THE ROLE OF FINANCIAL VIGILANCE IN PREDICTING POSSIBLE FINANCIAL DISTRESS AMONG FOREIGN BANKS

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ABSTRACT

Current study aimed at explaining how financial vigilance may aid financial managers and specialist in spotting possible alarms of financial distress and plan an organizational exit from crises and distress. Reaching this aim was done through adopting variables that constitute the idea of financial vigilance including (Foresight, Awareness, AIS Applications and Human Capital). Depending on quantitative approach, a self-administered questionnaire was distributed on (79) financial managers within (9) foreign banks in Jordan. Results of study indicated an influence of financial vigilance on predicting possible financial distress that is attributed to adopting high profile accounting information systems technologies and trustworthy staff members to form the intellectual capital of the bank. Study recommended investing more in accounting information systems for smarter outcomes in order to support decision makers making informed decisions.

Keywords: Financial vigilance; Economic vigilance; Financial distress; Failure; AIS; Intellectual capital; Crises; Bankruptcy.

INTRODUCTION

With the increased competitiveness among organization, and the ongoing development in the field of business and entrepreneurship, organizations are becoming more fragile to any sudden crises that may prevail the business environment, from that point, all organization are trying to equip itself with the needed tools, strategies, plans and aims in order to develop its ability to stand before such crises and preserve the organizational performance to the maximum (Yeh et al., 2010).

Based on that, living in such an unpredicted environment means to be aware all the time, and be able to spot any changes and how these changes may have an influence on the organization either positively or negatively. Organizations and especially financial organizations like banks are now becoming more aware of what being vigilant means, they built their internal operations and external activities based on being vigilant in what would happen, what would go wrong and how to fix and errors if it appeared (Miglani et al., 2015).

Ali (2007) saw that - for organizations - to be vigilance from a financial perspective means to have the ability to push practitioners and financial specialists to adopt better financial approaches in order to manage the financial system in the organization. This can be reached through avoiding costly crises in addition to motivate the progress of the financial sector.

Klontz and Lawson (2019) on the other hand talked about the role of being financially vigilant and aware in order to manage debt in banks and avoid the unscrupulous tactics that may occur from financial intermediaries. Also, Klontz and Lawson (2019) argued that when a financial organization is financially vigilant, it will have the ability to spot financial troubles

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early and act on it, not to mention the role of the financial vigilance in helping specialists and financial managers to prevent crises or manage those crises to avoid serious damage.

From another perspective, Mselmi et al. (2017) argued that being financial vigilant means to employ IT system solutions in the field of accounting in order to create a (0) error margins. This can happen through the adoption of accounting information systems that helps in maintaining confidentiality and coordinate the financial status of the organization in a precise and realistic way.

Based on what was mentioned earlier, current study aimed at measuring the influence of financial vigilance in predicting possible financial distress among foreign banks in Jordan through the fiscal year 2019-2020. Following model highlighted the relationship between chosen variables:

HYPOTHESISES

From the study model above, researcher was able to develop the following set of hypotheses:

Main Hypothesis

H: Aspects of financial vigilance help in predicting financial distress in organizations

According to Ranani and Bijani (2014) an organization has to be smart in order to manage its finances in a highly unpredictable business environment, this can be done when the organization decides to adopt a vigilant attitude towards understanding the nature of the environment it works in and how to employ all the available tools in order to be more aware of the external environment, and any possible pitfalls within the internal environment. Al-Saleh and Al-Kandari (2012) noted to the same idea arguing that an organization has to be vigilant, means that it has to be aware and awake all the time and able to spot all the changes in its environment in order to avoid any possible risks that would negatively influence its performance strategically and financially.

On the other hand, Heintz et al. (2016) argued that not only an organization has to be financially vigilant; it has also to be vigilant in all aspects of business which includes to be strategically vigilant in order to have the needed awareness of external environment including competitors, change in business environment, new regulations, and governance approaches. From that, a vigilant organization is a welling organization to employ all circumstances to defend itself against risks and danger, and preserve its performance in the best shape possible.

Sub-Hypotheses

H1: Foresight helps in predicting financial distress in organizations

Setiawan et al. (2020) noted that when an organization has foresight it means that is being smart from a business perspective. Having the foresight is a form of business intelligence that gives the organization an ability to predict what is coming next. The idea of foresight is built on the concept of learning, an organization has to be a learning machine that takes all the aspects of success and failure from other organization and implement it on itself in order to avoid what happened to others and reach the level of success that others managed to reach to.

