



Full Length Research

Societal Relevance of Financial Management: A Case Study in Developing and Developed Countries

¹OGBARI, Ejos Mercy and ²INGOMOWEI, Samson Preye

^{1,2}Department of Business Administration

Covenant University, Ota, Nigeria.

¹Principal Author's Email: mercy.ogbari@covenantuniversity.edu.ng

²Corresponding Author's Email: ingomoweipreye@gmail.com

³ELECHI, Chijioke (MD),

Department of Medicine and Surgery,

Faculty of Clinical Sciences,

Niger Delta University Teaching Hospital,

Bayelsa, Nigeria.

Email: elechyka@gmail.com

⁴OHANYELU Charles N.

(Doctoral Candidate)

Department of Management Science,

Turiba University Riga, Latvia.

Email: deeperlife@hotmail.com

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Abstract: Businesses fail due to lack of proper financial management practices. A lot of countries are in great recession because of mismanagement of public finance. Most developing nations have refused to implement good financial management practices in order to ensure transparency, and economic development in the country. However, the purpose of this research is to examine the relevance of financial management practices in developed and developing countries. In addition to the study, its aim is to compare how financial management practice is done in developing and developed nations. It entails the financial management structure in developed (USA and Canada) compared to that of developing countries (Ghana and Nigeria). The authors used secondary sources by reviewing archival literature of past studies such as journal and conferences proceedings, magazines, books, internet sources and so on. Discussion on how financial management will benefits household individuals, businesses and governments in a country are given in this research paper. The challenges faced in countries for lack of proper financial management practice are also included in this research paper. In this study, the authors found that finance has a great impact on the society, whether it being personal, business or public finances, they all play a key role in promoting growth and development in a country. The authors also found out that financial management help countries to prepare a detailed financial

budget on how to track the expense and income of a country. Further empirical studies could be carried out by different authors by using qualitative and quantitative research method in order to get accurate data on the relevance of financial management practice in developing and developed countries.

Keyword: Finance, Management, Financial Management, Developing Nations, Developed Nations, Economic Growth, Nigeria, Ghana.

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1.0 Introduction of the Study

Financial management in developing and developed nations differs in several ways due to differences in their economic development levels, financial infrastructure, legal and regulatory frameworks, and cultural attitudes towards money and finance (Akamolafe, 2022; Wubante et al., 2022). In developing nations, financial management is often more challenging due to limited financial resources, weaker financial infrastructure, and lower levels of financial literacy (Lyons & Kass-Hanna, 2021). Developed nations typically have higher levels of financial literacy among their citizens, which can lead to more sophisticated financial decision-making and a greater understanding of financial risk. According to Bhagwati (2014), the majority of developing nations like that of Nigeria have erected obstacles to protect their industries and agriculture through tariffs, quantitative limits, a bevy of non-tariff barriers on imports, and a variety of other forms of restrictions even on their exports. The goal of these protectionist measures, also referred to as import substitution techniques, was to improve domestic markets in order to boost domestic activities' effective rates of return. They effectively decreased their growth in imports while also reducing their growth in exports by shifting resources away from less lucrative exporting operations. These inward-looking policies had a negative effect on these nations' prices and production structures, which led to inefficiencies and lost potential output in addition to slowing the pace of globalization. This was true during the colonial era, when their surpluses were exported to industrialized nations (Fatehi & Choi, 2019). Even after that, the majority of their economies were restricted to producing and exporting basic goods with falling prices or low-tech goods with slow productivity development. In recent times, most developing countries have shifted their focus in participating in the global market. Countries like Nigeria stopped importation of rice and some other major products. This was meant to help the nation focus on producing their own products. The end result wasn't satisfied, with heavy production of rice in the country, it made it difficult and hard for people to access local foods in the country.

Financial management is crucial for encouraging continuous improvement and ensuring economic stability in industrialized countries (Egounleti, 2022; Dawit, 2022). Financial management assists companies and governments in luring capital, generating employment, and boosting economic activity. According to prior studies, effective financial management can impacts economic performance and helps maximize the impact of employing the resources that are available (Pretorius & Pretorius, 2016). Simultaneously, a country's economy can be influenced by, and even driven to expand and develop economically, by effective tax policy, institutional and regulatory structures, as well as the composition of public income and expenditures. In societies, financial management is important to households, businesses, and the government. It's critical to realize how significant good financial management is to society (Mosteanu & Faccia, 2020). In a world that is changing so rapidly, it is of utmost importance that people of all walks of life get a solid understanding of the basics of finance so as to not suffer problems like personal bankruptcy or run out of savings during retirement.

