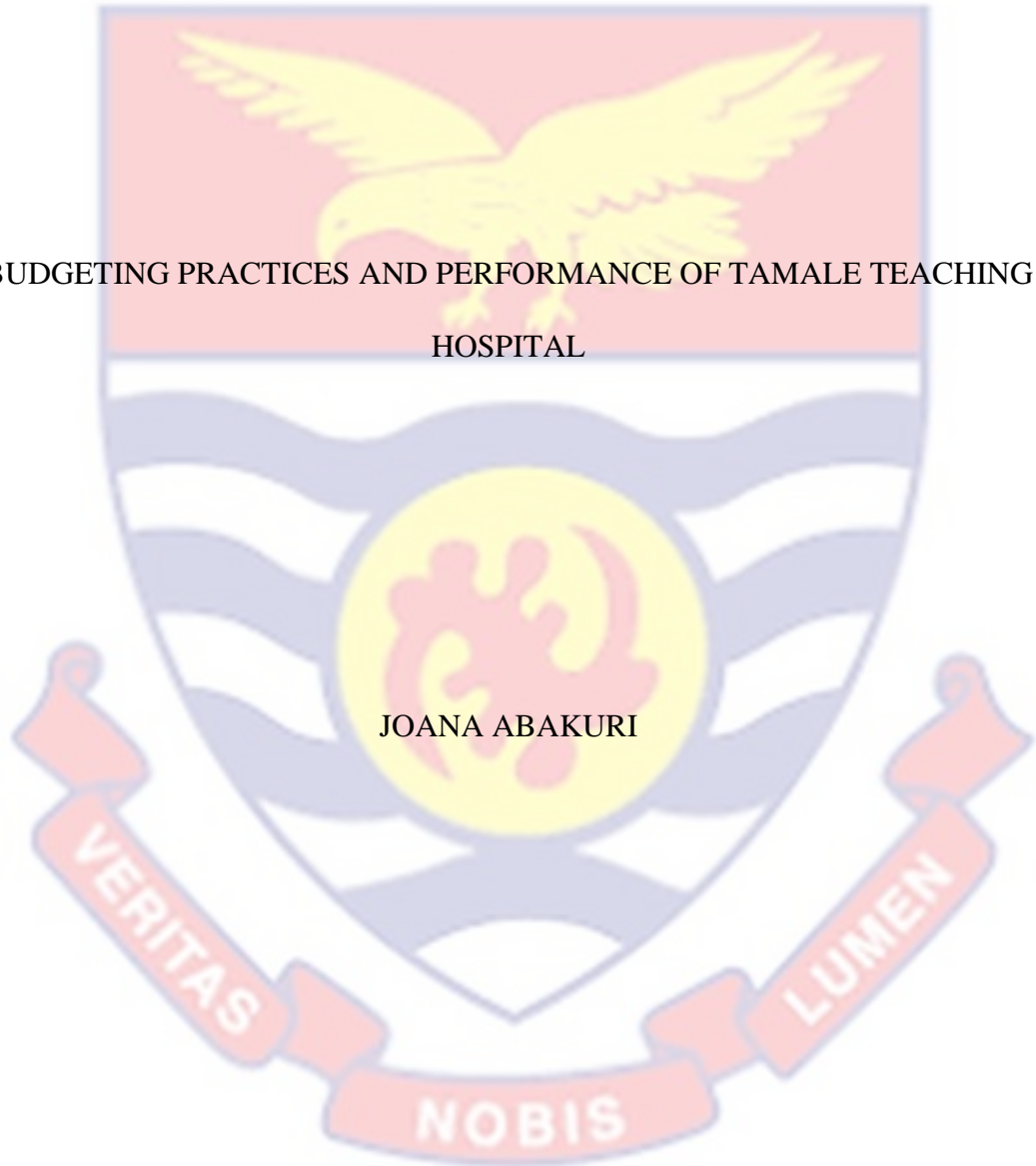


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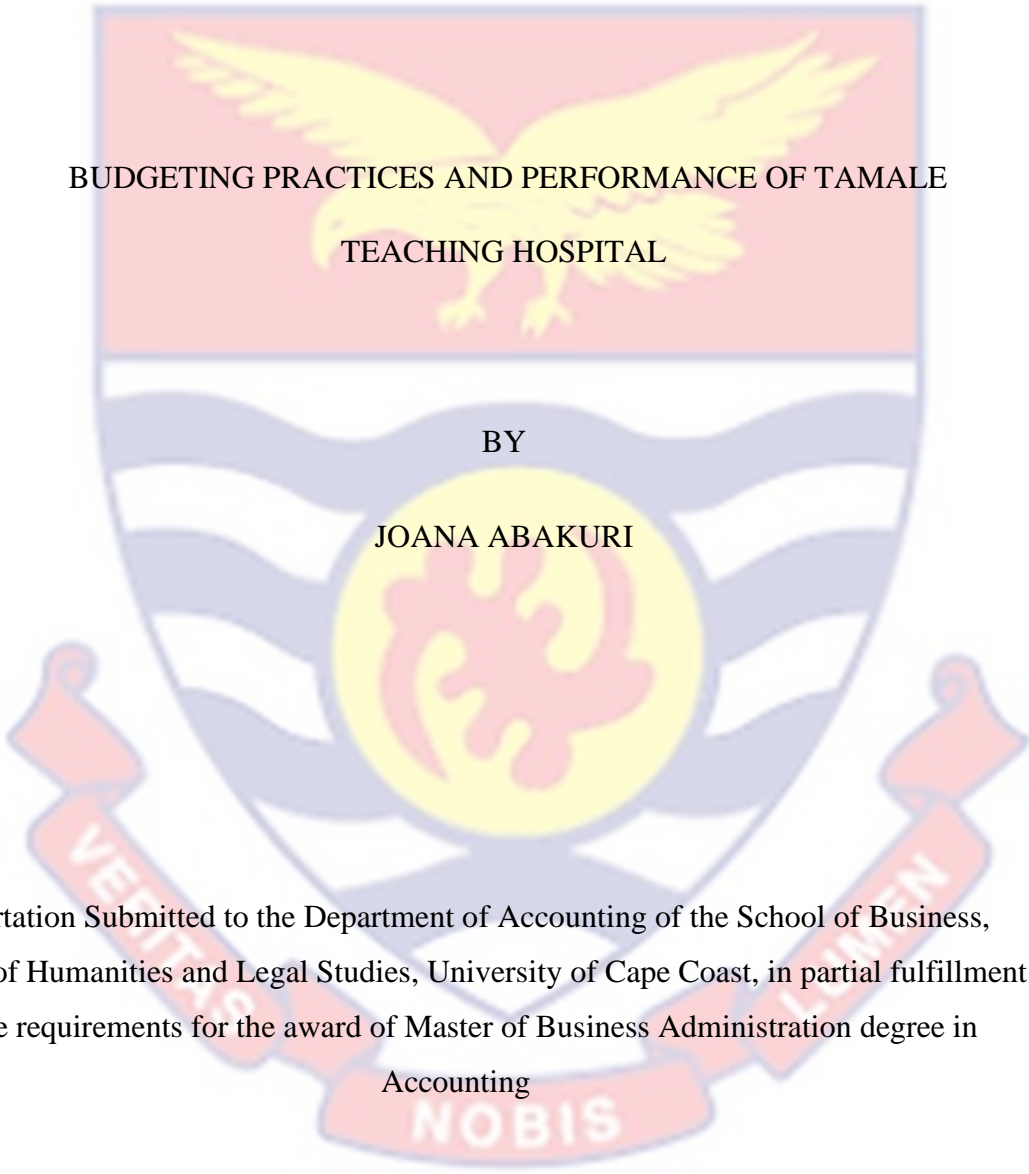
BUDGETING PRACTICES AND PERFORMANCE OF TAMALE TEACHING  
HOSPITAL

