

**FINANCIAL REPORTING QUALITY AND MANAGEMENT DECISION
EFFECTIVENESS AT CENTENARY BANK, MAIN BRANCH**

BY

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DECLARATION

I, Mary Christine Babirye, affirm that this dissertation is entirely my own creation and has not been previously submitted to any educational institution for academic recognition. Any external sources utilized in this work have been duly acknowledged.

Signature:

Date:

APPROVAL

This is to certify that this dissertation, “*The effect of financial reporting quality on management decision effectiveness in Centenary Bank, Main Branch*” has been done under our supervision, and we hereby approve it for submission to the Directorate of Research and Graduate Training for examination.

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DEDICATION

I dedicate this dissertation to my beloved family. I love you all so much. I especially thank and appreciate my Mom, Ms. Mary Francis Nagawa who supported me in this course and made me believe that if I dream well and I can achieve well. Her spiritual and mental strength helped me and guided me through everything.

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I also dedicate this dissertation to my sister Mary Catherine, who always made me believe that I am enough. I just have to believe in myself, and everything will come my way. You have been my best cheerleader. I also dedicate this dissertation to my sister Viva Patience and my brother Miles Augustine, who never left my side and are very special.

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Finally, I dedicate this dissertation to God Almighty, who has been the source of my strength throughout this program and on his wings only have I soared.

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LIST OF ACRONYMS

ATM:	Automated Teller Machine
CVI:	Content Validity Index
EU:	European Union
IASB:	International Accounting Standards Board
IFRS:	International Financial Reporting Standards
OECD:	Organisation for Economic Co-operation and Development
SPSS:	Statistical Package for Social Scientists
U.S.:	United States

ABSTRACT

This study explored the effect of financial reporting quality on the effectiveness of management decisions at Centenary Bank's Main Branch. It was guided by three key objectives: to assess the effect of the reliability of financial reporting, the timeliness of financial reporting, and the understandability of financial reporting on the effectiveness of management decision. A cross-sectional survey design, incorporating both quantitative and qualitative methods, was employed. The study targeted 169 participants, all of whom responded, achieving a 100% response rate. Data was collected from staff and heads of departments at Centenary Bank's Main Branch using questionnaires and interview guides. The study findings revealed that reliability of financial reporting positively predicts management decision effectiveness ($B = .224, p = .000 < 0.05$) and timeliness positively predicts management decision effectiveness ($B = .283, p = .000 < 0.05$), then understandability of financial reporting also positively predicts management decision effectiveness ($B = .690, p = .000 < 0.05$). Then, all constructs of reliability, timeliness, and understandability of financial reporting and demographic factors collectively explained 54.5% of the variance in management decision effectiveness. The study concluded that understandability of financial reporting was the most significant predictor of management decision effectiveness. The study recommended that the bank should implement a robust internal control system to minimize errors in financial reports, enhance transparency by ensuring that all stakeholders have open access to relevant financial information, and implements a structured financial reporting framework that prioritizes timely report publication and stakeholder communication. The bank should establish a comprehensive reporting calendar that clearly outlines all internal and external deadlines, ensure that financial reports include detailed explanations, utilizing charts and figures to enhance the visual representation of financial data and adopt simple and plain language in financial reports to facilitate better understanding among a diverse audience.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Management decision effectiveness in the banking sector has indeed been a global challenge, even with the presence of quality financial reporting. Difficulties in the decision-making process within the management in the banking sector have appeared in several ways, including declining profitability, increased non-performing loans, erosion of shareholder value, and regulatory sanctions (Black & Johnson, 2020). Excessive risk-taking behavior, such as engaging in speculative investments without adequate diversification or risk management have also expose banks globally to significant financial losses and undermine their stability (Huang & Hwang, 2019). Furthermore, poor customer service, evidenced by high customer complaint rates and declining customer satisfaction scores have indicated a lack of focus on meeting client needs and building long-term relationships due gaps in management decision making process (Clark & Bennett, 2021). This provided the foundation for analyzing the effect of financial reporting quality on the management decision effectiveness within the banking sector. This chapter outlines the study's background, the problem statement, purpose of the study, the research objectives, questions, and hypotheses. Additionally, it captured the conceptual framework, highlights the significance of the study, defines its scope, and offers operational definitions for key terms.

1.1 Background to the Study

This subsection outlines the background of the study from four perspectives: historical, theoretical, conceptual, and contextual.

1.1.1 Historical Background

The management decision effectiveness in the banking sector present unique challenges, despite the existence of financial reporting. Developing countries often have less developed financial infrastructure compared to their developed counterparts. This includes factors such as a lack of robust accounting systems, inadequate data availability, limited access to reliable financial information, and the use of less advanced financial reporting frameworks. The accuracy and dependability of financial reporting in these countries may be undermined, resulting in difficulties in making well-informed management decisions (Gardi et al., 2021).

While financial reporting in Europe adheres to the International Financial Reporting Standards (IFRS), variations in the application and interpretation of these standards persist across different European Union (EU) member states. This inconsistency has resulted in diverse reporting practices, complicating the task for decision-makers to compare and evaluate financial information across banks and countries. Europe has faced significant challenges due to the sovereign debt crisis, especially in countries like Greece, Portugal, Italy, Ireland, and Spain. This crisis exposed weaknesses in risk management, regulatory oversight, and governance within the banking sector. Decision-makers had to address the implications of sovereign debt exposure, recapitalization needs, and the effects of austerity measures on lending and profitability (Roychowdhury et al., 2019).

In Africa, many African countries have underdeveloped financial infrastructure, which hinder effective decision-making. This encompasses challenges such as inadequate accounting systems, limited access to trustworthy financial data, and a lack of advanced financial reporting frameworks (Koko & Sam-Eleyi, 2020). These issues have undermined the quality and reliability of financial reporting, making it challenging for decision-makers to access accurate

and timely information to guide their strategies. To strengthen the link between financial reporting and management decision effectiveness in Africa, it is crucial to improve financial reporting infrastructure, ensure compliance with international accounting standards, enhance regulatory frameworks, and invest in data collection and technology (Wadesango & Ncube, 2020). Additionally, building capacity in financial reporting and analysis, promoting transparency, and increasing access to finance can further support improved decision-making within the banking sector (Wynne & Mear, 2016).

In Nigeria, a major issue with financial reporting disclosure is the widespread non-compliance with corporate governance, ethical standards, and regulatory requirements, particularly among Deposit Money Banks. This non-compliance affects the management decisions of these banks, as inadequate financial reporting poses challenges for their management. These shortcomings have necessitated the enhancement and expansion of the generally accepted accounting principles, leading to the adoption of international financial reporting standards (Koko & Sam-Eleyi, 2020). Similarly, in Rwanda, banking institutions tend to provide less financial statement disclosure than what investors and customers expect, despite daily production of these statements. This insufficient disclosure impacts the quality of financial reporting and creates inappropriate incentives for effective management decisions, ultimately affecting the planning, direction, and control of financial resources, which are essential for the efficient and effective provision of banking services (Alex, 2014).

Despite efforts by the Ugandan banking sector to align its financial reporting standards with international benchmarks, challenges persist in regulatory compliance and enforcement. Inadequate enforcement mechanisms have led to inconsistencies in reporting practices, reducing the reliability and comparability of financial reports. As a result, management decision

effectiveness have faced difficulties in relying on financial reports when making strategic decisions due to concerns about the accuracy and integrity of the information (Kisaku, 2017; Tiwangye, 2018). Therefore, Ugandan banks need to focus on strengthening its financial reporting infrastructure to ensure that there is management decision effectiveness.

1.1.2 Theoretical background

This study considered the agency theory advanced by an economists Michael C. Jensen and William H. Meckling in their influential 1976 paper, "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure." Jensen and Meckling aimed to explore the relationships and conflicts of interest between shareholders (principals) and managers (agents) in corporations (Clacher et al., 2010).

Agency theory is a well-established framework that describes the relationship between principals (like shareholders or owners) and agents (such as managers) within organizations. In terms of financial reporting and management decisions, this theory offers insights into how financial reporting can align the interests of principals and agents, thereby improving decision-making quality (Shi et al., 2017).

Agency theory suggests that conflicts of interest can emerge between principals and agents because of their different goals and incentives. While principals strive to maximize wealth and value, agents might follow their own objectives. Financial reporting acts as a mechanism to reduce these conflicts by supplying information that enables principals to monitor agents' actions and make informed decisions (Shah, 2014).

The theory posits that financial reporting enables principals to evaluate how effectively management utilizes resources to achieve organizational goals. The quality of financial

reporting has a direct effect on the information accessible to decision-makers. Accurate and timely financial reports are crucial for assessing financial performance, profitability, liquidity, solvency, and risk profile. This information aids in evaluating management decisions related to investment strategies, capital allocation, and risk management practices (Tiwangye, 2018).

Within the framework of this study, agency theory proved highly relevant as it underscores the importance of financial reporting at Centenary Bank. By disclosing relevant and reliable financial information, financial reporting helps bridge the information gap between principals and agents. It holds agents accountable for their actions and allows principals to assess the bank's performance, financial position, and risk exposure. Ensuring transparency and providing accurate financial information can enhance the management decision effectiveness at Centenary Bank.

1.1.3 Conceptual Background

According to the CFA Institute (2024), the quality of financial reporting is defined by how accurately financial statements represent an organization's financial position, performance, and cash flows in alignment with relevant accounting standards, regulations, and ethical principles. This quality encompasses factors such as accuracy, completeness, reliability, transparency, and relevance of the information presented in financial reports (CFA Institute, 2024). High-quality financial reporting allows stakeholders to make well-informed decisions regarding an organization's financial health and future prospects (Lauren, 2022). In this study, financial reporting was conceptualized through the dimensions of reliability, timeliness, and understandability.

Management decision effectiveness is conceptualized as the quality and appropriateness of decisions made by an organization's management. It evaluates how effectively managers assess situations, collect information, weigh alternatives, and choose the optimal course of action to meet the organization's goals and objectives (Baba & HakemZadeh, 2012). This effectiveness reflects the extent to which decisions are well-informed, rational, and aligned with the organization's objectives. The management decision effectiveness significantly influences the success and performance of the organization (Abubakar et al., 2019). This study conceptualized management decision effectiveness in terms of risk assessment and situation analysis.

1.1.4 Contextual Background

Financial reporting plays a critical role in providing transparency to stakeholders, including managers. However, there is non-compliance with financial reporting standards at centenary bank which has created gaps in the quality of management decision making. A poor financial reporting practice at centenary bank does not adhere to the required accounting principles, resulting in distorted or unreliable financial information. Managers who have been relying on this information have made decisions based on flawed assumptions or incomplete understanding of the financial situation (Centenary Bank, 2019).

The financial reports at centenary bank are not prepared and provided in a timely manner which has hindered quality management decisions due to lack of the necessary information to make timely and informed decisions. Delays in financial reporting has also hindered the ability to respond quickly to emerging opportunities or address potential issues, leading to missed opportunities or ineffective decision-making (Mwima, 2018). Addressing these gaps requires a comprehensive approach where centenary Bank Uganda can enhance the quality of management decision-making by refining their financial reporting practices. In this context, the

study investigated the impact of financial reporting on the management decision effectiveness at centenary bank branches in Kampala.

1.2 Statement of the Problem

Management decision effectiveness is crucial in commercial banks to ensure efficient operations, risk mitigation, and sustainable growth in a highly competitive and regulated industry (Black & Johnson, 2020). Ideally, Effective Management Decisions in commercial banks lead to enhanced operational efficiency, minimized risks, and sustainable growth. At Centenary Bank, elements of risk assessment and situation analysis have been incorporated to serve as key indicators of management decision effectiveness.

The bank employs a comprehensive risk assessment framework that identifies potential threats and evaluates their impact on operations and financial performance (Rubahimbya, 2016; Nassa & Margaret, 2024). This proactive approach aims at allowing the bank to implement mitigation strategies, ensuring resilience against unforeseen challenges. Regarding situation analysis, the bank conducts a detailed examination of internal and external factors affecting the bank's performance by continuously monitoring market conditions, regulatory changes, and competitive dynamics (Nassa & Margaret, 2024). This is done to enable the bank to navigate complex environments, maintain stability, and achieve sustainable growth.

On the contrary, evidence shows that risk assessment has not been fully achieved, for example, in the case of Centenary Bank evidence shows that it is faced with ineffective decisions related to loan approvals and monitoring, resulting in a high level of non-performing loans due to poor credit assessments and insufficient follow-up on loan repayments that have resulted into a high annual bad debt write-off ranging from 20-40%. The loan loss rate has escalated from -0.10%

to 2.81%, and the number of outstanding loans has increased from \$18,795 to \$24,479 (Akankwasa, 2018; Nabikindu, 2022). Additionally, there are signs of poor situation analysis as evidenced by financial instability and increased vulnerability with some ATM not having cash and clients are sometimes not allowed to withdraw all the money from their accounts due to limited cash as a result of some funds being held up in other ventures (Nabikindu, 2022). Furthermore, the bank is experiencing operational inefficiencies and reduced profitability because of ineffective resource allocation as a result of poor situation analysis (Annah, 2022; Nabikindu, 2022).

