The Role of Financial Management Functions in Developing the Financial Performance of Business Organizations in The Republic Of Yemen

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Abstract

The study aims to identify the role of financial management functions (appropriate financial planning, financial control, making the right financial decisions) in developing financial performance in business organizations in the Republic of Yemen. The study population was comprised of a group of companies in the mixed sector. Managers and employees in financial departments were targeted. The sample selected for the study consisted of 173. The researcher used the descriptive analytical approach to achieve the objectives of the study and test its hypotheses. A questionnaire consisting of a number of special axes in the dimensions of the functions of financial management, represented in (appropriate financial planning, financial control, making the right financial decisions) was developed. The study came up with results that are summarized in its entirety. Business organizations in the Republic of Yemen do not commit much to the functions of financial management. The study recommended the necessity of commitment and application of the dimensions and functions of financial management in the development of financial performance in a way that contributes to preserving capital, increases profits, continuity, and not closing or bankruptcy business organizations.

Keywords: *Financial management functions, financial planning، financial supervision, make financial decisions, financial performance development , business organizations، Republic of Yemen*

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Introduction:

The functions of financial management have evolved as they no longer seek to provide the necessary funds to meet the needs of the institution and business organizations and their economic and financial activity, but rather its goal has expanded to include the flow of funds, planning, controlling them, and making financial decisions (Zakirova and others, 2020). Among the functions of financial management are making financial decisions, financial planning, finance control, financial regulation, obtaining funds (finance), investing money (money management), and meeting special problems (Kostini & Raharja, 2019). The financial management in particular, and the company's management in general, have been concerned with the function of financial planning, due to the fact that the contemporary concept of financial management is based on sound financial planning for all aspects of work within the institution, and this interest has emerged in recent years clearly due to the suffering that the institution is exposed to in order Ensuring continuity in the market and achieving profits (Riinawati, 2021). Because of the large number and complexity of financial relations between the institution and its external surroundings, and because of the scarcity of funds available for investment, which made the financial management concerned with financial planning and preparing for it, that is, preparing to visualize the total financial relations among the executive departments within the institution on the one hand, and between the institution and the economic environment on the other, and from that, this willingness will ensure a balance between the institution's need for funds and its ability to achieve these funds, whether in terms of amount or in terms of time, and by using these two variables (amount and time) you will be able to choose investment opportunities. Add to this the financial management's interest in the type of funds sources that can be relied upon to finance the needs of the institution in case of financial deficit, and the resulting from. It has its sources of money and its expected uses, as these sources must be appropriate in terms of cost and in terms of payment (Wang, Akbar & Akbar, 2020) . The importance of financial planning appears as an effective tool to improve the use of material capabilities and financial means with the highest degree of productivity, so we resort to financial planning in order to apply the principles of saving and not Waste and waste, that is, in order to increase labor productivity, reduce costs, expand the volume of sources of accumulation, and use financial and in-kind accounts rationally (Tetteh and others, 2021) . Among the objectives of financial planning, and in general, we rely on financial planning to achieve a set of objectives, including drawing up policies and rules guiding individuals' thinking in financial affairs, the most important of which are the policies of sources of finance and the comparison between the policy of buying or leasing assets and the policy of foreign investment and the development of financial procedures regulating operational operations and financial forecasting and determining the quality of the sources that are required to be available to implement the various plans and determine the sources of funds that can be created or self-provided within the company, in addition to determining the best means to use each of the sources for the purpose of implementing the established plans One of the functions of financial management is also the function of financial control (Mell, 2021). Financial control is considered one of the main functions of the financial manager and financial control is intended to evaluate decisions made regarding planning after determining the quality of criteria that can be used for comparison, so it is considered an integral part of financial planning and control does not stop at the limit of detecting deviations between The results of the financial plan and its actual implementation (Ouma, 2020). Rather, it falls within the framework of correcting deviations after determining their causes and the responsible parties, and the type of decisions that must be taken and followed. Effective and good communication that secures the delivery of information by a feedback method. One of the most important functions of financial management is the function of making financial decisions. Making financial decisions is the basis of the administrative process in financial management (Amoah, & Bikitsha, 2021). These decisions aim to achieve a strategic goal of maximizing the wealth of owners and maximizing the market value of a single share, in addition to achieving the maximum possible returns for the institution, with Maintaining liquidity These decisions are represented in investment decisions, financing decisions and profit distribution decisions (Rai, Dua & Yadav, 2019).

