The Effect of Financial Assistance, Accounts Receivable Management and University Size on Financial Distress

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Abstract: This study examines the factors influencing financial distress faced by a university in Malaysia. Specifically, this study examines the effect of financial assistance to students, accounts receivable management and university size on financial distress of a university in Malaysia. This study utilises questionnaire survey distributed to the employees who are responsible in the revenue management and credit control activities in the university. The results of this study shows that financial assistance to students and accounts receivable management significantly and positively influence the financial distress faced by the university. This study however, shows no evidence that university size influences financial distress in the university. The findings in this study indicate that universities can strategize ways to increase opportunities for financial assistance to students in order to reduce chances of the university facing financial distress. In addition, management of the universities also need to improve their accounts receivable management. This study provides new findings on factors influencing financial distress in the context of the education sector.

Keywords: Financial distress, financial assistance, accounts receivable management, university size, Malaysia.

1. INTRODUCTION

Malaysia's education system has undergone extraordinary changes and rapid alterations since its independence, as the country strives to improve educational standards. The early system's objective focused on assisting individuals to cope with their daily lives. However, over time, people began to hope that education would also lead to better living. As a result, Malaysia's tertiary education sector has grown at an astounding rate during the past two decades. This sector has thrived due to expanding population, increased demand for excellent education, and restricted places at public universities (Hunter, 2022). The Education Blueprint: Higher Education 2015-2025, which was released on April 7, 2015, established a new vision for the growth of higher education in Malaysia. However, the Blueprint concentrates nearly entirely on Public Higher Education Institutions (IPTAs) while ignoring Private Higher Education Institutions (IPTSs) (Lim & Williams, 2019).

The financial landscape of IPTSs has sparked significant debate over the future of Malaysia's IPTS sector over the years (Hunter, 2021; Ng, 2019; Ahmad et al., 2022). There are more than 400 IPTSs in Malaysia. Using the 53 percent rate, it can be seen more than 200 institutions that require financial aid to varying degrees (Ng, 2019). Majority of local IPTSs are losing money, with 53 percent losing money after taxes. The proportion of people that lose money has climbed from 41 percent before 2013 to 55 percent after 2013. Around 121,000 students, 5,800 academic personnel, and a similar number of non-academic employees work in institutions afflicted by financial difficulty. Many local IPTSs were having difficulty paying their bills. Approximately 44 percent of all local private higher education institutions were technically insolvent, with insufficient current assets to cover current payments. Since 2013, the average insolvency rate has increased from 26 percent to 40 percent. In 2016, 64 percent of the local IPTSs were in some type of debt difficulty, with either debt exceeding assets or negative equity and high debt (Lim & Williams, 2019).

ABC University, founded on August 20, 2002, is a leading IPTS in engineering technology. It is one of the Higher Technical Vocational Education and Training (HTVET) universities that adheres to the "One Institute, One Specialisation" philosophy. The university currently has 13 branch institutions that offer various foundation, diploma, undergraduate, and postgraduate programmes. Located strategically throughout Peninsular Malaysia, including Kuala Lumpur, Selangor, Malacca, Perak, Kedah, and Johor. For ABC University, student fees continue to be the primary source of revenue, accounting for 89 percent of total revenue in 2019. The decrease in the number of pupils from 20,935 in 2018 to 19,462 in 2019 has had an influence on the firm's total income. The Group achieved a net loss after taxation of RM1.059 million for the fiscal year ended 31 March 2019,

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compared to a net profit of RM888,000 in 2018. After depreciation, the Group incurred a deficit of RM8.739 million, which was RM3.862 million more than the deficit of RM4.878 million in 2018. As of March 31, 2019, the outstanding balance from students was RM144,189,018 million. As a result, the university is facing financial difficulties. Is this, however, the only reason for ABC University's financial difficulties? This study will look into this issue.

The purpose of this study is to examine the factors that contribute to financial distress faced by ABC University. This study specifically investigates if financial assistance to students, accounts receivable management, and university size influence ABC University's financial distress. The outcomes of this study can help ABC University to understand the factors influencing financial distress in their university and, subsequently, strategize ways to mitigate financial distress. The literature review is presented in the following section, Section 2. Section 3 follows with the research design. Section 4 contains the results and discussions, while Section 5 concludes this study.

