International Journal of Engineering, Management and Humanities (IJEMH)
Volume 3, Issue 1, pp: 168-174 www.ijemh.com

The role of financial management and its dimensions are critical determinants for sustainable organizational performance

Dr. Huda Hadi Hasan
Business Administration Department, Al-Mustaqbal University, Iraq

Date of Submission: 13-02-2022 Date of Acceptance: 28-02-2022

ABSTRACT
The number of companies incorporating society's expectations into their business strategy increases. Reliance on sustainable concerns is crucial to expanding interconnection and future value. Research aimed to look into the function of financial management in encouraging sustainable business practices and growth. Confirms that proper financial management models are required to increase productivity while limiting financial risks, depending on conceptual analysis of materials from various experts. Studies also revealed that devoting capital budgets for sustainable issues improves a company's competitive edge and that using both financial systems is an effective sustainability tool. To the report, financial management is critical in encouraging sustainable business practices and sustainability.

KEYWORDS: financial management, Sustainable Business Practices

I. INTRODUCTION

Organizations are becoming more encouraged to incorporate social norms into their business plans. As a result, the concept of business sustainability has gained traction. Organizations are now reacting to consumer expectations by enabling customers and workers to investigate alternate avenues for competitiveness. Management, in particular, is regularly used to foster long-term company growth and practices. For example, management is used to evaluate, analyse, and report on an organization's success over some time. As a result, financial management serves as a benchmark for attaining the bottom line of the organization's development. The goal of sound financial management is to provide financial stability and execute a comprehensive organisational, mainly while reaping the benefits of a large amount of money. The Basis of available revenue and planned spending; financial management encourages an organization's effective functioning. Every business invests a significant portion of its budget on diversity; on average, each organisation spends $8 billion per year on finance (Hansen 2003). The hospitality business is the one with the most job openings. The hospitality industry has the most significant number of employment openings. One out of every eleven employees works in a hotel, and the hospitality industry employs 80% of the economy.

Hotel organisations require a diverse workforce to service the diverse needs of their guests. When guests feel at ease and are familiar with the personnel, will it matter.? Financial management practices are acceptable and proper; employees will feel justifiable and content with the organization and will be inspired to work harder to achieve (Rahman et al., 2021), may raise conflicts and confusion among personnel in the organization, diminish community stability, or increase labour turnover, negatively impacting the business's performance (Jackson et al., 2003). Financial management exists in an organization, and it does not always mean promoting a talented workforce. It does not always result in increased motivation, dedication, or a decrease in confusion or disputes; Diversity does not always result in increased group and organisational performance (Jehn and Bezrukova 2004). It's critical that if we want diversity management to work positively and provide excellent results, we must manage it effectively (Jorge-Martinez et al., 2021).

Strategic flexibility leads the value chain flexibility to achieve long-term productivity and business integration, both of which are critical for long-term viability. To promote customer integration and improve form operations, the organisational financial management system offers resource finance management and organizational developing communication capabilities (Gelhard and Delft 2016). Social, economic, and environmental issues should all be considered to achieve long-term corporate success. The organization's long-term performance is unique to each period and is affected by social, economic, and environmental factors (Junior et al., 2015). The domain and business approach offer advice on analysing the business responses to improve sustainability impact. It links the competitive process to enenvironment financial managmentnt, corporate ecological instruments, and organisational management, focusing on the economy and other business responses to environmental issues. It examines the role of law and regulations in the corporate world and provides evidence to back up the findings (Welford 2019).

II. LITERATURE REVIEW

Financial management is a subset of organisational finance, sometimes known as corporate finance. Corporate finance as an alternative to the term "business finance." Nonetheless, business finance is far more significant because it encompasses sole proprietorships, partnerships, and corporations. Fonseka, Ramos & Tian, (2012) argued that Corporate finance is limited to just that: corporate finance. Financial management is required to realise the efficacy of business and economics.

Presber (2011) investigated that financial management is a corporate finance process that deals with decisions on equity investment, finance, and management and what is required of a company to maximise its stakeholders' value. Management expertise is essential because it aids in the organization's plan Management, conformity, and cash flow management are just a few financial management chances for an organization‘s performance. On the other hand, financial management abilities aid in monitoring organisational performance, detecting economic issues, and investigating new options to decrease risk.