In sum, the current study aims to:

- Identify the contribution and role of financial management in developing financial performance through appropriate financial planning in business organizations in Yemen.
- Identify the financial management's contribution to the development of financial performance through the exercise of periodic and annual financial control in business organizations in Yemen.
- Identify the contribution of the financial management to the development of financial performance by making the correct financial decisions in the business organizations in Yemen.
- Find out if the current financial performance of business organizations contributes to achieving operational and strategic goals.
- Examine if there are statistically significant differences in the roles of financial management functions in developing the financial performance of business organizations in the Republic of Yemen.

Review of literature:

Shane et al. (2016) analyzed and tested measures of financial performance and profits and identified stock prices. They found that there is a demand for high-priced securities because they are suitable as a tool and speculators are satisfactory for their willingness to risk. Meanwhile, Paranaque (2016) studied the decisions taken through the financial management of small and medium enterprises, specifically they the financial decisions and financial analysis through six variables: liquidity, diversification, capacity, flexibility, control, and responsibility, and concluded that the financial decisions are completely different in small and medium enterprises. Before that, Bennouna et al. (2010) evaluated current technologies in Canadian large companies such as capital budgeting decision making. They concluded that there are continuous trends towards achieving advanced technologies. At the same time, Mansour (2010) shed light on the role played by financial analysis in rationalizing the decision to merge between companies by clarifying the extent of its contribution to assessing the value of the companies participating in the merger and how to settle the financial transactions of these business organizations. Bian et al., (2013) sought to predict the failure of companies and used (24) financial ratios out of (56) financial ratios extracted from previous studies in the telecommunications and computer sectors in China. The financial data extracted from the lists of companies was analyzed using logistical analysis and six financial ratios were reached that can be used to predict the failure of companies, which are the ratio of trading and net income to total assets, cash flow to total debt, sales to total assets, net income to equity and current liabilities to total Debt. In addition, Singhand et al. (2013) conducted a study to determine the most important financial ratios for executives for decision-making in hotels in the United States of America, using (36) commonly used financial ratios for financing. They found the possibility of relying on financial analysis to build models to predict the financial future of the company. Karsh (2013) aimed to demonstrate the effects of credit risk management in the banking industry and to show the importance of the role of financial and credit analysis in the process of taking credit risks, rational financial decisions and the analysis of financial tools used in predicting financial failure of projects. They recommended giving great importance to the financial and credit analysis of workers in financial and banking institutions and paying attention to training and educating the cadres of credit facilities staff in public banks in Palestine and internationally in this field. Angular (2013) attempted to demonstrate the relative importance that the banks under study attach to financial analysis in credit decision-making and the ability of financial analysis tools to reduce the credit risks of these banks. Finally, the study recommended continuing to train the bank's employees, especially in the field of credit, and focusing on financial analysis when making the decision to grant credit, and not relying primarily on the guarantees provided by the client. Al-Helou (2016) aimed to clarify the extent of dependence on financial ratios in making financing decisions in Palestinian Islamic banks, by determining the role of financial analysis using financial ratios. The study found the interest of Islamic banks in analyzing the profitability indicators of the customer who requests financing. The study recommended the need to continue to enhance the approach followed by the bank before making its decision to grant financing through financial analyzes of all client activities and to identify any indicator that might draw the attention of the analyst to direct the banking management towards making the right decision based on effective scientific and practical analyzes. Al-Yaman (2015) sought to identify the most important financial analysis tools used in evaluating the performance of the institution in order to reveal the reality of the financial situation of the Algerian National Corporation for the manufacture of measurement and control devices. The study concluded that the institution was able to achieve financial balance during the study period, which means that it was able to finance its investments through its fixed resources by evaluating the financing ratios. Elmabrok (2014) aimed to apply the Altman model to companies listed in the services sector in the Malaysian market, to study the status of these companies and to ensure that they are in financial difficulty or not. It was found that there is a difference in determining the financial position of failed and non-failed companies listed in the services sector in the Malaysian Stock Exchange using the Altman model. It is recommended to adopt the Altman model to study the financial failure of service companies listed on the Malaysian Stock Exchange. Singh and Schmidgal (2012) sought to clarify the role of financial ratios in decision-making among executives in the hotel sector in the United States of America, through the use of (36) financial ratios. A questionnaire was designed to achieve this purpose, and it consisted of information about the degree of use of ratios that was distributed to the (500) financial managers of hotels in the United States of America. The study concluded that the profitability ratio and operating ratios are the financial ratios that executives use in making their decisions. With the need to continue and be careful in their use, these ratios are combined with a group of other ratios when making or building a financing decision. Kirkham (2012) conducted a study to analyze the liquidity of telecom companies in Australia that use traditional ratios compared to cash flow ratios. The study was applied to 25 companies in the telecommunications sector during a period of five years. Moreover, cash flow ratios and companies that rely on traditional liquidity ratios only can lead to wrong decisions, in addition to