JOANA ABAKURI



2022

UNIVERSITY OF CAPE COAST



BUDGETING PRACTICES AND PERFORMANCE OF TAMALE  
TEACHING HOSPITAL

BY

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Dissertation Submitted to the Department of Accounting of the School of Business,  
College of Humanities and Legal Studies, University of Cape Coast, in partial fulfillment  
of the requirements for the award of Master of Business Administration degree in  
Accounting

SEPTEMBER 2022

## DECLARATION

### Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's signature: .....Date.....

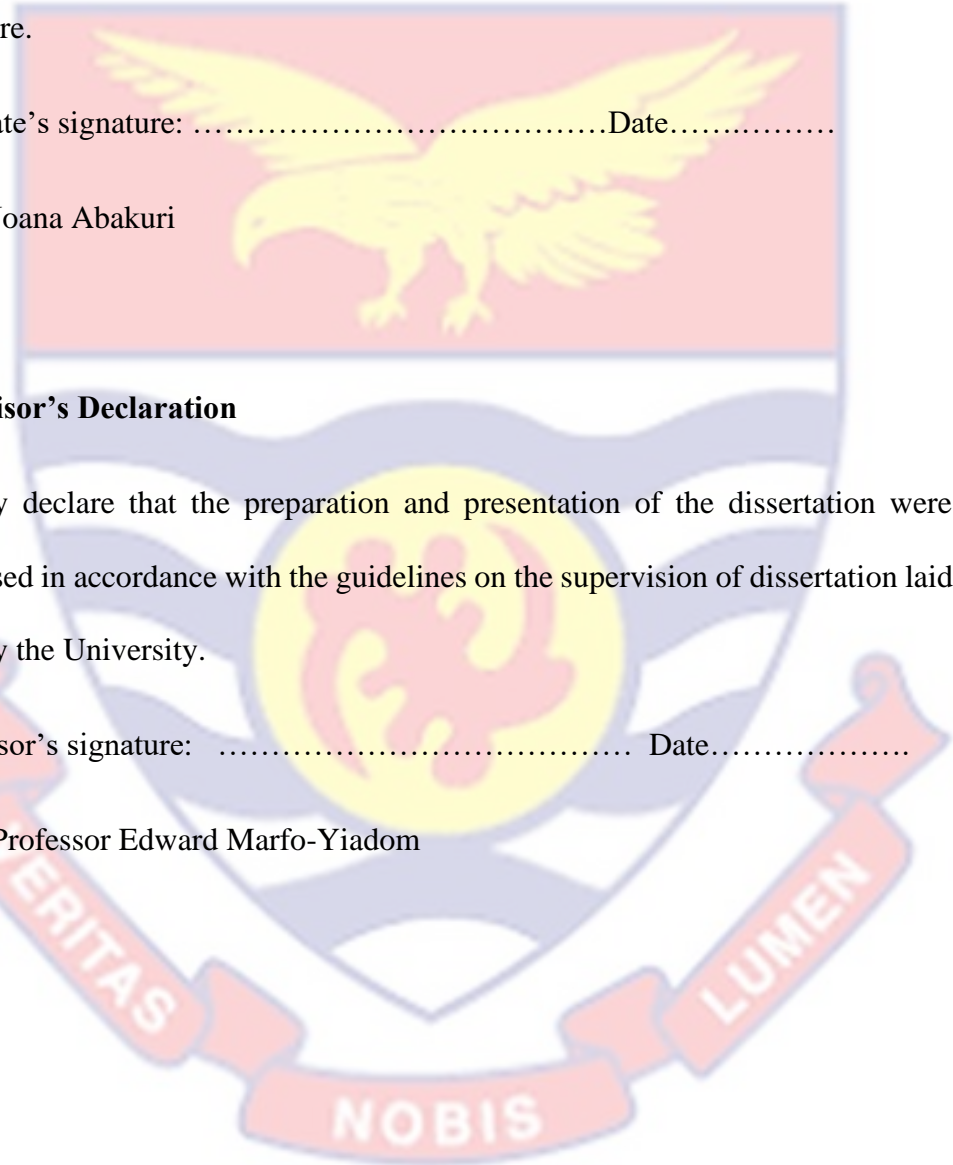
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### Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on the supervision of dissertation laid down by the University.