H2: Awareness helps in predicting financial distress in organizations

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Awareness as according to Ya (2020) is one of the traits that organizations have to possess. An aware organization means to have the needed knowledge regarding competitors, environments, developments, and changes that are taking place within the business environment. Zachosova et al. (2018) noted that awareness gives the chance for the organization to identify its competitors whether they were current or potential, also it helps in identifying standards that increased competitiveness of other organizations, collect data and analyze these data so results can be applied and gain all its benefits.

Fernando et al. (2017) also noted to the concept of awareness in terms of technological developments which can also help in preserving the organizational performance especially if it was applied within the accounting field. This type of awareness will help the organization develop its practices in the field and avoid errors as much as possible.

H3: AIS Applications help in predicting financial distress in organizations

Zhang (2019) stated that adopting AIS applications is one of the best ways to avoid financial distress. The benefit of AIS in avoiding financial distress lay in the fact that AIS application is able to present data for organizations that are credible, reliable, comparable and understandable. Such information can help in making decision based on realistic data in the field and matches the true circumstances of the organization; in addition to that, it helps in predicting possible pitfalls or errors that may lead the organization towards financial distress.

Also, van Niekerk and Rudman (2019) noted to the same idea arguing that AIS applications are designed to develop the financial performance of organizations. This development includes the ability to spot elements which may increase risks on the organization to get into a financial distress through focusing on liquidity, financial balance aspects, debt, investments and expenditures. Also, AIS applications present financial lists for organization which are one of the main tools that helps in predicting financial distress based on the numerical data that is gives and launching from the fact that such numerical data - when compared and contrasted with previous lists - have the ability to give an indication regarding the financial status of the organization and how far it is from being in financial distress.

H4: Human Capital helps in predicting financial distress in organizations

The human capital (intellectual capital) is one of the most important aspects of predicting financial distress. Nadeem et al. (2016) and Bakshani (2014) stated that skills, knowledge, and experiences possessed by human capital in the organization can play a role in highlighting weak points in the financial performance and avoid possible financial distress. Also, Hsu et al. (2006) pointed to the same idea arguing that sometimes tools and programs can't help to uncover possible risks, sometimes individuals' experiences are more beneficial in locating areas of weakness and work on them in order to prevent their long-term influence, Charalambakis and Garrett (2019) seemed to have the same idea on how important individuals' skills and experiences in helping organizations predicting financial distress.

LITERATURE REVIEW

Strategic Vigilance

Vigilance as a Noun is defined as the process of paying close and continuous attention . However, the idiomatic meaning is the rules that prevent failure of projects, so if there is not financial vigilance, the project will inevitably go to financial failure.

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To achieve financial vigilance, organizations have to increase their assets compared to their liabilities, to reach their project to good level of financial vigilance and financial safety, when they do that they will be away from financial failure and bankruptcy (Heintz et al., 2016).

Strategic vigilance is a terms that refers to the state where an organization is always aware seeking full understanding on competitors' activities, new technological development, following economic updates and be up to date with all what is new in business environment (Alshaer, 2020). Through strategic vigilance, organizations can collect information that - when analyzed - contribute to the over ability of the organization to make critical decision for the benefit of the organization. Strategic vigilance appeared din many different forms among are environmental vigilance where the organization become aware of all environmental activities that are run by the organization in order to improve its environmental responsibility, also marketing vigilance, which is the state of awareness of the organization regarding marketing ideas, campaigns (Hindi & Abdullah, 2020).

Financial Vigilance

When, the organizations started their finance career in investments, or a firm started in its business, they all need both individual clients and businesses, to increase revenues, maximize their profits. As a result, they have many of experience and methods to protect themselves from various failures, which increase in investment projects, by achieving the needs of clients on a personal and business level (Park et al., 2018).

To achieve Financial Vigilance; the investor build trust and long-term relationships and he set some rules in his business, some of these rules is related with assets, some with Money flow, finally he set the Important rules to manage his capital, and investment risks, etc. The investor set these rules to achieve him financial goals by prioritizing, protecting and maximizing his wealth (Rousseau & Venter, 2016).

There are many of characters must set the financial vigilance these characters such as (Coglianese, 2018):

1. The natural persons in their family budgets.
2. The investors in their projects.
3. Companies and institutions in their annual budgets.
4. Countries in the annual budgets.