Failure to correct these issues at Centenary bank shows that there is a problem and the bank risks financial instability if these challenges persist because the financial sector is very dynamic. It is full of many people who want to exploit the system. Therefore, with vigilance of making quality decisions is very paramount. These gaps in management decision effectiveness at Centenary bank could be due to many factors, however, in the interest of this research, the study considered lenses of quality of financial reporting. Therefore, the study examined the effect of financial reporting quality on the management decision effectiveness at Centenary Bank's main branch.

1.3 Purpose of the Study

This study aimed to investigate the effect of financial reporting quality on the management decision effectiveness at Centenary Bank's main branch.

1.4 Specific Objectives

- i. To examine the effect of reliability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch.

- ii. To assess the effect of timeliness of financial reporting on management decision effectiveness in Centenary Bank, Main Branch.
- iii. To establish the effect of understandability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch.

1.5 Research Questions

- i. What is the effect of reliability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch?
- ii. What is the effect of timeliness of financial reporting on management decision effectiveness in Centenary Bank, Main Branch?
- iii. What is the effect of understandability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch?

1.6 Hypotheses

The study used the following alternative hypotheses;

H₀₁: Reliability of financial reporting has significant effect on management decision effectiveness in Centenary Bank, Main Branch

H₀₂: Timeliness of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch

H₀₃: Understandability of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch

1.7 Conceptual Framework

The conceptual framework illustrates the connection between the quality of financial reporting and the management decision effectiveness.

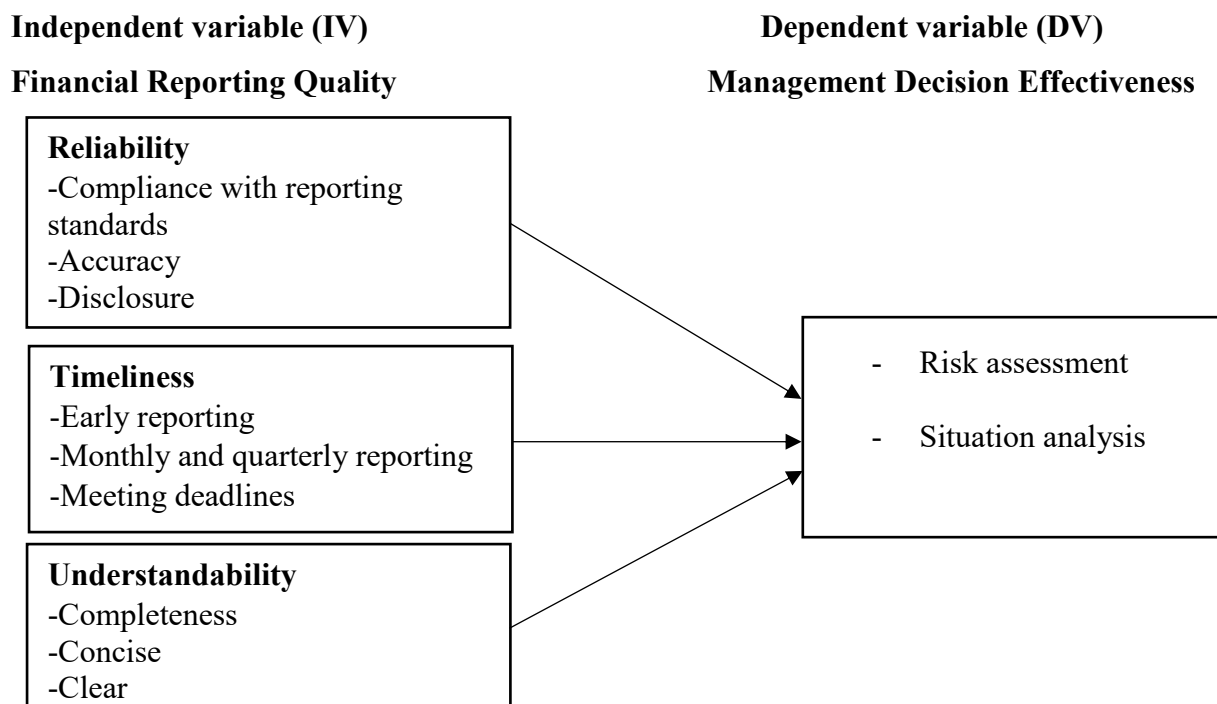


Figure 1. 1: Conceptual Framework of the study

Source: Adapted from Tiwangye (2018), Kalyowa, (2019) and modified by the Researcher (2023)

The conceptual framework outlines the proposed relationship between financial reporting quality and management decision effectiveness. Reliability of financial reporting was hypothesized to have a direct relationship with management decisions effectiveness. If the financial reporting was accurate, transparent, and adhere to the international reporting standards there would be increased likelihood of management decision effectiveness (Kalyowa, 2019). Timeliness of financial reporting was assumed to have a direct association with management decision effectiveness. Timely financial reporting in banks was assumed to increase the odds of management decision effectiveness. The conceptual framework also showed that understandability of financial reporting was assumed to have a direct association with management decision effectiveness . Financial reports which were complete, concise, and clear

were likely to increase on the management decision effectiveness (Tiwangye, 2018; Kalyowa, 2019).

1.8 Significance of the Study

For policymakers: Understanding how the quality of financial reporting influences management decisions can guide policymakers like Ministry of Finance and Bank of Uganda in crafting policies that promote integrity and accountability in corporate disclosures.

Financial institutions: Understanding how accurate and reliable financial information impacts decision-making processes within organizations allows financial institutions to improve their risk assessment models and lending practices. This insight can lead to better-informed investment decisions, enhanced credit risk management, and, ultimately, improved financial performance.

In academia: This study contributes to the existing body of knowledge on the quality of financial reporting and decision sciences. Additionally, the findings may serve as a reference for future research related to this topic.

1.9 Scope of the study

1.9.1 Content Scope

The study explored how the financial reporting quality influences the management decision effectiveness at Centenary Bank's main branch. Quality of financial reporting was studied in form of reliability, timeliness, and understandability of financial reports while management decision effectiveness included risk assessment and situation analysis. This was because for accurate financial decisions to be made, the management requires timely, reliable and understandable financial reports.

1.9.2 Geographical Scope

The research focused on conducted in centenary bank Kampala branch. This bank has been considered because of increasing gaps in the quality of decision making despite financial reporting practices (Akankwasa, 2018). Similarly, this bank operates on a large scale and it was believed to be practicing financial reporting and management decisions.

1.9.3 Time Scope

The study reviewed literature spanning the period from 2018 to 2022 since it's when centenary bank recorded a decline in management decisions. Thus, this period was sufficient for the researcher to obtain information related to financial reporting and management decision effectiveness.

1.10 Operationalized definitions of key terms

Financial reporting quality: This pertains to how accurately and fairly financial reports represent an entity's financial standing, performance, and cash flows in compliance with accounting standards and regulations. In this study, it particularly focuses on the reliability, timeliness, and understandability of financial reports.

Management decision effectiveness: This refers to the effectiveness of decisions made by management in achieving organizational objectives, informed by timely and accurate financial information and analysis. In this study, it pertains to risk assessment and situation analysis in the bank.

Reliability of financial reporting: This refers to the confidence that financial information is free from significant errors or biases and can be relied upon by stakeholders for decision-making. In this study, it pertains to adherence to international reporting standards, the accuracy of financial data, and the transparency of disclosures.

Timeliness of financial reporting: It refers to promptness with which financial information is made available to stakeholders, allowing for timely analysis and decision-making. In this study, it refers to early reporting, monthly and quarterly reporting and meeting deadlines in financial reporting.

Understandability of financial reporting: It pertains to the clarity and understandability of the financial information provided in reports, allowing stakeholders to easily comprehend the financial position and performance of an entity. In this study, it references to completeness, concise and clear financial information in the reports.

Risk assessment: This is the process of identifying, analyzing, and evaluating potential risks that could impact the achievement of bank's objectives to manage and mitigate those risks effectively.

Situation analysis: This involves systematically examining the internal and external factors affecting bank to understand its current position and inform strategic decision-making.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher examined literature related to the study's objectives. It presents the theoretical review, conceptual review, empirical literature, and summary of the literature gaps. The sources of the literature reviewed included journal articles, textbooks, working papers, and dissertations that had been conducted both locally and internationally.

2.1 Theoretical Review

This study was based on agency theory, formulated by economists Michael C. Jensen and William H. Meckling in their seminal 1976 paper, "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure." In their work, Jensen and Meckling explored the relationships and potential conflicts of interest that arise between shareholders (principals) and managers (agents) in corporations (Clacher et al., 2010).

Agency theory serves as a well-established framework that clarifies the interactions between principals (such as shareholders or owners) and agents (such as managers) within organizations. In the realm of financial reporting and management decisions, this theory provides valuable insights into how financial reporting can harmonize the interests of principals and agents, thus improving the quality of decision-making (Shi et al., 2017).

According to agency theory, conflicts of interest can emerge between principals and agents due to their differing goals and incentives. Principals aim to maximize wealth and value, whereas agents may pursue their own objectives. Financial reporting mitigates these conflicts by

providing information that allows principals to monitor agents' actions and make informed decisions (Shah, 2014).

Agency theory suggests that financial reporting enables principals to assess how effectively management utilizes resources to achieve organizational goals. The quality of financial reporting directly influences the information available to decision-makers. Accurate and timely financial reports are essential for evaluating financial performance, profitability, liquidity, solvency, and risk profile. This information supports the assessment of management decisions related to investment strategies, capital allocation, and risk management practices (Tiwangye, 2018).

In this study, agency theory is significant as it highlights the importance of financial reporting at Centenary Bank. By disclosing relevant and reliable financial information, financial reporting helps bridge the information gap between principals and agents. It holds agents accountable for their actions and allows principals to assess the bank's performance, financial position, and risk exposure. Ensuring transparency and providing accurate financial information can enhance the management decision effectiveness at Centenary Bank.

2.2 Conceptual review

This section presents a review of the concepts used in the study.

2.2.1 Financial Reporting Quality

The quality of financial reporting in an organisation is a crucial indicator of its transparency, accountability, and overall financial health. It involves presenting accurate and reliable financial information that complies with accounting standards and regulatory requirements (IASB, 2018).

Emphasis is placed on the relevance and timeliness of financial disclosures to meet the

informational needs of various stakeholders (Barth, Cahan, & Landsman, 2017). Furthermore, providing comprehensive and understandable information enhances users' ability to make informed decisions (Healy & Palepu, 2001). De Franco, Kothari, and Verdi (2011) highlighted the importance of evaluating financial reporting quality not only in terms of compliance but also in reflecting the economic reality.

2.2.2 Management decision effectiveness

Management decision effectiveness refers to the soundness and appropriateness of decisions made by an organization's management. It assesses the ability of managers to analyze situations, gather pertinent information, consider various alternatives, and choose the optimal course of action to achieve the organization's goals and objectives. Effective management decisions are essential for setting goals, determining necessary actions to meet those goals, and evaluating whether those actions are working as intended (Baba & HakemZadeh, 2012).

The management decision effectiveness directly impacts an organization's performance. Well-informed and effective decisions lead to improved operational efficiency, increased productivity, enhanced profitability, and overall organizational success. Conversely, poor decision-making can result in inefficiencies, missed opportunities, and negative financial consequences. High-quality decisions ensure that actions align with the organization's strategic objectives, mission, vision, and goals, facilitating the implementation of strategic plans and increasing the likelihood of achieving desired outcomes. Quality decisions help maintain focus and direction, avoiding haphazard or contradictory actions (Cook et al., 2013).

Management decisions are crucial for maintaining financial stability, managing risks effectively, and ensuring the soundness of the banking system. Decisions related to lending

practices, investment strategies, risk management, and capital allocation directly influence a bank's ability to weather economic downturns and protect depositor funds. Banks face various risks, including credit, market, liquidity, operational, and regulatory compliance risks. Effective management decisions are essential for identifying, measuring, and mitigating these risks. A robust risk management framework, supported by sound decision-making practices, helps banks maintain a healthy balance between risk and reward, safeguarding stakeholder interests (Oladipo, 2021).

2.3 Empirical Literature

This sub-section presents the empirical literature in relation to the specific objectives in chapter two.

2.3.1 Reliability of Financial Reporting and Management Decision Effectiveness

The reliability of financial reporting is a crucial qualitative attribute in accounting. Financial information is considered reliable when it is complete, neutral, and free from material errors. Ensuring reliability in financial reporting involves adhering to sound accounting principles and complying with relevant standards. High-quality financial reporting benefits capital providers and other stakeholders by supporting investment, credit, and resource allocation decisions, thereby improving overall market efficiency (Adediran et al., 2013). Reliable financial reports offer precise and dependable information about a company's financial performance, position, and cash flows. Management uses this information to assess the organization's current state, identify trends, and evaluate potential outcomes of various alternatives, thereby facilitating informed decision-making and effective resource allocation (Adediran et al., 2013).

Gardi et al. (2021) investigated the impact of financial accounting reports on managerial decision-making in small and medium-sized enterprises. They found that the reliability of financial reporting significantly impacts managerial decisions. High-quality financial reporting ensures that the information provided is accurate, complete, and dependable, which managers rely on to evaluate financial performance, position, and cash flows. This, in turn, enables them to make strategic and operational decisions grounded in robust financial data (Gardi et al., 2021).

