

Impact Of Quality Financial Reporting On An Organization Resource Management: A Case Study Of Humuza Holding Limited Kampala Uganda

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Abstract : *The following goals served as the study's guidelines as it examined the effects of good financial reporting on an organization's resources planning using Humuza Holding Limited as a case study in Kampala, Uganda: to investigate the connection among both Humuza Holding Limited's commodity oversight and financial reporting quality, to investigate the impact of Humuza Holding Limited's managing resources on return on assets, and to evaluate the impact of each. According to the research results in the table above, exactness is one of the performance reporting outcomes to live more sustainably that 40 (35.7%) respondents who received the survey questions guide and were asked to interview agreed with, and 20 (17.8%) respondents agree that quality reporting contributes to tracking that improves resource utilization 40 (35.7) participants agree that one result of financial reporting in Humuza Holding is cash flow, 10 (8.9%) respondents agreed that using accounting procedures to judgment increases organizational performance. Apart from the opinions that were expressed, 02 (1.7% of participants) agreed that there were additional benefits to resource administration from organizations like Humuza Holding Limited's excellent financial reporting. This suggests that correctness and cash flow are the best associated viewpoints to the quality journalism and, consequently, enhancing resource utilization in Humuza Holding Limited, as both 35% of respondents agreed.*

Background to the study

Notwithstanding this, the process of responsibility for state financial planning increasingly depends on financial reporting.

The quality of the organization's financial statements as a benchmark in the administration of financial assets hasn't improved since the adoption of financial reporting requirements as a form of state responsibility in 2005, compared to other national authorities.

Yet, as noted below, many academics trace the historical basis of accounting information.

The earliest reports in Luca Paciolo's treatise are bookkeeping records that serve as "property lists" (1494). Accounting data was organized using financial reporting, however this method merely served as a passive tool and did not participate in the organization's resource management decisions. The previous literature (Casta, 2018) shows that accounting normalization is defined as a harmonization of the presentation of financial statements that was not possible until the eighteenth century (Casta, 2018). With the evolution of accounting, the annual financial statements were correlated with the Florentine business records.

The literature captures the following stages in the evolution of financial reporting: Luca Paciolo 2014 established equality between cash accounts and capital accounts; Colbert (2015) recorded the notion of balance sheet, for the first time, in France; De la Porte (2011) highlighted the classification of accounts of owners, things and people; Edmond Derange [2017] - introduced the theory of accounts of goods, house, received effects, the effect of the account of payment (Profit & Loss Account, P&P account); Quincz L.J. [2016] - amended the cash account and the Profit & Loss Account in the cashier's account and the capital and property account; Cerboni [2018] - introduced separate accounts: owner accounts and business accounts, Schrott Joseph [2015] - introduced the following forms of accounts: private equity accounts and total capital accounts;

Problem Statement

According to FASB and IASB (2018), providing high-quality financial reporting changes in economic entities that is helpful for making economic decisions is the main goal of reliable financial reporting. Substantial economic reporting information is crucial because it will help financial institutions and other participants make choices about lending, investing, and allocating similar resources, thereby improving market efficiency. The culture in developing nations discourages the application of management control practices, including the significance of fiscal reporting. Few small-scale businesses operate today with revenue recognition, and the researcher has highlighted difficulties with the procedure, including companies' failure to adhere to IAS standards, the requirements' intricacy, problems with fair value, and costs.

Research Objectives

The study was guided by the following research objectives;

1. To examine the relationship between the quality of financial reporting and resource management of Humuza holding limited.
2. To examine the effect of quality of financial reporting on return on asset of Humuza Holding limited.
3. To evaluate the Impact of resource management of Humuza Holding limited.

Research Questions

1. What is the relationship between the quality of financial reporting and resource management of Humuza holding limited?
2. What is the effect of quality of financial reporting on return on asset of Humuza Holding limited?
3. What is the impact of resource management of Humuza Holding limited?

Methodology

Research Design

The researcher adopted a survey research design, a type of research design often used to assess thoughts, opinions, and feelings. The field research is chosen because investigations require the researcher to get into direct contact with respondents to obtain authentic data. In addition, the approach is important in obtaining detailed information using both questionnaires and interview guides.

Study Population

The study population included; Owners of Business (Lock-ups), the persons in charge of financial reporting, as well as other topic related official from different organizations.

TABLE 1 STUDY OF POPULATION

<i>Category</i>	<i>Total Number</i>
Owners of business in Humuzah Holding Limited	2
Operation managers in Humuzah Holding Limited	45
Staff employees	45
Auditor officers	20
Total	112

Source: primary data, 2021

The study population consisted of categories as indicated in the table above. The first category is of Owners of businesses. The information required this study to encompass: 2 owners of business, 45 operational managers, 45 staff employers, 20 Auditor officers thereby making a Total of 112 respondents.

