

**BUDGETING PROCESS AND BUDGET PERFORMANCE OF ST. JOSEPH'S
HOSPITAL KITOVU.**

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ABSTRACT

The study was set to find out the relationship between Budgeting Process and Budget Performance of St. Joseph Hospital Kitovu; the objectives of the study were; to establish the relationship between budget planning on budget performance at St. Joseph's Hospital Kitovu, to establish the relationship between budget Participation on budget performance at St. Joseph's Hospital Kitovu and to establish the relationship between budget control on budget performance at St. Joseph's Hospital Kitovu.

The study was guided by the goal setting theory as the main theory. The research employed a case study design by adopting both qualitative and quantitative approaches. A sample of 80 respondents was considered out of a total population of 105 using Krejcie and Morgan table. The data collection tools used included questionnaire, interview guide and documentary review. Data was analyzed using SPSS (21).

The findings of the study from the first objective showed that, the relationship between budget planning and budget performance has a high positive and significant relationship ($r=0.709$) (70.9%) and the effect was shown by a beta value of 0.086. For the second objective of Budget participation and budget performance, results showed a high positive and significant relationship with budget performance at $r =0.736$ (73.6%) implying that an improvement in budget participation positively results into an improvement in budget performance. The findings about budget control which was the third objective also showed that there was a high positive and significant relationship with budget performance $r =0.866$ (86.6%). This implies that an improvement in budget control positively results into an improvement in budget performance by 86.6%. It can be said that among all factors, budget control is the most important element of the budgeting process and it has showed significant interactions with all elements of budget performance. And when all the elements of budget process combined together, results showed a correlation $R= 0.892$, Adjusted $R=0.795$, while the adjusted R Square is 0.787, these findings imply that budgeting process with all its dimensions (budget planning, control and participation) predict budget performance by 78.7%.

The study recommends, that budget planning should be considered at the onset of the budgeting process by all the stakeholders involved in the budgeting process; budget participation should be well handled and managed by the management of the hospital and lastly that the management of St. Joseph's hospital Kitovu should take budget control as a vital aspect of the entire budget process, this is because from the findings, it has proved to be the most influential and the best predictor of budget performance.