
**QUALITY FINANCIAL REPORTING AND ORGANIZATION RESOURCE MANAGEMENT: A
CASE STUDY OF HUMUZA HOLDING LIMITED KAMPALA UGANDA**

1 Nywezakyolina Racheal, 2 Zikusooka Enock, 3 Dr Arinaitwe Julius

1, 2, 3 Metropolitan International University

ABSTRACT

The study aimed at the impact of quality financial reporting on an organization resource management and it was guided by the following objectives; To examine the relationship between the quality of financial reporting and resource management of Humuza holding limited, to examine the effect of quality of financial reporting on return on asset of Humuza Holding limited and to evaluate the Impact of resource management of Humuza Holding limited. The information required this study to encompasses: 2 owners of business, 45 operational managers, 45 staff employers, 20 Auditor officers thereby making a Total of 112 respondents. From the findings, 15(21.4%) said that there was relationship between technology advancement on the entrepreneurship development as the majority respondents, 14(20%) also mentioned that improve production was 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 were positive on the improve inventory management to the technology advancement and entrepreneurship development. 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.

*Key words: quality financial reporting, organization
and resource management*

Background to the study

Nevertheless, financial reporting as a form of responsibility for state financial management is becoming an important part of the accountability process. Since the enactment of financial reporting obligations as a form of state financial accountability in 2005, the quality of the organization's financial statements as a benchmark for managing financial resources has been consistently lower than other regional governments (Akankwasa et al., 2022). The study deals with the impact of quality financial reporting on the management of organizational resources, a case study of Humuza holding sro Kampala Uganda. The study will be important because resource management is the main goal of all organizations and mostly in organizations like Humuza Holding sro Kampala Uganda company. This study on financial reporting in Humuza Holding s.r.o. has been running for the last six years to provide the kind of academic insight that the study will try to offer. It would therefore be necessary to determine what share of financial statements and thereby improve the management of resources to realize a large output. Identifying the problems faced by Humuza Holding s.r.o. in resource management will be important for the following reasons; the study will help the public to get proper service delivery because the performance would be increased resulting from high performance, creative and well compensated employees (Gracious, 2023). The company will also increase its profits by reducing losses and waste. In Uganda, finance is always overlooked in financial decision-making because it involves investment and financing in the short term. Moreover, it also acts as a constraint on financial performance as it does not contribute to the return on equity (Rafuse, 2000). Well-designed and implemented financial management is expected to contribute positively to the creation of firm value (Alex & Kazaara, 2023). The dilemma in financial management is to achieve the desired compromise between liquidity, solvency and profitability (Lazaridis, 2018). The topic of financial performance of companies has received considerable attention from scholars in various fields of business and strategic management.

Problem statement

Based on FASB and IASB, 2018), the primary objective of quality financial reporting is to provide high-quality financial reporting information about 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 that will increase overall market efficiency. In developing countries, it is a culture not to practice the principles of business management, as well as financial reporting as essential business management (Kazaara & Christopher, 2023). Few small businesses currently work with financial reporting, according to the researcher there are problems associated with the practice, i.e. companies do not follow International Accounting Standards (IAS) procedures, complexity of standards, fair value issues, costs, regulations, lack of technical skills and knowledge in areas of standards as well as insufficient education and training of accountants, all of which can result in poor management of an organization's resources (Ronet et al., 2023). However, business in Uganda is still failing, but also some companies have taken a step forward in solving the problems by introducing valuable software (Excel), implementing financial close management software to improve accuracy and speed, improve communication between departments and also hire qualified and personally trained. Despite this, a medium-sized enterprise with the support of the government tried to implement possible measures to improve financial reporting, the researcher found that there were still missing gaps in the quality of financial reporting, which prompted her to investigate the impact of quality financial reporting on the organization's resources, especially in Humuza Holding s.r.o. (Racheal et al., 2023)

Research Objectives

The study was guided by the following research objectives;

- *To examine the relationship between the quality of financial reporting and resource management of Humuza holding limited.*

-
- *To examine the effect of quality of financial reporting on return on asset of Humuza Holding limited.*
 - *To evaluate the Impact of resource management of Humuza Holding limited.*

Research Questions

- *What is the relationship between the quality of financial reporting and resource management of Humuza holding limited?*
- *What is the effect of quality of financial reporting on return on asset of Humuza Holding limited?*
- *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 Humuza Holding Limited</i>	<i>2</i>
<i>Operation managers in Humuza Holding Limited</i>	<i>45</i>
<i>Staff employees</i>	<i>45</i>

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 encompasses: 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 categories 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 (Nelson et al., 2022). Values generated were then presented in summary tables showing frequencies and percentages. Analysis and interpretation were done using percentages thus factors with high percentage distributions were ranked greater than others. The less the percentage, the weaker a factor was considered. On the other hand, findings from interviews were presented and analyzed descriptively to backup quantitative data.

RESULTS

Table 2: 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 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 organizations 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.

Effect of quality of financial reporting on return and asset of Humuza Holding limited?

Table 3: 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 results of the quality financial reporting towards to the resource management. This therefore implies that operation improvement has 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. **Finally**, it was observed that 14(12.5%), have agreed that improvement of inventory is due to the quality financial reporting.*

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

Table 4: Role of quality of financial reporting on return on asset

<i>Impact</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Let's accompany track of its current assets</i>	45	40.2
<i>Liabilities and liquidity</i>	33	29.5
<i>Track company tax payment</i>	32	28.5
<i>Total</i>	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.

Danger of poor financial reporting

Table 5: Danger of poor financial reporting

Challenges	Category	Frequency	Percentage (%)
<i>Inaccurate report can lead you to make bad decision</i>	<i>Strongly agree</i>	27	24.2
<i>Error in financial statement can lead people to lose faith in the company and employees</i>	<i>Agree</i>	26	23.3
<i>Uninformed 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 uninformed 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 6: impact of resource management

<i>Relationship between</i>	<i>Number of respondents that mentioned the relationship</i>	<i>Percent%</i>
<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
<i>Quick Decision makings</i>	15	13.4
<i>Quality services delivery</i>	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 are big indicators shows that technology advancement on the entrepreneurship development.

Conclusion

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

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.

References

- Akankwasa, A., Akakikunda, T., Ntirandekura, M., Murezi, C. M., & Christopher, F. (2022). *Effect of Capital Budgeting on Development of Organizations Empirical Studies of Kashinge Child Development Centre Kisoro District*. 6(9), 5-10.
- Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47-56.
- Gracious, A. (2023). *The Effects of Electronic Banking on Customer Service Delivery, A Case Study of Cairo Bank Uganda, Nakasero*. 7(2), 80-87.

-
- Kazaara, A. G., & Christopher, F. (2023). Impact of Micro Credit Financing on Agricultural Production A Case Study of Bundibugyo District in The Western Region Of. 7(3), 56-62.*
- Nelson, K., Christopher, F., & Milton, N. (2022). Teach Yourself Spss and Stata. 6(7), 84-122.*
- Racheal, N., Kazaara, A. G., & Kazaara, A. I. (2023). Impact Of Quality Financial Reporting on An Organization Resource Management: A Case Study of Humuza Holding Limited Kampala Uganda. 7(3), 335-343.*
- Ronet, C., Micheal, T., Kazaara, A. G., Nelson, K., & Ismail, L. (2023). Assessing of the Impact of Stock Controls on Management of Costs in Organizations; a Case Study of Mukwano Group of Companies. 7(2), 160-178.*