Adediran et al. (2013) investigated the relationship between the reliability of financial reporting and various company attributes, such as management decision effectiveness, size, profitability, and audit firm size. The study utilized multiple regression analysis on data from fifty-one randomly selected listed companies in Nigeria for the year 2010. The results demonstrated a significant positive correlation between the reliability of financial reporting and factors including management decision effectiveness, company size, profitability, and age (Adediran et al., 2013). The current study will examine whether the reliability of financial reporting significantly impacts management decision effectiveness at Centenary Bank's main branch.

Alsmady (2022) examined the effect of financial reporting quality, audit quality, and earnings power on the performance of companies in the six Arabian GCC countries. The study highlighted that high-quality financial reporting significantly enhances management decisions by providing accurate and reliable information. This accurate information facilitates data-driven decisions related to resource allocation, cost control, and performance enhancement. Specifically, high-quality financial reports allow managers to gain a clearer understanding of their company's financial health, leading to more strategic and informed decisions that can improve overall business performance and competitiveness (Alsmady, 2022).

Tiwangye (2018) investigated the relationship between the reliability of financial reporting and decision-making at Lake Victoria Hotel in Uganda using a cross-sectional case study design that included both qualitative and quantitative methods. The findings revealed an insignificant relationship between financial reporting reliability and decision-making. Tiwangye highlighted that poor reliability in financial reporting heightens the risk of undetected errors and fraudulent activities. Managers depend on reliable financial reports to accurately evaluate the organization's financial health and make well-informed decisions. If financial reporting lacks reliability, it can hinder the detection of errors, misstatements, or manipulations, potentially leading to inaccurate assessments and misguided decisions. This scenario underscores the importance of enhancing the reliability of financial reporting to ensure sound managerial decisions (Tiwangye, 2018).

Francis et al. (2004) explored how financial reporting reliability affects corporate investment efficiency in a sample of U.S. firms, finding that higher quality financial reporting is associated with more efficient investment decisions. This is evidenced by the sensitivity of investment to cash flow, indicating that firms with reliable financial reports are better at aligning their investment strategies with their actual financial conditions. Similarly, Bartov et al. (2005) demonstrated that firms with higher financial reporting quality are more likely to make management decisions that align with the goal of maximizing shareholder value. These firms are able to make strategic decisions that are more likely to enhance long-term profitability and sustainability due to the reliability of the financial information they rely on for decision-making.

2.3.2 Timeliness of Financial Reporting and Management Decision Effectiveness

Timely reporting of financial information is vital for ensuring its relevance and utility. When annual reports and financial statements are delayed, the data becomes outdated, significantly

diminishing its value and effectiveness. Many studies highlight the significance of timely financial reporting. For instance, the Accounting Principles Board (1970) stressed its importance in its guidelines. Similarly, the OECD considers timely reporting a key principle of corporate governance, and the World Bank has extensively researched the timeliness of financial reporting as an essential component of corporate governance across different countries (McGee et al., 2009). Timely financial reporting enables managers to make informed decisions based on current data, allowing for more responsive and strategic management. Furthermore, it enhances stakeholder trust by providing investors, creditors, and other parties with up-to-date information, thereby fostering confidence in the company's operations and financial health. This section delves into empirical literature examining the impact of timely financial reporting on the effectiveness of management decisions, highlighting its role in promoting efficient resource allocation, risk management, and overall corporate performance.

Yunita et al. (2023) explored how timely financial reporting influenced management decisions during the COVID-19 pandemic, focusing on food and beverage companies listed on the Indonesia Stock Exchange from 2020 to 2021. The study analyzed secondary data from financial reports and auditor statements using descriptive statistical methods. The findings demonstrated that timely financial reporting significantly and positively impacted management decisions. This suggests that having access to current financial information enables decision-makers to make more precise and informed judgments, thereby enhancing the effectiveness of their strategic and operational choices (Yunita et al., 2023). This study highlights the critical role that up-to-date financial data plays in navigating the uncertainties and challenges posed by the pandemic, further emphasizing the need for prompt financial reporting in facilitating responsive and informed management practices.

Badawy (2021) examined how the quality and timeliness of financial reporting influenced management decision effectiveness amid the COVID-19 crisis in Egypt. The study analyzed data from 95 firms listed on the Egyptian stock exchange. The findings revealed a positive and significant correlation between timely financial reporting and the effectiveness of management decisions. This relationship underscores the importance of prompt financial information in improving decision-making quality during challenging times such as the pandemic. Badawy's research highlights that timely financial reporting is crucial for enabling managers to respond swiftly and effectively to rapidly changing conditions, thus supporting better strategic and operational decisions in a crisis environment (Badawy, 2021).

Ohaka and Akani (2017) carried out an extensive study on the timeliness and relevance of financial reporting in publicly traded companies in Nigeria. They examined data from annual reports and the Nigerian Stock Exchange (NSE) Fact Book spanning twelve years, from 2000 to 2011. Through multiple regression analysis, they discovered a significant correlation between timely financial reporting and the effectiveness of management decisions. Their findings suggest that prompt financial reporting plays a crucial role in facilitating better decision-making processes for management. Consequently, Ohaka and Akani recommended that regulatory bodies enforce stricter standards to improve the timeliness and relevance of financial reports, thereby enhancing their value for stakeholders' decision-making (Ohaka & Akani, 2017).

Mehrani et al. (2020) investigated the effect of timely financial reporting on managers' decision-making abilities. Their thorough hypothesis testing revealed that prompt disclosure of financial information positively influences managerial decision-making. The study emphasized that timely financial reporting helps reduce information asymmetry between the company and its investors. With access to current financial data, including key performance indicators and

financial ratios, managers are better equipped to make informed and strategic decisions. This underscores the critical role of timely financial reporting in enhancing the overall quality and effectiveness of managerial decision-making (Mehrani et al., 2020).

Iyoha (2012) conducted an in-depth analysis of the effect of financial reporting timeliness on various company attributes in Nigeria, employing Ordinary Least Square (OLS) regression and panel data estimation techniques. The study's findings revealed a significant positive effect of timely financial reporting on the management decision effectiveness within Nigerian companies, with a notable emphasis on the banking sector. This research underscores the critical importance of prompt financial reporting in enhancing the quality of managerial decisions, suggesting that timely access to financial information can lead to more strategic and effective decision-making processes in Nigerian businesses, particularly within the banking industry (Iyoha, 2012).

Amahalu (2020) investigated the influence of timely financial reporting on investment decisions within Nigerian deposit money banks. The study utilized various proxies, including management decision effectiveness, board independence, and the presence of foreign executives. The research employed descriptive statistics, correlation matrix, and panel data regression analysis to explore the dynamics between these variables. The findings indicated a non-significant negative relationship between timely financial reporting and management decision effectiveness. Likewise, the study discovered a non-significant negative correlation between board independence and the timeliness of financial reporting. These results suggest that, contrary to expectations, the promptness of financial reporting did not significantly enhance decision-making effectiveness or board independence in the context of Nigerian deposit money banks (Amahalu, 2020).

2.3.3 Understandability of Financial Reporting and Management Decision Effectiveness

Understandability in financial reporting refers to how well users can comprehend the importance of the reported items for making informed decisions. This attribute emphasizes the clarity and comprehensibility of the financial information presented in statements and reports. Financial reports should be clear, well-organized, and free of unnecessary jargon. Explanations or definitions should be provided for complex financial concepts and technical terms to aid users who may not have a strong financial background (Soyinka et al., 2017). This section reviews empirical literature on the effect of understandability in financial reporting on management decision effectiveness.

Tiwangye (2018) explored the connection between financial reporting and decision-making at Lake Victoria Hotel in Uganda through a cross-sectional case study design that combined both qualitative and quantitative approaches. Data was collected via questionnaires and interviews and analyzed using the Statistical Package for Social Scientists (SPSS) and thematic content analysis. The study found a strong, significant correlation between the understandability of financial reports and decision-making at the hotel. Clear, concise, and comprehensive financial reports were found to enhance decision-making by improving comprehension, highlighting relevant information, facilitating timely decisions, and increasing transparency and trust (Tiwangye, 2018).

Safkaur et al. (2019) studied the impact of the understandability of financial reporting on management decision-making across 44 regency and city governments in Papua and West Papua. Employing a causality verification method, the study concluded that the clarity and comprehensibility of financial reports significantly and positively impacted the quality of management decisions. The researchers emphasized the necessity of offering clear and

transparent explanations of accounting policies and methods to ensure that users can easily comprehend how financial data is measured, recognized, and presented. This approach enhances the ability of decision-makers to make well-informed and effective decisions based on financial reports (Safkaur et al., 2019).

Al-Dmour et al. (2018) explored the influence of financial reporting understandability on management decisions within non-financial companies. Data was gathered through self-administered questionnaires from 239 participants in publicly listed firms on the Amman Stock Exchange. The study revealed that the completeness of financial reporting notably impacted management decisions. Comprehensive financial reports, which offer accurate and transparent information, are crucial for effective financial analysis, strategic planning, regulatory compliance, stakeholder communication, and overall decision support in non-financial enterprises. The findings underscore the importance of clear and thorough financial reporting in enhancing decision-making processes in these companies (Al-Dmour et al., 2018).

2.3.4 Chapter conclusion

In reviewing the existing studies, several knowledge gaps and geographical limitations were identified. These gaps and limitations highlight areas that require additional research to deepen our understanding of the subject and broaden the overall body of knowledge. A significant number of the studies examined concentrated on particular regions or countries, which constrains the applicability of their findings within the Ugandan context. In addition, most of the reviewed studies were not conducted in banks and this creates lack of generalizability of the findings in context of the Bank. Therefore, it was necessary for the researcher to examine the effect of quality of financial reporting on the management decision effectiveness in centenary bank, Kampala branch which falls in the banking context and the Ugandan context.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

By using appropriate data collection methods, carefully designing the research study, and applying rigorous analysis techniques, a good research methodology increases the likelihood of obtaining accurate and trustworthy results. This chapter describes the research design, study population, sample size, sampling methods, data collection techniques, instruments used for data collection, variable measurements, validity and reliability assessments, data analysis methods, ethical considerations, and anticipated limitations of the study.

3.1 Research Design

Research design is an essential element of any study, serving as the blueprint for conducting research to ensure that results are both valid and reliable (Sileyew, 2019). In this study, a cross-sectional survey design was used. This specific research design allowed for data collection from a diverse group of individuals at a single defined point in time (Croswell, 2018). The selection of the cross-sectional survey design was based on its efficiency and cost-effectiveness in data collection. A mixed-methods approach was adopted, incorporating both quantitative and qualitative methods for data collection, management, and analysis. This approach, known as triangulation, leveraged the strengths of both methodologies (Yin, 2018). The quantitative aspect provided generalizable statistical data, offering comprehensive insights valuable for decision-making (Bryman, 2018). Additionally, qualitative data were collected through interviews with key informants to capture their opinions and insights. Therefore, using both quantitative and qualitative approaches strengthened the over study by balancing statistical generalizability with in-depth perspectives.

3.2 Study Population

A study population is the broader target group from which researchers aim to draw conclusions or make inferences about specific research questions or objectives. It was crucial to define the study population precisely to ensure it accurately reflects the intended population of interest, enabling generalizability and valid conclusions (Majid, 2018). This study focused on a population of 300 staff members working at the main branch of Centenary Bank located at Mapeera House. This included both staff and heads of departments (Centenary Bank, 2019). The department heads encompassed roles such as Managing Director, Executive Director, General Manager of Finance, General Manager of Corporate Communication & Marketing, General Manager of Risk Management, General Manager of Business Technology, General Manager of Commercial Banking, General Manager of Strategy and Research, General Manager of Compliance, and General Manager of Financial Markets. In this study, the unit of analysis is the individual staff members and heads of departments at the main branch of Centenary Bank, as they are the primary entities from which data is collected. The unit of inquiry is the specific information gathered from these individuals regarding their perceptions, experiences, and practices related to the research objectives, such as financial reporting, decision-making, and operational performance.

3.3 Sample Size Determination

Determining the sample size is a critical step in research design as it involves identifying the appropriate number of participants or observations needed to obtain reliable and meaningful results (Ahmad & Halim, 2017). This study used the Krejcie and Morgan (1970) formula to calculate the adequate sample size:

$$S = \frac{X^2NP(1 - P)}{d^2(N - 1) + X^2P(1 - P)}$$

Where;

S is the sample size,

X² is the table value for chi-square at 1 degree of freedom, assumed to be 3.841,

N is the target population size,

P is the proportion of the population with the characteristics of interest, estimated to be 0.5,

d is the degree of accuracy expressed as a proportion, estimated to be 0.05.

Using this formula, the study determined that a sample size of 169 respondents would be appropriate.

$$S = \frac{3.841 * 300 * 0.5(1 - 0.5)}{0.05^2(300 - 1) + 3.841 * 0.5(1 - 0.5)}$$

S=169 respondents

Table 3. 1: Sample size of the study

Category of respondent	Population	Sample	Sampling Technique
Staff	290	163	Simple random sampling
Heads of departments	10	6	Purposive sampling
Total	300	169	

Source: Centenary Bank (2019); Krejcie and Morgan (1970); Martínez-Mesa et al. (2016).

3.4 Sampling Procedure

Proper sampling procedures are crucial for minimizing selection bias and other forms of bias that can impact study results (McEwan, 2020). This study utilized a blend of simple random sampling and purposive sampling methods to identify participants from the target population.