For Jordan's transport industry, Sal and Raja (2016) investigate the relationship among development and training, efficiency and productivity, and performance are exami. The study focuses on a quantitative hypothesis that was used to determine sample size and analyse question structure data, as well as effective training programmes that were used to define development objectives for every employee to improve their skills. The authors investigate the effects of knowledge assessment abilities in Iraqi financial management firms on knowledge performance(Bharadwaj et al., 2016).

Kapur 2020 analyzed that money management is crucial when properly carrying out employment obligations and responsibilities. Every seamless organisational process, advancement, and improvement requires it. Planning, controlling, staffing, leading, inspiring, and supervising are administrative duties. As a result, it is commonly accepted that executing these roles leads to employee and organisational performance management. Leonard (2018) defined that Also because the performance of employees is much more crucial for any firm, business leaders need employees to hire for the job. As a result, business owners recognise the value of employees, and the organisation develops a dependable and objective approach for evaluating employees. Business leaders use performance assessment to filter workers' characteristics and goals, which influence their contribution to the organisation. A growing number of firms place a high value on a good start. Many businesses and organisations rely heavily on their employees to sell their goods. Experiments show that investing in the well-being of employees has a positive impact on employee performance and tangible benefits to the bottom line. Even still, there are some doubts regarding the data in the actual world.

Krekel et al. (2018) argued that Employee happiness is consistently measured concerning productivity and company performance t was hypothesized that management would boost productivity by focusing on the primary components of workplace well-being. Social interactions, for example, make the job more exciting and rewarding hese therapies are rigorously assesse the cost of raising employee well-being, efficiency, and company performance should be recounted to highlight the price practices. According to Salman and Hassan (2016), key factors that have a significant impact on teamwork, effective communication, trust level, leadership, and employee accountability have a positive effect on job satisfaction, which further tends to increase the company's goals by working together to provide their skills and experience.

III. RESEARCH METHODOLOGY:

Research methodology can be used in various contexts. Interpretivism is founded on criticism of positivism. Interpretivism is a technique of study which focuses on the core idea while also incorporating several approaches to show other elements of the problem. Interpretivism is socially created, with the objectives of understanding and weak projection and a concentration on a single and unique topic. The interpretivism views each research done in the literature review involves quantitative and quality assessment employed by different writers. Quantitatively, financial management approaches were assessed for diverse analysis for primary data acquired using other structure questionnaires for many studies. Simultaneously, the research study addresses the most critical aspects of financial management.

The adoption of positivist research philosophy in this study is based on a review of literature in which scientists Vivilaki and Johnson (2008) advised that positivist philosophy be employed in research with human subjects. The search results will be based on individual experiences hence the study will follow the positivist research philosophy. Inductive and deductive methodologies were applied in our investigation. Investigating financial management and essential factors associated with it is the central area of our focus to combine both simultaneously. The study aims to interrogate and highlight the main critical aspects of the role of financial management and its dimensions are essential determinants for sustainable organizational performance

Sample

Sample Three criteria were used to choose companies of interest from Iraq: firm size: large or international companies and their subsidiaries; and staff culturally diverse Because of its high dynamics, a considerable contribution to digitization and importance in economic growth and financial management was chosen as a target Thirty-two companies across the country were contacted, with 14 responding favourably and 18 citing confidentiality and business secrecy practices as grounds for declining to participate in the study Iraq was home to half of the 14 enterprises that responded Single-informant identity online questionnaires were used to collect primary data.

Each company assigned a contact person to disseminate the online questionnaire. Each voluntary respondent received a cover letter outlining the study's objective and ensuring their privacy and confidentiality, along with a link to the online questionnaire. Both managers and members of the same teams were requested to identify their replies to a sequence of questionnaires on questionnaires. Out of 430 surveys sent by e-mail to voluntary respondents, 327 were answered with the help of business contacts. In the first-round, incorrect surveys were rejected if more than half of the 17 elements were missing.