the need to take into account the cash flow ratios. The study of Eric & Jardin (2011) aimed to clarify how the paths method (Kohonen maps) is used to increase the prediction horizon of financial failure models, as it concluded that the efficiency of the traditional analysis models is good when the forecast period is only one year, but it is less efficient when the year is combined, and the efficiency of the paths method is better in the short and medium term And the long-term, recommended the adoption of the paths method in forecasting the financial position and future risks of the company, as it has a high ability to predict the future financial position in the medium and long term to allow the management of companies the ability to intervene early to address any financial problems that the company may face. The objectives of Saada's study (2009) were to identify the tools used in financial analysis in order to evaluate the financial performance of institutions, as well as highlighting the importance of financial analysis as a follow-up to assessing the performance of institutions and its role in rationalizing administrative decisions. For the institution. The study reached results, including those related to the administrative aspect of the institution. It has been observed that discretionary budget in the organization is absent, which is the main function of any real or discretionary management work. Al-Shammari (2010) dealt with the use of the most common traditional methods (horizontal analysis and financial ratios) for the purposes of evaluating the efficiency of financial performance in an attempt to evaluate the efficiency of financial performance. Modern methods of financial analysis were used, which included (10) models within the statistical methods, and the study reached the results. From it, the ratio of loss to profit was extracted between the period (2002-2006), which amounted to (26) times according to the mentioned model, where signs of loss appeared in 2002, while the financial ratio showed a decline in financial performance and realization of losses in 2004. Among the recommendations of the study is that the financial analysis The Company does not give any importance. Dalbouh (2012) aimed to search for credit risks and their types in commercial banks, especially those arising from their dealings with companies, and the impact of using financial analysis tools using (liquidity ratios, profitability ratios, debt ratios, activity analysis ratios, and organizational structure analysis) in reducing risks. The study was applied to a sample of (200) branch heads and employees in the Department of Finance in (50) branches of commercial banks in Jordan. The study reached a set of results, including that banks use liquidity and profitability ratios to a large extent, which contributes to rationalizing and reducing credit risks, but the use of debt ratio analysis tools and organizational structure analysis was not enough. John & Ngoasong (2018) conducted a study to achieve the practice of management control through the use of the budget as a tool for administrative control and its impact on the financial performance of the company (Nigeria Gunes). The data was obtained through interviews in accordance with the policies of the organization and (50) questionnaires distributed to employees and Nigeria Company (PLC). The study reached a set of results, the most important of which is that the budget can facilitate the creation and maintenance of competitive advantage by enabling the following administrative functions: Forecasting, planning, communication, coordination, motivation, evaluation and decision making. project for previous years. A study made by (Kumbirai & Webb, 2010) aimed to use financial ratios in evaluating the financial performance of a South African commercial bank. The study examined the performance of services in the commercial banking sector in South Africa for the period (2005-2009) using financial analysis to measure profitability, liquidity and credit ratios. The study included the largest (5) banks and one of the largest commercial banks in Africa. The study reached results, including that the financial performance of the banks has achieved a noticeable increase in the first two years of the analysis, and the year (2007) reached its peak, while the percentages of profitability and liquidity in the banking sector decreased in the two years (2008-2009) due to the global financial crisis. Another study (Huerta, I.FR ،2021) was conducted to develop a proposed accounting approach to measure and predict corporate default, which is a field study in Egyptian public business sector companies. The study found a developed model to predict corporate failure consisting of (6) financial ratios. The study recommended the need to work on developing accounting methods to measure and forecast virtual companies in public business sector companies. Moreover, the need to increase attention to the financial statements of the financial and accounting rules, principles and controls. (Trigueiros, 2015) attempted to provide a theoretical framework for the concept of financial ratios, where financial variables were used to form ratios that are considered a condition. To use correct and accurate financial ratios. The study presented a re-evaluation of the determinants of financial ratios, and the results were as follows: To use financial ratios, the variables must be proportional, which must be an independent factor from the size of the company, and the study recommended the following: the need to rely on financial ratios and the variables that make up these Ratios, which is a requirement to use correct and accurate financial ratios. (ValentinciCB and Moramora, 2010) conducted a study to build two models based on the history of the company's liquidity movement for the first model and on the different financial ratios of the second model through the published financial statements. The study concluded that the model based on the movement of liquidity is more capable of predicting financial failure, and that models based on financial ratios that were taken in the same troubled year were more capable of predicting than those models that took financial ratios for more years. The study recommended the need to adopt models based on financial ratios taken in the same year of default. Study (GUZ, 2009) the study objectives to build a model to predict the failure of restaurants, and the study sample consisted of (279) struggling restaurant companies and (27) successful restaurant companies during the period from 1987-1998. When analyzing the data, the study came up with a model consisting of three financial indicators: profit before interest and taxes to total liabilities, retained earnings to total assets and total liabilities to total assets, and the accuracy of the model reached (91%) a year before failure, and the study needs to adopt a failure prediction model. for restaurants using the multiple discriminant analysis method. The study