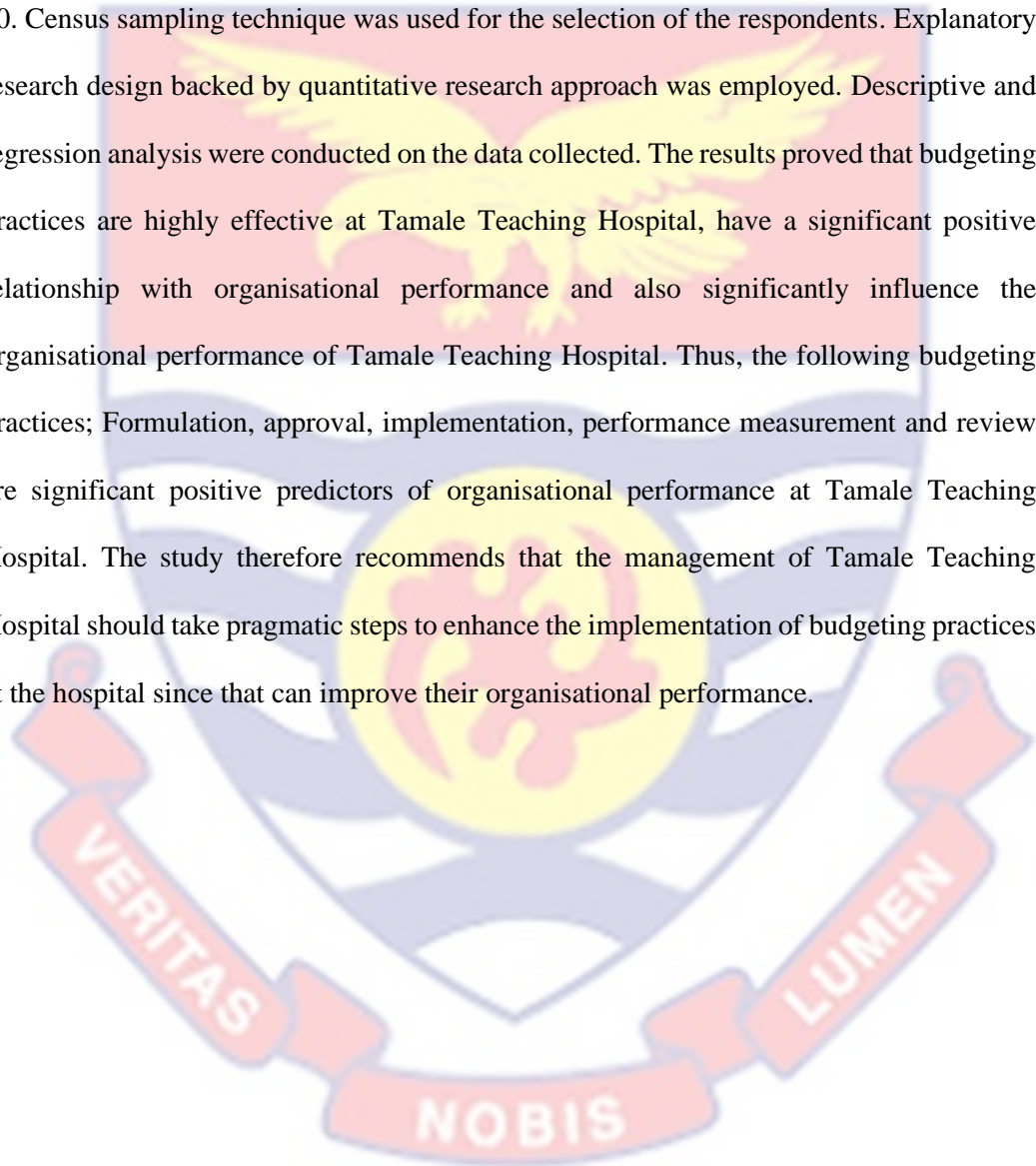
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Name: Professor Edward Marfo-Yiadom



## ABSTRACT

The study examined the effect of budgeting practices on the organisational performance of Tamale Teaching Hospital. The top, middle and lower-level management of Tamale Teaching Hospital were the respondents for this study. The sample size for the study was 50. Census sampling technique was used for the selection of the respondents. Explanatory research design backed by quantitative research approach was employed. Descriptive and regression analysis were conducted on the data collected. The results proved that budgeting practices are highly effective at Tamale Teaching Hospital, have a significant positive relationship with organisational performance and also significantly influence the organisational performance of Tamale Teaching Hospital. Thus, the following budgeting practices; Formulation, approval, implementation, performance measurement and review are significant positive predictors of organisational performance at Tamale Teaching Hospital. The study therefore recommends that the management of Tamale Teaching Hospital should take pragmatic steps to enhance the implementation of budgeting practices at the hospital since that can improve their organisational performance.



## KEYWORDS

Approval

Budgeting Practices

Formulation

Implementation

Organisational Performance

Performance Evaluation

Review



## ACKNOWLEDGMENTS

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## DEDICATION

To my family and friends



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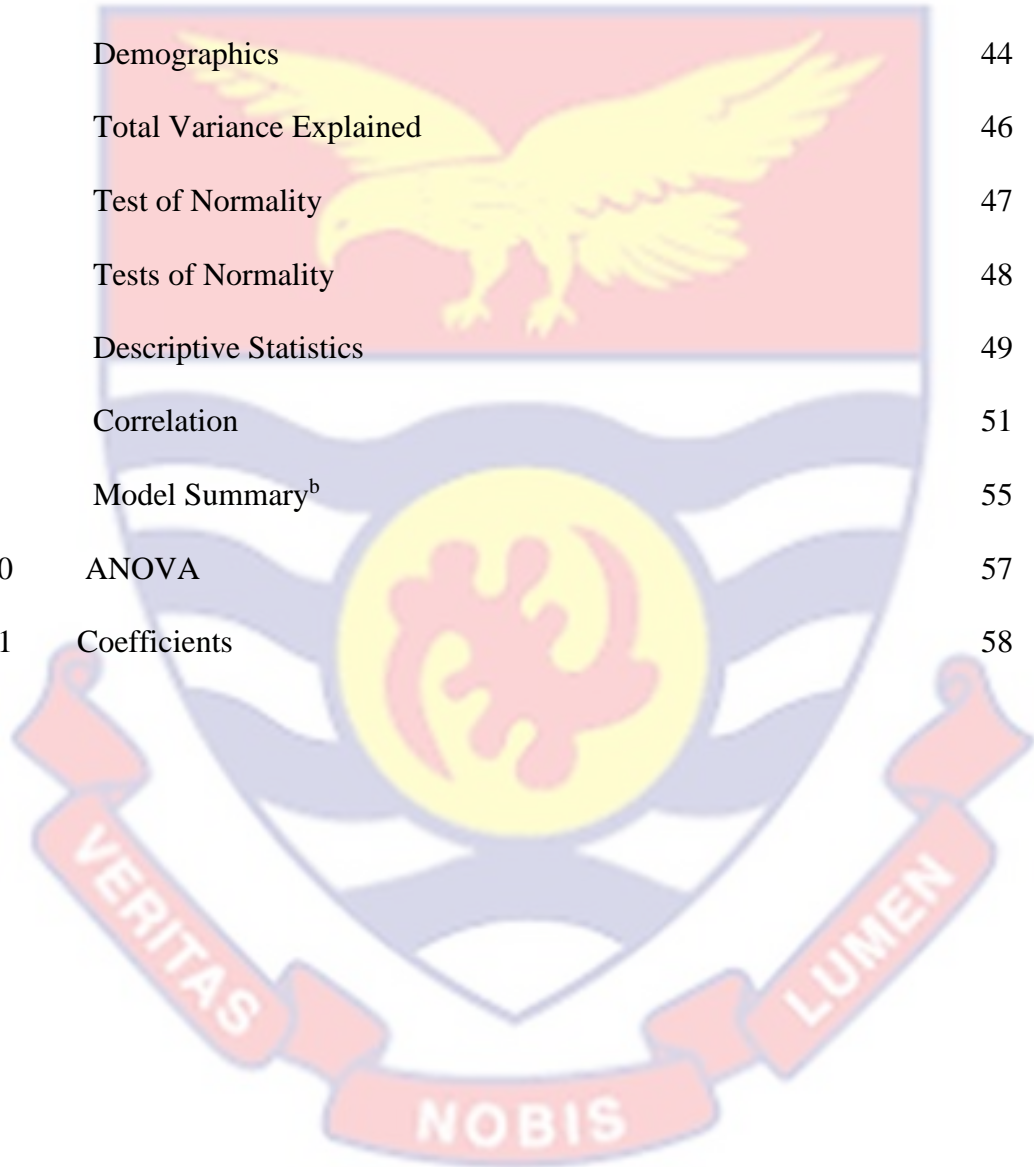
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## CHAPTER ONE