In fact, bankruptcy does not happen suddenly like accidents, but it reflects the end result of a group of accumulations. Bankruptcy always results from non-compliance with the rules of financial vigilance. Financial vigilance tends to be watchful, alert, and concerned about their finances. Vigilance or attentiveness to financial affairs is generally considered to be a positive characteristic (Arnold, 2016).

Financial Distress

The concept of corporate financial distress has been classified into economic failure and financial failure. First, economic failure is where the firm's cost of capital is higher than the revenue which generated by the firm. That mean economic failure achieves, when the firm is not operating at a profit. The firm, however, does not liquidate (Holmes et al., 2018).

Second, financial failure is when the firm fails to meet the contractual obligations of lenders, categorized failure into firms that are illiquid and firms that are insolvent. Insolvency is when the firm's liabilities are higher than the firm's fair market value. The temporary and shorter version of insolvency is illiquidity (Chino et al., 2017).

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According to Lian (2017), financial distress is the situation where a firm is incapable of meeting financial obligations.

Predictors of financial distress

Meeker et al. (2016) and Mselmi et al. (2017) argued that there are different predictors that could indicate a company if it has a good level of financial Vigilance, or it has bad financial ratios that may cause Financial Distress in the near-term. Predictors of Financial Vigilance maybe such as:

High profits

High profits may point to a company that is financially good. But, struggling to break even suggests a business that cannot sustain itself by generating internal funds and must instead raise capital externally. If profits decreases the company's risks and lowers its creditworthiness with lenders, suppliers, investors, and banks. Limiting access to funds typically results in a company (or individual) failing.

Increase sales

Increasing sales indicates that demand is there for a company's products or services based on its existing business model. When expensive marketing campaigns result in no growth, consumers may no longer be satisfied with their offerings and the company may be forced to close down.

Good quality product

Likewise, if a company offers good quality products or services, consumers will start buying from it, otherwise, in case of offering bad quality products, eventually forcing a business to close its doors as well.

Adequate cash flow rate

When the debtor repays his debts at term, the cash flow will be in the company's favor, but, when debtors take too much time paying their debts to the company, cash flow may be severely stretched. The business or individual may be unable to pay its own liabilities. The risk is especially enhanced when a company has just one or two major customers.

Avoiding risky investments

A common money avoidance belief is the sense that you don't or can't understand money or investments. Many money avoiders who carry such a belief will refrain from making any money or investment choices as a form of financial denial (Sayari & Mugan, 2017).

Levels of financial distress

Financial distress doesn't appear all at once, it appears in level that differs in their influence and circumstance, among these levels:

Early detection

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1. Declining profitability
2. Decreasing market
3. Cash flow restrictions

Description: Performance enhancement
Evaluation: Optimal results and profitability

Early stage distress

1. Declining revenue/turnover
2. Increasing costs/overheads
3. Loss of competitive edge

Description: Informal turnaround
Evaluation: Effective out-of-court settlement

Medium distress

This level has some Symptoms:

1. Struggling to pay long term debt
2. Consolidation of debt
3. Debtors day's extensions

Description: Compromise
Evaluation: Good to restructure financial affairs with a proposal to the High Court.

High distress

1. Struggling to pay creditors/suppliers
2. Late submission
3. Non-payment of various returns

Description: Business rescue
Evaluation: Effective formal process. Return to a more stable and profitable entity.

Critical distress

1. Behind on payments to the Landlord
2. Pending litigation by creditors

Description: Structured wind-down (Liquidation)
Evaluation: Secondary objective of business rescue.

Determinants of financial distress

Knowledge of the determinants of financial distress in the corporate sector can provide a useful foundation for analyzing the degree of credit risk facing banks, and represents a key input for assessing risks and vulnerabilities to financial stability. This special feature examines the determinants of corporate failure in much country like: Italian, Spanish and French. An important part of financial stability analysis entails assessing the degree of corporate sector credit risk facing banks. If the factors that give rise to financial distress are the same across countries, then aggregation of individual corporate sectors into a single

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group is justified, whereas if country-specific factors are more important, this would call for analyzing conditions in each individual corporate sector (Manzaneque et al., 2016).

