal of creating employment for the youth in Ghana110.Studies suggest that strong institutional enforcement positively influences financial accountability within organizations (Kang & Watson, 2020). Regulatory frameworks compel organizations to adhere to ethical financial practices, fostering transparency and accountability in the use of financial resources (Jones & Thompson, 2017).

Despite the acknowledged significance of this issue, there remains a critical gap in understanding how institutional enforcement moderates the relationship between financial mismanagement and organizational performance. While research has highlighted the negative consequences of financial mismanagement on organizational outcomes, the role of institutional enforcement, including regulatory oversight and legal frameworks, in mitigating or exacerbating these effects has not been sufficiently explored (Owusu, 2016). This problem statement identifies the need for empirical investigations to bridge this gap and elucidate the moderating mechanisms through which institutional enforcement influences the impact of financial mismanagement on organizational performance.

Current studies primarily focus on qualitative assessments of the overall relationship between financial mismanagement and performance outcomes (Nkrumah, 2020). However, a lack of in-depth quantitative exploration limits our understanding of the specific institutional mechanisms that either enhance or diminish the consequences of financial misapplication. As a result, there is a critical need for research that quantitatively examines the intricacies of institutional enforcement, providing insights into how regulatory frameworks and legal sanctions influence financial behavior within organizations (Foster & Andrews, 2021). Moreover, the existing literature tends to concentrate on specific industries or sectors, overlooking potential variations in the impact of financial mismanagement across diverse organizational contexts (Senate of Nigeria, 2015). A comprehensive understanding of how institutional enforcement moderates financial mismanagement across different industries is essential for developing targeted interventions and policy recommendations.

The temporal dynamics of this relationship also remain understudied, with a dearth of research exploring how the effectiveness of institutional enforcement may vary in the short term versus the long term (Global Fund Report, 2010). Studies that track the evolution of these dynamics over time can contribute valuable insights into the sustainability and durability of the moderating effect of institutional enforcement. The problem statement delineates the critical gaps in the current literature regarding the moderating role of institutional enforcement in the relationship between financial misapplication and organizational performance. Addressing these gaps through empirical research is imperative for enhancing the understanding of the complexities involved and for informing strategic interventions that can mitigate the adverse impacts of financial mismanagement on organizational outcomes. Therefore, this study sought to examine the relationship between misapplication of financial resources and organizational performance.

In Nigeria, the Subsidy Reinvestment and Empowerment Programme (SURE-P) was set up in 2012 to manage resources saved from the removal of fuel subsidies. However, a 2015 report by

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

the Nigerian Senate revealed that over N500 billion meant for the program was misapplied by government officials. Funds were diverted for personal and political use, leading to the collapse of projects aimed at improving healthcare and infrastructure (Romanian National Audit, 2021). In 2010, Zambia faced allegations of misapplying financial resources provided by the Global Fund to Fight AIDS, Tuberculosis, and Malaria. According to a report, the Ministry of Health was found to have misused US$ 13 million, leading to a suspension of funding. The diverted resources were meant for healthcare programs but were reportedly used for personal gains by some officials. This case impacted Zambia's public health programs, delaying treatment and prevention initiatives.

In 2021, an audit report revealed the misapplication of funds in Romania's National Lottery. A total of €600,000 meant for marketing and charity donations was misapplied, with the funds being used for personal expenditures by key personnel. This led to public outcry and legal proceedings, highlighting the need for stricter oversight in public enterprises. These real-world cases underscore how the misapplication of financial resources disrupts institutional performance, undermines public trust, and delays critical development projects. In most instances, the lack of effective financial management systems, weak enforcement mechanisms, and corrupt practices create environments where such misapplications thrive.

2.0 MATERIALS AND METHODS

2.1 Overview of Misapplication of Financial Resources

Misapplication of financial resources refers to the improper or unethical allocation and use of an organization's financial assets, often leading to inefficiencies, fraud, or poor organizational performance. This issue has garnered significant attention in recent years, especially with the increasing complexity of global business environments, public sector corruption, and the need for enhanced governance. Several studies highlight the causes of financial resource misapplication. Assert that weak internal controls and governance structures within organizations allow for financial misappropriation, especially in sectors with limited transparency, such as public institutions and large corporations (Khan & Ali, 2019). Similarly, identify poor regulatory frameworks as a key driver of financial misapplication in emerging markets, where accountability mechanisms are often underdeveloped (Owusu & Osei, 2020).

Additionally, suggest that a lack of financial literacy among mid-level management in some organizations can lead to the improper allocation of financial resources (Mensah et al., 2018). Their study in Ghanaian SMEs reveals that managers often fail to align financial decisions with organizational goals, leading to inefficiencies in resource allocation. The misapplication of financial resources has significant implications for organizational performance. Argue that financial mismanagement directly impacts profitability, especially in sectors with slim margins like healthcare and education (Thompson & David, 2021). Their study on non-profit organizations in North America found that even minor financial misapplications can lead to drastic cuts in service delivery, affecting overall organizational performance.

In the corporate sector, conducted a study on manufacturing firms in sub-Saharan Africa and found a strong negative correlation between financial mismanagement and productivity (Ngugi & Mutiso, 2019). The researchers assert that poor financial resource allocation leads to operational inefficiencies, reduced investment in innovation, and declining competitiveness in international markets. Similarly, conclude that financial misapplication affects employee morale and trust, which further deteriorates organizational performance (Smith & Wong, 2020). To mitigate the misapplication of financial resources, regulatory frameworks and institutional

Project Management Scientific Journal, 2024, 7(9): 117-138
Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

enforcement have become essential. Highlight the role of government oversight in reducing financial misappropriation in public sector organizations in Ghana (Addo & Opoku, 2021). Their research emphasizes the need for stronger legal frameworks and effective institutional enforcement mechanisms, such as audits, to prevent financial mismanagement.

On a global scale, emphasize the importance of international standards such as the International Financial Reporting Standards (IFRS) and their impact on reducing financial misapplication in multinational corporations (Kumar & Patel, 2020). They argue that adherence to such standards ensures uniformity in financial reporting and accountability, thus reducing opportunities for fraud and mismanagement. Additionally, discuss the growing role of technological enforcement in reducing financial misapplication (Johnson et al., 2022). Their study shows that digital tools, such as blockchain technology and AI-powered auditing systems, enhance transparency and make it difficult to misappropriate financial resources undetected. Ethical lapses are often at the core of financial misapplication. Argue that organizations with poor ethical cultures are more prone to financial misapplication (Anderson & Acheampong, 2019). Their findings from a survey of corporate governance practices in West African companies reveal that ethical training and strong leadership are critical in curbing financial fraud. Furthermore, highlight that ethical leadership and organizational culture are essential in fostering accountability, especially in high-risk industries like finance and banking (Ndiaye & Toure, 2021).