Simple random sampling involved randomly selecting individuals from a larger group, guaranteeing that every person had an equal chance of being included. This method is frequently used in research and surveys, as it provides an unbiased representation of the overall population (Martínez-Mesa et al., 2016). In this instance, simple random sampling was applied to select Centenary Bank employees for the structured interviews.

Purposive sampling, in contrast, enabled researchers to choose participants based on specific characteristics or experiences relevant to the study's objectives. This targeted approach allowed researchers to gather in-depth and detailed information pertinent to their research questions (Campbell et al., 2020). This method was employed to select heads of departments for key informant interviews.

3.5 Data Sources

Data sources refer to the origins from which information is collected for analysis and research purposes. In this study, primary data sources were employed, involving the direct collection of information from individuals or entities through methods such as surveys, interviews, observations, experiments, or focus groups. This primary data was specifically designed to align with the research objectives, ensuring that the information gathered was both highly relevant and specific (Kornegay & Segal, 2013).

3.6 Data Collection Methods

The choice of an appropriate data collection method was influenced by several factors, including the research objectives, availability of resources, characteristics of the target population, and ethical considerations. Researchers often employed a combination of methods to obtain a comprehensive understanding of the research topic. The decision regarding the data collection

method was informed by the study's aims, the type of data needed, the resources at hand, and the demographics of the target population (Taherdoost, 2021). In this study, both questionnaires and interviews were utilized to collect valuable insights.

3.6.1 Questionnaire Survey Method

The questionnaire survey method involved gathering information by presenting individuals with a set of questions to answer. These surveys could be conducted through different mediums, such as paper-based questionnaires, online forms, or interviews where the questions were verbally presented to the participants (Dalati & Marx Gómez, 2018). This approach was used by the researcher when conducting interviews with the staff of Centenary Bank.

3.6.2 Interview Method

The interview method was a flexible and versatile approach that enabled in-depth exploration of topics, allowing for detailed responses and the collection of rich qualitative data. Interviews can be carried out in several formats, such as in-person, over the phone, or through online video conferencing (Knott et al., 2022). This method was used to engage key informants, including department heads at Centenary Bank, to obtain deeper insights into their experiences and viewpoints regarding the quality of financial reporting and the management decision effectiveness.

3.7 Data Collection Tools

There were numerous data collection tools available to support the gathering of data for research or analysis, spanning from traditional methods to advanced technological solutions. Choosing data collection tools depended on several factors, including research goals, data nature, target

population, available resources, and technological capabilities (Canals, 2017). For this study, a questionnaire and an interview guide were utilized for data collection.

3.7.1 Questionnaire

A structured questionnaire consisted of a predetermined set of closed-ended questions that were presented to respondents in a standardized format. It followed a specific order, and respondents chose from predefined response options. Structured questionnaires were widely utilized for collecting quantitative data, especially when researchers sought to gather information from a large sample size for statistical analysis. It was essential, however, to design the questionnaire carefully, ensuring it was unbiased and adequately validated to guarantee the reliability and validity of the data collected (Canals, 2017). The structured questionnaire entailed different areas as per the study's intended goals. These areas included background information and study variables.

3.7.2 Interview Guide

The interview guide functioned as a structured framework during interviews, offering flexibility to explore specific areas of interest in depth. It was crucial to actively listen, adapt questions based on participants' responses, and foster a comfortable environment for open and meaningful dialogue (DeJonckheere & Vaughn, 2019). This guide contained open-ended questions directed at the heads of departments.

3.8 Data Collection Procedures

The researcher acquired an introductory letter from Kyambogo University's graduate school, which was then presented to the management team of Centenary Bank at Mapeera House. After

receiving approval from the management, the researcher arranged for structured and key informant interviews with the selected respondents.

3.9 Validity and Reliability

The research instruments underwent validity and reliability testing to ensure the collected data is both meaningful and accurate, effectively meeting the research objectives.

3.9.1 Validity

Validity pertained to the extent to which a research instrument effectively measured its intended constructs or concepts and accurately captured the essence of interest. It ensured that the instrument yielded meaningful and precise data in accordance with the research objectives. In evaluating validity, assessments were conducted for both content and criteria to gauge the instrument's representation of variables and their interrelations (Surucü & Maslakci, 2020). The researcher computed the content validity index (CVI) to ascertain the instrument's validity, employing the subsequent formula:

$$\text{CVI} = \frac{\text{Number of relevant items in the questionnaire}}{\text{Total number of items in the questionnaire}}$$

Table 3. 2: Validity Test

Item	Total Items	Relevant Items	Irrelevant	CVI
Reliability	11	09	02	.818
Timeliness	11	08	03	.827
Understandability	12	10	02	.833
Management Decision Effectiveness	09	08	01	.889

All the constructs were regarding valid since all their CVIs were above 0.7.

3.9.2 Reliability

Reliability refers to the extent to which a research instrument consistently and accurately measures its intended constructs, ensuring that results remain consistent and uniform across various components. This concept indicates that the instrument yields dependable results when applied repeatedly under similar conditions (Price et al., 2015). To assess the internal consistency of the instruments, this study utilized Cronbach's alpha. This metric evaluated how closely related the items within a scale were in measuring the same underlying construct. A strong Cronbach's alpha coefficient indicated a significant correlation among the items, suggesting a reliable measure of the construct (Price et al., 2015). The data was considered reliable since all Cronbach's alpha coefficients exceeded 0.7.

Table 3. 3: Reliability Test

Item	Item tested	Alpha values
Reliability	11	.993
Timeliness	11	.991
Understandability	12	.993
Management Decision Effectiveness	09	.992

3.10 Variable Measurements

In this study, the quality of financial reporting was evaluated based on its reliability, timeliness, and understandability as proposed by Kalyowa (2019). Conversely, the management decision effectiveness was assessed in terms of risk assessment and situation analysis in the bank as recommended by Tiwangye (2018). All responses regarding the study constructs were ranked on a five-point Likert scale, with response options ranging from "5-Strongly Agree," "4-Agree," "3-Neutral," "2-Disagree," to "1-Strongly Disagree."

3.11 Data Processing and Analysis

It was essential to rigorously carry out data processing and analysis, adhering to established best practices, and taking into account the unique demands of the research study. Thorough documentation of all procedures involved in data processing and analysis was vital for ensuring transparency and reproducibility of the findings, as highlighted by Bryman and Cramer (2009).

3.11.1 Quantitative Data Analysis

The first step involved conducting a comprehensive review of the collected data to identify and rectify any discrepancies, missing values, inconsistencies, or outliers. This process included tasks such as data validation, coding, verifying data entry, and transforming information. After this initial review, descriptive statistics were utilized to summarize and elucidate the key characteristics of the dataset. These statistical measures included means, standard deviations, percentages, and frequency distributions, providing a detailed overview of the data and facilitating the identification of patterns, central tendencies, and variations within the examined variables.

To ascertain the impact of independent variables on the dependent variable, the researcher employed a multiple linear regression model at a significance level of 5%. Subsequently, the assumptions underlying multiple linear regression, such as linearity, normality, homoscedasticity, and independence of errors, underwent evaluation. Any identified breaches of these assumptions prompted the application of suitable corrective measures, including transformations, to uphold the validity of the outcomes. Following the completion of the regression analysis, the results were interpreted to gauge the strength and significance of the relationships between the independent variables and management decision effectiveness. The regression coefficients offered insights into the direction and magnitude of these relationships,

enabling an assessment of which variables wielded a statistically noteworthy impact on management decision effectiveness within Centenary Bank. Additionally, other statistical outputs such as the coefficient of determination (R-squared) were examined to assess the overall predictive capacity of the regression model.

3.11.2 Qualitative Data Analysis

To analyze the qualitative data garnered from the key informants, the researcher employed a systematic approach conducive to thorough exploration and interpretation of their viewpoints and experiences. Initially, the researcher transcribed or meticulously reviewed the audio recordings or written transcripts of the interviews or interactions with the key informants. This meticulous step ensured the acquisition of an accurate and comprehensive record of the qualitative data slated for analysis. Subsequently, the researcher immersed themselves in the data by repeatedly reading and scrutinizing the transcripts or notes to foster familiarity and attain a profound understanding of the key informants' insights. This iterative process facilitated the identification of predominant themes, concepts, or notions arising from the data. In the final stage of the analysis, the researcher amalgamated the findings by crafting a coherent and comprehensive narrative or report encapsulating the principal themes, sub-themes, and vivid descriptions derived from the qualitative data. This narrative was substantiated by pertinent quotes or excerpts from the key informants, augmenting the findings with evidential support and authenticity.

3.12 Ethical Considerations

Ethical considerations played a pivotal role in every research endeavor, ensuring the protection of participants' rights, well-being, and dignity. Below were some key ethical considerations that were adhered to throughout the study:

Prior to participants' involvement in the study, the researcher obtained informed consent from each individual. This consent process included offering clear and understandable information about the study's aims, methodologies, possible risks and benefits, and the voluntary aspect of their participation. Participants were encouraged to ask questions and to make an informed choice about their engagement.

The study prioritized the confidentiality and privacy of participants. Measures were put in place to securely store the gathered data, and participants' identities were protected. Furthermore, no information that could potentially disclose the identity of participants, such as their name or position, was requested during the study.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF STUDY FINDINGS

Introduction

This chapter offers a presentation, analysis, and interpretation of the study's findings. It starts with descriptive statistics that highlight the demographic characteristics of the respondents, followed by the results pertaining to the study objectives, which include examining the effect of reliability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch, the effect of timeliness of financial reporting on management decision effectiveness in Centenary Bank, Main Branch and the effect of understandability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch.

4.2 Response Rate

The figure 4.1 below shows the number of respondents who provided responses

Table 4. 1: Study Response Rate

Tools	Targeted Sample	Achieved	Response Rate
Staff	163	163	100%
Heads of departments	06	06	100%
Total	169	169	100%

Source: Field data, 2024

According to Table 4.1, all 169 targeted participants provided responses, resulting in a response rate of 100%. This exceeds the 70% response rate recommended by the Guttmacher Institute (2006), indicating that the study's response rate is satisfactory.

4.3 The Demographic Characteristics of the Respondents

The study gathered demographic information from participants to assess variables including gender, age, education level, and duration of working banking with Centenary Bank. The findings are presented in tables, which detail the frequencies and percentages of each characteristic.

Table 4. 2: The Demographic Characteristics of the Respondents

Bio-data Information	Category	Frequency	Percent
Gender	Male	80	49.1
	Female	83	50.9
	Total	163	100.0
Education	Diploma	28	17.2
	Bachelor's Degree	111	68.1
	Post-graduate Diploma	7	4.3
	Master's Degree	17	10.4
	Total	163	100.0
Age	18 to 29	40	24.5
	30 to 39	46	28.2
	40 to 49	48	29.4
	50 to 59	29	17.8
	Total	163	100.0
For how long been work in Bank	Less than 1 year	10	6.1
	1-3 years	29	17.8
	4-6 Years	44	27.0
	7-9 years	47	28.8
	10years and above	33	20.2
	Total	163	100.0

Source: Field data, 2024

Results in Table 4.2 above shows that the gender distribution is nearly balanced, with 49.1% of participants identifying as male and 50.9% as female. This ensures a comprehensive representation of both genders, contributing to a more inclusive perspective in the study. Importantly, the study's objectivity remains intact, and this gender distribution does not compromise the validity or reliability of the findings.

The educational background of the respondents is noteworthy, with 68.1% holding a bachelor's degree, 17.2% possessing a diploma, 10.4% having a master's degree, and 4.3% with a post-graduate diploma. This indicates that a significant majority of the participants have advanced educational qualifications, equipping them with the necessary skills to understand the study's questions and provide insightful responses.

The age distribution reveals that 24.5% of respondents were between 18 and 29 years old, 28.2% were aged 30 to 39, 29.4% were in the 40 to 49 age range, and 17.8% were aged 50 to 59. The majority of participants fall within the 30 to 49 age brackets, suggesting a mature demographic that is likely to contribute valuable insights based on their experiences regarding financial reporting in the bank.

Lastly, the data on respondents' tenure at the bank indicates that 6.1% have worked there for less than one year, 17.8% for 1-3 years, 27.0% for 4-6 years, 28.8% for 7-9 years, and 20.2% for 10 years or more. This distribution shows that the majority of respondents have substantial experience in the banking sector, which enhances their understanding of financial reporting quality on the management decision effectiveness at Centenary Bank's main branch.

4.4 Descriptive Statistics for Financial Reporting Quality and its Constructs

The section presents the descriptive statistics on different constructs of financial reporting quality which include reliability of financial reporting, timeliness of financial reporting and understandability of financial reporting

4.4.1 Descriptive Statistics for Reliability of Financial Reporting

The responses were instructed to rate their responses regarding the reliability of financial reporting, and the results were analyzed through means and standard deviations, which were then compared to the overall mean for interpretation.