Sample Size Sampling Technique

In order to acquire information about a particular group of people, particularly for the goal of developing prognostications based on statistical inference, Freedman (1995) defines random samples as a numerical practice that involves the collection of an unbiased or arbitrary subset of observed data within a bunch of people. In this study, a stratification sampling technique was employed to select a random subset of categories from the overall population, which was separated into strata. This technique lowers the flaws of simple random sampling, resulting in a sample size of 112. It is suitable for populations with distinct divisions that are heterogeneous in nature and take into account all major strata.

Data Collection Methods

The study was conducted using the questionnaires, Interview. Questionnaire is a list of carefully structured questions, chosen after a considerable testing with a view of eliciting reliable responses from chosen samples, (Hussey 1997). The researcher used Semi-

structured questionnaires to be self-administered to Humuza limited. On the other hand, interview method was used to obtain responses from Auditors officers and representatives from government offices.

Data Presentation and Analysis

In SPSS, the data from the surveys was coded and transformed into numbers and percentages. Following the generation of values, summary tables displaying frequencies and percentages were given. Since percentages were used for analyzing and deciphering, factors with significant percentage distributions were given a higher ranking than other factors. The weaker a component was examined, the lower the proportion. To support quantitative data, however, findings from conversations were provided and described in detail.

RESULTS

The nature of respondents

This includes mainly background information of the respondents. Among the cranial socio-demographic characteristics considered in the research study included Sex Distribution, Age differences, sex distribution, Time spend working with Humuza Holding Limited, Position held / responsibility, educational levels, as well as Department of the respondents. The biographic data of respondents which is in the research study is presented as below;

TABLE 2: REPRESENT SEX OF RESPONDENTS

Nature of Respondents	Frequency	Valid Percent	Cumulative Percent
Sex			
Male	75	66.9	66.9
Female	37	33.1	100.0
Total	112	100	

Source: **Primary Data**, 2022

From the study findings Table 2 analyses the sex composition of respondents in the study area. Most of the respondents (66.9%) were males with females constituting slightly over forty percent (33.1%). These argue that females tend not to prefer offering science as well as mathematical education they are thus left for men hence men execute what they have acquired in class by serving or working in such organizations. To the researcher, females were fewer than males because they prefer largely offering arts in higher institutions of education and therefore have largely ended as social workers, secretaries to mention but a few.

Age difference			
15-30	25	22.4	22.4
TABLE 3: AGE DIFFERENCE:		.1	55.5
41 and above	40	35.7	100.0
Total		100	

Source: **Primary Data**, 2022

According to the report's results, a variety of age categories made up the majority of the sample population. Participants aged 41 and older made up 35.7% of the sample; those aged 31 to 40 made up slightly more (33.1%); while those aged 15 to 30 made up only 22.4%.

The significant one is that individuals in the age range of 41 and older are adults who already largely participate in elevated related financial workplace in relation to the youth, trying to warn people rewarding credentials along with fresh human brain are thus

primarily opted for by such effectiveness yearning financial performance in Humuza Holding Limited. As noted/indicated above, the differences in age distribution were pointed out as a consequence of multiple factors.

TABLE 4: TIME SPENT WORKING AT THE HUMUZA HOLDING LIMITED

Time Spent Working at the Humuza Holding Limited			
1 Month – 1 Year	34	30.4	30.4
1 - 2	25	22.4	57.1
2 – 3	30	26.7	87.5
3 and above	23	20.5	100.0
Total	112	100	

Source: **Primary Data** 2022

Participants were asked the about length of time they had spent living or working at Humuza Holding Limited based on the aforementioned table. It was hoped that the workers' and responders' length of stay at work would affect their effect in the neighborhood. The quality of financial reporting, trends, and routines of work/services provided by the organization to its clients were further considered to have undergone significant changes by those who had lasted longer in the research region (30.4%). A slightly under 10% of employees had only been with Humuza Holding Limited for one month to one year. Twenty percent (22.4%) of the participants had only used Quality Financial accounting for one to two years, while the remaining participants (26.7%) had.