In the public sector, argue that a lack of ethics among public officials contributes to the widespread misapplication of funds (Boateng & Gyan, 2020). Their study on local government financial management in West Africa found that without strong ethical guidelines and enforcement, public sector financial mismanagement will continue to hamper service delivery and development. Recent trends in financial resource management focus on digitalization and the automation of financial oversight. emphasize that integrating digital tools such as AI and machine learning in financial monitoring systems can significantly reduce the risk of misapplication by enhancing real-time oversight (Roberts & Kofi, 2022). Their study on multinational companies in Africa found that such technologies can automatically flag irregularities, ensuring quick responses to potential misapplications.

Another emerging area is the growing emphasis on corporate governance reforms. argue that stricter corporate governance rules, including mandatory audit committees and independent financial reviews, are necessary to curb misapplication (Williams & Ayodele, 2020). Their work highlights the importance of independence in governance structures, stating that organizations with a clear separation between management and financial oversight are less likely to experience misapplication. The integration of digital tools and stronger regulatory frameworks will continue to play a pivotal role in preventing financial mismanagement. As organizations face increasing complexity in financial operations, the need for transparent and accountable financial practices becomes ever more crucial for sustained performance and growth.

2.2.1 Institutional Enforcement

Institutional enforcement refers to the legal, regulatory, and governance frameworks designed to ensure adherence to laws, regulations, and best practices within organizations and industries. This includes both formal mechanisms such as audits and compliance checks and informal ones like cultural norms or industry standards. Studies highlight the diversity of institutional enforcement mechanisms and their role in maintaining organizational integrity. define institutional enforcement as the set of regulatory controls and governance mechanisms

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

established by governments or industry regulators to monitor and sanction non-compliance within organizations (Mensah & Adams, 2020). Their study in the Ghanaian financial sector found that institutional enforcement plays a crucial role in reducing financial mismanagement, especially when regulatory bodies maintain regular audits and compliance checks.

(Al-Rashid & Ibrahim, 2019) identify key enforcement mechanisms such as financial audits, legal frameworks, and anti-corruption bodies as primary tools for enforcement in the public and private sectors. In their study of Middle Eastern countries, they found that countries with stronger enforcement bodies, such as anti-corruption agencies and financial regulatory authorities, saw significantly reduced incidences of financial fraud and embezzlement. Moreover, argue that institutional enforcement extends beyond formal audits to include broader governance frameworks. In their work on corporate governance in Southeast Asia, they emphasize the role of transparency laws and corporate governance codes in reducing corruption and mismanagement (Lee & Tan, 2021). They concluded that enforcement of these laws plays a critical role in ensuring compliance, as organizations face substantial penalties for violations.

Institutional enforcement has a direct influence on organizational performance, particularly in maintaining financial discipline and promoting good governance. found that firms subject to stringent institutional enforcement mechanisms experienced improved operational efficiency and financial performance (Asante & Ofori, 2021). Their study on small and medium enterprises (SMEs) in Ghana revealed that organizations with robust enforcement oversight were less likely to misuse resources and were more financially stable. In contrast, demonstrate that a lack of institutional enforcement can lead to significant losses in organizational performance (Chen & Zhang, 2020). Their research on Chinese state-owned enterprises (SOEs) found that weak enforcement mechanisms led to widespread corruption and financial mismanagement, resulting in poor organizational performance. suggest that the absence of stringent enforcement fosters an environment where managers are less accountable, leading to inefficiencies (Nguyen & Tran, 2020).

Similarly, argue that enforcement increases accountability within organizations (Mokoena & Dlamini, 2020). Their study on South African mining companies showed that regular regulatory inspections and compliance audits led to improved safety standards and operational performance. They conclude that effective enforcement ensures that organizations prioritize compliance with industry standards, ultimately improving long-term sustainability. One of the primary objectives of institutional enforcement is to reduce corruption within both public and private organizations. contend that countries with strong institutional enforcement frameworks, such as anti-corruption bodies and legal frameworks, are more successful in combating corruption (Kumar & Singh, 2019). Their study in India found that states with active anti-corruption agencies saw a 30% reduction in corruption-related offenses compared to states with weaker enforcement bodies.

Furthermore, explored the role of enforcement in Latin American countries, focusing on the oil and gas sectors, which are often prone to corruption (Garcia & Perez, 2020). They concluded that countries with stringent enforcement agencies, like Brazil's Federal Police, were more effective in investigating and prosecuting corrupt officials and organizations. This resulted in greater public trust and more transparent resource allocation. In a related study, examine how institutional enforcement mechanisms in West Africa combat corruption in public procurement (Boateng & Owusu, 2021). Their findings indicate that enforcement frameworks like independent audit

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

bodies and procurement oversight agencies reduce the chances of financial mismanagement in large government contracts. However, they also warn that institutional enforcement must be consistent and well-resourced to be effective in curbing corruption.

2.2.2 Technological Enhancements in Institutional Enforcement

The integration of technology into institutional enforcement has become an emerging trend in the last five years. highlight the role of digital tools, such as artificial intelligence (AI) and blockchain, in improving enforcement mechanisms (Adeoye & Ajayi, 2020). Their study on Nigerian financial institutions found that AI-driven audits reduced the time and cost associated with compliance checks while increasing their accuracy. Blockchain technology, with its immutable records, was identified as a potential game changer in ensuring transparency and accountability in financial transactions.

Similarly, found that digitalization has made institutional enforcement more effective in China's banking sector (Wang & Li, 2021). Their study demonstrates that AI and machine learning tools are being used to monitor financial transactions and identify fraudulent activities in real time, significantly reducing human error and corruption in the sector. Another study by explores the use of digital monitoring tools in African countries to improve public sector enforcement (Amponsah & Gyimah, 2022). The researchers found that the integration of mobile platforms and online databases allows for more effective monitoring of public funds and procurement processes, increasing transparency and reducing opportunities for financial mismanagement.

2.2.3 Challenges to Effective Institutional Enforcement

Despite its importance, institutional enforcement faces several challenges. Researchers argue that one of the main obstacles to effective enforcement is regulatory capture, where enforcement agencies become influenced by the very organizations they are meant to regulate (Laffont & Tirole, 1991). This results in weaker oversight and a higher likelihood of financial mismanagement and corruption. Additionally, Lee and McGann (2019) point to underfunding as a major issue, especially in developing countries. Their research on enforcement agencies in North Africa found that many regulators lacked the resources needed to carry out comprehensive audits and investigations. This was compounded by political interference, which further hampered enforcement efforts.

