

**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

Basing on FASB and IASB, 2018), the primary aim of quality financial reporting is to provide high-quality financial reporting information concerning economic entities, useful for economic decision making. Providing high quality financial reporting information is important because it will positively influence capital providers and other stakeholders in making investment, credit, and similar resource allocation decisions enhancing overall market efficiency. In developing countries, it's been the culture of not practicing principles of business management just like financial reporting as crucial business management. Today few Small scale enterprises operate with financial reporting, according to the researcher there are identified challenges associated with the practice i.e. companies have failed to follow the procedures of international accounting standards (IAS), the complexity of the standards, the fair value issues, cost, regulations, lack of technical skills and knowledge in standards as well as inadequate education and training of accountants, all of the above can result poor management of organization resources. However much, business in Uganda are still failing but also some companies have move a step ahead in resolving the issues by introducing valuable software's (Excel), implementing financial close management software to improve accuracy and speed, improve interdepartmental communication as well as hiring skilled and trained personally. Despite that, medium enterprise with the support of government have tried to introduce the possible measures to improve financial reporting its seen by researcher that there is still missing gaps in the quality of financial reporting which prompted her to investigate of the impact of quality financial reporting on the organization resources mainly at Humuza Holding ltd

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.*
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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

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

According to Freedman (1995) defines sampling as a part of statistical practice concerned with selection of an unbiased or random subset of individual observations with in a population of individuals intended to yield some knowledge about a population of concern especially for purposes of making predictions based on statistical inference. In this research, a random sub-set of category was used to arrive at a sample size of 112 using stratified sampling technique was to entire population which was subdivided in to strata because stratifying sampling technique reduces the weaknesses of simple random sampling. It considers every major stratum (category of heterogeneous population) and it is good for populations of a heterogeneous nature, with identifiable divisions.

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

Data from questionnaires was coded and entered into SPSS where it was converted into frequencies and percentages. Values generated were then presented in summary tables showing frequencies and percentages. Analysis and interpretation

was done using percentages thus factors with high percentage distributions was ranked greater than others. The less the percentage, the weaker a factor was considered. On the other hand, findings from interviews was presented and analyzed descriptively to backup quantitative data.

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
31-40	37	33.1	55.5
41 and above	40	35.7	100.0
Total		100	

Source: **Primary Data**, 2022

From the study findings, the study population was mainly composed of people from different age groups. Respondents aged between 41 and above years comprised of (35.7%) those aged between 31-40 years comprised of slightly over (33.1%) where as those aged 15-30 years and comprised only (22.4%).

As noted / indicated above, the variations in age structure were pointed out as a result of various factors, the major one being the fact that people lying in the age bracket of 41- and above are the adults who now days largely engage in high / advanced financial related work compared to the youth a warning them satisfying qualifications a long side fresh brains thus are largely opted for by such efficiency yearning financial performance in Humuza Holding Limited. This thus explains why those falling between 41– above years and many compared to the rest. Others in the bracket of 31 – 40 and above were fewer because these qualified earlier thus cannot easily cope up with the ever increasing modern systems of finance handling especially due to current usage or utilization of modern information and technology equipment and methods.

TABLE 4: TIME SPENT WORKING AT THE HUMUZA HOLDING LIMITED

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

Source: **Primary Data** 2022

From the above table, Respondents were asked about their duration of stay/work in the study area that is Humuza Holding Limited. It was hoped that the workers / respondents time of the stay on work influenced their impact in the area. Those who had stayed longer in the study area were further believed to have witnessed several changes with the Quality of finance reporting, trends and patterns of work / services offered by the company to its clients (30.4%) slightly low ten percent had stayed / worked with Humuza Holding Limited for a period of only One month to one year. Only twenty percent (22.4%) of the respondents had worked with Quality Financial reporting for a period of One - two years while the rest of the respondents (26.7%) and 20.5% had worked / stayed with Humuza Holding reporting for a period of two to three year and three and above years respectively. Hence those over two years were more knowledgeable than those below two years.