### INTRODUCTION

For an organisation to be able to achieve its organisational goals, the role of budgeting cannot be underrated. Budgeting is based on the planning and controlling function of Management and planning is the basic function of management (Owusu, 2015). Benjamin Franklin once stated that “If you fail to Plan, you are planning to fail”. The use of budgeting techniques in every business is needed to ensure its survival in a highly competitive business environment (Wheelen, et. al., 2017). Budgeting has been a source of concern and many companies across the world are emphasizing it as a potential tool for improving effective and efficient operations within every organisation and also as a means of ensuring the effective use of organisational resources with the goal of achieving high performance (Owusu, 2015). This study therefore sought to assess the budgeting practices and performance of Tamale Teaching Hospital.

#### **Background to the Study**

Time and money are scarce resources to all individuals and organisations. Therefore, the efficient and effective use of these resources requires planning. According to Widen, Olander and Atkin (2014), planning alone, however, is insufficient, control is also necessary to ensure that plans actually are carried out. A budget is a tool that management use to plan and control the use of scarce resources (Kyei, Kwaning & Francis, 2015). A budget is a plan showing the company’s objectives and how management intends to acquire and use resources

to attain those objectives. There are considerable differences in the ways in which management plan.

These planning comes in the form of planning entirely in their heads, making note in jotters, and systematically and orderly documenting the plan in formal fashion (Owusu, 2015). Kabir et. al, (2014), stated that the fundamental function of management is planning. In other to attain organisational objectives, a particular course of action needs to be followed to the later (Onuorah, 2019). The decision of sharing responsibilities and allocating task to various sectors of an organisation are taken at the planning stage. The process of checking if the plans are being followed or not, safe keeping of records and comparing it with the plans is controlling (Mukah, 2020).

According to Mockler (1972) controlling is “a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these predetermined standards, to determine whether there are any deviations and to measure their significance, and take any action required to ensure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives”. The use of budgeting practices are needed in every business enterprise in order to survive in a highly competitive economic environment (Addo, 2017).

Even though there are several control techniques employed by organisations to ensure they run smoothly, budgets are the most significant tool that enhance both planning and controlling and is an essential instrument for coordinating activities in organisations within the health sector (Harelimana, 2017).



Mohammed and Ali (2013) consider budgeting as the commonly used accounting tool for management. Therefore, it is significant to appreciate how budgeting is used as a technique to ensure controls which ultimately leads to achieving organisational objectives. A budget is an essential tool used to communicate the expectations of senior management to the lower employees in an organisation.

Pimpong and Laryea (2016), opined that budgets are the means through which senior management conveys what is expected of middle and lower level staff. According to Agbeno (2018), a budget is a plan of action established ahead of time, presented in monetary terms, and authorized before the period of use. Budgets are plans that cover a certain time period and are typically represented in numerical terms. Thus, a budget is a predefined statement that contains management policies for a specific time and acts as a benchmark for evaluating actual outcomes with set objectives.

As a result, a budget is a tool in management's hands that gives all employees instructions on how to reach the objectives, goals, and targets. Budgeting has a position in the planning and controlling tasks of management. Planning is the creation of long-term goals, whereas budgeting entails the quantification of those goals, generally in monetary terms (Kerosi, 2018). Through control, management wants to ensure that every sector of the company is operating in accordance with the organisation's objectives, which were established at the planning stage. Budgeting assists in this control role by establishing a baseline against which actual performance can be evaluated and variances rectified so that the specified objectives may be met (Maritim, 2013).

Budgeting ensures the efficient utilization of the resources of the organisation and according to the Resource-based view theory, the ability of organisations to efficiently utilize their available resources result in an increase in the level of the performance of the organisation (Mukah, 2020). The goal setting theory also posits that the goals organisations set results in higher organisational performance. Among such goals is the issue of budgeting. Mbabazize et. al, (2014) therefore described a budget as “a financial goal summarizing the financial experience of the past, stating the current plan and projecting it over a specified period of time in future”.

Various budgets are used by businesses, charity organisations, and government agencies to improve organisational performance. The healthcare industry is under constant pressure to improve its efficiency, both in terms of the services it delivers and in terms of its economic impact. Ghana, a low-income developing nation, is implementing health-care reforms aimed at improving fairness of access to treatments and resource utilization efficiency (Kyei, et. al, 2015). Budgeting has been identified as a management accounting strategy that helps companies improve their financial performance and efficiency (Davila & Foster, 2007). This study therefore sought to examine budgeting practices and performance at the Tamale Teaching Hospital (TTH).

### **Statement of the Problem**

There are formulated policies, programmes and activities covering the economic, political and other areas of an organisation. Therefore, to be able to undertake such activities, an organisation will need to put financial meanings to it

(Arnold & Artz, 2019). Organisations use budgets as a financial plan to support these policies, programmes and activities. According to Aruomoaghe and Agbo (2013), organisations that do not plan and control activities are bound to fail in achieving their strategic objectives. Therefore, budgets are used to plan and control the activities of an organisation.

Previous studies have recognized the significance of budgeting practices in an organisation (Henttu-Aho, 2018). The process of budgeting is a management control process in which the actual income and spending are controlled viz a viz the planned income and spending so that the firm can make decisions if plans are being followed and if those plans need to be changed in order to make a profit. Organisations should use budgeting in projection in order to plan for the future. Organisations usually implement budgeting initiatives to prevent losses resulting from theft, fraud and technological malfunction (Adebowale, 2019).