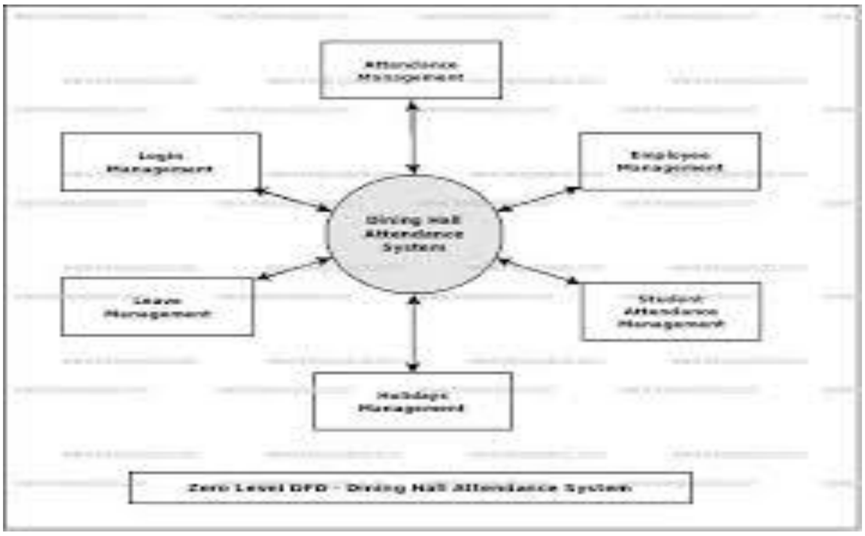
Ultimately, the sample included 28 groups and 189 participants who accurately completed the survey, yielding a random sample that matched the statistical standards for the measurement mod l. Several evaluations were employed to get a complete picture of the participants and their teamwork, involving team size, team arrangement, team type, and the respondent's location, position, competence within the business, and place of origin.

Summary Data collection and sampling techniques

Data	Primary data
Sources of data	Individual participants
Sampling techniques	Convenient sampling
Level of employees	Employees and financial management companies
Technique to reach a sample size	Online survey through a google survey form.
Sample size	189 individual participants

Data Analysis Approach

The empirical data and research-developed model needed the sequential employment of numerous difficult model-specific measurement methods t investigate existing evidence completely. In the first step of the statistical analysis, conventional descriptive statistics were provided at the component level and then obtained. Inside the second step, the measurement model was evaluated to use a dependability factor scale, followed by exploratory factor analysis using experimental component extraction and principal component for factor loadings and construction development. As noted in the testing program, the study comprised convergent validity testing with reliability coefficient and standard errors extracted and latent variable analysis with the cubed square root of The ave and associations, which covered the other concepts. The factor structure of the latent variables was checked using factor analysis. The element of variation in inflation Assumes the value was used to investigate the possibility of test technique bias and multiple linear regression. Another vital attempt is the composition variable, which is used to analyse the cumulative influence. A variables were mean-centred first before managerial functions were added, an authorised procedure, to eliminate any chance for prejudice.



Analysis

Variety and suitable financial management procedures will increase the organization's work effectiveness. We have a lot of options when it comes to financial management it has a favourable impact on company performance, but only when proper diversity management is well recognized throughout the business. It has a detrimental influence on corporate performance if something is not managed correctly and it's true mean and characteristic are not fully understoo Organisations may perhaps pay more attention when designing diversity policy and take it more seriously. To avoid any impediments that create roadblocks in the path of diversity management, a suitable diversity assessment should be performed regularly. Diver try will negatively impact an organization's structure if its worksheets are not completed appropriately (Mckay and Avery 2005). People the plurality (of a similar type) have many benefits and opportunities. Still, those not in the minority suffer numerous challenges, including a lower effect of emotional attachment, a high rate of work engagement, and a more significant percentage of absenteeism Similarity among employees in the firm based on demographic factors is substantial; comparable employees are more likely to attract others than dissimilar personnel (Ogundele et al., 2018) If individuals in an organization are different, productivity, team cohesion, tension, confusion, and conflicts may suffer Additional workers have lower levels of trust and faith, which lowers their productivity (Homan et al., 2007).

Due to increased coordination costs, a lack of understanding in communication, or information diversity, organisational performance may be harmed by Variety If diversity policies are not correctly written, it might cause problems in its smooth operation The employees' requirements are not being met They are confronted with uncertainty, perplexity, and conflict (Kundu 2001).

Workers are uneasy with one another due to a lack of communication, and there is a lack of balance between them, which negatively impacts their performance. As previously indicated, diversity management has several negative implications on organizational performance. That is why diversity should be seen as a critical issue in the organization. Its correct management and auditing must be performed regularly according to the needs and demands of the organization's climate. The influence of diversity management practices on organizational performance can be beneficial and adverse; how diversity affects organizational performance is directly tied to how it would be handled. Managing diverse employees from various regions with various demographical characteristics such as age, caste, religion, region, education, knowledge, skills, and so on is known as diversity management. Employees and organisational performance will improve if such diverse personnel are appropriately managed.