There are some of determinants of financial distress. We can detect distress by using some of ratios like these ratios (Sari et al., 2018):

1. Earnings ratio: earnings before interest, taxes, depreciation and amortization (EBITDA)
2. Relative to total assets: As higher profits ordinarily imply a lower likelihood of financial distress.
3. Solvency ratio: Shareholder funds relative to total assets. The solvency ratio provides information on the past ability of a firm to generate satisfactory earnings.
4. Leverage: loans over total assets. As a high level of leverage implies that companies may find it difficult to repay their loans, or a higher likelihood of experiencing financial distress, this variable is expected to have a positive co efficient.
5. Altman Z-score model: Altman defined Z-score model as a statistical measure to predict company financial failure, Altman also defined the Z-score model as a linear combination of four or five common financial ratios, weighted by coefficient.

Financial Vigilance within Banking Sector

Banks have taken a series of legal actions many precautionary measures in all their businesses, going on the right road to achieve financials vigilance, with all their customers, to preserve their assets and to work on the optimal operation of these assets (Holmes et al., 2017):

- Not lending to investors without adequate collateral.
- Liquidate funds in productive projects, so that the bank can recover its invested money.
- Conducting feasibility studies before entering into project financing.
- Measuring customer performance, and in the event that failure is predicted, conservative banking measures are taken quickly towards the company or the defaulting customer.
- Entering banks into successful projects as partners in the project.
- Working to diversify investments.
- Establishing large reserves to counter sudden risks.
- Preparing with appropriate strategies for sudden emergencies, as happened early this year when the Corona virus appeared, and the emergence of a major economic shutdown in all parts of the world.
- Changing work methods to suit the different investment sectors.

There is a need for balancing the “ease of doing business” with overall environment and social gains. The draft Environmental Impact Assessment (EIA) requirements, however, don’t seem to indicate so.

Generally, banks lend to businesses based on the business credit ratings and the return on investment of a particular project or business site that they are funding. These two measures come with certain compliance checks such as the account statements, annual reports, etc. In this scenario, businesses generally take advantage of their long-term relationships with financial institutions or show co-funding from other financial institutions to demonstrate their credibility. So, the protection and insurance systems on assets must be monitored for all bank-

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funded projects. So that the bank avoids any failures of its customers that make them stop paying loans (Waqas & Md-Rus, 2018a).

For all these actions, the time is now ideal for banks to escape from financial failure by following the procedures, systems, and precautions to improve the bank's performance. On the other hand, the bank is also working to provide its client with the skills to eliminate the causes of financial failure by following all measures of financial confidence and financial vigilance, which increases the financial ability of customers to bear various risks (Václav & David, 2017).

It is imperative not to ignore the signs of financial distress before they get out of hand. If the company is unable to pay off its debts, it will suffer financial distress (Panigrahi, 2019).

Examples of a firm's expenses that must be paid may include financing such as paying interest on debts, opportunity costs of projects, and employees who aren't productive (AlAli, 2018).

Financial Distress within the Times of COVID19

Financial vigilance in the banking sector plays a decisive role in mitigating the macroeconomic and financial shock caused by the Corona pandemic, as the world is suffering today from the financial repercussions of the pandemic so that for many organizations I have saved it from its financial vigilance from reaching the stage of bankruptcy (Ellul et al., 2020). The financial vigilance in the banking sector led to the availability of a lot of information about the pandemic, which greatly contributed to helping governments endure this crisis by supporting the affected lenders and maintaining the flow of credit to the economy while maintaining financial stability. The global banking system has become on firmer feet than it was during the 2008 financial crisis due to the implementation of financial regulation reforms coupled with the financial vigilance adopted by banking organizations.

METHODS

Research methods was built based on quantitative approach, researcher in that sense adopted a questionnaire to be the main tool of study for the sake of data gathering; the questionnaire contained two main sections, the first took into account the demographics of study sample, while the second section presented statements related to study variables according to the model presented earlier. As for the application process; the questionnaire was distributed on (90) individuals within (9) foreign banks in Jordan. After application process; (79) questionnaires were properly filled and retrieved which indicated a response rate of (87.7%) as statistically accepted.

In order to test reliability of study tool; Cronbach alpha test was employed where alpha value for each variable appeared to be good because it is higher than the acceptable ratio of 0.60 (Sekaran & Bougie, 2010) as shown in the Table 1.

TABLE 1
CRONBACH'S ALPHA

	alpha value
Foresight	0.908
Awareness	0.869
AIS Applications	0.847
Human Capital	0.917
Predicting Financial Distress	0.911

Analysis and Discussion

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Following section presented analysis of gathered data depending on SPSS. The analysis appeared in three major sections; demographic analysis, questionnaire analysis and hypotheses testing.