These techniques also help management to ensure that expenses remain within budgetary limits. The advantage of budgeting is that it can be even implemented by three departments within an organisation in order to enhance efficiency and effectiveness. Some of these departments within the organisation include: accounting department, statistical department and management department. Kamunge (2016) adds further that the management departments make use of both accounting and statistical departments' services to estimate the expenditures and revenue of business under the normal conditions of business.

Esptein and McFarlan (2011) observed that, budgeting aids management in taking future decisions through implementing short-term plans and putting in place

monitoring activities aimed at conforming to the planned activities. Mukah (2020) opined that when organisations are able to effectively implement their budget practices, they are guaranteed of utilizing their resources efficiently. Additionally, Kerosi (2018) in analysing budgeting practices and the management of small and micro enterprises established that the management of these businesses is positively related to the budgetary control practices.

In Ghana, there have been a number of studies on budgeting practices and the performance of the public and private sector institutions. Kyei, Kwaning and Francis (2015) studied budgets as a management tool for Ghana Metropolitan Assemblies, while, Agbenyo and Danquah (2018) also studied budgeting and its effects on the financial performance of listed manufacturing firms in Ghana. Pimpong and Laryea (2016) studied budgeting and its impact on financial performance using the non-banking financial institutions in Ghana as a case study. Daniel (2011) investigated budgeting and budgetary control at Ernest Chemist in Ghana. Hence, improper budgeting practices and policies within the hospital may have accounted to the lapses and in the performance and progress within the municipality.

However, there has been limited studies on assessing the influence of budgeting practices on the performance of public health care providers in Ghana (Kyei, et. al, 2015). Many researchers have overlooked the influence of budgeting practices on the performance of healthcare providers in Ghana and predominantly, the public hospitals in the Northern Region of Ghana. Considering the insufficient studies of the effects of budgeting practices on the performance of public healthcare



providers in Ghana, this study was conducted to assess the effect of budgeting practices on the performance of Tamale Teaching Hospital in the Northern region. It is expected that, the result of the study will contribute to the current literature on budgeting practices and performance of public healthcare institutions in Ghana.

### **Purpose of the Study**

The study was undertaken to assess the budgeting practices and performance of Tamale Teaching Hospital.

### **Research Objectives**

The specific objectives of the study are to:

1. Examine the effectiveness of the budgeting practices employed at the Tamale Teaching Hospital.
2. Evaluate the relationship between the budgeting practices and the performance of Tamale Teaching Hospital.
3. Determine the effect of budgeting practices on the performance of Tamale Teaching Hospital.

### **Research Questions**

1. How effective are the budgeting practices employed at the Tamale Teaching Hospital?
2. What is the nature of relationship between the budgeting practices and the performance of Tamale Teaching Hospital?

3. What are the effects of the budgeting practices on the performance of Tamale Teaching Hospital?

### **Significance of the Study**

The study was conducted to assess to effects of budgeting practices on the performance of Tamale Teaching Hospital (TTH). Therefore, the study will contribute significantly in determining appropriate budgeting practices to be implemented by public healthcare providers in Ghana. Additionally, the impact of this study will be seen in the application of its findings in the real business environment. Additionally, the study will contribute to current studies on budgeting practices and the performance of public institutions in Ghana. Lastly, the recommendations of this study will guide the management of various organisations on the formulation and implementation of budgeting practices.

### **Delimitation of the Study**

The study focused on the budgeting practices and the performance of TTH. The scope of the study was limited to budgeting practices and its effects on performance of TTH. The respondents of the study were selected from management and staff of the hospital who are responsible for an effective management and implementation of budgeting practices.

### **Limitation of the Study**

Since the study focused on the budgeting practices of TTH which is a public health care facility, the findings cannot be generalized to include the healthcare providers in the private sector since their budgeting processes and procedures may



not be the same as the public healthcare institutions (Medium Term Expenditure Framework, 2019). Additionally, the unwillingness on the part of some of the respondents to provide information and be truthful with information given due to its sensitivity may affect the accuracy of the findings of this study. For this reason a written assurance was provided to respondents to assure them that information provided will be treated with confidentiality and will strictly serve academic purposes.

### **Organisation of the Study**

The study is divided into five chapters. Chapter one consists of an introduction which includes the background, problem statement, objectives, research questions, significance, scope, limitations and organisation of the study. Chapter two provides a review of related literature of the study with emphases on a conceptual review, theoretical framework as well as an empirical analysis of the study while the third chapter outlines the methodology of the study which includes population, research design, sampling and sampling procedures, sources of data, data collection and procedures for data presentation and analyses. Chapter Four analyses as well as discusses the results of data. Chapter Five summarizes and offer recommendations and conclusion for the study.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

The purpose of this study was undertaken to assess the budgeting practices and performance of Tamale Teaching Hospital. On the basis of the explorations of the previous chapter, this current session discusses the theoretical, conceptual review, empirical and conceptual framework for this study.

#### Theoretical Review

The theoretical review discusses the ideas that are central to this research, which attempt to clarify the research issue and express previously published arguments for verification and critique in light of the study's results. The Resource-based View Theory (RBV) and the Goal-setting Theory are the two theories examined. These theories were chosen because they are well-suited to explaining the relationship between budgeting practices and performance.

#### Resource-Based View Theory (RBV)

According to the RBV theory, organisations manage resources in a way that allows them to improve their performance while still operating successfully within their environment (Kozlenkova, et, al, 2013). Assets, information and expertise, procedures, and other resources controlled by the organisation are examples (Aminu & Mahmood, 2015). The RBV theory posits that, a firm's ability to create

competitive advantage is determined by how well it utilizes its resources (Warnerfelt, 1984). The RBV theory explains that it is not the structure of the organisation that brings about competitive advantage of the firm but the firm's ability to utilize its resources with human capabilities and core competencies that makes the firm distinct and easy to outwit other competitors in the industry (Kabue & Kilika, 2016).

In the context of this study, literature has revealed that budgeting is an essential way of utilising the resources of a firm; budget is a tool that management use to plan and control the use of scarce resources (Kyei, et. al, 2015), and when budgeting practices are effectively and efficiently implemented, resources will also be efficiently utilized and can enhance the performance of Tamale Teaching Hospital. Hence, this study asserts that budgeting improve the performance of organisations.

### **Goal-Setting Theory**

Locke and Latham's (2002) goal-setting theory, one of the most effective motivational theories, was built inductively based on empirical research conducted over nearly four decades. The concept that conscious plans affect behavior (where goals are the object, objective, or action) is at the heart of it (Locke & Latham, 2002). While goal setting theory is most often researched on a human level, its concepts may also be applied to businesses. According to Lunenburg (2011), goal-setting is effective when companies have control over their performance.