2. LITERATURE REVIEW

Financial distress is a state in which a firm or individual is unable to create revenue or income due to an inability to fulfil or pay its financial obligations (Nuswantara et al., 2023). Donaldson (1969) described financial distress as a lack of "financial flexibility". According to Brigham and Daves (2003) financial distress happened before the firm faced bankruptcy or failure when the firm could not make the payment schedule or when cash flow estimates indicated that the firm would soon be unable to satisfy its obligations. Negative cash flow statements, falling margins and profits, revenue decreases, management stress, and employee turnover are all warning indications that a firm is in financial trouble (Muhammad, Mastuki, Darus, & Ghani, 2019; Muriithi, 2022; Munisamy et al., 2022; Arifin et al., 2022; Oner & Oner, 2022).

Newton (1975) claimed that before declaring bankruptcy, an organisation would go through four stages of deterioration: incubation, cash scarcity, financial insolvency, and final insolvency. Financial distress is separated into four sub-intervals: performance deterioration, failure, insolvency, and default (Outecheva, 2007). Deterioration in performance usually has an impact on an organization's profitability; insolvency and default are rooted in the firm's liquidity; and failure is a situation in which the rate of return on invested capital is significantly and consistently lower than the prevailing rates on similar investments (Altman & Hotchkiss, 2005). Decline in profit, mild liquidity, and severe liquidity are the three stages of financial distress. Regardless of which stage, all stages could face financial distress. (Dewing, 1952) provided four causes of financial distress namely, excessive competition, unprofitable expansion, cessation of public demand for the companies‟ products or services, and excessive payment of capital charges. However, whether similar factors contributing to financial distress in the education sector would appear have yet to be thoroughly examined.

A group of studies have examined the link between financial assistance to students and university performance. Financial assistance is a form of monetary assistance, given partly or fully, from government bodies, schools or universities to help students and their families meet universities/college fees. The financial assistance also covers other external educational expenses such as rooms and boarding, books, supplies and transportation. According to Peterson and Limbu (2009) a scholarship is an award of financial aid for a student to further continue his or her education. For example: bin Yusof, binti Ahmad, bin Mohamed Tajudin, and Ravindran (2008) found that financial assistance offered by the university as one of the four important attributes expected from a particular higher education institution of choice. Thus, students who received financial assistance awards are more likely to enter college (Jackson, 1990). In Ismail (2009) he examined the mediating effect of information on college choice and found that students are more satisfied with college choice based on their information satisfaction with respect financial factors (external influences) which include financial assistance and affordable fees.

In Nurlida Ismail, Faridah, Nooraini, and Norzaidi (2010) who reviewed on mediating effects of information on choice of college, indicated that students are satisfied with choice of college based on their satisfaction with respect to availability of financial factors (external influences), including financial assistance and affordable fees. Arguably, it is believed that decrease availability of financial assistance will have a positive influence on financial distress faced by ABC University. Therefore, this study develops the following hypothesis:

H1: Financial assistance to students significantly influence financial distress of ABC university.

Efficient accounts receivable management involves a shortened creditor's collection period, low levels of bad debts and a sound credit policy which often improves the businesses' ability to attract new customers and accordingly, increase financial performance (Ross, Westerfield, & Jordan, 2008). In the current business environment, the management of accounts receivables can be considered to be a practical problem. Organizations may experience considerable constraints in their liquidity if their accounts receivables' levels are not properly and appropriately regulated (Kung'u, 2015). According to Gill, Biger, and Mathur (2010) profitability correlated with collection of accounts receivables. The management of accounts receivables is a vital corporate finance component as it directly influences the firm's liquidity, profitability and growth (Eisdorfer, Giaccotto, & White, 2013; ALTINAY et al., 2022; Moreno-Garcia et al., 2022; Levytska et al., 2022). Good accounts receivable policy is expected to reduce the number of days for the accounts due (Michalski, 2012).

According to Dirie and Ayuma (2018) the view of accounts receivable management should not be limited to customers who are unable to pay, the key is for organizations to use early identification of accounts at risk to enable proactive management of a customer before they become bankrupt. In Kenya, Waweru (2014) discovered that manufacturing enterprises in Thika Municipality had inadequate control and management of accounts receivables, resulting in a rise in cash-flow issues that disrupted the firms' daily operations. Therefore, it is expected that inadequate accounts receivable administration would have a beneficial effect on ABC University's financial difficulty. Hence, the following hypothesis is developed:

H2: Accounts receivable management significantly influence financial distress financial distress of ABC university.