Demographics

TABLE 2
SAMPLE CHARACTERISTICS ACCORDING TO DEMOGRAPHICS

	Frequency	Percent	Valid Percent	Cumulative Percent
Gender				
Male	59	74.7	74.7	74.7
Female	20	25.3	25.3	100.0
Total	79	100.0	100.0	
Age				
25-31	6	7.6	7.6	7.6
32-38	21	26.6	26.6	34.2
39-45	27	34.2	34.2	68.4
+46	25	31.6	31.6	100.0
Total	79	100.0	100.0	
Education				
BA	44	55.7	55.7	55.7
MA	26	32.9	32.9	88.6
PhD	9	11.4	11.4	100.0
Total	79	100.0	100.0	
Experience				
2-4	5	6.3	6.3	6.3
5-7	13	16.5	16.5	22.8
8-10	29	36.7	36.7	59.5
+11	32	40.5	40.5	100.0
Total	79	100.0	100.0	

As it can be seen in Table 2, sample of study who responded to the questionnaire was exposed to demographics included (age, gender, experience and qualification). According to statistical results, majority of sample responded were males forming 74.7% of total sample compared to females who formed 25.3% of total sample. Also, it appeared that majority of sample was within the age range of 39-45 years old forming 34.2% of total sample who held a BA degree forming 55.7% of total sample and had an experience of more than 11 years in financial positions in banks forming 40.5% of total sample.

TABLE 3
DESCRIPTIVE STATISTICS OF QUESTIONNAIRE STATEMENTS

	N	Minimum	Maximum	Mean	Std. Deviation
Aspects of Financial Vigilance					
Foresight					
Foresight monitor, predict and report on events and changes generated by the environment, and provide information that helps prevent crises	79	1	5	3.81	1.063
Foresight within financial vigilance help in preparing scenarios to confront financial crises and limit their growth and repercussions	79	1	5	3.92	1.083
Foresight provides predictions of what will happen in the future, and these estimates depend on planning approaches, mathematical and statistical methods.	79	1	5	3.70	1.102

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The organization has high foresight that helps in providing correct and accurate forecasts as they represent the inputs in making decisions	79	1	5	3.99	1.068
Foresight is one of the tools used by organizations and banks in order to keep pace with changing conditions and competitive environment	79	1	5	3.82	1.083
Awareness					
Awareness contributes to drawing attention to the intensification of competition and the financial challenges facing organizations	79	2	5	4.24	0.772
Financial literacy is one of awareness' benefits which helps in predicting financial distress	79	1	5	3.95	0.999
Financial awareness provide information related to competitors and their financial status	79	3	5	4.16	0.741
Being aware means to be always vigilant in terms of financial crises around the world	79	1	5	4.15	0.921
AIS Applications					
Numbers and data presented by AIS applications facilitates prediction of financial distress	79	3	5	4.03	0.751
IT-based accounting application are precise in giving an overall estimation of financial status of the organization	79	3	5	4.32	0.671
The role of AIS is to assist and support decision-makers to avoid crises and ensure successful management	79	3	5	4.34	0.696
AIS applications are able to meet the needs of the decision-making process related to financial crises in an appropriate and timely manner	79	3	5	4.20	0.648
The adoption of AIS increases the degree of confidence in the decision to face financial crises and work to reduce their effects and provide the possibility of eliminating them before and during their occurrence	79	2	5	4.34	0.749
Human Capital					
The human element is able to provide the useful information needed by all levels of administration and supply it in a timely manner	79	2	5	3.87	0.979
Well-built human capital increase the ability to use knowledge and skills to effectively manage financial resources efficiently	79	2	5	4.24	0.851
Individuals who are more financially literate have been shown to make more economically rational decisions	79	2	5	3.99	0.980
Accounting experience and knowledge within the human element is of great importance in predicting financial faltering and trying to avoid it	79	2	5	3.90	1.020
Training and qualification for working individuals is among the effective matters in anticipating any financial failure	79	2	5	3.90	0.841
Predicting Financial Distress					
Many financial indicators may help in predicting financial distress	79	2	5	4.28	0.678
Operational indicators are crucial I predicting financial distress	79	2	5	3.90	0.727
Predicting financial distress an help organizations to act fast and avoid total failure	79	2	5	4.11	0.816
Changes in governmental regulations and rules might be a good indicators of financial distress	79	2	5	4.22	0.795

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All organizations must follow indicators of creditworthiness and bankruptcy in order to avoid financial distress	79	3	5	4.23	0.715
Valid N (listwise)	79				

As it can be seen from Table 3, respondents had positive attitudes regarding statements of questionnaire as all of statements scored higher than mean of scale 3.00. This was seen as a good indicator given that respondents showed high level of awareness in answering questionnaire statements and revealing a good level of understanding regarding financial vigilance and its role in predicting financial distress.