Setting objectives is a crucial step in sustaining and enhancing one's performance (Lunenburg, 2011). According to goal setting theory, people who are given precise and quantifiable objectives do better in all scenarios than people who

are not given any goals at all. To enhance performance, people must be able to provide and receive feedback, as well as accept and carry out goals (Latham & Conradson, 2003). Employees' attention and behavior are driven by their goals, according to Locke and Latham (2006).

Goal setting theory is being studied at both the human and organisational levels. In the context of organisations, research has shown that successful organisations have goals (Muguti, 2020). Budgets are developed in accordance with the organisation's goals. As a result, the implementation of budgeting practices that are part of the organisation's goals have an impact on the organisation's performance. Because budgets are driven by goals, and organisations that accomplish their set-goals become successful, the goal-setting theory was used in this study. This study claims that budgeting improves performance based on this assumption.

### **Conceptual Review**

This section explains in details each concept and operationalises them to reflect the constructs contextualised in this study. It also established the links among constructs of the study.

### **Budget**

The budget of an institution is a well-known summary of the organisation's activities in monetary terms for a specific time period. It consists of the actions that the business or organisation intends to carry out over a specific time period. The budget may be a management tool that helps with the efficient allocation of a company's limited resources and ensures that those resources are used to meet the company's objectives (Agyemang & Agalega, 2014). A budget is a financial and



quantitative statement that represents a number of intents and policies (Kerosi, 2018).

Although budgets establish and quantify goals and offer a framework for management and control, according to Addo (2017), the budget is essentially a prediction. As a result, budgets must be reviewed on a regular basis to ensure that the organisation's goals are met. According to Mukah (2018), after the programs are written up, they are translated into the resources needed to carry them out. People required to carry out tasks, for example, are converted into salaries, wages, and allowances that will be given to them. Similarly, the materials and equipment required would be valued in monetary terms (Epstein & McFarlan, 2011). In effect, the entire activity is converted into monetary terms.

According to Bayor (2014), a budget is a quantitative statement of a plan for a specific period of time. Planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities, and cash flows should all be included. Budget is a quantitative expression of a plan of action established for the company as a whole, for departments, for activities such as sales and manufacturing, or for financial resources such as cash, capital expenditure, manpower acquisition, and others (Pimpong & Laryea, 2016). Lavu (2020), a budget is a method of allocating economic, physical, and human resources to accomplish a company's long-term objectives.

Budgets are created by businesses to keep track of their progress toward their objectives, manage costs, and estimate future cash flows and earnings (Gacheru, 2012). A budget, according to Mukah (2018), is a numerical

representation for a period of time created for management's future plan of action. According to the description above, a budget can include both financial and non-financial components of an organisation's strategy, and it can also serve as a road map for the company to follow. This indicates that budgets are units of projections of an organisation's operating outcomes for a future period of time.

According to Kyei, et. al, (2015), a budget is an organisation's financial control mechanism. As a result, budgeting entails establishing future goals, putting those plans into action, and evaluating the actions to determine if they are progressing as expected. A budget is a scientific document because it is prepared in a systematic manner using approved principles and procedures. Whereas budgeting may not be a scientific activity because it can simply be guesswork, it is a scientific document because it is prepared in a systematic manner using approved principles and procedures (Onuorah, 2019). Budgets help all types of organisations plan and regulate their operations, as well as support managerial initiatives (Mbugua et al., 2013).

A budget serves as a benchmark against which performance may be measured. This criterion might be the management's minimal profit and loss requirement. The actual performance of employees who are regarded responsible for a performance may be compared to the budgeted performance in an organisation's evaluation system (Gacheru, 2012). As a result, budgets are management tools that are stated in monetary terms, and they are the easiest method to prioritize and coordinate conflicting decisions throughout the business. Budgets, on the other hand, are frequently misunderstood as financial tools, according to



Mukah (2020), since they usually come from the finance department and include numbers.

Managers who are not astute may jeopardize budget contributions. Budgets, on the other hand, are unpopular because of the time and effort required to establish and negotiate them, as well as the need to explain deviations (Mbugua et al., 2013). Budgeting, asserted by Muguti (2020), creates data overflow, prevents management action, and is typically a liability rather than a benefit to the business. As a result, new budgeting techniques have emerged as alternatives to traditional budgeting. Budgetary control, according to Gacheru (2012), is the process through which budget holders exert financial control over expenditure and revenue for every function of the company prior to the period to which they pertain.

Operating and monetary budgets are the two types of budgeting. Sales budgets, production budgets, material use budgets, material procurement budgets, and labor budgets are examples of functional or departmental budgets that may exist in an organisation (Onduso, 2013). Cash budgets are financial statements that tabulate projected future cash inflows and payments to illustrate a business's forecast cash balances at predetermined intervals. Budgets are divided into two categories by Mbugua, Mbugua, Wangoi, Ogada, and Kariuki (2013): spending and operational budgets. Where the expenditure budgets are for non-current assets or projects with projected future returns. It is considered a long-term budget, and it typically reflects the strategic plans. It includes goods such as buildings, automobiles, property, and road development, among others.

## **Budgeting**

Budgeting, according to Owusu (2015), is the allocation of planning among an organisation's many sectors of responsibility. The budgeting process is a daunting task that takes a long time, sometimes even weeks, and is completed just once or twice a year. The majority of businesses prepare their budgets once a year to cover the following fiscal year. A few other organisations also create budgets on a continual basis, which is known as rolling budgeting or continuous budgeting. When a pre-determined period expires, the budget is constantly supplemented for the same duration with continuous budget preparation.

Continuous budgeting has the advantage of allowing managers to adjust the budget to changing conditions. This budgeting method is more expensive than cyclical budgeting, which focuses on a budget that spans a defined period and is seldom altered during that time. An organisation may use a hybrid strategy by adopting a budget that will not be modified during the set period, but new projections will be generated on a regular basis alongside the original budget throughout that time. (Dijkman, 2008).

Budgeting serves the following purposes: increases planning and control with the purpose of improving a company's financial situation, aids managers in identifying cost-effective methods for accomplishing organisational objectives, Budgets let managers maintain track of a company's performance in order to ensure its long-term survival and focus on critical areas. Budgeting may also be used to help management in putting firm goals into action, coordinating the effective

distribution of production components to all stakeholders, and explaining organisational goals to all stakeholders (Raghunandan, Ramgulam & Raghunandan-Mohammed, 2012)

### **Budgeting Practices**

The budgeting practices can be defined as all the activities involved in ensuring that budgets are effectively implemented in order to achieve organisational objectives (Sivabalan et al., 2009). According to the OECD framework, the budgeting practices include: Budget formulation, Budget approval, budget implementation, performance measurement and budget review.