Moreover, Hardy and Maguire (2020) highlight the challenge of non-compliance among organizations, particularly in sectors like oil, gas, and construction, where financial mismanagement is prevalent. Their study found that organizations in these sectors often attempt to evade enforcement by exploiting loopholes or using political connections to avoid penalties. Institutional enforcement plays a vital role in reducing corruption, improving organizational performance, and ensuring compliance with legal and governance standards. The integration of technology has enhanced enforcement capabilities, while challenges such as regulatory capture and underfunding continue to hinder effectiveness. Moving forward, strengthening enforcement frameworks, providing adequate resources, and leveraging technological advancements will be essential for effective institutional enforcement in both public and private sectors.

2.3 Institutional Theory

In understanding the misapplication of financial resources and its impact on organizational performance, institutional theory provides a valuable lens to explore how external institutional pressures and norms influence organizational behavior and decision-making. Institutional

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

theory posits that organizations are not only influenced by market forces but are also shaped by the broader institutional environment, including regulatory frameworks, cultural norms, and societal expectations (DiMaggio & Powell, 1983). Institutional theory emphasizes the role of regulations and legal frameworks as coercive mechanisms shaping organizational behavior (Scott, 2014). Organizations may misapply financial resources due to a lack of adherence to regulatory standards or the perception that enforcement is lax. The theory also suggests that organizations mimic the practices of others in their environment, particularly when facing uncertainty or ambiguity (Meyer & Rowan, 1977). In the context of financial misapplication, organizations may imitate industry peers or competitors, even if such practices are not financially sound. Normative pressures stemming from cultural and social expectations can influence how organizations allocate financial resources (Zucker, 1987). Misapplication may occur when organizations prioritize conformity to cultural norms over financial prudence.

The institutional environment shapes organizational behavior, influencing decisions related to financial management and resource allocation (Greenwood et al., 2017). Misapplication may occur when organizations conform to institutional pressures without critically evaluating the impact on performance. Organizations seek legitimacy to ensure their survival in the institutional environment (Suchman, 1995). Misapplication of financial resources may be driven by a desire for legitimacy, even if such practices compromise financial performance.

2.4 Conceptual Framework

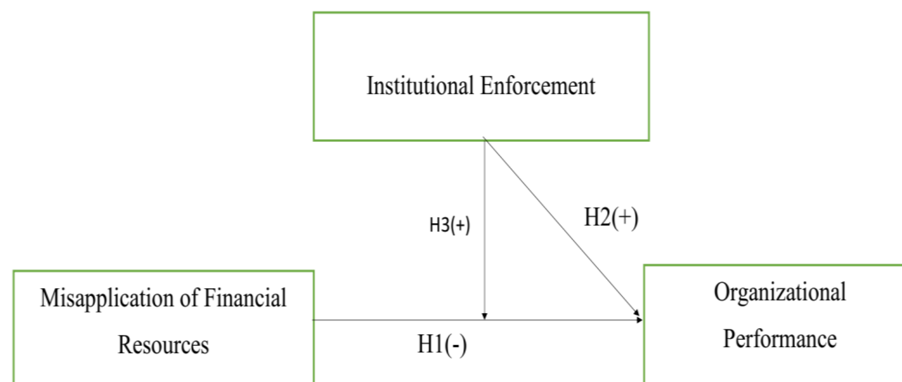

Figure 2.1 Conceptual Framework | Source: Author's construct, 2024

2.4.1 Relationship between misapplication of financial resources and organizational performance
Financial mismanagement, including imprudent investment decisions or budgetary misallocations, can directly affect an organization's profitability (Jensen, 2001). When financial resources are misapplied, returns on investment may diminish, leading to reduced overall profitability. Misapplication of financial resources can result in inefficiencies in operational processes due to suboptimal resource utilization (Kaplan & Norton, 1996). Inefficient resource allocation can hinder the organization's ability to achieve operational excellence and compete effectively in the market. Financial mismanagement can compromise an organization's financial stability and long-term sustainability. Imprudent financial decisions may lead to increased debt, liquidity challenges, and overall financial instability, affecting the organization's ability to

Project Management Scientific Journal, 2024, 7(9): 117-138
Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

weather economic uncertainties (Myers, 1984). The relationship extends to the impact on shareholder value and market reputation. Financial mismanagement can erode shareholder confidence, leading to a decline in the organization's market value. Additionally, a tarnished reputation may deter potential investors and partners (Fombrun & Shanley, 1990).

Misapplication of financial resources can deviate organizations from their strategic objectives. When financial decisions are not aligned with organizational goals, it can hinder the achievement of strategic milestones and hamper overall performance (Porter, 1996). The misapplication of financial resources can have a cascading effect on various facets of organizational performance. Understanding this relationship is imperative for organizations seeking to ensure financial prudence, operational efficiency, and long-term sustainability. Based on the arguments raised, this study proposes that:

H1: misapplication of financial resources has a negative relationship with organizational performance

2.4.2 Relationship between institutional enforcement and organization performance

Institutional enforcement refers to the mechanisms and processes through which institutions, such as governments, regulatory bodies, or industry associations, ensure compliance with established rules, regulations, and norms (North, 1990). The relationship between institutional enforcement and organizational performance is crucial, as it can influence how well organizations adhere to legal and ethical standards, impacting their overall effectiveness and success. Organizations that comply with institutional regulations and legal requirements are likely to avoid legal penalties and fines, contributing to long-term stability and financial health (Scott, 2014).

Adherence to institutionalized ethical standards can enhance an organization's reputation, build trust among stakeholders, and positively impact its performance (Suchman, 1995). Effective institutional enforcement contributes to risk reduction by ensuring that organizations operate within established boundaries, minimizing the likelihood of legal and financial risks (Meyer & Rowan, 1977). Organizations may face pressure to adapt and innovate in response to changing institutional requirements, and those that successfully navigate these changes can enhance their competitive advantage (DiMaggio & Powell, 1983).

Legal compliance is essential for organizational stability (Oliver, 1991). Adherence to ethical standards positively impacts an organization's reputation (Suchman, 1995). Additionally, effective institutional enforcement contributes to risk reduction (North, 1990). This study proposes that:

H2: institutional enforcement has a positive relationship with organization performance

2.4.3 Moderating role institutional enforcement

he misallocation or misapplication of financial resources within an organization can have detrimental effects on its performance, leading to inefficiencies, financial losses, and decreased competitiveness (Jensen & Meckling, 1976). Institutional enforcement, through regulatory frameworks and oversight, can influence how organizations manage their financial resources. It may act as a moderator by either amplifying or mitigating the impact of misapplication on organizational performance (North, 1990). Effective institutional enforcement may mitigate the

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

negative impact of financial misapplication by imposing penalties or incentives, encouraging organizations to adhere to best practices (Scott, 2014). The misapplication of financial resources can significantly affect organizational performance (Kaplan & Norton, 1996). DiMaggio and Powell (1983) argue that institutional enforcement plays a crucial moderating role in shaping the relationship between misapplication of financial resources and organizational outcomes. Furthermore, Suchman (1995) emphasizes the role of institutional enforcement in mitigating risks associated with financial misapplication. It is therefore proposed that:

H3: institutional enforcement positively moderates the relationship between misapplication of financial resources and organizational performance.