In addition to that, and comparing the mean of statements presented in the questionnaire, it appeared that the most positively answered statements was articulated "The adoption of AIS increases the degree of confidence in the decision to face financial crises and work to reduce their effects and provide the possibility of eliminating them before and during their occurrence" scoring a mean of 4.34 which was as seen as a consensus from respondents that AIS applications and their outcomes play a role in predicting financial distress.

Attitudes towards variables of study were analyzed as well Table 4 it was seen that respondents had a positive attitude towards all variables of study given that all of them scored higher than mean of scale 3.00. The most positively answered variable appeared to be AIS applications and their use as a tool for financial vigilance which scored a mean of 4.24. This result was seen to be logical given that AIS applications proved its efficiency in predicting possible financial distress and failure as according to Geng et al. (2015); Waqas and Md-Rus (2018a); Ashraf et al. (2019); and Rafatnia et al. (2020).

TABLE 4
DESCRIPTIVE STATISTICS OF VARIABLES

	N	Minimum	Maximum	Mean	Std. Deviation
Foresight	79	1.00	5.00	3.8481	0.92332
Awareness	79	2.75	5.00	4.1266	0.73257
AIS Applications	79	3.00	5.00	4.2456	0.55465
Human Capital	79	2.00	5.00	3.9797	0.81183
Financial Distress	79	2.80	5.00	4.1468	0.64268
Valid N (listwise)	79				

Hypotheses Testing

Main hypothesis

H: Aspects of financial vigilance help in predicting financial distress in organizations

TABLE 5
MAIN HYPOTHESIS TESTING

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.900a	0.810	0.800	0.28748	
ANOVA					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.101	4	6.525	78.958	0.000b
	Residual	6.116	74	0.083		
	Total	32.217	78			
Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	

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		B	Std. Error	Beta		
1	(Constant)	-0.228	0.288		-0.790	0.432
	Foresight	0.146	0.061	0.210	2.397	0.019
	Awareness	-0.045	0.075	-0.051	-0.602	0.549
	AIS	0.712	0.093	0.615	7.645	0.000
	Capital	0.244	0.085	0.309	2.884	0.005

Multiple Regression was adopted in order to test main hypothesis, results indicated that the F value was significant at 0.05 level which meant that aspects of financial vigilance help in predicting financial distress in organizations, with high correlation (R)= 0.90 as well as the independent variables explain 81% of the variance in the dependent variable (Table 5).

Sub-hypotheses

H1: Foresight helps in predicting financial distress in organizations

TABLE 6
1ST HYPOTHESIS TESTING

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.506a	0.257	0.247	0.55774

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.264	1	8.264	26.566	0.000b
	Residual	23.953	77	.311		
	Total	32.217	78			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.790	0.271		10.313	0.000
	Foresight	0.353	0.068	0.506	5.154	0.000

Linear Regression was used to test 1st hypothesis; it was found out that F value was significant at 0.05 level, this result meant that the variable of foresight helps in predicting financial distress in organizations, with medium correlation (R) = 0.506. As well as the independent variable explains 25.7% of the variance in the dependent variable (Table 6).

H2: Awareness helps in predicting financial distress in organizations

TABLE 7
2ND HYPOTHESIS TESTING

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.690a	0.476	0.469	0.46831

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.330	1	15.330	69.900	0.000b
	Residual	16.887	77	0.219		
	Total	32.217	78			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		

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1	(Constant)	1.650	0.303		5.439	0.000
	Awareness	0.605	0.072	0.690	8.361	0.000

Linear Regression was adopted in order to test the 2nd hypothesis; it appeared that F value was significant at level 0.05 which indicated an influence of awareness in predicting financial distress in organizations, with high correlation (R) = 0.69, as well as the independent variable explains 47.6% of the variance in the dependent variable (Table 7).