Other than education, the size of an organisation is an important element in deciding whether or not the business will face financial issues. The total assets under a firm's control are a popular metric used to determine a firm size. Larger corporations often have better access to capital. However, the expenditures associated with the agency will be far higher. According to a number of studies, huge organisations are far more prone than medium or small firms to face financial troubles (Monti & Garcia, 2010). Even if both firms have the same financial ratio values, a firm with a high asset value has a reduced likelihood of becoming financially distressed than a middling or small firm, even if both companies have the same ratio values (Alexander, 2001).

Kim, Jang, and Lee (2013) calculated the firm's size based on total assets by using the natural logarithm of total assets as a proxy. Since larger organisations tend to have more access to financial markets and easier for them to raise money with lower costs and fewer constraints than smaller enterprises, the reliance on the firm 's own resources is likely to decrease as the firm grows larger. According to the conclusions of this study, the size of the institution has a negative impact on ABC University's current difficult financial situation. Therefore, the following hypothesis is developed:

H3: University size significantly influence financial distress of ABC university.

3. RESEARCH DESIGN

3.1. Sample Selection

The officers in ABC university who in charge of actions relating to revenue collection and credit control are selected as the sample selection. These officers have been assigned to the Revenue Management and Credit Control Department (RMCC) on each campus. Respondents such as the financial and credit controllers are excellent choices for providing input on the factors that are contributing to ABC University's ongoing financial difficulties.

A number of previous studies offer recommendations for the definition of the sample for this investigation. According to Stevens (2002) a study in the social sciences needs at least 45 respondents and 15 respondents for each independent variable to be considered legitimate. In the meanwhile, Roscoe (1975) suggested that the sample size should be at least 10 percent of the population and that the optimal sample size should be between 30 and 500 but no more than 500. He also suggested that the sample size should not be smaller than 30.

3.3. Research Instrument

This study utilised the questionnaire survey as the research instrument. The questionnaire was developed based on reviewing previous studies. The questionnaires consisted of five sections. The first section of the questionnaire which is Section A requests the respondents to provide information on their demographic profile such as gender, age, work position, education level, professional qualification, working experience and on job training attended. Section B requests the respondents to provide information regarding their perception on financial distress faced by ABC University. There are four questions asked for this section. Section C requests the respondents to provide information regarding availability of financial assistance to measure the extent of which it affects the financial distress faced by ABC University. There are also four questions in this section. Section D requests the respondents to provide information regarding the accounts receivable management in ABC University. There are nine questions asked in this section. The last section, Section E requests the respondents to provide information on th university size. There are five questions asked in this section. All questions in Section B to Section E request the respondents to provide their opinion based on a 4-point scale from ‘1’ being ‘strongly disagree’ to ‘4’ being ‘strongly agree’.

3.3. Data Collection Procedure

Prior to data collection, a pilot study was then conducted by handing out the modified questionnaire to seven financial and credit controllers of ABC university. The purpose of the pilot study is to examine whether the instrument used is understandable and suitable for research purposes. Following the pilot study analysis, any unclear words and vague questions raised were either deleted or rephrased. Some questions were modified in accordance with the recommendations made by the financial and credit controllers so that it can be easily understand by the other financial and credit controller.

The survey was conducted through the electronic online survey form by Google. The link to the online survey form was distributed through email and the Whatsapp application to make it faster to reach the respondents and easier for the respondents to answer the survey. A cover letter explaining the objective of the study and confidentiality assurance of all information provided was also attached with the questionnaire distributed. A total of 120 questionnaires were distributed to the financial and credit controller. During the first week after the questionnaire were distributed, only 60 respondents answered the survey. Reminders were then sent to those who did not respond within the first week. Some of them responded that they forgot to answer the survey because they were outstation and on annual leave. In this study, only 108 respondents completed the questionnaire, resulting to a response rate of 90 percent.