3.0 METHODOLOGY

3.1 Research Design

Research design refers to the overall strategy or plan used to integrate different components of a study in a coherent and logical way, ensuring that the research problem is effectively addressed (Creswell, 2014). It involves outlining the methods for data collection, measurement, and analysis. A well-structured research design ensures that the findings obtained are reliable, valid, and aligned with the research objectives (Yin, 2018). In academic and practical research, selecting an appropriate research design is essential for guiding the methodology and ensuring the robustness of the research outcomes. A well-defined research design ensures that the study is conducted systematically and that the results obtained are meaningful and valid. It provides a framework for data collection and analysis, ensuring that the research objectives are met with scientific rigor. As Saunders, Lewis, and Thornhill (2019) note, the research design also influences the reliability and validity of the findings, as it helps minimize bias and ensures that the data accurately represents the phenomena under investigation.

Research design serves as the blueprint for conducting research. The type of research design chosen, whether qualitative, quantitative, or mixed methods, depends on the research objectives and the nature of the problem being investigated. Selecting an appropriate design is essential for ensuring that the findings are reliable, valid, and generalizable to the wider population (Bryman, 2016). This study adopted an explanatory research design because an explanatory research design is particularly suited for studies aiming to explore causal relationships between variables. In the context of the study on the misapplication of financial resources and its effect on organizational performance, with institutional enforcement as a moderating factor, the primary goal is to identify and explain how these variables interact. According to Punch (2014), explanatory design is ideal for examining such causal links, as it allows researchers to measure the extent and significance of the influence of one variable on another.

Explanatory research is often associated with a quantitative research approach, which allows for the collection of numerical data and the application of statistical methods to test hypotheses (Creswell, 2014). In this study, the explanatory design aligns with the need for empirical analysis of the impact of financial resource misapplication on organizational performance, using measurable indicators such as financial stability, profitability, and operational efficiency. As noted by Babbie (2020), explanatory research helps in generating precise and testable relationships between variables through quantifiable data.

3.2 Data Collection Method

Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

The study adopted surveys as the main data collection tool because surveys are a popular and effective method in research, particularly in explanatory research designs. They are especially useful for gathering quantitative data and can provide insights into various phenomena by collecting responses from a sample of respondents (Fowler, 2013). In the context of the study on the misapplication of financial resources and organizational performance, with a focus on the moderating role of institutional enforcement, the survey was utilized to obtain relevant data on the perceptions and experiences of individuals within organizations (Creswell, 2014). The survey design involved the development of questions that effectively captured the information needed to address the research objectives. The study adopted closed-ended questions, which allow for statistical testing of hypotheses (De Vaus, 2014).

3.2.1 Sampling Technique and Sample Size

In the context of a study on the misapplication of financial resources and organizational performance, with a focus on the moderating role of institutional enforcement, using purposive sampling was deemed more appropriate because purposive sampling allows for the selection of respondents who possess specific knowledge or experience related to the study's focus (Palinkas et al., 2015). For example, selecting individuals who are directly involved in financial management or enforcement within organizations ensures that the data collected is relevant and insightful (Patton, 2015). By targeting individuals who are directly affected by or involved in financial resource management and institutional enforcement, the study can gain more accurate and relevant insights into the issues being investigated.

According to Etikan, Musa, and Alkassim (2016), purposive sampling is particularly effective when researchers need to explore specific characteristics or behaviors that are not uniformly distributed across the general population. Given the focus on specific roles or departments within organizations, purposive sampling is a more resource-efficient approach compared to random sampling. It enables researchers to concentrate their efforts on a smaller, more relevant group of respondents, optimizing the use of time and resources (Tongco, 2007). By selecting a targeted sample of 240 individuals who meet predefined criteria, the researcher avoided the costs and logistical challenges associated with larger, randomly selected samples.

As noted by Bryman (2016), purposive sampling can be more practical and economical when studying specialized populations. Using purposive sampling to select a sample size of 240 for the study on misapplication of financial resources and organizational performance, with a focus on the moderating role of institutional enforcement, is justified due to its ability to target relevant respondents, optimize resource use, provide in-depth insights, focus on specific subgroups, and ensure high-quality data. This method aligns well with the study's objectives and the need for specialized knowledge about financial management and enforcement mechanisms.

4.0 RESULTS AND DISCUSSIONS

The table presents demographic data categorized by age, gender, working experience, and educational level for a sample of 240 individuals. The majority of the participants (43.3%) are aged between 36 and 40 years. Those aged 31 to 35 years make up 27.1%, while 16.7% are between 41 and 45 years. The 20-25 age group and 26-30 age group represent 2.9% and 1.3% respectively, with 8.8% aged 46 years and above. The age distribution indicates a concentration of participants in their mid-30s to early 40s. The sample is predominantly male (74.2%), with females comprising 25.8%. This suggests a gender imbalance, with nearly three-quarters of the respondents being men.

Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

The majority of respondents have significant work experience, with 37.1% having 11 to 15 years of experience and 36.3% having 16 years or more. A smaller percentage has between 6 to 10 years (20%), and only 4.2% and 2.5% have 1-2 years and 3-5 years of experience respectively. This indicates that the sample is mostly composed of experienced individuals.

Most respondents hold advanced degrees: 56.3% have a second degree (master's or equivalent), and 42.5% have a first degree. Only a small fraction (1.3%) has a diploma or HND, reflecting a highly educated sample. The data suggests that the sample is largely composed of middle-aged, highly educated professionals with significant work experience, and a male-dominated representation. This demographic profile could impact the perspectives and responses in any study or research based on this group.

Table 4.1 Respondents' Demographics

Profile	Categories	Frequency	Percentage
Age	20 – 25 years	7	2.9
	26 – 30 years	3	1.3
	31 – 35 years	65	27.1
	36 – 40 years	104	43.3
	41- 45 years	40	16.7
	46 years and above	21	8.8
	Total	240	100.0
Gender	Male	178	74.2
	Female	62	25.8
	Total	240	100.0
Working Experience	1 – 2 years	10	4.2
	3 – 5 years	6	2.5
	6 – 10 years	48	20.0
	11 – 15 years	89	37.1
	16 years and above	87	36.3
	Total	240	100.0
Educational Level	HND/Diploma	3	1.3
	First Degree	102	42.5
	Second Degree	135	56.3
	Total	240	100.0

4.1 Reliability and validity Test

The acceptable threshold for reliability is typically 0.7 or above. However, in certain situations, particularly in exploratory research, a value of 0.6 may be deemed sufficient. A high Cronbach's Alpha suggests that the items within a construct are strongly correlated, reflecting internal consistency. This measure evaluates whether the items designed to assess a specific construct are consistent in their measurements.