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

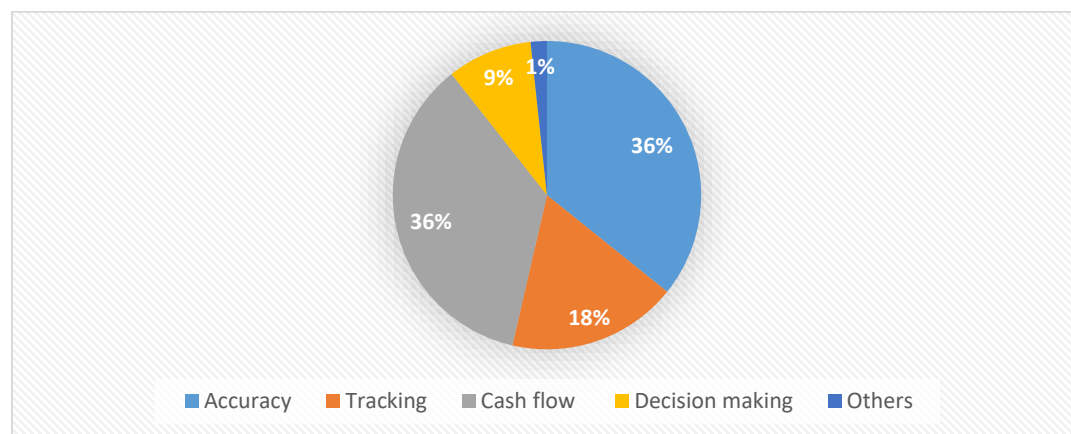
Response	Frequency	Percent
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Accuracy	40	35.7
Tracking	20	17.8
Cash flow	40	35.7
Decision making	10	8.9
Others	2	1.7
Total	112	100

Source: **Researcher**, 2022

Based on the findings above in table it was found that there were 40(35.7%) respondents who received the questionnaire guide and interviewed agreed that accuracy is one of the quality reporting outcome to the resource management, 20(17.8%) respondents agree that quality reporting contribute to tracking which improve on the resource management in organization based on the Humuza Holding Limited Kampala Uganda staffs, 40(35.7) respondents agreed that cash-flow is one of the outcome of financial reporting in Humuza holding, 10(8.9%) respondents agreed that decision making improves in organization when it apply financial reporting, 02(1.7%) respondents agreed that apart from the stated views are due to the quality financial reporting on organza ions like Humuza Holding Limited but there other points that are related to the quality reporting which improves the resource management. It implies that both 35% agreed that accuracy and cash-flow are the best related views to the quality reporting and hence improving resource management in 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

<i>Relationship between</i>	<i>Number of respondents that mentioned the relationship</i>	<i>Percent%</i>
<i>Drive growth</i>	27	24.2
<i>Improve operations</i>	24	21.5
<i>Optimize production</i>	24	21.5
<i>Improve communication</i>	10	8.9
<i>Financial recording</i>	13	11.6
<i>Improve inventory management</i>	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.

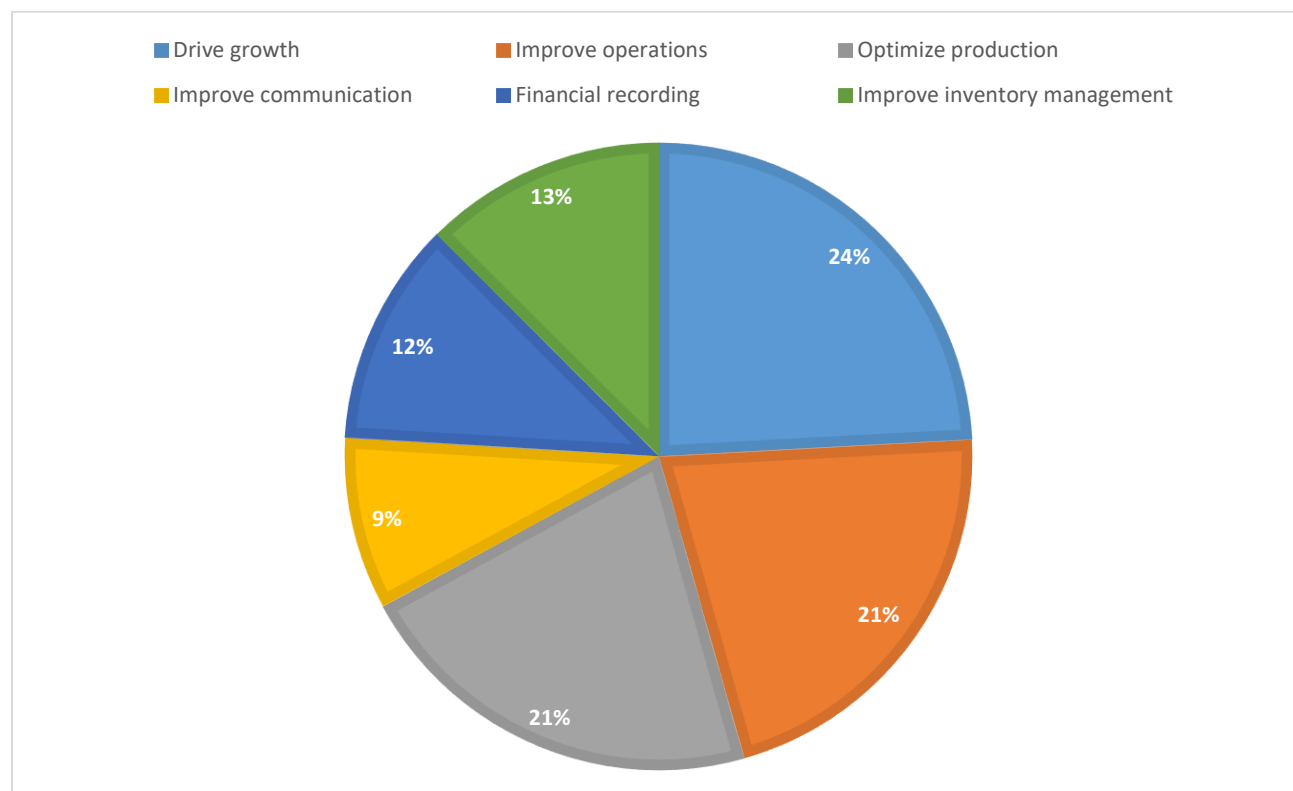
It can be observed that 24(21.5%) agreed that improve operations is one of the result of the quality financial reporting towards to the resource management. This therefore implies that operation improvement have resulted from the quality of financial reporting that is being practiced in Humuza Holding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