(Al-Gharibeh, 2017) identified the best set of financial ratios that can be used to predict the failure of Jordanian shareholding companies for a sample of twenty industrial companies listed on the Amman Stock Exchange .The study concluded that a model has been reached that includes six financial ratios that help anticipate the failure of companies for several years before they falter . Al Mualla (2017) determined the extent to which the management in Jordanian banks depends on objective criteria on the basis of which the customer's eligibility for obtaining direct credit facilities is evaluated. The criteria differ in terms of their relative importance in the decision to grant credit facilities. Matar (2018) identified the relative importance of the audited financial statements issued by joint stock companies in the State of Kuwait, as a source of information for each of the investment and lending decision makers. The study also aims to determine the general framework for appropriate disclosure of the information to be provided in the published financial statements issued by joint stock companies operating in the State of Kuwait. The study reached a set of results, including:
- More investors' interest. Audited financial statements of lenders to obtain appropriate information to make their decisions. The study (KWADWO, SA 2017) applied the Altman model of financial analysis to companies listed in the services sector in the Malaysian market. The financial statements of (28) companies were approved and listed in the services sector at Bursa Malaysia, and it was found that there is a difference in determining the financial position of troubled and non-failed companies listed in the services sector. In the Malaysian Stock Exchange. Exchange using the Altman model, and this study removed doubts about the ability of the Altman model to predict the failure of service companies listed on the Malaysian Stock Exchange. Masruki (2018) compared the performance of two Islamic banks in Malaysia, namely Bank of Islam and Muamalat Bank using several key indicators such as profitability, liquidity and risk, in which a t-test was conducted. It was applied to verify the existence of any differences in the study. The study showed, upon analysis and comparison, that Islamic banks are less profitable than conventional banks, but at the same time, they enjoy better liquidity than conventional banks.

Theoretical framework and hypotheses:

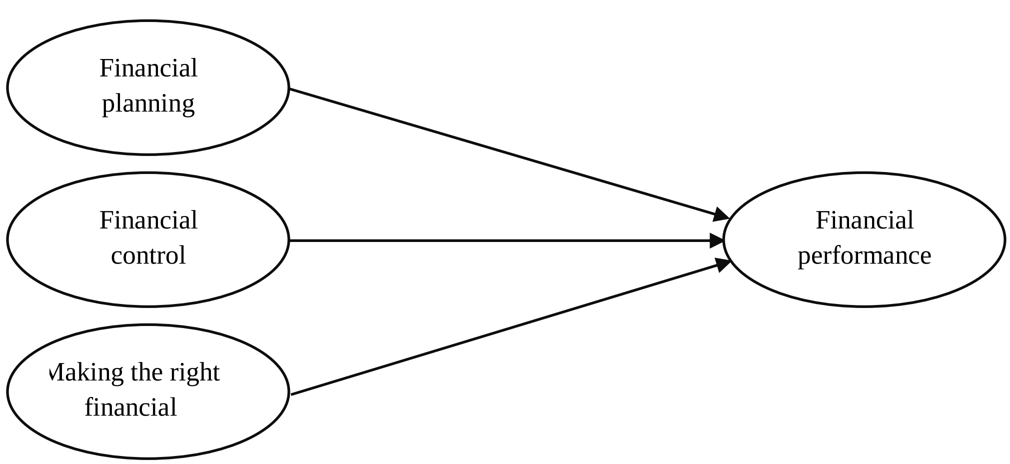

Figure 1. Research model

Based on the model proposed above, the following hypotheses can be determined:

H1. The financial management contributes to the development of financial performance through appropriate financial planning in the business organizations in Yemen.

H2. The financial management contributes to the development of financial performance through the exercise of periodic and annual financial control in the business organizations in Yemen.

H3. The financial management contributes to the development of financial performance by making the right financial decisions in the business organizations in Yemen.