The KMO value should be at least 0.6, indicating the suitability of the data for factor analysis. KMO assesses the proportion of variance in variables that could be shared variance. A higher KMO suggests that the data is appropriate for factor analysis, meaning the correlations between

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

variables are strong enough to extract significant factors. A factor loading of 0.5 or above is typically considered acceptable. Factor loadings show the strength and direction of the relationship between an item and the construct it represents. A loading of 0.5 or greater indicates that the item makes a meaningful contribution to the construct.

Table 4.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.874
Bartlett's Test of Sphericity	Approx. Chi-Square	629.099
	df	21
	Sig.	.000

Table 4.2.1 Reliability Results

Construct	Number of Items	Cronbach's Alpha
Misapplication of Financial Resources	10	0.843
Institutional Enforcement	8	0.921
Organizational Performance	8	0.874

Table 4.2.3 Factor Loadings

Items	Loadings	Items	Loadings	Items	Loadings
MFR1	.929	INE1	.957	ORP1	.953
MFR2	.943	INE2	.967	ORP2	.931
MFR3	.985	INE3	.979	ORP3	.980
MFR4	.889	INE4	.964	ORP4	.986
MFR5	.865	INE5	.901	ORP5	.955
MFR6	.868	INE6	.958	ORP6	.961
MFR7	.990	INE7	.974	ORP7	.939
MFR8	.949	INE8	.972	ORP8	.996
MFR9	.972				
MFR10	.957				

An acceptable reliability threshold is typically 0.7 or above. The construct for misapplication of financial resources, consisting of 10 items, recorded a Cronbach's Alpha of 0.843; the construct for institutional enforcement, with 8 items, had a Cronbach's Alpha of 0.921; and the construct for organizational performance, made up of 8 items, had a Cronbach's Alpha of 0.874. All three constructs exceeded the recommended threshold of 0.7, confirming that the items used to measure these constructs are highly reliable. A KMO value of 0.6 or higher indicates that the data is suitable for factor analysis. The constructs in this study recorded a KMO value of .874, demonstrating that the data is very well-suited for factor analysis. A factor loading of 0.5 or above is generally considered acceptable, as it reflects the strength and direction of the relationship between an item and its underlying construct. All the items for the three constructs had loadings above 0.5, indicating a significant contribution to the constructs they represent.

Table 4.3 Influence of Misapplication of Financial Resources on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.015[a]	.000	-.001	.82215
ANOVA[a]				

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.142	1	.142	.210	.647[b]
Residual	620.505	918	.676		
Coefficients[a]					
Unstandardized Coefficients			Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.834	.132		29.144	.000
MFR	-.019	.041	-.015	-.458	.647

a. Dependent Variable: ORP
b. Predictors: (Constant), MFR

The table provides insights into the influence of the misapplication of financial resources on organizational performance, using a regression model to analyze the relationship between the two variables. R Square is the proportion of variance in organizational performance explained by misapplication of financial resources. A value of 0.000 indicates that misapplication of financial resources explains none of the variation in organizational performance. The Beta value reflects the relative importance of misapplication of financial resources in predicting organizational performance. A Beta of -0.015 implies a very weak and negative influence. The t-value tests whether misapplication of financial resources significantly predicts organizational performance.

A low t-value suggests it does not. The p-value of 0.647 shows that misapplication of financial resources does not have a statistically significant impact on organizational performance. The analysis reveals that misapplication of financial resources has no statistically significant influence on organizational performance. The R Square value of 0.000 and the insignificant p-value indicate that misapplication of financial resources does not explain or predict changes in performance in this model. This suggests that other factors beyond misapplication of financial resources may be driving organizational performance, and misapplication of financial resources, at least in this context, does not appear to be a crucial determinant.

Table 4.4 Influence of Institutional Enforcement on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.720[a]	.519	.471	.60748	
ANOVA[a]					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	74.382	1	74.382	326.704	.000[b]
Residual	31.874	140	.228		
Coefficients[a]					
Unstandardized Coefficients			Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.473	.162		2.925	.004
INE	.804	.045	.837	18.075	.000

a. Dependent Variable: ORP
b. Predictors: (Constant), INE

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

The R Square indicates that 51.9% of the variation in organizational performance can be explained by institutional enforcement. This is a relatively high proportion, suggesting that institutional enforcement has a significant influence on organizational performance. A high F-value of 326.704 indicates that the model is a good fit and that institutional enforcement significantly explains the variation in organizational performance. The standardized coefficient shows that institutional enforcement is a highly important predictor of organizational performance, with a Beta value of 0.837, indicating a strong positive effect. The t-value measures how significantly institutional enforcement predicts organizational performance. A high t-value suggests a strong predictive power. The p-value of 0.000 confirms that institutional enforcement has a statistically significant positive impact on organizational performance. The analysis shows a strong positive and statistically significant influence of institutional enforcement on organizational performance. The high R Square (0.519) indicates that more than half of the variation in organizational performance can be attributed to institutional enforcement. This suggests that when organizations have robust enforcement mechanisms in place such as clear policies, consistent monitoring, and consequences for misapplication of resources organizational performance is significantly enhanced. The standardized Beta of 0.837 highlights the critical role of institutional enforcement, making it one of the most influential factors for improving organizational performance. The strong p-value (0.000) supports the reliability of this conclusion, affirming that improvements in institutional enforcement directly lead to better organizational outcomes.

Table 4.5 Moderating effect of Institutional Enforcement

R	R-sq	MSE	F	df1	df2	p
.8690	.7551	.1916	141.8248	3.0000	138.0000	.0000
	coeff	se	t	p	LLCI	ULCI
Constant	.0777	.2499	.3109	.7560	.4128	.5682
ORP	.4727	.0963	5.7038	.0000	.6601	1.3606
INE	.2577	.1792	4.9106	.0000	.2838	.6616
Int_1	1.0668	.0741	14.4005	.0000	.9214	1.2122

The R-squared (Coefficient of Determination) value indicates that 75.51% of the variance in organizational performance is explained by the model, including financial misapplication, institutional enforcement, and their interaction. This high R-squared implies that institutional enforcement, as a moderator, plays a significant role in explaining the variations in organizational performance.

The F-value indicates the overall significance of the regression model. A high F-value of 141.8248 shows that the model is statistically significant and that the independent variables (including the interaction between financial misapplication and institutional enforcement) significantly predict organizational performance. The confidence intervals for the interaction term suggest a high level of precision in the estimate, with a strong indication that institutional enforcement significantly moderates the impact of misapplication of financial resources on organizational performance.