H3: AIS Applications help in predicting financial distress in organizations

TABLE 8
3RD HYPOTHESIS TESTING

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.804a	0.646	0.642	0.38473

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.820	1	20.820	140.658	0.000b
	Residual	11.397	77	0.148		
	Total	32.217	78			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.192	0.336		0.572	0.569
	AIS	0.931	0.079	0.804	11.860	0.000

Linear Regression was used to test above hypothesis; it was found that F value was significant at 0.05 level, this meant that AIS Applications help in predicting financial distress in organizations, with high correlation (R) = 0.804, as well as the independent variable explains 64.6% of the variance in the dependent variable (Table 8).

H4: Human Capital helps in predicting financial distress in organizations

TABLE 9
4TH HYPOTHESIS TESTING

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.793a	0.629	0.624	0.39401

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.263	1	20.263	130.524	0.000b
	Residual	11.954	77	0.155		
	Total	32.217	78			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.648	0.223		7.386	0.000
	Capital	0.628	0.055	0.793	11.425	0.000

Linear Regression was used to test above hypothesis; it was found that F value was significant at 0.05 level, so, it can be said that human Capital helps in predicting financial

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distress in organizations, with high correlation (R) = 0.793, as well as the independent variable explains 62.9% of the variance in the dependent variable (Table 9).

DISCUSSION

Study aimed at examining ways in which financial vigilance within organizations can help decision makers in predicting possible financial distress. Reaching this aim was achieved through utilizing a questionnaire distributed on (79) individuals within 9 banks in Jordan. Results of study indicated the following:

Individuals had a high level of awareness towards independent and dependent variables of study; they also showed good level of understanding regarding financial vigilance and its importance as a form of economic vigilance within the organization.

Results ensured that respondent had positive attitudes towards variables of study based on the fact that all variables scored higher than mean of scale 3.00 which gave an indication that most of them were either strongly agree of agree answered.

Through the analysis, it was proved that financial vigilance in all its aspects including (Foresight, Awareness, AIS Applications and Human Capital) were influential in forming a vigilant environment for decision makers to predict and tackle any possible financial distress in the organization.

Analysis was done in order to measure the differences in the influence among chosen variables of financial vigilance (Foresight, Awareness, AIS Applications and Human Capital), it was seen that all of these variables were influential. The most influential variable of them appeared to be AIS application and its outcomes given that it explained 64.6% of variables variance and indicating the fact that it has the ability to give precise data and information regarding possible financial distress.

On the other hand, results of study indicated that the least influential variable of all was foresight which explained the variables variance with a percentage of 25.7%. This result appeared to be logical given that foresight is dependent on individuals' experiences, abilities, talents and skills, in addition to how individuals employ those experiences and skills in predicting possible financial distress.

From the analysis above, it can be seen that researcher's hypotheses were accepted, and the claim of the ability to financial vigilance to aid organizations to predict and tackle financial distress was true.

Accounting Information System as a Financial Distress Alarm

Results of study agree with what came along with Waqas and Md-Rus (2018b) and Rafatnia et al. (2020) when they argued that accounting information systems can help in leading the organization towards hunting the pitfalls and traps which may drive the organization into distress. The idea stems from the nature of benefits presented by AIS applications which are based on generating precise and critical data which help in generating informed decisions and well-built approaches to tackle predicted risks.

Also, current study agreed with Geng et al. (2015) on the fact that AIS applications can predict possible financial distress based on the fact that AIS application give decision makers information and data that are reliable, realistic and compatible with organizational performance. Having data that are reliable, realistic and compatible with organizational performance can help in steering the organization towards the best route without wasting its time with trial and error; at the same time it helps decision makers to learn from mistakes and avoid error repetition.

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Ashraf et al. (2019) appeared to agree with results of current study and ensuring that the scientific approach of AIS application in presenting the information in addition to its flexibility and inclusiveness helped in predicting possible financial distress through creating interconnectedness between departments and management in addition to focusing on internal disciplines which forms the overall scheme of well-built accounting environment.

Never Underestimate the Power of Experienced Workforce

In 2nd rank of influence, there appeared that human capital plays a role in predicting financial distress in an organization scoring a variance of 62.9% in the relationship between variables. The human capital in that sense is meant to indicate the human experiences, talents and skills which are used in order to learn and pass knowledge to others and at the same time contribute into alarming the organization regarding any possible failure or distress from a financial perspective.