### **Budget Formulation**

Budget formulation involves stages, actions, and documents in the budget preparation that are required or should be taken appropriately prior to budget implementation (Arnold & Artz, 2019; Hentu-Aho, 2018). Muguti (2020) stated that there are four primary components to the budget formulation.

1. Creating budgetary targets and spending levels that are compatible with organisational targets. This is the goal of the macroeconomic framework preparation.
2. Developing spending policies.
3. Allocating resources in accordance with policies and fiscal objectives.  
This is the primary goal of the budget preparation processes.
4. Problems with operational efficiency and performance are being addressed.

### **Budget Approval**

The budget approval includes all activities involved in ensuring that budgets prepared are approved before implementation (Onuorah, 2019). Top management, is in charge of approving final budgets, which serves as the company's operational manual. Because complex decisions concerning expenditure priorities must be made, the approval process can sometimes take longer than the budget preparation itself. Making these decisions concerning budget approval requiring a lot of back-and-forth among the management team (Muguti, 2020).

### **Budget Implementation**

Budget implementation is the process of directing and controlling the financial resources made available to an agency toward attaining the goals and objectives for which budgets were established (Mukah, 2018). The procedure entails adhering to both legal and administrative guidelines. Muguti (2020) posited that budget execution should be enhanced in two areas: improving expenditure control and establishing the conditions for increased spending efficiency.

It is necessary to strike an appropriate balance between these two needs. Budget implementation requires that timely release of funds; Cash planning in conformity with budget authorization and taking into account ongoing commitment (for a sound budget preparation is a prerequisite); Effective control of expenditures at each stage of the expenditure cycle (whatever their organisation internal or ex-ante/external); Adequate budgetary monitoring, at each stage of the expenditure cycle (commitment, verification, and payment); Clearly defined procedures for



recording transaction (notably for commitments); Adequate cash management and transparent procedures for procurement.

### **Performance Measurement**

Performance measurement in budgeting can be defined as the measuring the level of achievement of the budget through a range of indicators (Arnold et al., 2019). In the process of budgeting, performance indicators can be established to demonstrate the desirable performance levels of budgets (Gacheru, 2012). Performance indicators guide the implementation of budgets and demonstrate expected achievements of the budget (Onuorah, 2019). Managers utilize specialized performance measures to establish broad and abstract management goals, assess their achievement, discover operational difficulties, and propose remedies during the budget execution and evaluation process (Henttu-Aho, 2018). Managers can also use the budget to evaluate their own performance and show how close they are to reaching the agreed-upon goals. Budgeting serves as a yardstick in this way (Onduso, 2013).

### **Budget Review**

Budget review is done periodically to ensure that budgets are implemented effectively and efficiently and to identify policy slip-ups (Sivabalan et al., 2009). The review of the implementation of budget cover financial, physical and other indicators of performance (Mukah, 2018). In the process of reviewing budgets, cost increases due to insufficient initial study of projects, inflation, unexpected difficulties, and budget overruns are identified so that countermeasures can be implemented to address issues associated with the budget implementation (Muguti, 2020). The financial implementation of budget can be reviewed monthly to ensure

that financial control over expenditure and revenue for every function of the organisation is achieved (Onduso, 2013).

### **Organisational Performance**

According to Cho and Dansereau (2010), organisational performance refers to a company's performance in relation to its goals and objectives. Furthermore, Tomal and Jones (2015) describe organisational performance as an organisation's actual outcomes or outputs as compared to its anticipated outputs. According to Elena- Luliana and Maria (2016) performance is defined as "fulfilling the goals that were given to you in the convergence of corporate orientations." Performance, in this perspective, is the consequence of a comparison between the outcome and the aim, rather than a simple discovery of an outcome. Elena- Luliana and Maria (2016)., unlike other authors, believe this idea to be a comparison between the outcome and the aim.

Performance is described by Lebas (1995) as future-oriented, meant to represent the unique characteristics of each organisation / individual, and based on a causal model linking goals and results. He defines a successful firm as one that will achieve the management coalition's goals, rather than one that has already accomplished them. As a result, performance is influenced by both capacity and the future. Lebas, unlike previous authors, recognized the distinction between "a performance," "performance," and "being performant." A performance is typically subject to a measured outcome that is higher than that expected or resulting from past results.



According to Elena-luliana et al., (2016), performance is a socially created reality that exists in people's imaginations if it exists anywhere, rather than an objective reality ready to be measured and judged. Components, products, consequences, and impact are all examples of performance, according to the author, and it may also be connected to economy, efficiency, effectiveness, cost effectiveness, or equity.

According to Rolstadas (1998), an organisational system's performance is a complicated connection including seven performance criteria that must be met: effectiveness, efficiency, quality, productivity, work quality, innovation, and profitability. The accomplishment of the criteria stated above, which might be considered performance objectives, is directly connected to performance. Many studies in this subject take a shareholder-oriented approach, concentrating on productivity or financial performance metrics including return on investment, assets, and equity (Huselid, 1995).

### **Relationship between Budgeting Practices and Organisational Performance**

Rokhman (2017) conducted study on how to improve organisational performance through budgeting. A similar study was conducted by Maher, Fakhar and Karimi (2017) on the relationship between budget emphases, budget planning models and performance of Far Province University of medical sciences. The research was conducted using a descriptive survey research approach and found that budgeting was associated with enhanced organisational performance.

In 2016, financial specialists from Shiraz University participated in a study on budgeting and organisational performance. A total of 250 samples were used in the investigation. It was discovered that there was a strong link between budgeting

and organisational performance. It was also discovered that budget planning models had a favorable and meaningful link with management performance, and budgetary satisfaction. A study on the influence of budgeting involvement, planning, and control on management performance with leadership style as an intervening variable was done by Keng'ara and Makina (2020) on a hotel services firm in central Sulawesi province. A total of 170 people took part in the study. Planning had no significant influence on leadership style, but it did have a beneficial effect on organisational performance, according to the research. In the budgeting process, planning is essential.

Mbuthia and Omagwa (2019) investigated the impact of budgetary control on the financial performance of selected Kenyan commercial banks. A cross-sectional research approach was used in this study. Multiple regression analysis and descriptive analysis were used to examine the data collected. Budgetary planning and control was been found to have a favorable link with an organisation's success. It was also discovered that budgeting evaluation has a substantial influence on an organisation's performance. Budget control and budget review, meanwhile, were found to have a favorable substantial influence on an organisation's performance. To improve an organisation's performance, the research advised that bank executives assess their present performance, build additional budgeting centers, and hire more budget officers.