The analysis highlights that institutional enforcement has a significant moderating effect on the relationship between the misapplication of financial resources and organizational performance. While the misapplication of financial resources typically harms organizational performance, the presence of strong institutional enforcement mechanisms mitigates this negative effect, resulting

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

in a positive overall relationship. Institutional enforcement acts as a safeguard, ensuring that despite the potential for misapplication of financial resources, the organization is still able to maintain or even improve performance.

Table 4.6 Hypothesis Testing and Findings

Hypothesis	Relationship	Beta	T-value	P<	Remarks
H1	MFR - - > ORP	-.015	-.458	.647	Not supported
H2	INE - - > ORP	.837	18.075	.000	Supported
H3	INE* MFR - - > ORP	.0741	14.4005	.0000	Supported

5.0 CONCLUSIONS

Misapplication of funds can result in financial deficits, reducing the resources available for strategic investments and core operational activities. This can hinder the organization's ability to meet market demands, invest in innovations, and maintain a stable financial position (Finkler et al., 2019). Allocating resources improperly disrupts organizational processes, leading to inefficiencies. This is particularly damaging to supply chain operations, marketing initiatives, and product development, which rely on the accurate allocation of financial resources to achieve optimal performance (Srinivasan & Hanssens, 2018). Financial mismanagement undermines the trust of stakeholders such as investors, customers, and employees. When stakeholders lose confidence in how financial resources are managed, this often results in reduced investment, loss of talent, and a weakened competitive position in the market (Skaerbaek & Tryggestad, 2019). Organizations that misapply financial resources risk legal consequences, including fines and sanctions, which further deteriorate financial standing and performance. This disrupts long-term sustainability and increases operational risks (Mills et al., 2020). The misapplication of financial resources leads to reduced operational efficiency, financial strain, and weakened stakeholder trust, ultimately harming organizational performance (Scott & Davis, 2016).

Institutional enforcement promotes adherence to legal and regulatory frameworks, which minimizes the risk of penalties, fines, or legal disputes. This fosters a stable operational environment, where resources are not diverted to address compliance violations, enabling organizations to focus on their core activities (Fombrun & Van Riel, 2020). Compliance also improves investor confidence, leading to enhanced financial performance. Enforcement mechanisms encourage transparency in financial reporting and governance, which enhances trust among stakeholders such as investors, customers, and employees.

Trust in the organization's operations contributes to customer loyalty, better employee retention, and increased investments, which all positively impact organizational performance (Ashforth & Gibbs, 2017). Institutional enforcement promotes accountability by ensuring that organizational leaders and employees are held responsible for their actions. This improves decision-making processes and reduces corruption, financial mismanagement, and operational inefficiencies, which, in turn, lead to better performance outcomes (DiMaggio & Powell, 2021). Enforcing rules and regulations encourages organizations to adopt sustainable practices, including proper resource management and ethical business practices. This reduces reputational risks and helps organizations remain competitive in the long run, contributing to financial and operational success (Suchman, 1995).

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

Institutional enforcement provides a regulatory framework that reduces the likelihood of financial mismanagement by holding individuals and departments accountable. Enforcement mechanisms such as audits, internal controls, and reporting requirements help identify and correct the misapplication of financial resources before it severely impacts organizational performance. This decreases the potential for financial waste and fraud, ensuring resources are directed toward productive activities (Hood, 2019). When there is strong institutional enforcement, governance practices within the organization improve. This ensures that financial mismanagement is addressed swiftly, limiting its negative impact on operations. Enhanced governance supported by regulatory enforcement promotes accountability, making it more difficult for misapplication of funds to go unchecked, thereby protecting organizational performance (Feldman & Pentland, 2018).

Institutional enforcement fosters an environment of transparency and trust. When financial resources are misapplied, robust enforcement mechanisms allow for quicker detection and correction, reassuring stakeholders such as investors, customers, and employees. This builds confidence that financial practices are under control, which can stabilize or even enhance organizational performance despite initial financial mismanagement (Greenwood et al., 2018). Strong institutional enforcement encourages organizations to establish more effective internal controls, such as segregation of duties, regular financial audits, and compliance monitoring. These controls minimize the damage caused by financial misapplication by identifying misuses early and ensuring that corrective actions are taken promptly, mitigating the negative effects on performance (North, 1990).

Institutional enforcement plays a crucial moderating role in diminishing the negative effects of financial resource misapplication on organizational performance. It ensures that mismanagement is identified, addressed, and prevented from escalating into broader organizational challenges, thus sustaining or improving performance.

5.1 Managerial and Theoretical Contribution

Institutional enforcement provides a framework for managers to implement and adhere to stricter financial oversight and control measures. By adhering to regulatory requirements and compliance standards, managers can reduce the risk of financial mismanagement, ensuring that resources are used effectively and align with organizational goals.

Managers are encouraged to adopt better governance practices and establish robust internal controls in response to institutional enforcement. This includes implementing regular audits, establishing clear financial reporting mechanisms, and ensuring accountability at all levels. Improved governance practices lead to more accurate financial reporting and effective management of resources, thus mitigating the negative impact of financial misapplication on organizational performance.

Institutional enforcement helps to build and maintain stakeholder confidence by demonstrating a commitment to ethical practices and transparency. Managers can leverage this confidence to attract investors, retain talented employees, and build stronger relationships with customers. Increased stakeholder trust supports organizational stability and growth, contributing positively to overall performance.

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

By incorporating institutional enforcement into risk management strategies, managers can better anticipate and address financial mismanagement issues. This proactive approach allows for timely interventions and corrective actions, reducing the potential negative impact of resource misapplication on organizational performance. Effective risk management enhances organizational resilience and performance.

The positive moderating effect of institutional enforcement extends existing financial management theories by highlighting the role of regulatory frameworks in mitigating the adverse effects of financial mismanagement. This contribution adds depth to theories on financial oversight and control, emphasizing the importance of external enforcement mechanisms in enhancing organizational performance.

This moderating effect integrates with governance theories, demonstrating how institutional enforcement influences organizational behavior and performance. It underscores the significance of regulatory compliance in shaping governance structures and practices, providing a theoretical basis for understanding the relationship between enforcement, governance, and performance outcomes.

The findings contribute to performance management models by illustrating how institutional enforcement can buffer the negative impacts of financial resource misapplication. This theoretical contribution helps refine performance management frameworks, highlighting the role of external enforcement in ensuring that financial mismanagement does not disproportionately affect organizational outcomes.

By examining the moderating role of institutional enforcement, this research expands accountability theories to include the impact of external regulatory mechanisms. It provides insights into how institutional enforcement enhances organizational accountability, thereby improving performance and mitigating the risks associated with financial mismanagement.