4. RESULTS AND DISCUSSION

4.1. Demographic Profile

Table **1** presents the descriptive statistics of the demographic profile. Based on Table **1**, the descriptive statistics shows the distribution for female is higher than male where the number of female respondents is 60 representing 55.6 percent of the total number of respondents while male constitutes 48 respondents which represent 44.4 percent of total distribution for gender. The highest frequency (58 respondents) is for respondents who are between 26 to 35 years old which represents 53.7 percent of total distribution for age. This is followed by respondents who are between 36 to 45 years old (20.4 percent) and respondents who are below 25 years old and respondents who are 46 years old and above have the same number (14 respondents) which represents 13.0 percent of total distribution for age.

Table **1** also shows that majority of the respondents were the supporting group which comprised Administrative Officer and Senior Administrative Officer. Forty respondents are Administrative Officer and Senior Administrative Officer representing 37.0 percent of the distribution. It is followed by Executive and Senior Executive which consists of 32 respondents (29.6 percent). Then, respondents who are Administrative Assistant which consists of 22 respondents (20.4 percent) of the distribution. Assistant Manager and Manager level representing 8 respondents which represent 7.4 percent of the distribution whereas the lowest number of respondents was Senior Manager representing 6 respondents which present 5.6 percent of the distribution. Majority of the respondents are Administrative Officer and Senior Administrative Officer who directly involved in the revenue collection and credit control activities. Hence their responses are deemed appropriate as they know the overall picture of the financial condition of the university.

Table 1: Demographic Profile

Item	N	Percent
Gender		
Male	48	44.4
Female	60	55.6
Age		
Below 25	14	13.0
26 to 35 years old	58	53.7
36 to 45 years old	22	20.4
46 years old and above	14	13.0
Position		
Administrative assistants	22	20.4
Administrative officers and senior administrative officers	40	37.0
Executive and senior executives	32	29.6
Assistant managers and managers	8	7.4
Senior managers	6	5.6
Education Level		
SPM	12	11.1
Diploma	36	33.3
Bachelor Degree	44	40.7
Masters	16	14.8
Working Experience		
5 years and below	14	13.0
6 to 10 years	64	59.3
11 to 15 years	24	22.2
16 years and above	6	5.6
Training Attended		
None	4	3.7
1 to 3 times	34	31.5
4 to 6 times	36	33.3
7 to 9 times	14	13.0
More than 10 times	20	18.5

Table **1** also shows the level of education and professional certificate obtained by the respondents. According to the table, 44 respondents have at least a bachelor's degree which represents 40.7 percent of the distribution for the level of education. This is followed by 36 respondents holding a diploma and16 respondents holding a master's degree that represents 33.3 percent. and 14.8 percent of the total distribution for education respectively. Only 12 respondents have SPM education background. In terms of working experience, Table **1** shows the distribution of the respondents' working experience which is classified into four categories of range of years. The lowest distribution of working experience is respondents who have experience of 16 years and above which represent only 5.6 percent of the distribution.

On the other hand, the highest frequency comes from the respondents who have between 6 to 10 years work experience which represents 59.3 percent of total distribution. This is followed by respondents who have experience of between 11 to 15 years which represent 22.2 percent and work experience between 5 years and below represent 13.0 percent each of the total distribution for working experience. Since majority of the respondents have worked for the University for a considerable period of time, the respondents are believed to be in a position to provide credible information needed for this study.

Table **1** also shows the number of accrual training or workshop attended by the respondents. Out of 108 respondents, only 4 respondents have not yet any accrual training or workshop. The remaining respondents have already attended the training with 36 of the respondents having attended accrual training at least 4 to 6 times. This implies that the respondents have considerable number of training or have been exposed to revenue management and credit control activities, hence their responses are deemed appropriate for the study.

4.2. Descriptive Analysis

Table **2** presents the details of the descriptive statistics for all constructs of financial distress in descending order (declining agreeability). Table **2** shows that the statement "*Reduced in yearly profit of the university will affect future business planning*" has the highest mean score of 3.48. This is followed by statement '*Accounts receivables in arrears'* with a mean score of 3.24 and statement 'significant amounts of bad debts written off every year' with a mean score of 3.24. On average, the mean score for financial distress is 3.13.

This indicates that the respondents basically agreed on the current financial distress faced by ABC University. Meanwhile, the highest standard deviation is 0.882 which was recorded for item '*The management is taking longer time to pay their creditor'* whereas the lowest standard deviation is 0.512 for item *"Accounts receivables in arrears"*. The average standard deviation for financial distress is 0.600 which implies that the overall dispersion from the mean is small.