H4. The current financial performance of business organizations contributes to achieving operational and strategic goals.

H5. There are statistically significant differences in the roles of financial management functions in developing the financial performance of business organizations in the Republic of Yemen.

Methodology

The study dealt with the subject of financial management and its contribution to raising the efficiency of financial performance in business organizations in the Republic of Yemen, and how the financial management contributes to developing performance through financial planning, financial control, taking the correct and appropriate financial decisions to serve the company, owners, shareholders and employees. The importance of financial management stems from the importance of what it manages and preserves capital, invests it and achieves profits for which business organizations and institutions from the public, private and mixed sectors have been established. Fieldwork on financial management and its contribution to improving financial performance was carried out. The study sample consisted of a number of business organizations and the number of respondents reached (173) individuals distributed among all business organizations. Financial planning, financial control and financial decision-making according to objectives, and total number of (33) statements of the questionnaire questions distributed over (3) axes related to these dimensions. The five-point Likert scale and the statistical package (SPSS) and statistical methods were used to process the data: (percentages, frequency, weighted mean, deviation). Standard and hypothetical testing and access to a set of results and recommendations for the population and the study sample.

Table (1) Study sample: names of business organizations and total respondents:

Number	business organizations names	Total respondents	%
1	Bina International Company for Industry and Trade	23	13
2	Yemen Industrial Projects Company Ltd.	21	12
3	Aden Company for Beverages and Juices	18	10
4	Alesayi Industrial Company Ltd.	19	11
5	The Yemeni Company for the Manufacture of Dairy and Food Products	17	10
6	National Oil and Ghee Manufacturing Company	21	12
7	Arab Iron and Steel Company	16	10
8	Esco Soft Drinks Company	22	12
9	Al Alam Industrial Company	16	10
Total	9	173	%100

Table (2) the first hypothesis: The financial management contributes to the development of financial performance through appropriate financial planning in the business organizations in the Yemeni Republic.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	29	16	27	15	37	21	67	38	16	10	2.92	0.96	2	Disagree
Q2	14	8	32	19	47	27	52	29	31	17	2.69	0.78	7	Disagree
Q3	18	10	30	17	51	29	60	35	17	10	2.84	0.83	5	Disagree
Q4	23	13	27	18	43	24	70	40	13	7	2.86	0.84	4	Disagree
Q5	30	17	37	21	39	23	57	32	13	7	3.06	1.06	1	Neutral
Q6	21	12	25	14	40	23	65	37	25	14	2.72	0.70	6	Disagree
Q7	14	8	22	12	39	22	66	38	35	20	2.51	0.73	8	Disagree
Q8	20	11	32	18	44	25	72	42	8	4	2.90	0.94	3	Disagree
Weighted Average											2.81			Disagree

The study proves through analysis that the business organizations in the Republic of Yemen do not maintain different bank accounts in all the business organizations investment portfolio as the responses of the study sample regarding this statement were not in agreement with an average of (2.92) and this indicates that the business organizations do not maintain bank accounts. The responses to the second statement, which states that the person who directly contacts the debtors is appointed to collect the outstanding debts, represent (2.69) which means that there is no person who directly contacts the debtors to collect the debts owed to the business organizations. The responses to the third statement stating that 'Debtors are encouraged to pay off their debts quickly by giving them a discount', indicate disagreement with an average of (2.84), that is, business organizations do not give debtors a discount in exchange for speed in paying off their debts. The study confirms through the analysis that the debts owed by the business organizations are not paid through a drawn check as the total responses were disapproval with an average of (2.86). The study indicates that the respondents' answers to the statement which states that the 'Inventory is closely related to the business organizations sales level', were in an average rate of (3.06), that is, business organizations do not associate inventory in the business organizations sales. regarding the statement, which states that 'the company is constantly working to reduce the cost of maintaining inventory', the study indicates that the business organizations do not reduce the existing stock as the sample answers were disapproval with an average of (2.72). For 'a pre-determined balance', the study confirms that the business organizations do not have this with an average of (2.51). regarding the statement that states that 'it depends on more than one supplier for the supply of raw materials to the business organizations', the average of disapproval was (2.90). By analyzing the statements of the first hypothesis, the following became clear: it is noted from the above table that the weighted average of all the statements that represent the hypothesis was (2.81) and this indicates that the respondents' disagreement with the hypothesis; the standard deviation of these expressions ranges between (0.73 - 1.06), which indicates the homogeneity of the respondents' answers to this hypothesis with disagreement. Thus, the first hypothesis which states that 'financial management contributes to the development of financial performance through appropriate financial planning in business organizations in the Republic of Yemen' was rejected and the alternative hypothesis which states that 'financial management does not contribute to the development of financial performance through planning the appropriate financial position in the business organizations in the Republic of Yemen ' has been proven.