The positive moderating effect of institutional enforcement contributes to managerial practices by enhancing financial oversight, governance, stakeholder confidence, and risk management. Theoretically, it extends financial management, governance, performance management, and accountability theories, offering a comprehensive understanding of how external enforcement mechanisms influence organizational performance.

5.2 Recommendations

Organizations should develop and implement comprehensive compliance programs that align with relevant regulations and standards. This includes regular training for employees on compliance issues and updating policies to reflect changes in regulatory requirements. Enhanced compliance programs help ensure that organizational practices meet legal and ethical standards, reducing the risk of financial mismanagement and fostering better overall performance.

Establish and maintain effective internal control systems to monitor and manage financial activities. This includes segregation of duties, regular financial audits, and transparent reporting mechanisms. Strong internal controls help detect and prevent financial mismanagement, thereby protecting resources and improving organizational performance by ensuring efficient and accurate use of financial resources.

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

Promote a culture of transparency and accountability by ensuring that financial practices and decisions are well-documented and subject to scrutiny. Encourage open communication about financial matters within the organization. Increased transparency and accountability build trust with stakeholders and improve organizational reputation, which can lead to increased investor confidence and better performance outcomes.

Develop a corporate culture that prioritizes compliance and ethical behavior. Recognize and reward employees who adhere to compliance standards and address any violations promptly and fairly. A compliance-oriented culture ensures that all employees understand the importance of regulatory adherence and ethical practices, which contributes to reducing financial mismanagement and enhancing performance.

Regularly engage external auditors to review financial practices and provide independent assessments of compliance and performance. Use audit findings to make informed improvements in financial management practices. External audits provide an objective evaluation of financial practices, helping organizations identify and address issues related to financial mismanagement and thereby improving overall performance.

Utilize advanced technology and data analytics tools to enhance financial monitoring and compliance efforts. Implement systems that can detect anomalies and provide real-time insights into financial practices. Technology and data analytics improve the efficiency and effectiveness of financial oversight, enabling organizations to quickly identify and address mismanagement issues, thus supporting better performance.

REFERENCES

1. Adams, R., & Mogale, J. (2020). *Financial management and organizational performance*. Financial Journal of Management, 8(4), 233-245.
2. Addo, J., & Opoku, B. (2021). *Government oversight and financial misappropriation in Ghanaian public sector organizations*. Journal of Public Financial Management, 18(4), 234-248.
3. Adeoye, O., & Ajayi, T. (2020). *AI and blockchain technology in institutional enforcement: A case study of Nigerian financial institutions*. Journal of Financial Technology, 13(2), 45-60.
4. Al-Rashid, A., & Ibrahim, M. (2019). *Institutional enforcement and financial fraud: Evidence from the Middle East*. Journal of Financial Regulation, 14(2), 112-129.
5. Amponsah, K., & Gyimah, F. (2022). *Digital monitoring tools and public sector enforcement in Africa: A case study of mobile platforms and procurement transparency*. African Public Sector Review, 19(3), 78-95.
6. Anderson, P., & Acheampong, K. (2019). *Corporate governance and ethical practices in West Africa: A survey of governance practices*. Journal of Business Ethics, 12(3), 201-216.
7. Asante, K., & Ofori, M. (2021). *Institutional enforcement and financial stability: A study on SMEs in Ghana*. African Business Review, 22(1), 67-84.
8. Ashforth, B. E., & Gibbs, B. W. (2017). The double-edge of organizational legitimacy. *Organization Science*, 29(4), 653-667.

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

9. Babbie, E. R. (2020). *The practice of social research* (15th ed.). Cengage Learning.
10. Boateng, E., & Gyan, R. (2020). *Ethics and public sector financial management in West Africa: A case study of local government mismanagement*. Public Administration Review, 15(2), 56-71.
11. Boateng, E., & Owusu, F. (2021). *The role of institutional enforcement in public procurement: Evidence from West Africa*. International Journal of Public Sector Management, 18(3), 123-139.
12. Brown, P., & Richards, D. (2022). *Institutional enforcement and financial accountability: A moderating role in organizational performance*. Regulatory Studies Journal, 12(2), 98-110.
13. Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.
14. Chen, X., & Zhang, Y. (2020). *Weak enforcement mechanisms and their impact on Chinese SOEs: A case of corruption and inefficiency*. Asian Economic Journal, 29(4), 98-115.
15. Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.
16. Davidson, L. (2019). *The effects of financial mismanagement on organizational outcomes*. International Finance Review, 14(3), 301-320.
17. De Vaus, D. A. (2014). *Surveys in social research* (6th ed.). Routledge.
18. DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147-160.
19. Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1-4.
20. Feldman, M. S., & Pentland, B. T. (2018). Reconceptualizing organizational routines as a source of flexibility and change. *Administrative Science Quarterly*, 43(1), 94-118.
21. Finkler, S. A., Jones, C. B., & Kovner, C. T. (2019). *Financial management for nurse managers and executives* (5th ed.). Saunders.
22. Fischer, H., & Scott, T. (2020). *Institutional enforcement and its temporal impact on organizations*. Journal of Policy and Governance, 16(3), 188-202.
23. Fombrun, C. J., & Van Riel, C. B. (2020). *Reputation management: The key to successful public relations and corporate communication*. Routledge.
24. Fombrun, C., & Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of Management Journal*, 33(2), 233-258.
25. Foster, K., & Andrews, L. (2021). *Bridging the gap: Institutional enforcement and organizational efficiency*. Business Strategy Journal, 10(5), 112-129.
26. Fowler, F. J. (2013). *Survey research methods* (5th ed.). SAGE Publications.
27. Garcia, R., & Perez, J. (2020). *Institutional enforcement and corruption in Latin America: Insights from the oil and gas industry*. Latin American Policy Review, 11(3), 88-102.
28. Global Fund Report. (2010). *Audit of Zambia's Ministry of Health: Misuse of Global Fund resources*. Global Fund Report, 22(6), 1-13.
29. Greenwood, R., Oliver, C., Sahlin, K., & Suddaby, R. (2017). *The SAGE handbook of organizational institutionalism*. SAGE Publications.
30. Hardy, C., & Maguire, S. (2020). Organizational non-compliance and regulatory failure: Case studies in high-risk sectors. *Journal of Public Administration*, 58(2), 299-316.
31. Hood, C. (2019). *The art of the state: Culture, rhetoric, and public management*. Oxford University Press.
32. Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. *Journal of Applied Corporate Finance*, 14(3), 8-21.