Even in companies and organizations, it is particularly important that the key decision-maker has a solid grasp of finance to make the right decisions.

This research paper focuses on the societal relevance of financial management. Financial management is essential to individuals, organizations and government in developing {Canada & USA} and developed countries {Nigeria & Ghana} as our main case of study. In the past decade, most research has focused on financial management on organizational performance in developing countries. Proper studies hasn't be done on how developed and developing countries manage their finances in order to achieve economic stability.

2.0 Literature Review of the Study

2.1 Overview of Financial Management

The words "finance" and "management" make up the phrase "financial management." Finance is the ability to distribute resources, engage in worthwhile endeavors, and promote economic stability and progress. Increased investment, entrepreneurship, and the creation of new jobs can all benefit from improved financing. It can also give people and companies the tools they need to manage their money, accumulate assets, and safeguard their future. According to Chen et al. (2021) improved access to finance can help businesses to grow and innovate, leading to increased productivity and job creation. Management, on the other hand, is responsible for organizing, directing, and controlling these resources to achieve specific goals and objectives. Management is the process of directing and controlling an organization to achieve its goals. It involves the coordination of people, resources, and processes to achieve organizational objectives (Onakpa & Alfred, 2022; Amusat et al., 2022). Effective management practices can help organizations to adopt more sustainable and responsible business models, which can contribute to the creation of a more sustainable and equitable society.

According to Mosteanu & Faccia (2020) the goal of financial management is to find ways to maximize the efficiency of financial resources. Financial management is concerned with what will happen in the future. Planning, arranging, regulating, and overseeing financial resources in order to accomplish an organization's objectives is the practice of financial management (Brigham & Houston, 2021). Financial management, in the context of societies, refers to the efficient administration of government revenue and expenditure, as well as public funds and resources, to support social and economic growth (Tkachenko, 2022). According to financial experts Chen et al. (2021), financial management involves the tasks associated with planning, raising, regulating, and administering cash used in the business. In addition, it handles the money so that the company or organization will soon be successful and scalable. In order to meet fundamental social requirements like access to healthcare, education, and housing, financial management can be used to meet these social needs. Whether the manager is the owner or a professional, poor use of financial management methods is a recipe for organizational failure.

Venkateswaran (2014) developed processes for planning, budgeting, execution, accounting/reporting, auditing, and corrective action, each within institutional structures suited to the country, are needed for an effective financial management system. Shu'ara & Amin (2022) posit that the concept of financial management has been underrated in achieving sustainable economic development in developing countries. Therefore, promoting financial inclusion and improving the accessibility and stability of financial systems is essential for the economic growth and social welfare of developing and developed countries. A country's level of financial management is very important (James & Jonah, 2022; Shu'ara & Amin, 2022). Moreover, studies have shown that better developed financial systems are associated with quicker economic growth over time, and that this

association is causal in the sense that financial management not only facilitates economic growth but also contributes to it.

However, there are problems associated with improper financial management practices in societies both in developing and developed nations (Mosteanu & Faccia, 2020). In most developing nations like Nigeria and Ghana, there has been corruption and a lack of transparency in the government and financial institutions over the years. Due to fraud and corruption, Nigerian society has not been well controlled. Self interest is prioritized over national interest, and leadership crises at every decision-making level have made the situation worse. As a result of the divisive environment of "chop-I-chop" politics, ethnicity, mediocrity, partisanship, cronyism, and the corrupted process of hiring leaders, among other things, Nigeria has lost its grasp in its efforts to achieve national progress (Okpanum, 2004). Financial services enable domestic and international transactions, mobilize and direct domestic funds, and increase the credit availability for businesses, particularly small and medium-sized enterprises (SMEs) and households (Zhuang et al., 2009).

