



**ORGANIZATIONAL CULTURE, ACCOUNTING INFORMATION SYSTEM AND  
FINANCIAL PERFORMANCE OF FINANCIAL INSTITUTIONS IN UGANDA**

**BY**

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**PLAN A**

**FEBRUARY, 2021**

**DECLARATION**

I Emusugut Desterio, do confirm that this research dissertation is my own work which has never been submitted for examination in this university for academic qualification.

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## **APPROVAL**

This dissertation is submitted to Busitema University as a partial fulfillment for the award of Masters of Business Administration in Accounting and Finance with our approval as selected internal supervisor(s).

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## **DEDICATION**

This dissertation is dedicated to my adored parents namely: Emusugut Francis Ekodoi, and Noberita Sabu who provided me with both financial and non-financial assistance that enabled me accomplish this course and above all the Almighty God.

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## **LIST OF ACRONYMS**

<b>ABM</b>	:	Annual Budget Monitoring
<b>AIS</b>	:	Accounting Information System
<b>DFCU</b>	:	Development Finance Company of Uganda
<b>FP</b>	:	Financial Performance
<b>IMF</b>	:	International Monetary Fund
<b>OC</b>	:	Organizational Culture
<b>ROA</b>	:	Return on Assets
<b>ROE</b>	:	Return on Equity
<b>ROI</b>	:	Return on Investment
<b>ROTA</b>	:	Return on Total Assets
<b>UBOS</b>	:	Uganda Bureau of Statistics
<b>UNCTAD</b>	:	United Nations Conference on Trade and Development

## OPERATIONAL DEFINITION OF KEY TERMS

**Financial Performance:** it is the measure of how financial objectives are accomplished through gauging the outcomes from the policies and operations made by the organizations in monetary terms for a given time period.

**Accounting Information System:** refers to the process of integrating the computerized sub-systems with the view of transacting data, and processing financial information.

**Organizational Culture:** refers to the organization's expectations and values that enable a member change his or her behavior in terms of inner workings, and interactions with the environment.

**Return on Equity:** is the ratio that measures the business earnings as a percentage of average ordinary shareholder funds.

**Return on Assets:** is the percentage of profits generated from a company in relation to its total assets.

**Return on Investment:** is defined as the performance measure that is used to appraise and compare the efficiency of various investments.

**Financial Institutions:** is a corporation that engages in a business of financial and monetary transactions especially loans, currency exchange, deposits, and investments.

## ABSTRACT

This study examined the mediating effect of accounting information system on the relationship between organizational culture, and financial performance of financial institutions in Uganda. The study applied a cross sectional research design, and a quantitative approach. Data were collected from 35 financial institutions as a target population with the accessible unit of inquiry being 105 employees consisting of managers, credit administrators (loan officers), and supervisors. Data were collected with the aid of closed ended questionnaire and Statistical Packages for Social Sciences was used for analyzing data from which frequency tables, descriptive statistics, reliability, validity, correlation, and regression results were obtained. *Med graph* application for testing mediation effect was used. The study findings revealed that there is a positive and statistically significant relationship between organizational culture, and financial performance; organizational culture and accounting information system; accounting information system and financial performance. The study also revealed that accounting information system partially mediates the relationship between organizational culture, and financial performance. The study therefore, recommends that efforts to improve financial performance depends on an appropriate and effective organizational culture and adoption of an automated Accounting Information System.