Table 4. 3: Descriptive Statistics for Reliability of Financial Reporting

<i>Reliability</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>SD</i>
All bank’s financial reports are prepared in accordance with IFRS	1	5	2.90	1.325
The bank always received unqualified audit opinion from External Auditors	2	5	3.69	.906
The bank complies with all guidelines set by regulatory bodies	1	5	2.63	1.343
The bank has well trained and certified staff that deal with finance issues	1	5	2.96	1.305
We regularly reconcile all the accounts across all the financial reports	1	5	2.85	1.348
There are low incidences of errors detected in financial reports	1	5	2.49	1.376
The bank has clear procedures to follow from data entry to reporting	1	5	2.72	1.433
There is a team that regularly checks consistency between financial statement and supporting documents	1	5	2.78	1.379
Information in the financial reports is always detailed	1	5	2.60	1.269
All stakeholders have open access to bank’s financial information	1	5	2.43	1.431
All the financial information is disclosed in the financial reports	1	5	2.64	1.281
Grand Mean			2.79	

Source: Field data, 2024

Regarding the statement that all bank financial reports are prepared in accordance with IFRS, a mean score of (2.90) is slightly below the grand mean of (2.79). This suggests that respondents perceive the adherence to IFRS as moderate, with room for improvement. The standard deviation of (1.325) indicates considerable variability in responses, highlighting differing perceptions regarding the bank's compliance with international standards. Regarding the bank receives unqualified audit opinions from external auditors, it scored a mean value of (3.69) which was significantly above the grand mean of (2.79). This high score reflects positivity suggesting that always the bank receives unqualified audit opinions from external auditors. The

lower standard deviation of (0.906) indicates a consensus among respondents that the bank always receives unqualified audit opinions from external auditors.

However, the compliance with guidelines set by regulatory bodies scored a mean value of (2.63), which is well below the grand mean (2.79). This finding raises concerns about the bank's adherence to regulatory standards, as indicated by the relatively high standard deviation of (1.343). It suggests that many respondents may feel that the bank is not fully compliant with the required guidelines, potentially jeopardizing its reputation and operational integrity.

The adequacy of trained and certified staff handling financial issues registered a mean value of (2.96) which was slightly above the grand mean of (2.79). This indicates a perception that some staff may be qualified. However, there is still concern about overall training and certification levels. The standard deviation of (1.305) further suggests varied opinions, which could reflect inconsistencies in staff qualifications across departments. The bank's practice of regularly reconciling accounts across financial reports received a mean score of (2.85) which was above the grand mean of (2.79). This suggests that stakeholders may feel that reconciliation processes are robust or frequent as necessary. However, the findings further registered a standard deviation of (1.348) indicating variability in opinions on this practice.

When considering the incidence of errors detected in financial reports, a mean score of (2.49) was registered which was below the grand mean of (2.79). This highlights a significant concern about the accuracy of financial reporting which means that some financial reports contain errors. The standard deviation of (1.376) reveals considerable disagreement among respondents, indicating that some perceive a higher frequency of errors in the financial reports. The statement regarding clear a procedure from data entry to reporting scored a mean value of (2.72) was

registered which was below the grand mean (2.79). This indicates a need for clearer protocols within the bank to enhance the reliability of financial data handling. As suggested by the standard deviation of (1.433) that reflects differing perceptions of the effectiveness of existing procedures.

The consistency check between financial statements and supporting documents registered a mean score of (2.78), which was below the grand mean (2.79). This suggests that there were concerns about the thoroughness of the verification processes in place indicating that there were gaps. As indicated by the standard deviation of (1.379) highlighting a lack of uniform agreement on consistency check between financial statements and supporting documents. For the level of detail in financial reports, a mean value of (2.60) which was below the grand mean of (2.79). This suggests that stakeholders feel the reports lack sufficient detail. The standard deviation of (1.269) indicates a somewhat unified perception that the reports could be more informative.

Regarding stakeholder access to financial information, a mean score of (2.43) was registered. However, it was below the grand mean (2.79) which highlights a significant gap in transparency, suggesting that many stakeholders feel they do not have sufficient access to relevant financial information. The high standard deviation of (1.431) emphasizes that opinions vary widely on this critical issue. Lastly, the mean score of (2.64) for the disclosure of financial information in reports indicates that there are still areas where transparency can be improved since the mean was below the grand mean of (2.79). This finding, coupled with a standard deviation of (1.281) which shows that stakeholders have varying levels of perception in the comprehensiveness of the financial disclosures provided.

In interviews, heads of departments provided additional context regarding the reliability of financial reporting. One respondent stated:

“...we strive to adhere to IFRS, but I recognize that there are gaps in our compliance with regulatory guidelines. It’s an area that needs focused attention to enhance our credibility” (Respondent - 04).

Another respondent emphasized the importance of receiving unqualified audit opinions:

“...the unqualified opinions from external auditors are a point of pride for us. It reassures our stakeholders that our financial reporting practices are sound, but we must continue to uphold that standard” (Respondent - 01).

However, concerns were also raised regarding the training of staff:

“...while we do have some well-trained staff, there’s a need for ongoing professional development to ensure everyone is equipped to handle financial issues competently” (Respondent - 03).

On the subject of error incidence, one respondent remarked:

“...we’re aware that errors can slip through, and that’s why regular reconciliation is critical. We need to ensure our processes are robust enough to minimize these occurrences” (Respondent - 02).

Additionally, another respondent noted the lack of access to financial information:

“...it’s vital that we improve how we communicate financial information to all stakeholders. Transparency is crucial for building trust, and we must do better in this area” (Respondent - 06).

The interview responses highlight a mixed yet insightful perspective on the reliability of financial reporting within the organization. Heads of departments recognize the importance of adhering to IFRS and maintaining unqualified audit opinions, reflecting a commitment to credibility and stakeholder confidence. However, gaps in regulatory compliance and the

occurrence of errors indicate areas where internal controls and processes need strengthening. Concerns about staff training underscore the necessity for ongoing professional development to ensure competence in handling financial matters. Furthermore, limited access to financial information suggests challenges in transparency and communication with stakeholders, which can undermine trust. Overall, the findings suggest that while the organization values accuracy and accountability in financial reporting, there are critical areas staff capacity, process robustness, and information accessibility that require targeted improvement to enhance overall reliability and stakeholder confidence.

4.4.2 Descriptive Statistics for Timeliness of Financial Reporting

Furthermore, the respondents were asked to rate their views on the timeliness of financial reporting, and the analysis utilized means and standard deviations, which were then compared to the grand mean.

Table 4. 4: Descriptive Statistics for Timeliness of Financial Reporting

<i>Timeliness</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>SD</i>
All financial reports are always published a head of statutory deadlines	1	5	2.96	1.467
Stakeholders are notified in advance about early availability of financial reports	1	5	2.31	1.168
All financial reports are always reviewed before the official deadlines	1	5	3.32	1.346
The bank has enough financial tools that enable quick consolidation of financial information	1	5	3.12	1.363
The bank consistently prepares detailed monthly financial reports	1	5	3.66	1.243
The bank consistently prepares detailed quarterly financial reports	1	5	3.37	1.314
The bank always use the monthly and quarterly reports to track performance against the budget	1	5	3.20	1.369
The bank consistently submits financial reports within the deadlines	1	5	2.95	1.465
The bank always meets the internal deadlines set to prepare financial reports	1	5	2.48	1.293
Audits are done in the stipulated times	1	5	3.12	1.295
The bank follows a detailed reporting calendar with all the set deadlines for reporting	1	5	2.47	1.321
Grand Mean			3.00	

Source: Field data, 2024

From Table 4.4, regarding the item that all financial reports are always published ahead of statutory deadlines, it scored a mean value of (2.96) which was slightly below the grand mean of (3.00). This suggests that while Centenary Bank generally publishes its financial reports on time, it may not consistently do so ahead of statutory deadlines. The standard deviation of (1.467) indicates considerable variation in responses, suggesting that the timeliness of report publishing is perceived differently across stakeholders, with some experiencing delays. Regarding the statement that stakeholders are notified in advance about early availability of financial reports, it received a mean score of (2.31) which was significantly lower than the grand mean (3.00). This indicates that stakeholders feel inadequately informed about the early availability of financial reports. The lower standard deviation (1.168) suggests that most respondents consistently agree on this point, highlighting a communication gap in notifying stakeholders about report availability ahead of time.

Additionally, regarding the item that all financial reports are always reviewed before the official deadlines scored a mean value of (3.32) exceeding the grand mean of (3.00). This suggests that respondents believe the bank generally reviews its financial reports in a timely manner before official deadlines. The standard deviation of (1.346) indicates moderate variation in responses, implying that while many are satisfied with the timeliness of report reviews, some departments may occasionally experience delays. Furthermore, on the issues that the bank has enough financial tools that enable quick consolidation of financial information, it scored a mean value of (3.12) which was above the grand mean of (3.00) reflecting that stakeholders believe the bank's financial tools are adequate for rapid consolidation. However, there was variation in responses (1.363) indicating that the effectiveness of these tools may vary, or that some departments experience challenges in consolidating financial information quickly.

Regarding the item that the bank consistently prepares detailed monthly financial reports, scored a mean value of (3.66) which was above the grand mean of (3.00). This indicates strong agreement among respondents that Centenary Bank is diligent in preparing monthly financial reports. The high standard deviation (SD = 1.243) suggests a more inconsistent in responses from the respondents. Similarly, regarding the bank consistently prepares detailed quarterly financial reports scored a mean value of (3.37), reflecting a positive perception of the bank's quarterly reporting which showed that quarterly financial reports were consistently prepared. The high standard deviation of (1.314) suggests that while most respondents agree, there is some variation in experiences.

Still from Table 4.4 above, reading the item that the bank always uses the monthly and quarterly reports to track performance against the budget, it scored a mean value of (3.20) which was above the grand mean of (3.00) indicated a general satisfaction with how the bank tracks performance against its budget using these reports. However, standard deviation of (1.369) suggests some diversity in how different departments perceive or experience this practice, implying that the use of reports for performance tracking may not be uniform across the organization. On the other hand, the item that the bank consistently submits financial reports within the deadlines scored a mean value of (2.95) which was slightly below the grand mean (3.00). This suggests that while deadlines are usually met, there is room for improvement in this area. The high standard deviation (1.465) points to significant variation in how different departments experience meeting deadlines, with some departments likely facing more challenges than others.

Additionally, on the issue that the bank always meets the internal deadlines set to prepare financial reports registered a lower mean of (2.48) which was below the grand mean of (3.00)

indicating that respondents believe the bank does not consistently meet its internal deadlines. The moderate variation (1.293) suggests that this issue is not uniform across all departments, signaling an area for improvement in terms of adhering to internal reporting schedules. On the issues that audits are done in the stipulated times, it scored a mean value of (3.12) which was above the grand mean of (3.00) reflecting general satisfaction with the timeliness of audits. However, the high standard deviation of (1.295) indicates some variation in opinions, with some departments possibly experiencing delays in audit processes.

Lastly, from Table 4.4 above, on the statement that the bank follows a detailed reporting calendar with all the set deadlines for reporting scored a mean value of (2.47) which was significantly below the grand mean (3.00), indicating dissatisfaction with the bank's adherence to a structured reporting calendar. The high standard deviation of (1.321) suggests that this is a widely felt issue among respondents, reflecting concerns about the bank's ability to follow a clear reporting schedule.

From the interviews with the heads of departments at Centenary Bank, mixed sentiments were revealed. One respondent emphasized the bank's commitment to meeting reporting deadlines, stating:

“...we strive to ensure all financial reports are prepared and submitted on time. Our monthly and quarterly reports are always detailed and used extensively for performance tracking. However, there are instances where internal deadlines are tight, and that sometimes creates pressure on the team...” (Respondent - 01).

Another department head added:

“...while we manage to meet statutory deadlines, I believe we can improve on notifying stakeholders in advance about report availability. Some stakeholders have expressed

that they do not always get timely communication about when the financial reports will be ready...” (Respondent - 03).

However, one respondent noted areas where the bank could improve its reporting processes:

“...although we consistently prepare monthly and quarterly reports, some departments still face challenges in consolidating financial information quickly enough, which sometimes leads to delays in meeting internal deadlines...” (Respondent - 04).

The findings acknowledged the bank’s consistent preparation and submission of monthly and quarterly reports, which are instrumental for performance tracking and meeting statutory requirements. However, pressures from tight internal deadlines and challenges in consolidating information across departments occasionally hinder timely reporting. Additionally, there is a gap in proactive communication with stakeholders regarding report availability, suggesting that while the bank meets formal deadlines, the transparency and efficiency of information dissemination could be enhanced. Therefore, the findings indicate that the bank maintains a strong reporting discipline but would benefit from improving internal coordination and stakeholder communication to further strengthen the effectiveness of its reporting processes.

4.4.3 Descriptive Statistics for Understandability of Financial Reporting

Additionally, the respondents were asked to rate their responses of the understandability of financial reports, and the analysis was carried out using means and standard deviations, which were then compared to the grand mean.