Financial services are a self-contained economic sector that contributes to output and employment, with a number of its activities having a high value added and necessitating skilled labor (Mosteanu & Faccia, 2020). Lack of access to financial services can be a significant barrier to income opportunities and economic welfare for people, especially for the poor and disadvantaged, women, young people, rural residents, migrants, and those working in the informal economy, as well as for businesses, especially SMEs and microenterprises (Panmeer et al., 2022). Financial services are more available to the 8.4 per cent of the world population that concentrate 83.3 per cent of total wealth, even if the remaining 91.6 per cent, although with modest average wealth holding, represent more than \$40 trillion. The share of adults in developed countries with an account with a formal financial institution is more than twice that of developing countries (Shu'ara & Amin, 2022). In developing economies, only 34 per cent of firms take out bank loans, compared to 51 per cent in developed economies. A vast body of data shows that the growth of the financial sector has a significant impact on economic development. It supports economic growth through capital accumulation and technical advancement by raising the savings rate (Amahian et al., 2022; Ohanyelu, 2022).

In both developed and developing countries, the issue of public debt has kept most developing countries in recession. Zhao et al. (2022) adds that the issue of foreign debt is one that has drawn a lot of discussion and debate over the years and has important consequences for the fulfilment of human rights. Despite major and crucial actions taken by creditors at the national or global levels, the debt "hangover" of many developing nations, notably the heavily indebted poor countries (HIPCs), has not been resolved (Taiwo & Falohun, 2016; Rotimi et al., 2021). Examining such occurrence in relation to other development priorities should serve as the foundation for "policies of adjustment" and initiatives to incorporate heavily indebted poor countries {HIPCs} into the "global economy." Public debt arises due to a crisis that has occurred in a nation. For example, the case of COVID-19. In order to improve their finances and economies after suffering significant losses and financial hardship, the majority of emerging nations turned to borrowing. The inability to control it and establish a means of repayment is the major problem with governmental debt. As a result, nations experience insolvency (Zhuang et al., 2009; Zhao et al., 2022).

Developing nations have struggled to create their annual budgets for their own nations (Zhuang et al., 2009). The budget is anticipated to contain the nation's income, its projected spending for the fiscal year, and the plans and precautions that will be taken to stay within the budgeted amount for the fiscal year. Taxes, tariffs, and other revenue must all be included in a country's budget, also the cost of the current fiscal year's expenses as well as any other unfinished initiatives from the previous fiscal year (Zhao et al., 2022; Taiwo & Falohun,

2016). The budget for the various initiatives should begin with specific information about how the funding will be divided fairly. Nations are meant to publish their yearly budget to the people to see how these finances are spent. This can be done by spelling out the revenues of the country and also the expenditure of the previous year and that of the fiscal year. Details of outstanding projects should also be included in the yearly budget.

2.2 Objectives of Financial Management

- The allocation of resources in a society is one objectives of financial management in societies. This involves deciding which projects or initiatives to fund, in what order and with what level of investment.
- Financial management is responsible for creating and implementing budgets and financial plans for the society, which includes forecasting revenue, expenses, and investments, and making sure that the society has sufficient resources to achieve its goals.
- Maintaining financial stability is a key objective of finance and management. This involves ensuring that the society has adequate reserves, in order to meet its obligations, and the ability to respond to financial emergencies. For example in a case of COVID-19. These budgets are meant to take care of these unforeseen circumstances in the country.
- Finance and management play a key role in promoting growth and development in a society. This can involve investing in infrastructure, supporting entrepreneurship, and promoting innovation. These in areas of giving grants to small enterprises that are coming up. Also, providing research scholarships to students in the country. The finances of the country are meant to benefit the citizens of the country. This way the SMES creates job opportunities for youths in the country. Leading to more sustainable economy.
- Transparency and accountability are important objectives of financial management in any society. This involves ensuring that financial transactions and decisions are open to public scrutiny and that those responsible for managing society's resources are held accountable for their actions.

2.3 The Financial Management Process

2.3.1 Financial Planning

The first step in financial management in the lives of people, businesses, and governments is financial planning. Setting and accomplishing financial goals through the management of a person's personal, business, and public finances is known as financial planning (Petty et al., 2015). Financial planning is developing a thorough strategy for handling personal or governmental finances, which includes setting up a budget, paying off debt, setting aside money for future objectives and emergencies, and investing for retirement. In an organizational setting, the financial manager estimates the amount of money the company will need to maintain positive cash flow, allocate funds to grow or add new products or services, and deal with unforeseen events, and then communicates that information to business associates. Jia (2023) states that financial advisors must plan for future finances by taking a look at a country's current financial situation in order for that country to be considered one of the industrialized nations. It entails assessing the sources of income, the assets, and the liabilities, as well as taking into account variables like inflation, taxes, and market developments. Governments in developing countries can promote financial planning in addition to doing the aforementioned actions by enhancing access to financial services, encouraging financial literacy, and fostering a stable and advantageous regulatory environment for savings and investment (Brüggen et al., 2017).