Gap analysis

the impact of financial management practices and comparative advantage on loan repayment by microfinance institutions. Financial management processes have better loan performance, according to the data. Furthermore, the findings demonstrated that competitive advantage has a full mediation effect on the link between financial management and loan management, implying that the financial management practises of MFIs are entirely mediated by their competitiveness (Wangai & Mungai, 2019). Financial management practises used by microfinance banks in the Starehe constituency of Nairobi County, Kenya, have been projected to affect loan performance. The dat were analysed using the Statistical Package for Social Sciences version 22.0. The re earch findings revealed a clear correlation between managerial practices and loan performance in Kenyan finance firms. (Kamukama et al., 2011) argued that Competitive advantage plays a mediator role between knowledge management and profitability in Uganda's microfinance organisations. The primary purpose is to determine the position of competitive advantage in the relationship between intellectual capital and firm performa ce. They found that competitive nature is a significant mediator in the association between intellectual wealth and financial success in Ugandan financial institutions, enhancing the relationship by 22.4 per cent. A partial mediation was found between intangible resources, competitive edge, and financial performance.

Huang et al. (2010) argued a methodical technique to identify the essential aspects of intellectual capital in Taiwanese banking lending departments. According to this cross-examination, the critical success elements identified by the respondents did not differ among testing techniques. With a value of 37.7%, the human capital value category had the most significant impact on the development of intangible resources. The value of organisational capital came in second at 31.4 per cent, followed by the value of relational money, which came in third at 30.9 per cent. The importance of human capital was the most critical factor for 58.83 per cent of the bankers polled. Accounting had the most significant organisational investment value at 47.52 per cent, while private investment had the highest relationship capital value at 53.77 per cent.

IV. RESULTS AND DISCUSSIONS

According to the findings of this study, companies that engage in sustainability concocted through mounting scrutiny, employee stress, organization development pressure, and innovative financing pressure in terms of sustainable practices are most likely to increase their financial performances. As a result, achieving organisational sustainability necessitates the process being embedded throughout the whole business, from CEOs to junior personnel. Compared to Ekpo, Etukafia, and Udofot (2017), the results suggest that if stakeholders realise that the organisation is fighting in the same direction, they will be naturally motivated to provide lasting results. According to the research, there are other obstacles to achieving corporate sustainable reporting disclosure and shared wealth. In essence, adopting an appropriate sustainable practice, mainly wherever funds are used, frequently impacts the organization's financial component.

Székely and vom Brocke (2017) state that proper financial management models are essential to boost productivity and reduce financial risks. More importantly, corporate sustainability reporting can help a firm become more prominent in the long run. As a result, the organization's participation worth in the community increase. The results revealed that allocating financing decisions for sustainable concerns may objectively fail to enjoy the financial benefits to an organisation which should not be addressed as part of sustainable economic management. Fonseka, Ramos, and Tian (2012) examined that Poor long-term performance is attributed to liability and, litigation rising debt, while the financial plan reflects a reduction in borrowings. Organizations that excel at institutional framework have a greater chance of receiving government subsidies and reduced tax rebates, increasing their income. Financial planning implies that the company will increase its expenditures in the short term while reaping long-term benefits from spending on environmental conservation initiatives. Addressing the value of capital as a critical component of long-term financial management indicate that financial unpredictability would need a more significant outlay of available funds. This idea would increase the company's financial burden and increase the likelihood of collapse.

Berk (2012) argued that Various dimensions of environmental governance, such as employee relations, product quality, community engagement, ecological problems, and diversification issues, posit various impacts on the company's financial performance, according to research evidence collected from Qatar airlines restaurants, and tourists clubs. Fonseka and Tian (2012) examined that Financial management supports a company's long-term viability when not restricted to investment and dividend considerations.

V. CONCLUSION

Their elites are becoming increasingly concerned about the importance of sustainability in achieving business goals. Financial management is required to increase the business's growth rate in scientific and cultural economic domains of activity. This article has proven the importance of a proactive approach to financial management and ensuring that a company's financial capabilities are adequate. It has also been said that if organisations want to achieve social agreement enablers, they must participate in voluntary sustainability disclosure. Environmental sustainability, according to the report, is critical in making financial decisions and are major value generator. To avoid substantial concerns affecting business revenues, risk management must be conceived as part of sustainable management strategies.

In conclusion, financial management is critical in supporting long-term business practices and growth.

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