It is meant that the human factor in the organization should have what it take to be financially vigilance which includes knowledge about other organizations which been through financial distress, certain situation that leads to distress and actions to be taken in case the organization went into financial distress. However, results of current study agreed with Nadeem et al. (2016) and Bakshani (2014) when they indicated that human and intellectual capital in the organization are able to provide the useful information needed by all levels of administration and supply it in a timely manner, in addition to their ability to use knowledge and skills to effectively manage financial resources efficiently.

Also, study results indicated that the intellectual capital (human force) in the organization through their experiences, talents and skills have the ability to predict financial distress when they enjoy a good level of financial awareness as Hsu et al. (2006) pointed out. This financial awareness - for example - can help the financial manager to avoid high liabilities and control indirect and additional investments, those statuses can be sensed and predicted through the financial manager when they feel there is an increase in the cash flow inside the organization. In addition to that, current study results agreed with Charalambakis and Garrett (2019) when they argued regarding the role of financial manager to predict financial distress, this can be tackled through the manager's experience in monitoring the direction of profits and losses; whenever the profit margins head downwards or losses increased in a noticeable way, the financial manager should predict financial distress and difficulties all the way.

Awareness and Foresight, a Business Sense

Awareness and foresight appeared to be influential when they scored a variance of 47.6% and 25.7% respectively; the concept of awareness and foresight are both approaches used in order to hunt down any possible factors for distress and financial failure of any kind. Results of study indicated that with the fierce competition between financial institutions and banks, there appeared a culture that is based on being (aware) all the time and have the financial foresight to give more attention to quality standards. In addition to that, awareness of organizations is seen as the indicator to the possibilities of distress or failure in the financial aspects. Jahur and Quadir (2012) and Khera et al. (2020) seemed to agree with the same results arguing that awareness and foresight of organization include their knowledge of corporate governance and regulations in a way that guarantees the best and most accurate resolution for any possible. Based on that, awareness and foresight play a role in avoiding misunderstanding and indifference to regulations and governance within the financial sphere of the organization, and this means to have a business sense.

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CONCLUSION AND RECOMMENDATIONS

Financial vigilance means to be financially educated, or it can be said that when an organization is financially vigilance means it is has a financial culture that supports awareness of external/internal environment and avid learners from mistakes and errors. When an organization is financially vigilant is it basically planning for itself a strategy of risk management that helps it to overcome predicted risks and preserve its financial performance. Study proved that the financial vigilance that an organization develops is one of the ways that gives it the benefits of the doubt, means that the degree of vigilance available can aid the process of protecting the organization from possible financial distress that might occur as a result of certain financial circumstances.

Current study extracted its significance through monitoring current status of the world with the spread of COVID19 and the need to apply closures and quarantine laws in order to limit the spread and avoid inflating the crisis. From that point, it can be seen that being financially vigilant can help in avoiding the total collapse of the organization through taking the needed measures and develop all needed procedures as an approach to minimize the financial influence of the pandemic on the organization and prevent its reach to total closure of even bankruptcy. In addition to that, all vigilant organization, those who had high awareness of financial statuses were able to save what can be saved and avoid collapsing due to the pandemic.

The Coronavirus (COVID-19) pandemic has directed a severe blow to a global economy already in fragility. Although the full scale of the human and economic impacts of the pandemic will not be clear for some time, the losses in the financial and economic sector will be significant. Already existing macroeconomic vulnerabilities make emerging market and developing countries vulnerable to economic and financial turmoil and this may limit the capacity and effectiveness of policy support at a time when it is most needed. Even with policy support, the economic fallout from the coronavirus pandemic is expected to be long-lasting.

In the short term, emerging market and developing economies, which are likely to be the most economically affected, are those that suffer from weak health systems, or are highly dependent on trade, tourism, or remittances from abroad, or depend on commodity exports, or that suffering from financial weaknesses. On average, emerging market and developing economies are experiencing higher levels of debt than they were before the global financial crisis, which makes them more vulnerable to financial distress.

Based on study results, following recommendations appeared:

1. Promote financial awareness and culture within the organization as an approach to smartly manage finances within the organization.
2. Invest in more accounting information systems for smarter outcomes in order to support decision makers making informed decisions.
3. Banks should be more vigilance regarding the regulatory environment of financial institutions in the country in addition to that; banks should give more attention in terms of hiring new senior staff members ensuring their competency, reputation and trust-worthiness.

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