Table 4. 5: Descriptive Statistics for Understandability of Financial Reporting

<i>Understandability</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>SD</i>
All the notes are provided in the financial reports	1	5	3.02	1.367
All financial transactions and events are reported	1	5	3.24	1.342
All significant financial metrics relevant to stakeholders are reported	1	5	3.16	1.347
Detailed explanations are provided in the financial reports	1	5	2.48	1.229
Unnecessary financial details are always avoided	2	5	3.74	.904
Only relevant information that directly addresses the most critical aspects are reported	1	5	2.91	1.418
Charts and figures are used to clearly present the financial information	1	5	2.80	1.371
Redundant information is always avoided in the financial reports	1	5	3.46	1.129
Simple and plain language is used in the financial reports	1	5	2.63	1.366
The financial reports are always organized in sequential manner	1	5	3.01	1.300
Illustrations are always used to clearly bring out the reported information	1	5	2.60	1.372
Terminologies used are always defined in the report	1	5	3.52	1.283
Grand Mean			3.05	

Source: Field data, 2024

The Table 4.5 presents the descriptive analysis of respondents' perceptions regarding the understandability of Centenary Bank's financial reports. The item that all the notes are provided in the financial reports registered a mean value of (3.02) which is slightly lower than the grand mean of (3.05). The study registered standard deviation of (1.367) indicates moderate variability in responses, pointing to some differences in opinion across departments regarding the completeness of the notes. This suggests that while respondents generally agree that the necessary notes are included in the bank's reports, there may be inconsistencies in providing all the required notes. On whether all financial transactions and events are reported, it received a mean score of (3.24) which is higher than the grand mean of (3.05). This indicates that respondents generally agree the bank is diligent in reporting financial transactions and events. However, the moderate standard deviation (1.342) implies some stakeholders may perceive gaps in the thoroughness with which these transactions are reported.

On the item that all significant financial metrics relevant to stakeholders are reported, it registered a mean value of (3.16) which is above the grand mean (3.05) which indicates that respondents believe the bank effectively reports key financial metrics. However, the standard deviation of (1.347) reflects moderate variability in responses, suggesting that while the majority is content with the metrics provided, some respondents may experience inconsistencies in their interpretation or the thoroughness of reporting across departments. In contrast, regarding the item of detailed explanations are provided in the financial reports, it scored a mean value of (2.48), significantly below the grand mean (3.05), indicating that respondents feel the reports lack adequate detailed explanations. The relatively lower standard deviation (1.229) shows a strong consensus on this issue, underscoring a shared concern that the reports do not meet expectations in providing sufficient clarity or detail.

Still from Table 4.5 above, regarding the issues of unnecessary financial details are always avoided, it scored the highest mean of 3.74, well above the grand mean (3.05). This indicates strong agreement among respondents that the bank avoids including irrelevant details in its financial reports. The relatively low variation in responses (.904) suggests that most stakeholders find the reports concise and focused on essential information. However, on issue of only relevant information that directly addresses the most critical aspects is reported, it scored a mean value (2.91) which was below the grand mean (3.05). This implies some dissatisfaction among respondents, as they feel not all critical aspects are adequately addressed in the reports. The high standard deviation (1.418) indicates greater disagreement among respondents, with some departments likely experiencing varying levels of satisfaction regarding the relevance of the reported information.

Regarding whether the charts and figures are used to clearly present the financial information, it scored a mean value of (2.80) which was below the grand mean of (3.05). This suggests that respondents believe there is room for improvement in using visual aids to enhance clarity in financial reporting. The standard deviation of (1.371) reflects some variation in opinions, with certain stakeholders potentially experiencing clearer presentations than others. For the item whether redundant information is always avoided in the financial reports, it registered the mean score of (3.46) which above the grand mean (3.05). This indicates that respondents generally believe redundant information is avoided in the bank's reports. However, with standard deviation (1.129) which is above one, it suggests some disagreement among respondents, though some may still perceive occasional redundancy.

Furthermore, on the issues of simple and plain language being used in the financial reports, it scored a mean value of (2.63) which was below the grand mean (3.05). This indicated that respondents feel the language used in the reports is not always simple or easily understandable. The standard deviation (1.366) shows that this concern is widespread, with many respondents agreeing that the reports could be clearer through the use of simpler language. Additionally, on the item that the financial reports are always organized in a sequential manner had a mean score of (3.01) which was below the grand mean of (3.05). This indicates that respondents generally find the reports to be logically organized, though there is some room for improvement. However, the high standard deviation (1.300) reflects slight variation in responses, suggesting some departments may experience inconsistencies in the organization of reports.

Regarding the item that illustrations are always used to clearly bring out the reported information; it scored a mean value of (2.60) which below the grand mean of (3.05). This indicated that respondents feel the bank does not consistently use illustrations to clarify financial

data. However, the high standard deviation (1.372) reflects agreement among respondents on the need for improved use of visual aids in the reports. Lastly, from Table 4.6 above regarding the item terminologies used are always defined in the report, it received a mean score of (3.52) which is above the grand mean (3.05). This indicates that respondents believe the bank adequately defines financial terminologies. However, the high standard deviation of (1.283) suggests some variability, with most respondents satisfied but a few feeling that terminologies could be explained more clearly.

From the interview results, heads of departments at Centenary Bank provided additional insights. One respondent shared,

"....we try our best to make our financial reports easy to understand, but I've noticed that some of the reports can be a bit complex for stakeholders who may not be as familiar with financial jargon. We need to work on simplifying the language and including more charts to make the data easier to grasp" (Respondent - 01).

Another respondent echoed this sentiment, stating,

"....our team does a good job in ensuring that unnecessary details are left out, but I agree that we could use more visual aids to help present the financial information clearly. I think this is something we should consider to improve the overall understandability of our reports" (Respondent - 05).

However, one respondent pointed out an area for improvement, saying,

"....while our reports are mostly clear, I think there are still times when we could provide more detailed explanations, especially for stakeholders who aren't as familiar with financial metrics. This would help them understand the reports better and make more informed decisions" (Respondent - 03).

The interview findings reveal that while Centenary Bank’s heads of departments prioritize clarity in financial reporting, there are recognized challenges in making reports fully accessible to all stakeholders. Respondents highlighted that some reports contain complex financial terminology that may be difficult for non-expert stakeholders to understand, suggesting a need to simplify language and incorporate more visual aids such as charts. At the same time, there is an acknowledgment that excessive detail is avoided, which helps maintain report focus, but balancing simplicity with sufficient explanation remains a challenge. These insights suggest that enhancing the understandability of financial reports through clearer language, visual representation, and targeted explanations would improve stakeholders’ comprehension and support more informed decision-making.

4.5 Descriptive Statistics for the Management Decision Effectiveness

The participants in the study were requested to share their opinions on the management decisions effectiveness, with their responses ranked accordingly. The data was analyzed using means and standard deviations, which were subsequently compared against the grand mean average for interpretation.

Table 4.6: Descriptive Statistics for Management Decision Effectiveness

<i>Management Decision Effectiveness</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>SD</i>
The bank has a strong risk management framework	1	5	2.63	1.384
Risks are always responded to according to their potential impact	1	5	2.79	1.293
Risks are always responded to according to their level of occurrence	1	5	3.21	1.443
The bank has different risk contingency plans in places	1	5	2.50	1.135
The risk assessment process is regular reviewed	1	5	3.09	1.409
The bank assess the market trends before making financial decisions	1	5	3.04	1.362
The bank always assess the current financial performance basing on the historical performance	1	5	2.72	1.402
The bank always gathers feedback from all the stakeholders	1	5	3.20	1.292
The bank always incorporates the feedback from the stakeholders into decision making process	1	5	3.21	1.360
<i>Grand Mean</i>			2.93	

Source: Field data, 2024

From Table 4.6 above, starting with the bank's risk management framework, it registered mean value of (2.63) which is below the grand mean of (2.93), suggesting that respondents generally view the bank's risk management framework as somewhat ineffective. The standard deviation of (1.384) indicates a considerable variation in responses, reflecting differing views on the adequacy of the risk framework. This implies that while some people may perceive the risk management framework as effective, others believe it requires significant improvement. When it comes to the bank's responsiveness to risks based on their potential impact, it registered a mean score of (2.79) which was below the grand mean of (2.93). The standard deviation of (1.293) further indicates variability in responses, with some stakeholders possibly acknowledging the bank's efforts in addressing risks but others finding these responses insufficient. This result highlights a need for the bank to improve how it assesses and prioritizes risks according to their potential impact.

Regarding the item that risks are always responded to according to their level of occurrence scored a mean value of (3.21) was above the grand mean of (2.93). This suggests that the bank is more consistent in addressing frequently occurring risks. The relatively higher standard deviation of (1.443), however, points to a lack of uniformity in perceptions, indicating that while some respondents view this aspect positively, others see room for improvement. The bank's contingency plans for risks scored a mean value of (2.50) which was notably below the grand mean of (2.93), reflecting widespread concern about the availability or adequacy of such plans. The low standard deviation of (1.135) suggests that respondents generally agree that the bank's contingency plans for risk management are lacking. This presents an area where the bank could significantly strengthen its risk preparedness.

Regarding the regular review of the risk assessment process, it scored a mean value (3.09) slightly above the grand mean of (2.93) which indicates that the bank is somewhat effective in periodically reviewing risks. The standard deviation of (1.409) shows considerable variability in responses, indicating that while some respondents feel the review process is adequate, others believe it may not be frequent or thorough enough. The bank's assessment of market trends before making financial decisions scored a mean value of (3.04) which was marginally above the grand mean (2.93), suggesting moderate effectiveness in incorporating market trends into decision-making. However, the standard deviation of (1.362) suggests that respondents' views are divided on how well the bank integrates market insights into its financial decisions.

For assessing current financial performance based on historical data, it scored a mean value of (2.72) which was below the grand mean (2.93). This implied that respondents generally perceive this process as weak. The standard deviation of 1.402 suggests that opinions vary significantly, with some respondents considering that many banks didn't use of historical data inadequate for making sound financial decisions. The bank's practice of gathering feedback from stakeholders scored a mean value of (3.20) which was above the grand mean (2.93). This suggests a moderate level of engagement with stakeholders, although the standard deviation of (1.292) which reflects some divergence in perceptions. This finding indicates that while the bank makes efforts to gather feedback, improvements could be made in ensuring the process is consistent and comprehensive. In terms of incorporating stakeholder feedback into decision-making, it scored a mean value of (3.21) which is also above the grand mean (2.93). This suggests that the bank is somewhat effective in utilizing stakeholder input, although the standard deviation of (1.360) indicating that not all respondents are satisfied with how well feedback is incorporated.

During interviews, various heads of departments at Centenary Bank provided additional context on the bank's decision-making effectiveness. One respondent stated:

“...while the bank has a framework in place for risk management, I’ve noticed that our contingency plans could be more robust. We don’t always have clear strategies for certain risk scenarios, and this is something we need to address urgently” (Respondent - 02).

Another respondent highlighted the bank's response to risks based on their frequency:

“...we’ve been more proactive in addressing risks that occur regularly. We’ve learned from past experiences and are better equipped to handle these risks now. However, some rare risks still catch us off guard” (Respondent - 01).

On the issue of stakeholder feedback, one respondent mentioned:

“...we’ve improved significantly in gathering feedback from stakeholders, but there are still cases where we fall short in fully incorporating this feedback into our decision-making. It’s a process that requires continuous refinement” (Respondent - 03).

However, another respondent raised concerns about the bank's performance in risk management:

“...there’s a gap when it comes to assessing potential risks and having contingency plans ready. While we try to stay ahead of risks, I think we sometimes react late because our framework isn't as comprehensive as it could be” (Respondent - 05).

The interview results indicated a generally structured approach to decision-making, particularly in risk management, but also reveal notable areas for improvement. They acknowledged that while the bank has frameworks for risk assessment and has become more proactive with frequently occurring risks, gaps remain in contingency planning for less common or unexpected scenarios. Additionally, while stakeholder feedback is increasingly gathered, its integration into decision-making processes is inconsistent, highlighting the need for ongoing refinement. Overall, the findings suggest that the bank’s decision-making effectiveness is strengthened by

experience and structured risk frameworks, but it requires more comprehensive contingency planning and systematic incorporation of stakeholder input to enhance responsiveness and strategic foresight.

4.6 Inferential Statistics

In this research, inferential statistics played a crucial role in uncovering the connections between different variables and evaluating the ability of the independent variable to predict changes in the dependent variable.

4.6.1 Correlation Analysis

A Pearson correlation analysis was conducted using SPSS Ver. 23 to explore the relationship reliability, timeliness, understandability of financial reporting and management decision effectiveness.

Table 4. 7: Correlation Results on Relationship between Study Variables

Items	R	T	U	MDE
Reliability (R)	1			
Timeliness (T)	.645**	1		
Understandability (U)	.752**	.799**	1	
Management Decision Effectiveness (MDE)	.688**	.764**	.815**	1

** Correlation is significant at the .01 level (2-tailed).

The Pearson correlation results in Table 4.7 revealed a strong and significant positive relationship between the reliability of financial reporting and management decision effectiveness ($r = .688^{**}$, $p < .01$). This indicates that improvements in the reliability of financial reporting are associated with enhanced effectiveness in management decision-making.

The significance level suggests that this correlation is robust, highlighting the critical role reliable financial information plays in facilitating sound managerial decisions.

The Pearson correlation results in Table 4.7 demonstrated a strong and significant positive relationship between the timeliness of financial reporting and management decision effectiveness ($r = .764^{**}$, $p < .01$). This indicates that any improvement in the timeliness of financial reporting is associated with an enhancement in the effectiveness of management decision-making. The significance level underscores the importance of timely financial information in facilitating informed and effective managerial decisions.

The Pearson correlation results in Table 4.7 revealed a strong and significant positive relationship between the understandability of financial reporting and management decision effectiveness ($r = .815^{**}$, $p < .01$). This suggests that as the understandability of financial reporting improves, there is a corresponding enhancement in the effectiveness of management decision-making. The significant correlation highlights the critical role that clear and comprehensible financial reports play in facilitating informed managerial decisions.