2.3.2 Budgeting

The term "budget" refers to a plan that is quantified in money but also created and approved by the proper authorities before a specified period of time (Nasri et al., 2022). It typically shows the planned income and/or expenses that will be made during that time as well as the capital that will be used to achieve a specific goal. Before the start of the fiscal year, the public finance officer evaluates the current budget and the predicted program outcomes. The main priority of a manager should be to use and manage this money in accordance with the law, for their intended use, and in line with objectives.

Given that a manager's primary concern is to spend funds and manage a budget according to the rules, and for a program's intended purpose, and in keeping with program objectives, the manager must report on this at the end of the fiscal year (Zhuang et al., 2009; Zhao et al., 2022). The final functional review and program financial review carried out every year clearly demonstrates the surplus or deficit position of the program. The ability to successfully manage planned budgets with a small margin of variation is also part of the Performance Management Agreement of senior executives. Zhao et al. (2022) stresses that some deviations from initial plans are virtually unavoidable across the vast range of programs usually found in a national statistical agency.

2.3.3 Managing and Assessing Risk

Zhao et al. (2022) mentions that when an effective budget control has been put in place, the next step is to evaluate every risk in a country and offer solutions for risk management. Risk is inevitable in civilizations. Evaluating and controlling risk in a situation when there is inflation, exchange rate volatility, or a lack of capital, it is crucial to take into account each of these elements and to consult professionals, such as nearby experts, accountants, and consultants. Business risk in developing nations can be significantly impacted by political unrest. Nasri et al. (2022) opines that conflict, instability, and policy changes in the government, for instance, can cause uncertainty and cause disruptions in the business environment. Risk management in a society is significantly influenced by finance and management. This entails identifying potential risks and creating mitigation plans. Financial development also makes it easier for the poor and vulnerable individuals in a society to acquire credit. Enabling risk management by reducing their sensitivity to shocks, and increasing investment and productivity, can increase income generation to individuals.

2.3.4 Procedures

The financial manager sets procedures regarding how the finance team will process and distribute financial data, like invoices, payments and reports, with security and accuracy (Zhao et al., 2022). These written procedures also outline who is responsible for making financial decisions at the company and who signs off on those decisions. Companies don't need to start from scratch; there are policy and procedure templates available for a variety of organization types, such as this one for nonprofits. This procedure is same in terms of public fund management.

2.4 Societal Relevance of Financial Management Practices In Developing and Developed Countries

The financial management practices can be categorized into 3. They may include; Households individuals, Business, and Government.

2.4.1 Household Individuals

A house unit is a separate apartment in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through living room (Zhao et al.,

2022). Thus, household is constituted by a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living domestic living culture. According to Landy (2009) household financial management involves the use of financial resources to achieve the goals of the household. Financial management within household aims at bringing about efficiency in the use of the limited financial resources to achieve the ever increasing needs of the family as well as creating saving for emergencies and investment for the future (Fox & Bartholomae, 2020). However, studies relating to financial management in not-for-profit like households entity are rare because its importance has been down played.

Nasri et al. (2022) argues that the concept of financial management is crucial for households in both developed and developing countries. These are the individuals that make up a nation. Individuals would put in proper financial management practices to ensure they don't lack in the future. For instance; financial management can help individuals plan and prepare for retirement, ensuring that they have the resources they need to live comfortably in their later years. Financial management can assist people in managing their debt, preventing over-indebtedness, and raising their credit ratings (French & McKillop, 2016). Effective financial management can also help individuals build a legacy for their loved ones, leaving behind a financial inheritance for future generations, by managing their finances effectively, individuals can invest in assets that can generate passive income and grow their wealth over time. Financial independence can be attained by wise financial management, which enables people to make decisions without needing financial assistance from others. The main objective of financial management in both for-profit businesses and non-profit organizations like households is to maximize the value of stakeholders by making the best use of the resources at hand to achieve the objectives of the organization and in family unit (McKinney, 2004)