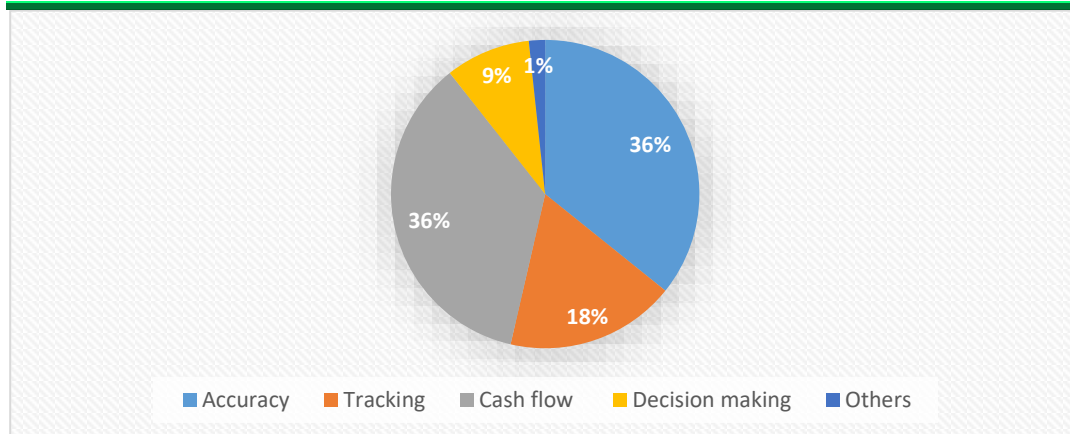
Table 5: What is the relationship between the quality of financial reporting and resource management of Humuza holding limited?

Response	Frequency	Percent
Accuracy	40	35.7
Tracking	20	17.8
Cash flow	40	35.7
Decision making	10	8.9
Others	2	1.7
Total	112	100

Source: **Researcher**, 2022

Based on findings in the figure above, it was discovered that 40 (35.7%) of the participants who completed the questionnaires and were subsequently questioned agreed that accuracy is a crucial component of good reporting for resources development. According to the workers at Humuza Holding Limited in Kampala, Uganda, 20 respondents (17.8%) concur that excellent reporting allows organisations track their resources more effectively. 10 respondents (8.9%) agreed that using financial statements to decision-making promotes centralized decision, and 40 respondents (35.7) agreed that cash-flow is one of the results of financial statements at Humuza Holding. Apart from the above opinions, 02 (1.7%) participants confirmed that there are other factors associated with the quality of financial statements on organizations like Humuza Holding Limited.

FIGURE 1: THE RELATIONSHIP BETWEEN THE QUALITY OF FINANCIAL REPORTING AND RESOURCE MANAGEMENT



What is the effect of quality of financial reporting on return on asset of Humuza Holding limited?

TABLE 6: EFFECT OF QUALITY OF FINANCIAL REPORTING ON RETURN ON ASSET

Relationship between	Number of respondents that mentioned the relationship	Percent%
Drive growth	27	24.2
Improve operations	24	21.5
Optimize production	24	21.5
Improve communication	10	8.9
Financial recording	13	11.6
Improve inventory management	14	12.5
Total	112	100

Source: Field Data 2022

From the table (3) above, it can be observed that 27(24.2%) of the respondents strongly agreed to the fact that Humuza Holding Limited have been affected with high growth. Its therefore, implies that drive growth is one of the effect results from the quality reporting in Humuza Holding Limited.