In terms of financial assistance to students, Table **2** shows that statement *'Decrease in students'* enrolment in every intake effect the cash flow of the university' has the highest mean score of 3.56, followed by statement '*Availability of financial assistance is the most important factor considered by the students to continue their study in private university'* with a mean score of 3.52. This indicates that the respondents basically agreed on the perception on decrease in availability of financial assistance to students have an impact to financial distress faced by ABC University. The last two statements '*Fierce competition with other private university which offering the same courses will affect the number of student enrolment to ABC University'* and '*Reduced in amount of sponsorship by sponsoring bodies affect the income of the University*' both achieved a mean score of 3.50. Meanwhile, the highest standard deviation is 0.637 which was recorded for item '*Fierce competition with other private university which offering the same courses will affect the number of student enrolment to ABC University'* whereas the lowest standard deviation is 0.574 for item '*Availability of financial assistance is the most important factor considered by the students to continue their study in private University'*. The average standard deviation for decrease in availability of financial assistance is 0.600 which implied that the overall dispersion from the mean is small.

Table **2** also shows that the descriptive statistics of the accounts receivable management. Only one item which is *'The University cash flow was important to the performance for the last year'* has achieved a mean score of 3.26. The mean score of the remaining items ranges from 1.91 to 3.13. On average, the mean score for perception on decrease in availability of financial assistance is 2.52. This indicates that the respondents basically agreed on the perception on poor accounts receivable management to financial distress faced by ABC University. Meanwhile, the highest standard deviation is 1.081 which was recorded for item *'The University did not analyse and report on debtor ageing'* whereas the lowest standard deviation is 0.650 for item '*The University cash flow was important to the performance for the last year'*. The average standard deviation for financial distress is 0.879 which implied that the overall dispersion from the mean is small.

Table 2. Descriptive Statistics.

Item	Mean	Standard Deviation
Financial Distress		
Reduced in yearly profit of the University will affect future business planning	3.48	0.540
Accounts receivables in arrears	3.24	0.512
Significant amounts of bad debts written off every year	3.17	0.541
The management is taking longer time to pay their creditor	2.57	0.882
Financial Assistance to Students		
Decrease in students' enrolment in every intake effect the cash flow of the University.	3.56	0.604
Availability of financial assistance is the most important factor considered by the students to continue their study in private University	3.52	0.574
Fierce competition with other private university which offering the same courses will affect the number of students' enrolment to ABC University	3.50	0.637
Reduced in amount of sponsorship by sponsoring bodies affect the income of the University	3.50	0.75
Accounts Receivable Management		
The University cash flow was important to the performance for the last year	3.26	0.650
Some debtors default in payment	3.13	0.702
The University suffer bad debts	3.11	0.861
The University does not have regular policy that guides cash flow and liquidity management	2.39	0.998
Most debtors stick to the credit period	2.31	0.886
The University does not systematically monitor in cash flow which caused financial distress situation	2.30	0.838
The University does not prepare cash flow forecasts for future planning	2.30	0.838
The University did not analyse and report on debtor ageing	2.04	1.081
System aging and reconciliation of accounts receivables is not important in accounts receivable management	1.91	1.040
University Size		
Several University branches that having negative profit will give an impact to the overall University financial performance	3.37	0.592
Decreased in the University total assets is the sign that the University is in financial distress	3.28	0.596
Closing the unprofitable branches will increase the profit of the University	3.15	0.763
The bigger the size of the university the more financial support the management will get.	3.07	0.723

In relation to university size, only one item which is '*Several University branches that having negative profit will give an impact to the overall University financial performance'* has achieved a mean score of 3.37. The mean score of the remaining items ranges from 3.07 to 3.28. On average, the mean score for university size is 3.21. This indicates that the respondents basically agreed on the university size influencing financial distress faced by ABC University. Meanwhile, the highest standard deviation is 0.763 which was recorded for item *'Closing the unprofitable branches will increase the profit of the University'* whereas the lowest standard deviation is 0.592 for item '*Several University branches that having negative profit will give an impact to the overall University financial performance'*. The average standard deviation for financial distress is 0.669 which implied that the overall dispersion from the mean is small.