Table (3) The second hypothesis: The financial management contributes to the development of financial performance through the exercise of periodic and annual financial control in the business organizations in the Yemeni Republic.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	27	15	25	14	34	19	65	38	25	14	2.79	0.83	4	Disagree
Q2	20	11	31	18	57	32	52	30	16	9	2.92	0.88	1	Disagree
Q3	27	15	27	15	37	21	62	36	23	13	2.84	0.87	3	Disagree
Q4	19	11	23	13	32	18	59	34	43	24	2.52	0.62	8	Disagree
Q5	22	12	30	17	36	21	55	31	33	19	2.73	0.76	6	Disagree
Q6	25	14	30	17	38	22	66	37	17	10	2.88	0.86	2	Disagree
Q7	13	7	29	16	40	23	65	37	29	17	2.57	0.65	7	Disagree
Q8	20	11	31	18	34	19	70	40	21	12	2.76	0.80	5	Disagree
Weighted Average											2.75			Disagree

Through the analysis, the study confirms that the business organizations in the Republic of Yemen do not determine the change in sales by defining the expected sales and subtracting the current sales from them, as the responses of the study sample to this statement show disagreement with an average of (2.79) and this confirms that the business organizations do not care. The responses to the second statement, which states that 'the assets that change directly with the change in sales are determined in the case of working with a full production capacity', represent (2.92) which means the assets that are not specified change directly with the change in sales. The responses to the third statement which states that 'the obligations that change are determined automatically with the change in sales', indicate that most of the respondents tend to disagree with an average of (2.84), that is, business organizations do not determine the obligations that change automatically with the change in sales. The study confirms through the analysis that the percentage of assets and liabilities that change directly with the change in sales is not determined by dividing each item by the current sales as the reason for their disagreement with an average of (2.52). The study indicates that the respondents' answers to the statement which states that 'the value of the increase in the required assets is determined to match the increase in production', were of an average of (2.73) i.e. business organizations do not determine the value of the increase in assets required to match the increase in production. The responses to the statement, which states that 'the business organizations determines the percentage of profitability from sales by dividing net income by current sales' indicate that the business organizations do not determine the percentage of profitability from sales, and that The sample responses show disagreement with an average of (2.88).

regarding the statement stating that 'the percentage of cash profits and the percentage of retained earnings are determined', the responses show disagreement with an average of (2.57). For the statement that states that 'after determining the amount of additional funds needed for financing, the sources of their financing are determined to implement the administration by objectives in formulating and setting goals', the statement was denied with an average of (2.76). By analyzing the statements of the second hypothesis, the following became clear: it is noted from the above table that the weighted average of all the statements representing the hypothesis was (2.75), and this indicates that the respondents' answers are not compatible and reflect their disagreement with the hypothesis. The standard deviation of these expressions ranges between (0.65 - 0.88), which indicates the homogeneity of the respondents' answers to this hypothesis, which is rejection and disapproval. Thus, the second hypothesis that states that 'the financial management contributes to the development of financial performance through the practice of periodic and annual financial control in business organizations in the Republic of Yemen' was rejected, and the alternative hypothesis which states that 'the financial management does not contribute to the development of financial performance through the exercise of periodic and annual financial control hn business organizations in the Republic of Yemen has been proven.

Table (4) The third hypothesis: The financial management contributes to the development of financial performance by making the right financial decisions in the business organizations in the Yemeni Republic.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	21	12	18	10	41	24	67	39	29	15	2.63	0.71	7	Disagree
Q2	20	11	26	15	37	21	58	33	35	20	2.64	0.73	6	Disagree
Q3	23	13	30	17	47	27	69	39	7	4	2.96	0.93	1	Disagree
Q4	22	12	32	18	37	21	70	40	15	9	2.86	0.89	2	Disagree
Q5	17	9	19	11	40	24	66	37	34	19	2.53	0.64	8	Disagree
Q6	27	15	25	14	30	17	72	42	22	12	2.78	0.82	3	Disagree
Q7	14	8	30	17	40	24	65	36	27	15	2.65	0.74	5	Disagree
Q8	24	14	23	13	34	19	62	35	33	19	2.67	0.76	4	Disagree
Weighted Average											2.71			Disagree

