

ABSTRACT

The study set out to establish the relationship between budgeting and organizational performance of Government Authorities in Uganda: A case of National Drug Authority (NDA). The specific objectives of the study were to establish the relationship between the budgeting process and organizational performance; to establish the relationship between budgetary control and organizational performance; and to establish the relationship between budget implementation and organizational performance at NDA. The study employed a case study design. The population was 110, out of the target sample of 86, 79 usable questionnaires were received representing a response rate of 91.8%. The Statistical Package for Social Scientists (SPSS) software was used to analyze data. The results indicated that there was a very strong positive relationship between budget process, budgetary control, budget implementation and organizational performance ($R = 0.785$). About 60% of the variation in organizational performance is explained by budgeting (Adj. R Square = 0.601, $p < 0.001$). The study concluded that improving budgeting practices directly influences organizational performance positively. The multiple regression model generated from the survey: $D = -2.008 + 0.147B_1 + 0.0132 + 0.167C$ (where: D = Organizational Performance; B1 = Budget Process; B2 = Budgetary Control and C = Budget implementation). The study recommended that the management of NDA should focus on streamlining the budget process to promote participation of staff. Management should encourage information dissemination to staff based on the budget performance reports as a way of providing feedback on performance and should promote compliance with all established policies, plans, procedures manuals and regulations in order to enhance performance and finally NDA management should put in place more emphasis on budget implementation as a mechanism of closing budget variance gaps and drive organizational performance.