4.3. Preliminary Analysis

Table **3** shows the values of Cronbach's alpha for the factors in this study. The Cronbach's alpha for financial distress is 0.780 meanwhile, decrease in availability of financial assistance, poor accounts receivable management and the size of the University is 0.811, 0.787 and 0.732 respectively. George and Mallery (2003) interpreted the result of Cronbach's alpha as excellent if it is above 0.90 and good if it is from 0.8 to 0.89 and for range between 0.70 to 0.79 as acceptable. Therefore, the results of Cronbach's alpha in this study indicate that the items or statements used can reliably measure each variable examined.

Table 3. Reliability of Construct.

Variable	*Measurement Item*	*Cronbach Alpha*
Financial Distress	4	0.780
Financial assistance	4	0.811
Accounts receivable management	9	0.787
University Size	*5*	*0.732*

Normality test was carried out to determine whether the data was normally distributed or not. It was conducted by using the skewness and kurtosis values on. According to George and Mallery (2010), the values for skewness and kurtosis that range from -2 to +2 are acceptable to be considered as normal distribution. Table **4** shows that the values of skewness and kurtosis for all variables in this study are in the range of -1.247 to 2. This implies that the mean score for decrease availability of financial assistance, poor accounts receivable management and university size are normally distributed.

Table 4. Normality Test Results.

Variables	Normality Test		
	Skewness	Kurtosis	Mean
Financial Assistance	-0.418	-1.247	14.04
Accounts Receivable Management	0.872	0.382	22.72
University Size	-0.025	-0.413	16.11

4.4. Correlation Analysis

Correlation analysis was conducted using Pearson Correlation Coefficient Analysis to determine the relationship between the variables, if any. Table **5** presents the results of the correlation analysis between the variables and then continue to discuss whether any issue of multicollinearity between the variables exist or not. Table **5** shows that decrease in availability of financial assistance is positively and moderate positive correlation with financial distress (r = 0.281, $p < 0.05$). The result implies that higher decrease in availability of financial assistance will result in higher financial distress and vice versa. Table **5** also shows that accounts receivable management is positively and moderate positive correlation with financial distress (r = 0.301, $p < 0.05$).

Table 5. Correlation Analysis.

		Financial Distress	Financial Assistance	Accounts Receivables Management	University Size
Financial Distress	Pearson Correlation	1	.281*	0.301*	0.226
Financial Assistance	Pearson Correlation	0.281*	1	-0.129	0.290*
Accounts Receivable Management	Pearson Correlation	0.301*	-0.129	1	0.118
University Size	Pearson Correlation	0.226	0.290*	0.118	1

*. Correlation is significant at the 0.05 level (1-tailed).

The result also implies that higher poor accounts receivable management will result in higher financial distress and vice versa. In addition, Table **5** shows that the size of the university is not significant correlation with financial distress (r = 0.226, $p > 0.05$). The result implies that increase in university size will weaken result an increase in financial distress and vice versa and vice versa.

4.5. Multiple Regression Analysis

Table **6** presents the summary of the multiple regression results and the statistics of its overall fit. From the results, it shows that 20.3 percent of the variation in financial distress is explained by the variation of decrease availability of financial assistance, poor accounts receivable management and university size. F-test is used for the overall significance of the model and it shows whether or not there is a linear relationship between all of the independent variables with the dependent variable. Based on the F value, the model is deemed significant [$F(3,50) = 5.151$, $p < 0.01$] which implies that at least one of the independent variables has a significant linear relationship with financial distress (dependent variable).

Table 6. Multiple Regression Analysis.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	43.571	6	14.524	4.252	0.009[b]
Residual	170.800	100	3.416		
Total	214.370	106			

a. Dependent variable: Financial distress

b. Predictors: Financial assistance, accounts receivable management, university size

It can be seen in Table **7** that *p*-value of decrease in availability of financial assistance (p-value =0.033) and poor accounts receivable management (*p*-value = 0.015) are both less than 0.05 indicating that there is evidence that decrease in availability of financial assistance and poor accounts receivable management affects financial distress at 5 percent significance level (*p*=0.05). As such, H1 and H2 are supported. Meanwhile, university size with a p-value = 0.449 which is higher than 0.05, at 5 percent significance level (*p*=0.05), implies that there is evidence that the university size does not significantly affect financial distress. Therefore, H3 is not supported.