Through the analysis, the study confirms that 'the business organizations in the Republic of Yemen do not specify sales for the last period of time for which they will prepare the estimated balance sheet' as the responses of the study sample to this statement show disagreement with an average of (2.63) and this confirms that the mixed business organizations do not lend any interest in this. The responses to the second statement, which states that 'the last actual budget is used when preparing the budget' were (2.64) which means that the last actual budget is not used when preparing the budget. The responses to the third statement which states that 'the relative relationship between each budget line item that is automatically affected by sales such as cash, merchandise, accounts receivable and payable is found' indicate mostly disagreement with an average of (2.96), that is, the relative relationship between each budget item is automatically affected by sales. The study confirms through the analysis that the value of budget items that are not directly affected by sales are long-term debts and securities as there was disagreement with an average of (2.86). The study indicates that the respondents' answers to the statement which states that 'the expected net sales are estimated for the period for which the budget will be prepared' represent an average of (2.53) That is, business organizations do not estimate the expected net sales for the period for which the budget will be prepared. The results of the study confirm the statement, which states that 'the company is multiplied by the percentage of each budget item that is automatically affected by sales by the expected sales' as the study indicates that the business organizations do not recognize this. The responses show disagreement with an average of (2.78). Regarding the responses to the statement stating that 'the estimated budget is prepared after determining all the expected items according to the previous steps', there was disapproval with an average of (2.65) which means that the business organizations do not prepare the budget estimated after specifying all the expected items. With reference to the statement stating that 'there are essential plans to implement the administration by objectives in formulating and setting objectives', the statement was denied with an average of (2.67). By analyzing the statements of the third hypothesis, the following became clear: it is noted from the above table that the weighted average of all the paragraphs representing the hypothesis was (2.71) and this indicates that the respondents' answers are not compatible as there was disagreement. The standard deviation of these expressions ranges between (0.64-0.93), which indicates the homogeneity of the respondents' answers to this hypothesis, which is rejection and disapproval. Thus, the third hypothesis which states that 'financial management contributes to the development of financial performance by making correct financial decisions in business organizations in the Republic of Yemen' was rejected and the alternative hypothesis which states that 'financial management does not contribute to developing financial performance by making correct financial decisions in business organizations in the Republic of Yemen' has been proven..

Table (5) Fourth hypothesis: The current financial performance of business organizations contributes to achieving operational and strategic goals.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	37	21	28	16	43	24	31	18	37	21	2.91	0.91	5	Disagree
Q2	21	12	32	19	50	28	44	25	29	16	2.83	0.79	7	Disagree
Q3	30	17	22	12	43	25	47	27	34	19	2.81	0.68	8	Disagree
Q4	29	16	40	23	53	31	50	28	4	2	3.22	1.37	2	Neutral
Q5	35	20	47	27	22	12	27	15	45	26	3	1.00	4	Neutral
Q6	34	19	39	22	38	21	43	24	22	12	3.11	1.18	3	Neutral
Q7	25	14	27	15	52	30	51	29	21	12	2.90	0.90	6	Disagree
Q8	36	21	44	25	55	31	30	17	11	6	3.36	1.45	1	Neutral
Weighted Average											3.01			Neutral

The study confirms through the analysis that financial performance contributes to facilitating the process of making executive and operational decisions to a moderate degree as the responses of the study sample to this statement reflect disagreement with an average of (2.91) and this confirms that business organizations do not use much financial performance in facilitating the process of making executive and operational decisions. Responding to the second statement stating that 'financial performance helps in the process of development and change in the work of business organizations', shows disagreement with an average of (2.83). The responses to the third statement which states that 'financial performance contributes to raising the efficiency of business organizations', mostly indicate disagreement with an average of (2.81), which means that the financial performance in force in the business organizations under study does not contribute to raising the efficiency of business organizations. The study confirms through analysis that 'the financial performance applied in the business organizations under study contributes in an average way to the development of the level of administrative performance in business organizations', is neutral with an average of (3.22). The responses to the statement stating that 'financial performance helps reduce operating costs and expenses in the organization', show an average of (3), which means that the responses are neutral. The results of the study confirm that the statement stating that 'financial performance contributes to rewarding people and increase their salaries', is not valid as the study indicates that business institutions do not support employees in rewards and salary increases with an average of (3.11). With reference to the statement stating that 'financial performance contributes to developing the capabilities of business organizations to plan properly to achieve high productivity', the sample responses show disagreement with an average of (2.90).), that is, organizations do not care much about proper planning to achieve high productivity. Regarding the statement stating that 'financial performance helps to set viable goals and implementation', the sample responses are neutral with an average of (3.36). By analyzing the statements of the fourth hypothesis, the following became clear: it is noted from the above table that the weighted average of all the paragraphs representing the hypothesis was (3.01) and this indicates that the respondents' answers are neutral to the hypothesis. The standard deviation of these expressions ranges between (1.45 - 0.68), which indicates that the homogeneity of the respondents' answers to this hypothesis is neutrality. Thus, the fourth hypothesis, which states that 'the current financial performance of business organizations contributes to achieving operational and strategic goals' was rejected and the alternative hypothesis, which states that 'the current financial performance of business organizations does not contribute to achieving operational and strategic goals' has been proven.