2.4.2 Businesses

Financial management remains a key pillar for any organization wishing to perform well financially. The concept of financial management is important for any business entity because by employing good financial management practices, it is likely to improve on financial performance of that business (Melicher & Norton, 2013). According to McKinney (2004), effective financial management is essential for firms to achieve their financial goals. Businesses that incorporate sound financial management practices into its business operations are headed in the right direction for improved financial performance. The majority of a company's cash flow comes from members' contributions for subsequent lending to other members. Members' contributions may be at danger if a company's money is not managed properly (Zhao et al., 2022). One of the causes of business failure for many organizations includes a lack of good finance management abilities. Establishing good decisions is essential to the success of a company in today's competitive business world.

Financial management enables companies to deploy resources in accordance with a detailed plan for their financial future. It assists companies in efficiently managing their cash flow, which is crucial for ongoing operations and long-term viability (Sofat & Hiro, 2015). Financial management provides companies with the information they need to make informed decisions. This includes analyzing financial data and using it to make decisions about investments, expansion, and other key business decisions (Blessing & Onoja, 2015). By managing their finances effectively, businesses can increase their profitability, which is essential for long-term success. This includes reducing costs, improving cash flow, and making smart investments. Mosteanu & Faccia (2020) suggests that managers need to have effective financial management as well as

information technology (IT) skills to help them in making effective financial decisions (Maryana & Gandakusuma, 2022).

It is estimated that SMEs account for over 90% of all businesses, 45% of all employment, and significantly contribute to the gross domestic product of a nation. The SME sector is crucial to the socioeconomic aspects of a nation and is regarded as the backbone of an economy. Small and medium-sized businesses (SMEs), which make up 97.2% of Nigeria's firms, are crucial to the country's economic progress. To meet their needs in the economic environment, enterprises need financing. Any type of business activity is financially dependent. As a result, it is referred to as the lifeblood of a company (Taiwo & Falohun, 2016)

2.4.3 Government/Public

Nasri et al. (2022) posits that in order for a country to join the industrialized and globalized nations, the government of that country must make a greater contribution to managing the country's finances. The goal of having governments is to ensure the safety and welfare of its populace. Government is basically there to serve the needs of its people and make sure those requirements are met in a way that promotes social and economic well-being. The government accomplishes these objectives through providing transparent procedures and frameworks for all stages of executive administration (decision-making, strategic arrangement, managerial control, supervision and accountability). These commitments are achieved in the areas of social services, job development, housing, healthcare, food security, and education. Sofat & Hiro (2015) suggests that government performance is constantly evaluated based on how well the populace is taken care of or neglected. So, the crucial question is: How can the government fulfill these duties to the people? What tools or techniques does the government have at its disposal to fulfill these obligations? The public sector, which serves as the main engine for the government's policies and agenda, is where the solutions can be found.

According to Schick (2003), governments can efficiently allocate resources, set priorities for expenditure, and construct and manage budgets with the aid of financial management. This makes it feasible to guarantee that public funds are utilized as effectively and efficiently as possible. Governments can demonstrate accountability to the general public and financial transparency with the aid of financial management. This entails delivering consistent financial reports, disseminating budget documents, and making financial information accessible to the general public (Styles & Tennyson, 2007). Governments can enhance the provision of public goods and services by efficiently managing their financial resources. This entails improving infrastructure, making investments in healthcare and education, and making sure that public services are delivered properly and efficiently (Warner, 2013).

2.5 Comparison between Developing and Developed Nations on Financial Management

Soubbotina (2004) points that the United Nations divides nations into developed and developing nations as its two main divisions. Based on factors like GDP, GNP, per capita income, industrialization, standard of living, and others, countries are categorized according to their economic standing. The term "developed countries" describes a sovereign state whose economy has advanced significantly and which, in comparison to other nations, has a considerable technological infrastructure (Sofat & Hiro, 2015). A country is referred to as developing if it has a low level of industrialization and a low level of human development. Examples of developed countries are USA and Canada while developing nations includes Nigeria and Ghana. In general, developed countries economy is more secure than those of developing countries.