4.5.2 Multiple Regression Analysis

This study utilized multiple regression analysis to assess the extent to which reliability, timeliness, understandability of financial reporting predict management decision effectiveness.

Table 4. 8: Multiple Regression Results on the Effect of Demographic Factors, Reliability, Timeliness, and Understandability of Financial Reporting on the Management Decision Effectiveness

Variables	Model 1				Model 2			
	B	Std. Err	Beta	Sig	B	Std. Err	Beta	Sig
Gender	.452*	.088	.174*	.000	.088	.037	.034	.059
Marital Status	.149	.047	.088	.002	.046	.022	.027	.056
Age	.474*	.077	.380*	.000	.057	.033	.046	.082
Education	.239*	.048	.185*	.004	.017	.019	.010	.395
Longevity in the Bank	.355*	.063	.319*	.000	.061	.029	.055	.059
IV ₁					.224*	.056	.223*	.007
IV ₂					.283*	.061	.278*	.000
IV ₃					.690*	.086	.662*	.000
R ²	.366				.548			
▲R ²	.365				.545			
F-Statistics	F =8.2195, P = 0.000< 0.05				F =3.9483, P = 0.000< 0.05			

Note:

- a) *P<.05
- b) Std. Err – Standard Error
- c) Model 1: Respondents’ Demographic Factors, Model 2: Respondents’ Demographic Factors and Independent Variables Constructs (IV₁, IV₂, IV₃)
- d) IV₁ : Reliability, IV₂ : Timeliness and IV₃ : Understandability of financial reporting

From the results, Model 1 involved regression analysis on demographic factors which included gender, age, marital status education, and longevity at work in Centenary Bank. The results revealed that Gender, Age, Education and Longevity in the Bank at B= .452*, B= .474*, B = .239* and B = .355* respectively positively and significantly predicted management decision effectiveness since all their B- Coefficients were positive and their P-values were less than 0.05 while marital status was not sign cant predictor. It also revealed that all the four factors combined predicted management decision effectiveness by 36.5 % (Adjusted R Squared =

.365). This was also goodness of fit since $F\text{-value} = 8.2195$, $P = 0.000 < 0.05$. This showed that demographic factors were good enough in predicting the management decision effectiveness.

Additionally, the Model 2 involved capturing a combination of demographic factors and the constructs of reliability, timeliness, understandability of financial reporting. The model positively and significantly affected management decision effectiveness at **54.5%** (Adjusted R Squared = .545). There was also goodness of fit $F = 3.9483$, $P = 0.000 < 0.05$. This showed that a combination of demographic factors and reliability, timeliness, understandability of financial reporting were good enough in predicting the management decision effectiveness.

Examining the individual constructs, the regression coefficients revealed that reliability positively predicts management decision effectiveness ($B = .224$, $p = .000 < 0.05$). This indicates that a one-unit increase in reliability of financial reporting leads to a 0.224 increase in management decision effectiveness. Given the significant results, the study accepted the hypothesis that: *Ho₁: Reliability of financial reporting has no significant effect on management decision effectiveness in Centenary Bank, Main Branch.*

For timeliness, the results showed a positive association with management decision effectiveness ($B = .283$, $p = .000 < 0.05$). This suggests that a one-unit change in the timeliness of financial reporting results in a 0.285 change in management decision effectiveness. As the results were significant, the study accepted the hypothesis that: *Ho₂: Timeliness of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch*

Lastly, understandability was found to have a strong positive impact on management decision effectiveness ($B = .690$, $p = .000 < 0.05$). This indicates that a one-unit change in the

understandability of financial reporting results in a 0.690 change in management decision effectiveness. Given the significance of these results, the study accepted the hypothesis that:

H₀₃: Understandability of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch

CHAPTER FIVE
SUMMARY, DISCUSSION OF FINDINGS, CONCLUSION AND
RECOMMENDATIONS

5.1 Introduction

This chapter offers a comprehensive overview and discussion of the study's findings, followed by the conclusion and recommendations. The section was presented in the order of the study objectives which included examining the effect of reliability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch, the effect of timeliness of financial reporting on management decision effectiveness in Centenary Bank, Main Branch and the effect of understandability of financial reporting on management decision effectiveness in Centenary Bank, Main Branch.

5.2 Summary of the Study Findings

5.2.1 Reliability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The study findings revealed that there was a strong and significant positive relationship between the reliability of financial reporting and management decision effectiveness ($r = .688^{**}$, $p < .01$). It was also revealed that reliability positively predicts management decision effectiveness ($B = .224$, $p = .000 < 0.05$). Given the significant results, the study accepted the hypothesis that:
H₀₁: Reliability of financial reporting has no significant effect on management decision effectiveness in Centenary Bank, Main Branch.

5.2.2 Timeliness of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The study findings revealed that there was a strong and significant positive relationship between the timeliness of financial reporting and management decision effectiveness ($r = .764^{**}$, $p < .01$). Furthermore, the results showed that timeliness positively predicated management decision effectiveness ($B = .283$, $p = .000 < 0.05$). As the results were significant, the study accepted the hypothesis that: *Ho₂: Timeliness of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch.*

5.2.3 Understandability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The study findings revealed that there a strong and significant positive relationship between the understandability of financial reporting and management decision effectiveness ($r = .815^{**}$, $p < .01$). The findings also indicated that the understandability had a significant and highly positive influence on the effectiveness of management decisions. ($B = .690$, $p = .000 < 0.05$). Given the significance of these results, the study accepted the hypothesis that: *Ho₃: Understandability of financial reporting has a significant effect on management decision effectiveness in Centenary Bank, Main Branch.*

5.2.4 Reliability, Timeliness, and Understandability of Financial Reporting Predict Management Decision Effectiveness in Centenary Bank

The study findings revealed that the constructs of reliability, timeliness, and understandability of financial reporting collectively explained 54.5% of the variance in management decision effectiveness (Adjusted R Square = .545). This suggests that the regression model effectively predicted the dependent variable, with the remaining 45.6% of the variance attributed to other

factors considered in the study. The model's validity was further reinforced by the significant F-value ($F = 3.9483$, $P = 0.000 < 0.05$), confirming its goodness of fit.

5.3 Discussion of the Study Findings

5.3.1 Reliability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The findings of this study at Centenary Bank indicate that the reliability of financial reporting has a strong and significant positive effect on the effectiveness of management decisions. Analysis of the data shows that adherence to IFRS, obtaining unqualified audit opinions, and the presence of well-trained financial staff contribute directly to producing accurate, complete, and error-free financial reports. Regular account reconciliations and continuous improvements in reporting processes were also identified as key factors that enhance report reliability, providing managers with dependable information for evaluating performance and making strategic decisions. These results underscore that the reliability of financial reporting is a critical factor retained after analysis, as it directly supports effective decision-making within the bank.

These findings align closely with existing literature that emphasizes the critical importance of reliable financial information for informed decision-making within organizations. Scholars such as Adediran et al. (2013) highlight that reliable financial reporting is essential for providing complete, neutral, and error-free information, which is foundational for effective management. The adherence to IFRS and the receipt of unqualified audit opinions, as noted in the current study, further reinforce the commitment to high financial integrity.

Moreover, the presence of well-trained and certified financial staff at Centenary Bank, coupled with regular account reconciliations, enhances the reliability of financial reports, thereby

contributing to effective management decisions. This result is corroborated by Gardi et al. (2021), whose research demonstrated that high-quality financial reporting ensures that managers have access to accurate and dependable information for evaluating financial performance and making strategic decisions. Additionally, the emphasis on continuous improvement in financial reporting processes, as indicated in the study, resonates with Alsmady (2022), who posits that high-quality financial reporting significantly enhances managerial effectiveness by facilitating data-driven decisions. Thus, The present results align with the concept that reliable financial reporting serves as a cornerstone for strategic planning and organizational success.

However, it is essential to acknowledge contrasting views, such as those presented by Tiwangye (2018), who found an insignificant relationship between the reliability of financial reporting and decision-making in another context. This divergence highlights that while the findings at Centenary Bank are robust, they may not be universally applicable across all organizations or sectors. Nonetheless, the overwhelming evidence supporting the positive relationship between reliable financial reporting and effective decision-making in the current study aligns with the broader literature and affirms the necessity of reliability of financial reporting in enhancing managerial capabilities and organizational performance.

5.3.2 Timeliness of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The analysis of the findings at Centenary Bank demonstrates that the timeliness of financial reporting has a strong and significant positive effect on the effectiveness of management decision-making. Data from the bank indicate that prompt preparation and dissemination of financial reports enable managers to access up-to-date information, which supports informed

and responsive decision-making. Key factors retained after analysis include the regular scheduling of reports, adherence to reporting deadlines, and efficient internal communication of financial information, all of which directly enhance managerial effectiveness.

The findings are consistent with the statements put forth by the Accounting Principles Board (1970) and the OECD, both of which highlight the importance of timely reporting as a fundamental aspect of corporate governance. Additionally, research by McGee et al. (2009) has emphasized the critical role of prompt financial reporting in enhancing stakeholder confidence and empowering managers to make well-informed decisions grounded in up-to-date information. Consequently, the positive findings from Centenary Bank mirror the consensus within the scholarly community that timely financial reporting is vital for management decision-making effectiveness and overall organizational success.

Additionally, empirical studies, such as those by Yunita et al. (2023) and Badawy (2021), provide further evidence supporting the current findings at Centenary Bank. Yunita et al. (2023) demonstrated that timely financial reporting significantly impacted management decisions during the COVID-19 pandemic, highlighting the need for up-to-date financial data for informed decision-making. Similarly, Badawy's (2021) research established a positive relationship between the quality and promptness of financial reporting and the effectiveness of management decisions during the crisis in Egypt. These studies reinforce the notion that timely financial reporting equips managers with the necessary information to respond effectively to emerging challenges, thereby corroborating the findings from Centenary Bank regarding its essential role in enhancing the effectiveness of management decision-making.

However, it is worth mentioning that certain studies, including those by Amahalu (2020) and Mehrani et al. (2020), yield mixed results concerning the connection between timely financial reporting and the effectiveness of management decisions. While Mehrani et al. (2020) affirmed that prompt financial information positively influences managerial decision-making, Amahalu (2020) indicated a non-significant negative relationship in the context of Nigerian deposit money banks. This divergence suggests that while Centenary Bank's findings align with the majority of the literature supporting the positive impact of timely financial reporting, the variability observed in some studies highlights the need for further investigation into contextual factors that may influence this relationship across different banking environments. Thus, the current findings contribute valuable insights while also acknowledging the complexity of the connection between the timeliness of financial reporting and the effectiveness of management decision-making.

5.3.3 Understandability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The findings from Centenary Bank indicate that the understandability of financial reporting has a significant positive effect on management decision-making effectiveness, emerging as the strongest predictor among the factors analyzed. Analysis of the data shows that reports that present financial transactions comprehensively, avoid unnecessary details, and maintain clarity directly enhance managerial capacity to make informed decisions. Key elements retained after analysis include the use of clear language, defined terminologies, and relevant, well-organized information, which collectively improve comprehension and support effective organizational strategies.

The study emphasizes that comprehensive reporting of financial transactions, avoiding unnecessary details, and ensuring clarity significantly enhance the decision-making capabilities of management. This is backed by Soyinka et al. (2017), who contend that financial reports must be clear, organized, and free of jargon to facilitate user comprehension. The practice of defining terminologies and providing relevant information, as noted in the current findings, directly contributes to more informed and effective organizational strategies, reinforcing the idea that understandability is crucial in the banking sector.

Further corroboration comes from Tiwangye (2018), whose research highlights a significant correlation between the understandability of financial reports and improved decision-making at Lake Victoria Hotel in Uganda. The emphasis on clarity and conciseness in financial reports mirrors the Centenary Bank findings, illustrating how effective communication of financial information can enhance transparency, trust, and timely decision-making. Likewise, the research conducted by Safkaur et al. (2019) emphasizes the significance of clearly articulated accounting policies in enhancing the quality of management decisions. This reinforces the findings at Centenary Bank regarding the crucial role of transparent financial reporting in promoting effective management decision-making.

Moreover, Al-Dmour et al. (2018) provide additional insights into the significance of financial reporting understandability across various sectors. Their findings indicate that comprehensive and transparent financial reports are crucial for effective financial analysis and decision support in non-financial enterprises. This supports the idea that understandability not only enhances management decision-making and also serves a critical function in ensuring regulatory compliance and stakeholder communication. Overall, the findings from Centenary Bank resonate strongly with previous research, reinforcing the critical importance of clear and

comprehensible financial reporting in enhancing managerial effectiveness within the banking sector.

5.4 Conclusions

5.4.1 Reliability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The study concluded that there was a strong and significant positive impact of the reliability of financial reporting on the management decision effectiveness at Centenary Bank. The adherence to IFRS, coupled with consistently receiving unqualified audit opinions from external auditors, underscores the bank's commitment to maintaining high standards of financial integrity. Furthermore, the presence of well-trained and certified financial staff, along with regular account reconciliations across all financial reports, enhances the reliability of the information provided. This contributes to informed and effective management decisions, ultimately reinforcing the importance of reliable financial reporting as a cornerstone for organizational success and strategic planning within the banking sector.