T -test :

To test the hypotheses of the study, a T-test was performed for the mean of the questionnaire items. The value of (T) is equal to (-2.54) with a confidence level (93%). Significance level (2.02) was obtained by comparing the obtained value (T) with the tabular value (T) Moral level (5%). It can be said that the hypotheses (H1, H2, H3, H4) have all been rejected and the alternative hypotheses have been accepted when comparing the weighted average of all the responses in the business organizations. The study sample shows disapproval as the total weighted average was for the first hypothesis (2.81), i.e. the first hypothesis (H1) was rejected and the alternative hypothesis was accepted, and the total weighted average of the second hypothesis was (2.75), the second hypothesis (H2) was also rejected, and the third hypothesis got an average total of (2.71), which means that the third hypothesis(H3) was also rejected and the weighted mean of the fourth hypothesis was (3.01) . It was clear from the results that there were no statistically significant differences between the responses of the target group in the sense that all the responses are uniform, which is disagreement as evident by the general average of the responses that were respectively (2.81, 2.75, 2.71، 3.01) while the total was the sum of all the averages, i.e. (2.82) which is an inevitable evidence that the responses agree with all the terms of the questionnaire, which is not to agree.

Conclusion

The study has proven through analysis that the business organizations in the Republic of Yemen represented by the Tobacco and Matches business organizations do not maintain different bank accounts in all the investment portfolio of the business organizations and that there are no persons or a private office directly related to the debtors to collect the debts owed to the company. The study confirms through the analysis that the debts owed by the business organizations are not paid by a check drawn and indicates that the inventory is not linked to the company's sales. the results of the study confirm that the business organizations do not constantly work to reduce the cost of inventory maintenance as the study indicates that the company does not reduce the current stock. The study also indicates that the company does not depend on more than one supplier to supply raw materials to the business organizations. The study confirms through the analysis that the business organizations in the Republic of Yemen do not determine the change in sales by defining the expected sales and subtracting the current sales from them. The study confirms through analysis that the percentage of assets and liabilities that change directly with the change in sales are not determined by dividing each item by current sales, and indicates that the responses to the value of the increase in required assets are not commensurate with the increase in production. The study shows that the business organizations do not specify the percentage of profitability from sales, specify the percentage of cash profits and the percentage of retained profits or specify the amount of additional funds needed for financing. The study also confirms through the analysis that the business organizations in the Republic of Yemen do not specify their sales for the last period of time for which the estimated budget will be prepared. Furthermore, the study confirms through analysis that the value of budget items that are not directly affected by sales are long-term debt and securities. The study indicates that the respondents' answers emphasized that companies do not estimate the expected net sales for the period for which the budget will be prepared. The results of the study confirm that the business organizations are multiplied in the percentage of each budget. The study reveals that the estimated budget is prepared after determining all the expected items according to the previous steps and that the estimated budget is not prepared after determining all the expected items objectives.

Recommendations:

The researcher directs the following recommendations to the business organizations in the Republic of Yemen, represented by the Tobacco and Sulphur business organizations:

Maintaining different bank accounts in all the business organizations investment portfolio.

Allocating a special office directly linked to external customers and suppliers to facilitate the delivery of raw materials and raw materials for the business organizations needs in the manufacturing process.

The company should have a clear annual inventory that is credible and transparent.

Continuously work to reduce inventory maintenance cost.

Relying on more than one supplier in supplying raw materials to the business organizations.

Determining the change in sales by defining expected sales and subtracting current sales from them.

The value of the increase in the required assets should be proportional to the increase in production.

Determining the percentage of profitability from sales with determining the percentage of cash flow, profits and the percentage of retained profits. Determining the additional funds needed for financing and production.

Preparing the estimated budget for production, storage, loading and unloading.

Estimating of the business organizations expected net sales for the period for which the budget will be prepared.

The estimated budget should be prepared before all the expected items are determined.

The compatibility and consistency of the company's general budget with the formulated goals and expected to be achieved in each financial year of the business organizations.

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