Because of their consistency, they are better able to plan and handle their money (Sofat & Hiro, 2015). Contrarily, developing countries could be more susceptible to economic shocks, which might complicate financial planning. Government involvement is frequently used by developing countries to manage their budgets, subsidies, price restrictions, and other economic stabilization measures fall under this category. On the other hand, developed countries typically rely more on market forces to manage their budgets. Compared to underdeveloped countries, developed countries frequently have more diversified investment portfolios (Rotimi et al., 2021). This enables individuals to properly manage their resources and spread out their risk. Developing countries could have fewer investment possibilities, which might make budgeting more challenging. Financial management is typically more advanced and stable in developed countries than it is in developing countries. This generalization is not absolute, and many developing countries are making progress in enhancing their methods of financial management.

2.5.1 Nigeria

Agriculture, oil and gas, industry, and services all play a role in Nigeria's diverse economy, which is still in the stage of development (Amusat et al., 2022). Although the nation has made strides in recent years to enhance its financial management procedures, there are still some issues that require attention. According to Olasehinde (2020), every year, the federal government of Nigeria creates a budget outlining its anticipated revenue and expenditures. Ordinarily, the budget is submitted to the National Assembly for approval prior to implementation. The budget's execution has, however, occasionally run into problems, such as slow passage and inadequate financing for some initiatives. In a number of economic areas, including industry, infrastructure, and agriculture, Nigeria has been actively supporting both domestic and foreign investment. Branchoux et al. (2018) reports that the government has implemented policies aimed at improving the ease of doing business, reducing bureaucracy, and attracting investment. In order to increase accountability and transparency in the use of public funds, the Nigerian government has enacted a number of public financial management reforms.

Two of these reforms are the Treasury Single Account (TSA), which unifies all public finances into one account to improve accountability, and the Integrated Payroll and Personnel Information System (IPPIS), which aids in reducing payroll fraud and duplication (Sofat & Hiro, 2015). Nigeria mainly depends on oil revenue exports, although the government has been trying to increase revenue from sources other than oil through taxation and agriculture. In order to improve compliance and boost revenue, the Federal Inland Revenue Service (FIRS), which is in charge of collecting taxes in Nigeria, has undergone a number of modifications (Rotimi et al., 2021). Both internal and foreign state debt is substantial in Nigeria. The country's debt is managed by the Debt Management Office (DMO), which has taken steps to make sure it can be paid back and is put to good use. Although Nigeria's financial management procedures have improved over time, they still have space for improvement. The government must make sure that the budget is carried out effectively and that there is greater transparency on the usage of tax dollars. Efforts should also be taken to enhance non-oil revenue through taxation, agriculture, investment promotion, and other means so that the nation may rely less on oil revenue (Amusat et al., 2022).

2.5.2 Ghana

The majority of people would classify Ghana as a developing country. According to the World Bank's classification, it is a lower-middle-income nation with a gross domestic product (GDP) per capita of about \$2,200 USD in 2020 and a rise of 20% from 2020 to 2022 (Branchoux et al., 2018). Ghana continues to experience a number of development issues, such as poverty, inequality, and restricted access to healthcare, education, and other basic services, while having one of the fastest-growing economies in Africa during the

previous ten years. Ghana also has problems developing its infrastructure in the areas of transportation, energy, water, and sanitation. But Ghana has advanced significantly in recent years, especially in terms of lowering poverty and enhancing access to essential services. Bhagwati (2014) finds that the government has also put in place a variety of institutional and economic reforms that are meant to improve governance and accountability while simultaneously fostering economic growth.

Amaihian et al. (2022) posits that Ghana's financial management methods have experienced several difficulties as a developing nation. Yet, the nation has advanced significantly in recent years thanks to the implementation of measures and plans to improve governance and financial management. The Public Financial Management Act's introduction in Ghana's financial management system in 2016 was one of the most important changes. A detailed structure for the nation's management of public finances was established by the act. Also, it incorporated important elements including the creation of a consolidated fund, performance-based budgeting, and medium-term budgeting.