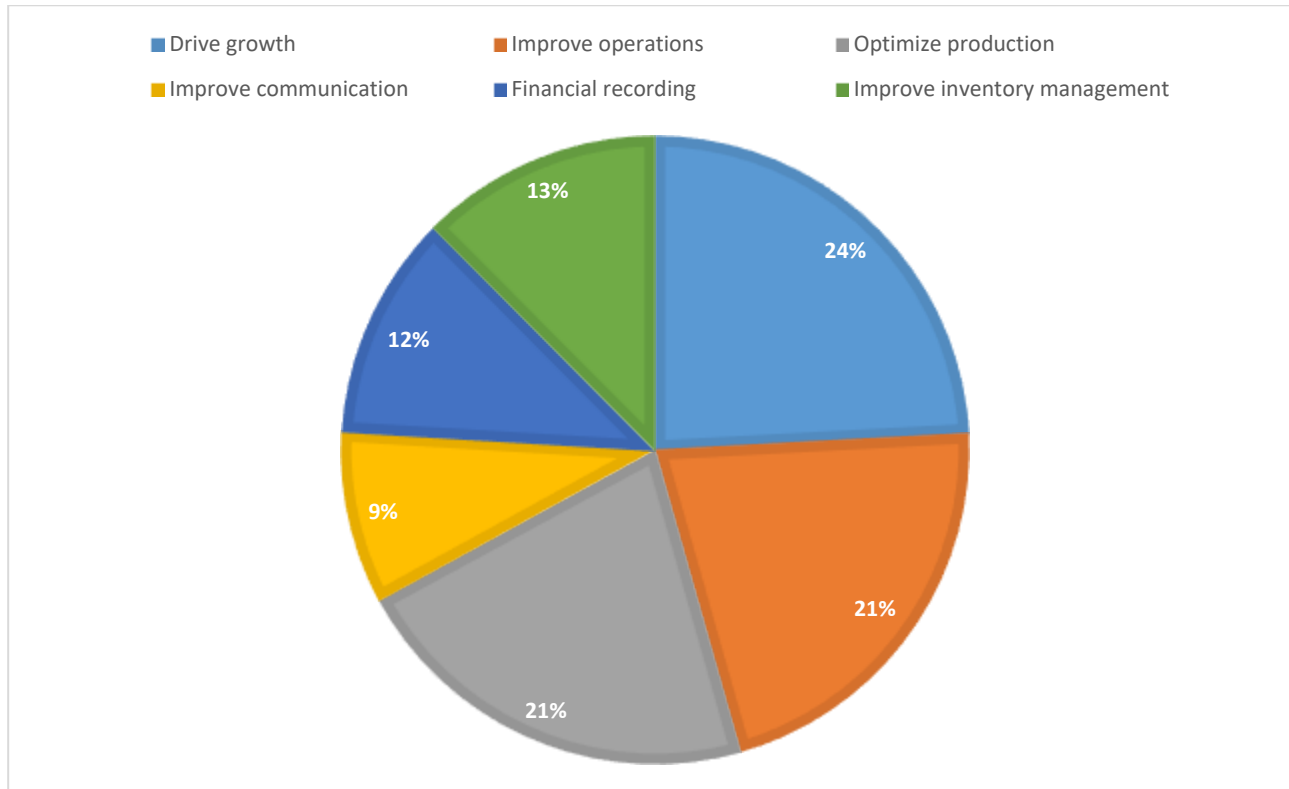
It can be observed that 24(21.5%) agreed that improve operations is one of the result of the quality financial reporting towards to the resource management. This therefore implies that operation improvement have resulted from the quality of financial reporting that is being practiced in Humuza Holding Limited Uganda.

It can also be observed that 24(21.5%) respondents also agreed that Optimize production is also an outcome of the quality financial reporting in the organization management. Therefore, the organization is likely to produce high level of production which is due to the quality financial reporting or bookkeeping in Humuza Holding Limited.

It can also be observed that 10(8.9%) there is improvement communication in organization when the quality reporting is practiced in the organization like Humuza Holding Limited. Therefor it implies that respondents quoted it depends on the level of financial reporting for the organization to improve the communications in their staffs and clients hence resource management in Humuza Holding Limited.

Based on the gathered data 13(11.6%) agreed that Humuza holding Limited have recorded good financial recording due to the quality financial reporting which have increased efficiency, effectiveness as well as accessibility in organization. This implies that the organization is likely be affected with financial recording when it put in practice of quality financial management hence resource management.

FIGURE 2: EFFECT OF QUALITY OF FINANCIAL REPORTING ON RETURN ON ASSET



The roles of quality financial reporting on the resource management of Humuza Holding limited?

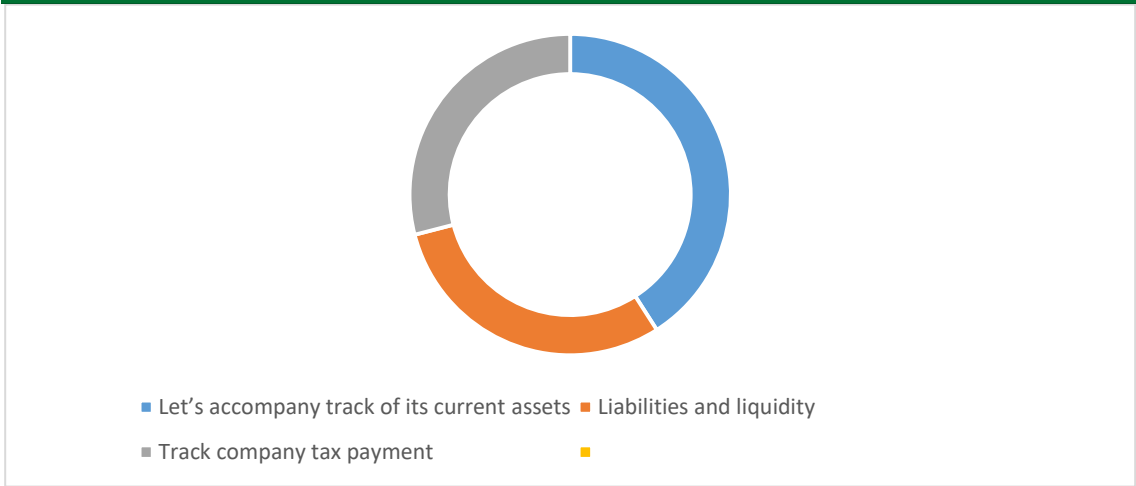
Table 2: Role of quality of financial reporting on return on asset

