
QUALITY FINANCIAL REPORTING AND ORGANIZATION RESOURCE MANAGEMENT: A CASE STUDY OF SSUBIRYO FINANCIAL SERVICES UGANDA

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Abstract

The study aimed at quality financial reporting and organization resource management with a case study of Ssubiryo financial services uganda and it was guided by the following objectives; To examine the relationship between the quality of financial reporting and resource management of Ssubiryo financial services uganda, to examine the effect of quality of financial reporting on return on asset of Ssubiryo financial services and to evaluate the Impact of resource management of Ssubiryo financial services. The researcher adopted a survey research design, a type of research design often used to assess thoughts, opinions, and feelings. The field research was 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. 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. The finding of the study shown 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 impacted on the liabilities and liquidity create more efficiency and effectiveness which produce better quality and improve on resource management of Ssubiryo financial services. 32(28.5%) indicated that financial reporting leads to track company tax payment of organization. That, Public sectors should employee 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.

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

Background to the study

Despite that financial reporting as a form of accountability for state financial management becomes an important part of the accountability process (Alex & Kazaara, 2023). Since the enactment of financial reporting obligations as a form of state financial accountability in 2005, the quality of financial statements of to the organization as a measurement in managing financial resources is still lower than other regional governments (T. Christopher, 2022). In Uganda, Finance is always being disregarded in financial decision-making since

it involves investment and financing in a short-term period. Furthermore, it also acts as a restrain in financial performance since it does not contribute to return on equity (Akankwasa et al., 2022). A well-designed and implemented financial management is expected to contribute positively to the creation of a firm's value (Padachi, 2016). The dilemma in financial management is to achieve the desired trade-off between liquidity, solvency and profitability (Annet et al., 2023). The subject of corporate financial performance has received significant attention from

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scholars in the various areas of business and strategic management (Polycarp et al., 2023). It has also been the primary concern of business practitioners in all types of organizations since financial performance has implications to organization's health and ultimately its long-term survival. High performance reflects management effectiveness, and efficiency in making use of company's resources and this, in turn, contributes to the country's economy at large (Ramadhan et al., 2023). There have been various measures of financial performance (Moses et al.,

2023). For example, return on sales reveal show much a company earns in relation to its sales, return on assets determines an organization's efficiency in the ability to make use of its assets and return on Equity reveals the return investors expect to earn on their investments. The advantages of financial measures are the simplicity of calculation and also that their definitions are agreed worldwide. Traditionally, the success of a company has been evaluated by the use of financial measures (Ronet et al., 2023).

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 (Racheal et al., 2023). 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 (Derrick et al., 2023). In developing countries, it's been the culture of not practicing principles of business management just like financial reporting as crucial business management (Racheal et al., 2023). 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) (Suzan & Kazaara, 2023), 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 (Emmanuel et al., 2023), all of the above can result poor management of organization resources. However much, business in Uganda is still failing but also some companies have moved 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 (F. Christopher, Moses, et al., 2022). Despite that, medium enterprise with the support of government have tried to introduce the possible measures to improve financial reporting it 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 (F. Christopher, Komunda, et al., 2022)

Specific Objectives

- To examine the relationship between the quality of financial reporting and resource management of Ssubiryo financial services.
- To examine the effect of quality of financial reporting on return on asset of Ssubiryo financial services.

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- To evaluate the Impact of resource management of Ssubiryo financial services.

Methodology

The researcher adopted a survey research design, a type of research design often used to assess thoughts, opinions, and feelings. The field research was 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. 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 Ssubiryo financial services.	2
Operation managers in Ssubiryo financial services.	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 encompasses: 2 owners of business, 45 operational managers, 45 staff employers, 20 Auditor officers thereby making a Total of 112 respondents. 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. 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 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 (Nelson et al., 2022). 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

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What is the relationship between the quality of financial reporting and resource management of Ssubiryo financial services?

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 (F. Christopher, Komunda, et al., 2022), 20(17.8%) respondents agree that quality reporting contribute to tracking which improve on the resource management in organization based on the Ssubiryo financial services 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 Ssubiryo financial services but there other points that are related to the quality reporting which improves the resource management (Derrick et al., 2023). 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 Ssubiryo financial services.

Table 2: 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 (2) above, it can be observed that 27(24.2%) of the respondents strongly agreed to the fact that Ssubiryo financial services have been affected with high growth. Its therefore, implies that drive growth is one of the effect results from the quality reporting in Ssubiryo financial services. 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

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(Tasha et al., 2023). This therefore implies that operation improvement has resulted from the quality of financial reporting that is being practiced in Ssubiryo financial services 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 (Faridah et al., 2023). Therefore, the organization is likely to produce high level of production which is due to the quality financial reporting or bookkeeping in Ssubiryo financial services. 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 Ssubiryo financial services (Isaac et al., 2023). Therefore 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 Ssubiryo financial services. Based on the gathered data 13(11.6%) agreed that Ssubiryo financial services 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.

Table 3: 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 (3) 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 Ssubiryo financial services. 32(28.5%) indicated that financial reporting leads to track company tax payment of organization (Brian & Jacob, 2023).

Table 4: 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
Uninformed 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 Ssubiryo financial services. 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 Ssubiryo financial services (Brighton et al., 2023), 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 (Richard et al., 2023).

What is the impact of resource management of Ssubiryo financial services?

Table 5: impact of resource management

Relationship between	Number of respondents that mentioned the relationship	Percent%
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 5 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 (Ntirandekura, 2022). 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 (Richard et al., 2022).

Conclusion

Based on the findings, the study that was conducted within Ssubiryo financial services 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

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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 Ssubiryo financial services as it is through financial reporting which can effectively and efficiently do their operations activities for improved financial performance in Ssubiryo financial services.

Recommendation

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.

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