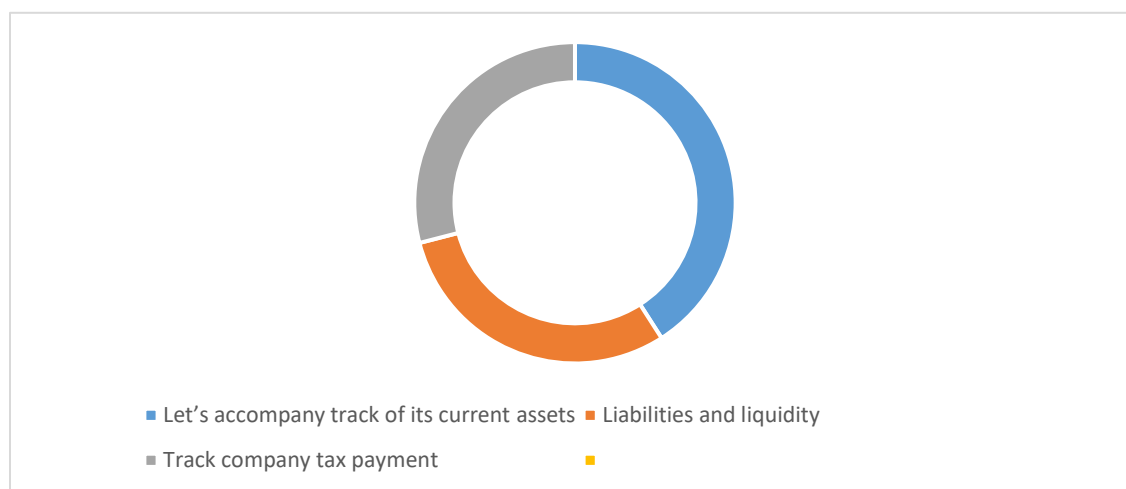
Table 2: Role of quality of financial reporting on return on asset

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	Agree	26	23.3

<i>and employees</i>			
<i>Uniformed decision making</i>	<i>No specific view</i>	23	20.6
<i>Business inefficiencies</i>	<i>Disagree</i>	22	19.6
<i>Others</i>	<i>Strongly disagree</i>	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%
<i>High quality</i>	28	25
<i>Efficient workforce</i>	24	21.4
<i>Career planning</i>	18	16.1
<i>Influence immaterial satisfaction</i>	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 findings, the study that was conducted within Humuza Holding Limited on the impact of quality financial reporting on the organization resource management, it clear that the researcher has tried to analyze and come out with the finding as detailed in chapter 4 above by the use of both qualitative and quantitative methods.

The study concludes that there are number of reasons for quality financial reporting in the organizations including; Remuneration, Staff training, Employees' Creativity which continuously results Efficiency, Effectiveness, Quick Decision makings and Quality services delivery against organization resource management to form a basis of standards, and creation of responsibility centers in organizations. The study concludes that quality financial reporting performs a significant role of managing organization resources in organization such Humuza Holding Limited as it is

through financial reporting which can effectively and efficiently do their operations activities for improved financial performance in Humuza Holding Limited.

Recommendation

Basing on the study findings as well as study conclusions, the researcher recommends the following;

That, Public sectors should employ workers who are qualified for improved financial performance. This can be done through the process of selection and recruitment process that will help in the selection of people with skills and knowledge that will improve on their performance due to increased output and resource management.

The ministry of finance should encourage in both private and public firms in developing countries and Uganda in particular to always perform quality financial reporting. By doing this, all the departments in private and public firms will get to know of what is expected out of them and able to adjust towards achieving it for fulfilling the organization goals and objectives since finance reporting serves as performance indicator, model of communication, measure of control, means of motivation in the organization.

The study further recommends that human resource in organizations to always conceive and adhere to financial reporting in a positive way as it is drafted and follow its contents in the day to day running of the organization activities because it contributes much to the financial performance of firms.

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