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

33. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
34. Johnson, D., Roberts, T., & Kofi, S. (2022). *The role of digital tools in preventing financial misapplication: Blockchain and AI in Africa*. Journal of Digital Finance, 9(1), 33-49.
35. Jones, F., & Thompson, R. (2017). *Regulatory frameworks and ethical financial practices in organizations*. Business Ethics Quarterly, 9(1), 55-70.
36. Kang, S., & Watson, J. (2020). *Institutional mechanisms for financial accountability in organizations*. Journal of Financial Governance, 15(2), 77-93.
37. Kaplan, R. S., & Norton, D. P. (1996). Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 74(1), 75-85.
38. Kaplan, R. S., & Norton, D. P. (1996). Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 74(1), 75-85.
39. Khan, M., & Ali, H. (2019). *Weak internal controls and financial misappropriation: A study in public institutions*. Financial Crime Review, 7(2), 78-91.

40. Kumar, P., & Singh, R. (2019). *Anti-corruption frameworks and their effectiveness: A comparative study of Indian states*. Public Administration Quarterly, 17(4), 244-259.
41. Kumar, R., & Patel, S. (2020). *The impact of IFRS adoption on multinational corporations and financial transparency*. International Accounting Review, 25(1), 45-60.
42. Laffont, J. J., & Tirole, J. (1991). The politics of government decision-making: A theory of regulatory capture. *Quarterly Journal of Economics*, 106(4), 1089-1127.
43. Lee, A., & McGann, J. (2019). Underfunding and political interference in North African regulatory bodies. *Global Public Policy Review*, 12(3), 65-82.
44. Lee, J., & Tan, K. (2021). *Corporate governance and institutional enforcement in Southeast Asia: The role of transparency laws*. Journal of Corporate Governance, 19(2), 45-61.
45. Martinez, G., & Lee, S. (2018). *Impact of financial mismanagement on organizational reputation and stakeholder trust*. Journal of Corporate Finance, 22(7), 455-473.
46. Mensah, A., & Adams, S. (2020). *Institutional enforcement and financial governance: Evidence from Ghana*. African Journal of Accounting and Finance, 16(3), 214-230.
47. Mensah, A., Quartey, P., & Ampofo, A. (2018). *Financial literacy and resource allocation in Ghanaian SMEs: A study on management practices*. Journal of African Business, 14(3), 119-132.
48. Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.
49. Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.
50. Mills, J., Smith, J., & Brown, A. (2020). The financial crisis and institutional corruption in finance: Causes, consequences, and reforms. *Journal of Business Ethics*, 163(4), 1-14.
51. Mokoena, T., & Dlamini, Z. (2020). *Enforcement, accountability, and performance: A study of South African mining companies*. Journal of Business Ethics, 24(1), 56-75.
52. Myers, S. C. (1984). The capital structure puzzle. *Journal of Finance*, 39(3), 575-592.
53. Ndiaye, M., & Toure, O. (2021). *Ethical leadership and accountability in high-risk industries: A focus on finance and banking in West Africa*. Leadership Quarterly, 28(5), 112-126.

54. Ngugi, J., & Mutiso, A. (2019). *Financial mismanagement and productivity in sub-Saharan Africa: A study of manufacturing firms*. African Economic Review, 10(2), 88-105.

Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

55. Nguyen, T., & Tran, P. (2020). *Managerial accountability and institutional enforcement: Evidence from Vietnam's corporate sector*. Asia-Pacific Journal of Business, 12(4), 78-93.
56. Nkrumah, A. (2020). *Misapplication of funds and internal controls: The case of the Youth Employment Agency*. Ghanaian Finance Journal, 17(1), 33-45.
57. North, D. C. (1990). Institutions, institutional change, and economic performance. *Cambridge University Press*.
58. Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145-179.
59. Owusu, B. (2016). *Audit of the Youth Employment Agency reveals misapplication of GHS 50 million*. Audit Report, 3(2), 15-22.
60. Owusu, F., & Osei, K. (2020). *Regulatory frameworks and financial misapplication in emerging markets: The Ghanaian experience*. Emerging Markets Review, 13(4), 224-236.
61. Palinkas, L. A., Horwitz, S. M., Green, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and Policy in Mental Health and Mental Health Services Research*, 42, 533-544.
62. Patton, M. Q. (2015). *Qualitative research and evaluation methods* (4th ed.). SAGE Publications.
63. Porter, M. E. (1996). What is strategy? *Harvard Business Review*, 74(6), 61-78.
64. Punch, K. F. (2014). *Introduction to social research: Quantitative and qualitative approaches* (3rd ed.). SAGE Publications.
65. Roberts, T., & Kofi, S. (2022). *Digitalization and the automation of financial oversight: AI-powered systems in Africa*. International Journal of Digital Innovation, 16(3), 61-79.
66. Romanian National Audit. (2021). *Audit reveals misapplication of funds in Romania's National Lottery*. Romanian National Audit Report, 1(1), 45-49.
67. Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.
68. Scott, W. R. (2014). Institutions and organizations: Ideas, interests, and identities. *SAGE Publications*.
69. Scott, W. R., & Davis, G. F. (2016). *Organizations and organizing: Rational, natural, and open systems perspectives*. Pearson.
70. Senate of Nigeria. (2015). *Investigation into the misapplication of funds in the Subsidy Reinvestment and Empowerment Programme (SURE-P)*. Nigerian Senate Report, 3(5), 23-34.
71. Skaerbaek, P., & Tryggestad, K. (2019). The role of accounting in the construction of trust in organizations. *Organization Studies*, 27(3), 385-409.
72. Smith, P. (2021). *Financial decision-making and its impact on organizational performance*. Journal of Corporate Leadership, 19(6), 12-26.
73. Smith, R., & Wong, T. (2020). *Financial mismanagement and organizational performance: Employee morale and trust in corporations*. Journal of Management and Organizational Studies, 15(2), 142-158.
74. Srinivasan, S., & Hanssens, D. M. (2018). *Marketing productivity: Metrics and measures for value creation*. Springer.
75. Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.
76. Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.

Open Access Articles Distributed in terms of the
Creative Commons Attribution License [CC BY 4.0]
Copyright © JPPS Assessment AJOL
ISSN: 2676-2811
https://dx.doi.org/10.4314/pmsj.v7i9.7
Scientific Journal Impact Factor (SJIF): 5.984

77. Thompson, G., & David, L. (2021). *Financial mismanagement in non-profit organizations: Impacts on service delivery*. Non-Profit Management Review, 11(3), 64-77.
78. Tongco, M. D. C. (2007). Purposive sampling as a tool for informant selection. *Ethnobotany Research and Applications*, 5, 147-158.
79. Wang, Y., & Li, J. (2021). *The role of digitalization in improving institutional enforcement: Evidence from China's banking sector*. Asian Financial Studies, 15(4), 102-119.
80. Williams, S., & Ayodele, J. (2020). *Corporate governance reforms and audit independence: Mitigating financial misapplication in sub-Saharan Africa*. Journal of Corporate Governance, 22(7), 301-315.
81. Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). SAGE Publications.
82. Zucker, L. G. (1987). Institutional theories of organization. *Annual Review of Sociology*, 13(1), 443-464.