5.4.2 Timeliness of Financial Reporting and Management Decision Effectiveness in Centenary Bank

It was also concluded that there was a significant and strong positive impact of the timeliness of financial reporting on management decision effectiveness at Centenary Bank. The ability to consistently review financial reports before official deadlines, coupled with the availability of robust financial tools for rapid consolidation of information, significantly enhances the bank's responsiveness to emerging challenges and opportunities. The regular preparation of detailed monthly and quarterly financial reports facilitates ongoing performance tracking against budgetary targets, while adherence to stipulated audit timelines further ensures the reliability of

the financial data. This not only support effective management decision-making but also highlight the critical role of timely financial reporting in driving organizational performance and strategic success within the banking sector.

5.4.3 Understandability of Financial Reporting and Management Decision Effectiveness in Centenary Bank

The study further concluded that there was a significant and strongly positive understandability of financial reporting on management decision effectiveness at Centenary Bank and was the most significant predictor of management decision effectiveness. The practice of comprehensively reporting all financial transactions and significant metrics relevant to stakeholders, while intentionally avoiding unnecessary details and redundant information, significantly enhances the clarity of financial reports. Furthermore, the consistent definition of terminologies used within the reports ensures that all stakeholders can easily comprehend the information presented. This contribute to improved decision-making capabilities among management, reinforcing the importance of clear and understandable financial reporting as a vital element in fostering informed and effective organizational strategies within the banking sector.

5.4.4 Effect of Reliability, Timeliness, and Understandability of Financial Reporting and Demographic Factors on Management Decision Effectiveness in Centenary Bank

Lastly, it was concluded that all constructs of reliability, timeliness, and understandability of financial reporting and demographic factors combined explain 54.5% of the variation in management decision effectiveness at Centenary Bank. This significant finding highlights the critical role that high-quality financial reporting plays in facilitating informed decision-making processes within the organization. By prioritizing these constructs, the bank can enhance its

strategic planning and operational efficiency, ultimately leading to improved management outcomes.

5.5 Recommendations

The following recommendations were put forward;

Managerial recommendations

Management of Centenary Bank should implement a robust internal control system to minimize errors in financial reports and ensure compliance with all regulatory guidelines. Managers must prioritize transparency by providing stakeholders with accessible and relevant financial information, while also committing to full disclosure practices that present comprehensive and accurate financial data.

Managers at Centenary Bank should establish a structured financial reporting framework that ensures timely preparation and submission of reports. This includes developing a detailed reporting calendar that specifies internal and external deadlines, as well as implementing proactive communication strategies to inform stakeholders in advance about report availability. These actions will enhance operational efficiency and strengthen stakeholder confidence.

The Centenary Bank Management should ensure that financial reports are clear and easily interpretable. This can be achieved by emphasizing detailed explanations of critical financial information, adopting plain and simple language, and incorporating visual aids such as charts, graphs, and illustrative elements to simplify complex data. These measures will support better decision-making and increase comprehension across all stakeholder groups.

Policy recommendations

Policymakers should introduce policies that set clear reporting timelines and require proactive stakeholder notification procedures, ensuring consistency and punctuality in financial reporting across all organizational units. Furthermore, policymakers should develop guidelines mandating that financial reports are prepared in clear, plain language and supported by visual aids, such as charts and graphs, to enhance understandability for both management and external stakeholders. Additionally, policies should encourage the implementation of training programs to operationalize these reporting standards effectively.

5.6 Study Limitation

The research study encountered several limitations, including:

Obtaining information from respondents was challenging due to their rigidity and concerns about the privacy of their information. To address this, the researchers clarified the study's purpose and assured participants of strict confidentiality for their data.

Some respondents faced time constraints and may not have promptly engaged with the researcher due to their work commitments. This caused delays in collecting data. To address this challenge, the researcher planned to distribute questionnaires to respondents. They had the opportunity to complete the questionnaires at their convenience within a three-day period, after which they were collected.

Some questionnaires remained partially unanswered, and errors in the provided information may have introduced inaccuracies in the data. Nevertheless, the researcher managed to mitigate this limitation by conducting data cleaning.

5.7 Areas for Further Research

Future studies should focus on the following areas;

The Effect of Financial Reporting Quality on Risk Management Practices in commercial banks in Uganda

The Role of Technology in Enhancing Financial Reporting Quality and Decision-Making in commercial banks in Uganda

A Comparative Analysis of Financial Reporting Quality and Decision-Making Effectiveness Across Different Banks in Uganda

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APPENDICES

Appendix I: Questionnaire for the Bank Staff

Dear Respondent,

This research explores the impact of financial reporting quality on management decision effectiveness at the main branch of Centenary Bank. This study forms a crucial component of my Master's degree in Business Administration from Kyambogo University. Your participation in completing this questionnaire is highly valued and will greatly contribute to the accomplishment of this academic pursuit. Your honest and sincere responses are earnestly requested to ensure an accurate analysis of the study's focal areas. Rest assured, all information provided will be treated with the utmost confidentiality and solely utilized for the purposes of this research.

Thank you for your cooperation.

SECTION A: BACKGROUND INFORMATION (Please tick the appropriate answer)

	QNs	Responses
1	Department	_____
2	Gender	1=Male <input type="checkbox"/> 2=Female <input type="checkbox"/>
3	What is your age?	1 = 18 to 29 <input type="checkbox"/> 2 = 30 to 39 <input type="checkbox"/> 3 = 40 to 49 <input type="checkbox"/> 4 = 50 to 59 <input type="checkbox"/> 5 = 60 and above <input type="checkbox"/>
4	What is your highest level of education?	1=Diploma <input type="checkbox"/> 2=Bachelor's degree <input type="checkbox"/> 3=Post-graduate degree <input type="checkbox"/> 4=Master's degree <input type="checkbox"/> 5=PhD <input type="checkbox"/>
5	How long have been working with this bank?	1 = Less than 1 year <input type="checkbox"/> 2 = 1-3years <input type="checkbox"/> 3 = 4-6 years <input type="checkbox"/> 4 = 7-9 years <input type="checkbox"/> 5 = 10years and above <input type="checkbox"/>

For Section B,C, D and E, Please indicate by ticking in the appropriate box to what extent you agree/disagree to the given statement below basing on the Scale of Strongly Agree (SA) = 1, Agree (A) = 2, Not sure (NS) =3, Disagree (D) =4, Strongly Disagree (SD) =5.

SECTION B: RELIABILITY OF FINANCIAL REPORTING IN CENTENARY BANK

No	Statement	1	2	3	4	5
Compliance with reporting standards						
1	All bank's financial reports are prepared in accordance with IFRS					
2	The bank always received unqualified audit opinion from External Auditors					
3	The bank complies with all guidelines set by regulatory bodies					
4	The bank has well trained and certified staff that deal with finance issues					
Accuracy						
5	We regularly reconcile all the accounts across all the financial reports					
6	There are low incidences of errors detected in financial reports					
7	The bank has clear procedures to follow from data entry to reporting					
8	There is a team that regularly checks consistency between financial statement and supporting documents					
Disclosure						
9	Information in the financial reports is always detailed					
10	All stakeholders have open access to bank's financial information					
11	All the financial information is disclosed in the financial reports					

SECTION C: TIMELINESS OF FINANCIAL REPORTING IN CENTENARY BANK

No	Statement	1	2	3	4	5
Early reporting						
1	All financial reports are always published a head of statutory deadlines					
2	Stakeholders are notified in advance about early availability of financial reports					
3	All financial reports are always reviewed before the official deadlines					
4	The bank has enough financial tools that enable quick consolidation of financial information					
Monthly and quarterly reporting						
5	The bank consistently prepares detailed monthly financial reports					
6	The bank consistently prepares detailed quarterly financial reports					
7	The bank always use the monthly and quarterly reports to track performance against the budget					
Meeting deadlines						
8	The bank consistently submits financial reports within the deadlines					
9	The bank always meets the internal deadlines set to prepare financial reports					
10	Audits are done in the stipulated times					
11	The bank follows a detailed reporting calendar with all the set deadlines for reporting					

**SECTION D: UNDERSTANDABILITY OF FINANCIAL REPORTING IN
CENTENARY BANK**

No	Statement	1	2	3	4	5
Completeness						
1	All the notes are provided in the financial reports					
2	All financial transactions and events are reported					
3	All significant financial metrics relevant to stakeholders are reported					
4	Detailed explanations are provided in the financial reports					
Concise						
5	Unnecessary financial details are always avoided					
6	Only relevant information that directly addresses the most critical aspects are reported					
7	Charts and figures are used to clearly present the financial information					
8	Redundant information is always avoided in the financial reports					
Clear						
9	Simple and plain language is used in the financial reports					
10	The financial reports are always organized in sequential manner					
11	Illustrations are always used to clearly bring out the reported information					
12	Terminologies used are always defined in the report					

SECTION E: MANAGEMENT DECISIONS EFFECTIVENESS IN CENTENARY BANK

No	Statement	1	2	3	4	5
Risk assessment						
1	The bank has a strong risk management framework					
2	Risks are always responded to according to their potential impact					
3	Risks are always responded to according to their level of occurrence					
4	The bank has different risk contingency plans in places					
5	The risk assessment process is regular reviewed					
Situation analysis						
6	The bank assess the market trends before making financial decisions					
7	The bank always assess the current financial performance basing on the historical performance					
8	The bank always gathers feedback from all the stakeholders					
9	The bank always incorporates the feedback from the stakeholders into decision making process					

Appendix II: Key Informant Guide for Heads of Departments

Dear Respondent,

This research aims to examine how financial reporting quality influences management decision effectiveness at the main branch of Centenary Bank. This questionnaire forms an essential part of my Master's degree program in Business Administration at Kyambogo University. Your involvement is highly valued, as it will play a key role in the successful completion of this academic research. Honest and thoughtful responses are critical for gaining meaningful insights into the study's subject matter. Please be assured that all the information you provide will be treated with strict confidentiality and used exclusively for research purposes.

Thank you for your time and cooperation.

Guiding Questions

Reliability of Financial Reporting in centenary bank

- i) Based on your experience, how would you assess the overall reliability and accuracy of the financial reports generated by the bank?
- ii) Could you share instances or examples where you've noticed challenges or compromises in the reliability of financial reporting?
- iii) Are there specific controls or procedures implemented within the bank to uphold the reliability of financial reporting?
- iv) How effectively does the bank handle potential errors, omissions, or inconsistencies in the financial reports?
- v) In what ways do you believe that the reliability of financial reporting has enhanced management decision-making within the bank?
- vi) What steps does the bank take to ensure that its financial reports adhere to relevant accounting standards and regulatory guidelines?

Timeliness of Financial Reporting in centenary bank

- i) How do you evaluate the timeliness of financial reporting within the bank? Are reports typically issued within the anticipated timeframe?
- ii) Can you pinpoint any factors or obstacles that might contribute to delays in the preparation or issuance of financial reports?

- iii) Are there established procedures or controls in place to monitor and ensure the timely completion of financial reporting tasks?
- iv) How proficiently does the bank communicate any alterations or revisions to reporting timelines or deadlines?
- v) In what ways has the timeliness of financial reporting enhanced management decision-making within the bank?
- vi) What measures are implemented to prioritize and resolve any challenges or obstacles that could affect the timeliness of financial reporting?

Understandability of Financial Reporting in centenary bank

- i) How do you assess the overall comprehensibility of the financial reports generated by the bank?
- ii) Are there specific sections or aspects of the financial reports that you find particularly difficult to grasp or interpret?
- iii) Does the bank provide sufficient explanations or clarifications alongside the financial reports to enhance their comprehensibility?
- iv) Are there any initiatives undertaken by the bank to simplify the language and terminology utilized in the financial reports?
- v) In what ways has the comprehensibility of financial reporting contributed to the management decision effectiveness within the bank?
- vi) How effectively do you believe the financial reports convey the financial performance and status of the bank to various stakeholders, such as employees, investors, and regulatory bodies?

Management decision effectiveness in centenary bank

- i) How do you evaluate the overall management decision effectiveness made within the bank?
- ii) Could you share examples of recent management decisions that you consider to be particularly effective or successful?
- iii) Conversely, can you pinpoint any instances where you perceived a lack of effectiveness in management decisions or areas where improvement could be made?

- iv) What specific factors or criteria do you believe contribute to the effectiveness of management decision-making within the bank?
- v) To what extent do you believe the management considers the needs and expectations of various stakeholders when making decisions?
- vi) Are decisions made based on thorough analysis and consideration of pertinent information?
- vii) How adeptly does the management anticipate and address potential risks or challenges during the decision-making process?
- viii) Are there mechanisms in place to assess the outcomes or impact of management decisions, and if so, how are they utilized?
- ix) To what extent does the management involve employees and relevant stakeholders in the decision-making process?
- x) Are there provisions for professional development or training aimed at enhancing the decision-making skills of the management?
- xi) Could you provide examples of instances where the management actively sought and valued feedback or input from employees or stakeholders during decision-making?
- xii) How transparent is the decision-making process within the bank, and do employees feel adequately informed about how decisions are reached?
- xiii) Are there ethical considerations or guidelines adhered to by the management in their decision-making processes?
- xiv) Do you have any suggestions for improvements or changes that you believe would enhance the effectiveness of management decision-making within the bank?

End of interview

Appendix III: Introductory Letter

Appendix IV: Plagiarism Clearance