Table 7. Table Coefficients.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.980	2.565		2.721	0.009
	Financial assistance	0.306	0.140	0.293	2.188	0.033
	Accounts receivables management	0.135	0.054	0.326	2.527	0.015
	University size	0.086	0.112	0.102	0.763	0.449

The multiple regression equation is as follows:

Financial Distress = 6.898 + 0.306 (Financial assistance) + 0.135 (Accounts receivable management) + 0.112 (University size) + e

This study provides the results in determining whether three factors namely, financial assistance, accounts receivable management and university size influence the financial distress faced by ABC university. This study shows that the mean score of perceived financial distress which is 3.13 indicates that the respondents slightly agreed that they are aware regarding the current situation faced by the University in terms of cash cycle and ability to meet current obligation. The findings in this study supports H1 that states that availability of financial assistance significantly influence the financial distress of ABC university. Such finding is in line with previous literature by bin Yusof et al. (2008) and Ismail (2009). This implies that when there is a limited financial assistance, it positively influences their cash inflow to the university thus, reflecting financial distress situation in the university. This study also supports H2 that states accounts receivable management influences the financial distress of ABC university. This indicates that that when there is a loophole and inefficient in monitoring accounts receivable, it positively influences financial distress. These findings are supported by previous literature in relation to the poor cash flow and receivable management (Eisdorfer et al., 2013; Gill et al., 2010; Kung'u, 2015; Jammeh, 2022; Nwaobia et al., 2022; Abubakar & Abdullahi, 2022).

This study cannot support H3 that states university size influences the financial distress of ABC university, indicating that this factor does not influence the financial distress currently faced by the university. This finding is partially in line with the findings of Monti and Garcia (2010). One possible reason behind the finding is that the university size plays a big role in determining whether a firm will be in distress or not. There are just few big universities that have suffered financial problems as compared to medium or small University.

5. CONCLUSION

The main objective of the study is to examine the factors that influence the financial distress faced by ABC University. Specifically, three factors are namely, financial assistance to students, accounts receivable management and university size. This study shows that availability of financial assistance to students significantly and positively influence financial distress of ABC university. The results show that decrease in availability of financial aids has a positive and significant influence on financial distress. Availability of financial aids could be one of the causes of reduced students' enrolment. Therefore, this study indicates that when the number of student enrolls to study in the University decreased, the income for the University will also decreased as tuition fees payment from the student is the main contributor to the University income.

The second objective of the study is to examine the influence of accounts receivable management towards financial distress faced by ABC university. This study shows that poor accounts receivable management has a significant and positive influence on financial distress. This implies that that when the University have high receivables, it will affect the cash flow of the University and give impact to meet the current obligation. According to the findings of Gill et al. (2010) profitability of the firms correlated with collection of accounts receivables. The management of accounts receivables is a vital corporate finance component as it directly influences the firm's liquidity, profitability and growth (Eisdorfer et al., 2013). Therefore, this study provides evidence that when the cash flow and receivables are not properly monitored and managed, it would result in higher receivables and hence might turn to become bad debts. This study provides evidence that when the accounts receivables are not properly monitored and managed, it would result in higher receivables and hence might turn to become bad debts. However, this study shows that university size does not significantly influence financial distress.

This study is not without limitations. First, the scope of this study is limited to only the employees who are in charge in the revenue management and credit control activities. Hence, the findings in this study may not be generalisable to the entire population of the private higher education institutions employees. In addition, this study used convenient sampling technique rather than random sampling technique due to the limited time which resulted in the findings obtained being not generalisable to the entire population. The number of respondents answering the survey was also considerably low partly due to the month in which the survey conducted being a peak period for the RMCC staff and, hence, they might not have had sufficient time to answer the survey. A higher number of respondents may lead to a more concrete analysis and findings. Other limitations in this study include that this study only examines three factors in general and was conducted using questionnaires. There may be other factors that influence the financial distress in the private higher education institution as well as other methods that may be able to provide more information on all the possible factors. Another limitation would be the results cannot be generalised to other countries due to different economic, social and political environments.

In sum, this study provides additional findings to the literature of financial distress in private higher education institutions. Specifically, it provides empirical evidence on factors that influence financial distress in IPTSs which was never tested in any of the previous studies. The findings can assist the management of ABC University to enhance its strategy to overcome the issues of financial distress in the organization. This study is not only useful for ABC University but might also be beneficial to other IPTSs that facing the same situation faced by ABC University.

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