Ghana has made efforts to enhance transparency and accountability in its financial management systems. The country has implemented a number of initiatives aimed at increasing public access to information on public finances (Amusat et al., 2022; Blessing & Onoja, 2015). These initiatives include the establishment of the Public Procurement Authority, the publication of the annual budget, and the introduction of the electronic platform for the payment of taxes and other government services. Ghana's financial management procedures continue to have a serious problem with corruption. The nation has made an attempt to combat corruption by putting various measures into place, such as the creation of the Office of the Special Prosecutor and the strengthening of the legal framework for doing so. To address the underlying roots of corruption in the nation, however, considerable work still has to be done (Amaihian et al., 2022).

2.5.3 Canada

According to the World Bank's rankings, Canada is one of the world's most developed nations. Governmental finances must be used as efficiently as possible with the least amount of waste because societal needs are invariably greater than those finances (Rotimi et al., 2021). In Canada, financial management is given a lot of importance in order to achieve long-term economic stability and prosperity, it is understood by the government, businesses, and individuals alike that solid financial management is essential (Grindle, 2004). The economy of Canada is reliant on import and export trade internationally. Despite being among the industrialized nations, they did not disregard the significance of imports to the nation. Their GDP was 2.3 trillion US dollars in 2021. Canadian businesses are renowned for their rigorous financial management techniques. Many major organizations have complex financial management systems in place to help them monitor and manage their finances, and they are expected to adhere to strict accounting and reporting rules.

Bhagwati (2014) argues that individually, Canadians are often quite responsible and financially literate. Individuals are advised to set money aside for their retirement and other long-term objectives, and many do so by using tax-advantaged savings instruments like Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSA). A variety of goods and services are available in Canada's well-regulated financial services industry to assist people in making wise financial decisions (Blessing & Onoja, 2015). In terms of its government, Canada has a well-established system of financial management that consists of exacting accounting and auditing procedures, open reporting requirements, and prudent fiscal policies. Along with the provincial and local governments, the federal government works to make sure that public funds are spent wisely and effectively to support the provision of public services and foster economic growth.

2.5.4 United States of America

The United States of America has a comprehensive structure for managing its finances, with numerous government organizations in charge of regulating and supervising various facets of the economy (Zetsche et al., 2020). The Department of the Treasury, which is in charge of managing the national debt, issuing currency, and other financial instruments, is one of the major institutions in charge of managing the country's finances. The Treasury also plays a significant role in governing financial institutions and markets and offers financial support to people and businesses during rough times (Blessing & Onoja, 2015). The Federal Reserve, which oversees the nation's monetary policy and controls banks and other financial institutions, is another significant organization in the US financial management system. The Federal Reserve is essential to keeping the American financial system stable, particularly during periods of economic catastrophe, like the years of COVID19. The management of budgets, the collection of taxes, and the oversight of public expenditure are all handled by state and municipal financial management systems in addition to these government agencies. In response to shifting economic conditions and financial issues, the United States has a highly advanced financial management system that is continually developing (Bhagwati, 2014). Despite criticism for its complexity and inefficiency, the system is still a vital part of the US economy's infrastructure and is essential to preserving its stability and success.

3 Methodology of the Study

Financial Management has been extensively discussed by a lot of researchers. However, there are little research study on the relevance of Financial management of developing and developed countries and ways that they can improve on their financial practice in order to achieve sustainable development in a country. Thus, the aim of this study is to discuss the importance of financial management in both developing and developed countries using Ghana, Nigeria, Canada and USA as the main focus of this study. However, secondary sources of data was used in this research paper by reviewing archival literature of past studies such as journal and conferences proceedings, magazines, books, internet sources and so on.

4 Conclusion of the Study

In conclusion, we can affirm that finance has a great impact on the society, whether it being personal, business or public finances, they all play a key role in promoting growth and development in a country. Financial management practices enable countries to provide detailed information on the budget planning for the year. It also enables nations to provide proper financial access to businesses, and individuals of the nation. Financial management is central to mutual trust and shared consensus between a government and the population. Improving the effectiveness of systems in developing countries allows governments to make best use of scarce resources. This may generate widespread and long-lasting benefits, such as enabling the country to manage its own development, reducing poverty, achieving greater gender equality and realizing balanced growth. Poor financial management practices can lead to economic instability, including high inflation rates, currency devaluation, and budget deficits. This can discourage foreign investment and reduce the confidence of local businesses and investors, leading to slower economic growth.

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of Technology Management at the Faculty of Business Administration at Rudolph Kwanue University, Monrovia, Republic of Liberia.

8.0 Reference of the Study

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