Impact	Frequency	Percentage
Let's accompany track of its current assets	45	40.2
Liabilities and liquidity	33	29.5
Track company tax payment	32	28.5
Total	112	100

Source; Primary data 2022

From table (4) above, respondents showed that Quality financial reporting impact on the resource management. 45(40.2%) revealed that financial recording impact on the track of its current assets, 33(29.5%) showed that it impacts on the liabilities and liquidity create more efficiency and effectiveness which produce better quality and improve on resource management of Humuza Holding Limited. 32(28.5%) indicated that financial reporting leads to track company tax payment of organization.

FIGURE 3: EFFECT OF QUALITY OF FINANCIAL REPORTING ON RETURN ON ASSET



Source: Primary Data, 2022

Danger of poor financial reporting

TABLE 3: DANGER OF POOR FINANCIAL REPORTING

Challenges	Category	Frequency	Percentage (%)
Inaccurate report can lead you to make bad decision	Strongly agree	27	24.2
Error in financial statement can lead people to lose faith in the company and employees	Agree	26	23.3
Uniformed decision making	No specific view	23	20.6
Business inefficiencies	Disagree	22	19.6
Others	Strongly disagree	14	12.5
Total		112	100

Source: Primary data, 2022

Based on the findings above its indicated that there are dangers of poor financial reporting which affect the resource management in Humuza Holding Limited. 27(24.2%) respondents strongly agreed that inaccurate report can lead to make bad decision making in organization, 26(23.3%) respondents agree with errors in financial statement can lead people to lose faith in their organization like Humuza Holding Limited, 23(20.6%) respondents were not specific with the view of uniformed decision making that it's dangerous to the resource management, 22(19.6) respondents agreed that business inefficiencies can also be dangerous to organization however, there other dangers to poor financial reporting which results the poor resource management.

What is the impact of resource management of Humuza Holding limited?

TABLE 4: IMPACT OF RESOURCE MANAGEMENT

Relationship between	Number of respondents that mentioned the relationship	Percent%
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High quality	28	25
Efficient workforce	24	21.4
Career planning	18	16.1
Influence immaterial satisfaction	17	15.2
Quick Decision makings	15	13.4
Quality services delivery	13	11.7
Total	112	100

Source: Field Data 2022

From the table 6 above; of the total 70 respondents, 15(21.4%) said that there is relationship between technology advancement on the entrepreneurship development as the majority respondents, 14(20%) also mentioned that improve production is one the example of the relationship between technology and entrepreneurship development in the business, 12(17.2) and 12(17.2%) agreed that Optimize production and improvement of communication have an influence, as well financial recording 11(15.7%) have all agreed that there is relationship. Finally, 6(0.5%) respondents are positive on the improve inventory management to the technology advancement and entrepreneurship development. Therefore, it implies that there is big indicators shows that technology advancement on the entrepreneurship development.

Conclusion

Based on the research authors, it is evident that the research scientist tried to evaluate and reach the conclusions as described in chapter 4 above by using both qualitative and quantitative methods. The investigation took place within Humuza Holding Ltd. the company and focused on the impact of excellent accounting records on the institution's resource management.

According to the study's findings, there are a variety of factors that contribute to the creation of organizational units in institutions and high-quality financial trying to report, including employee compensation, staff training, and creative performance, all of which consistently lead to increased productivity, performance, and efficiency. The study comes to the conclusion that sound financial reporting plays a big part in managing organizational resources in organizations like Humuza.

Recommendation

The investigator suggests the following based on the study's results and conclusions;

That qualified employees in the public sector are needed for additional economic success. This can be accomplished through the recruiting and selection processes, which will aid in the choice of individuals with the expertise and skills that will enhance their performance as a result of higher production and resource management.

The treasury department should push for consistently high-quality financial reporting from both public and private businesses in Uganda and other emerging nations. By doing this, all departments in both private and public companies will learn what is required of them and be able to make adjustments to achieve it in order to satisfy the organization 's goals.

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