Mohamed, Kerosi, and Tirimba (2016) performed study at Darasalaam Bank Headquarters in Hergeisa Somaliland on the effectiveness of budgeting practices on organisational performance. Descriptive and retrospective research

designs were used in this study. The information gathered was both primary and secondary. A census survey of 70 employees was conducted by the researcher. Responsibility, accounting, variance analysis, and zero-based budgeting were discovered to increase budget management, efficiency, and production. It was also discovered that variation cost analysis by itself might not have an impact on organisational performance.

The study concluded that organisational personnel should be taught on existing budgetary management approaches in order to improve corporate decision-making and productivity. Keng'ara and Makina (2020) investigated the relationship between budgetary control and performance: a case study of Nigeria's Bayelsa state. Actual expenditure (AEX) was used to indicate performance in the study. Ex-post facto research was used in this study. Descriptive statistics and multiple regression analysis were used to analyse the data. It was discovered that budgetary constraints had a detrimental impact on an organisation's performance.

According to the research, the government should promote budgetary involvement, budgeting should take into account resource availability, and competent and highly skilled employees should be employed. Imo and Deswosu (2019) investigated the impact of budgetary control on the return on assets and net profit of government-owned businesses in River State. A descriptive survey research approach was used in this study. Data was obtained via questionnaires, and data was analysed using the pearson product moment correlation coefficient and a frequency table. Budgetary control and financial performance of government-owned enterprises were found to have a favorable significant correlation.

Budgetary control systems were shown to be an effective control mechanism for improving performance measurement systems.

According to the survey, these companies should continue to strengthen their budgeting in their entirety in order to improve their performance. Nyongesa, Odhiambo, and Ngoze (2016) studied budgeting and financial performance at public higher education institutions in western Kenya. With a target population of 109 people, the study employed a descriptive survey research approach. Regression analysis was used to examine the data collected. Budgeting was found to have a favorable relationship with the performance of public higher education institutions. Costa (2018) performed a similar study on the impact of budgeting on business performance: A case study of the East African Portland cement industry.

The relationship between the variables was explained using a quantitative research approach, whereas the relationship between the variables was explained using an explanatory research design. Data was gathered from both primary and secondary sources. The collected data was analysed through regression analysis. Budgeting and sales turnover had a minimal positive connection, according to the findings. In Kenya's Kangemi town, Kerosi (2018) performed a study on the analysis of budgetary control methods and the management of micro and small companies. A descriptive survey research approach was used in this study. There were 160 people who took part in the survey. Primary and secondary data were collected and analysed for the study.

It was shown that budgeting practices are favorably connected to the management of micro and small businesses. It was also found that planning ensured



defined aims and objectives. Similarly, it was discovered that businesses involve their stakeholders in crucial budget choices. Budgeting review and control should be done as regularly as feasible, according to the study, in order to get better results. Said and Kaplelach (2019) conducted research on the effect of budgeting on financial performance of tea factories: A study of a few tea facilities in Kenya's Kisii region.

A co-relational research design was used in this study. The information was gathered from 70 senior managers who took part in the survey. Questionnaires were used to gather information. The information gathered was examined using descriptive statistics and correlation analysis. Budgetary planning, budgetary evaluation, and budgetary monitoring were found to have a positive substantial impact on the financial performance of the tea factory. Organisations should use current functional budgeting techniques that have permitted efficient budget monitoring, according to the research.

Murei, Kidombo, and Gakuu (2017) investigated the impact of monitoring and evaluation budgets on horticulture project performance in Kenya. Correlation and cross-sectional surveys were used in the research. Pearson product moment correlation was used to evaluate the data collected. The monitoring and evaluation budget was shown to be the most important factor in the organisation's improved performance.



## **Empirical Review**

### **Budgeting Practices and Organisational Performance**

Budgeting practices have been demonstrated to impact business performance in a body of literature. Most organisations strive to improve their performance, arguing that organisational resources give a competitive advantage and that the capacity to effectively and efficiently use resources through various ways, such as budgeting, leads to improved organisational performance.

King, Clarkson, and Wallace (2010) performed research on the impact of budgeting practices on the success of small healthcare enterprises. The quantitative measuring method was a postal questionnaire, and the study design was cross-sectional. A selection of 144 responses from the Australian Association of Practice Managers' survey (AAPM). According to the findings, there is a significant positive relationship between budgeting practices and organisational performance. The study also discovered that the adoption of written budgets had a favorable impact on corporate performance.

Research on budgeting practices and organisational performance was also done by Kengara, Makina (2020). The study had a total of 70 participants. Questionnaires were sent to 70 responders as a data collecting technique. Data was gathered from both primary and secondary sources. Because there were few responses on the census, primary data was gathered using questionnaires, while secondary data was gathered from the organisation's archives. The authenticity of the content was used. To establish the connection between the variables, the collected data was examined using multiple regression analysis.

According to the findings, there was a positive substantial link between budgetary practices which includes budgetary planning, budgetary management and execution, monitoring and evaluation on organisational performance. The regression coefficient was 0.834a, and the R. square was 0.65. Between budgeting procedures and organisational performance, there was a positive predictor coefficient. The study concluded that in order to achieve higher performance, businesses should embrace the budgetary practices.

Mohamed, Kerosi and Tirimba (2016) investigated the relationship between budgeting and budgetary management practices and organisational performance. The data for this study came through cross-sectional research methodologies and designs in which data from the study population was gathered. The research included 221 employees who actively participated in ADV Telecoms Australia's budgeting process. The sample size of 140 workers was determined using Krejcie and Morgan's (1970) sample size table. A total of 140 employees were sampled using a combination of balanced stratified sampling and a basic unsystematic sampling technique. Using closed, pre-arranged questionnaires, the researcher gathered primary data. The study found that Budgeting and budgetary control have a substantial impact on organisational performance.

Owusu (2015) performed research on the budgeting and budgetary controls in credit unions in the Ashanti Region. To enhance the findings and guarantee the research objectives are met, the study incorporated both exploratory and descriptive case studies. The study methodologies were designed using both quantitative and qualitative methods. The information was gathered from both primary and

secondary sources. The researcher acquired primary data through surveys, while secondary data came mostly from the unions' financial reports, CUA data, management minutes, and budget guides.

Their study population comprised of 93 Credit Unions under the Ashanti Chapter as at 30<sup>th</sup> June, 2014 who are categorized into large, medium and small. An interview guide was utilized to collect information for this project. MS Excel and SPSS version 20 were used for data analysis and processing, which enabled to show data symmetrically and chronologically. Data was interpreted by comparing and contrasting primary and secondary data, as well as combining it with the opinions of other scholars. The respondents' opinions were used to assess qualitative data. The study discovered that budgeting has a substantial impact on organisational performance.

### **Conceptual Framework**

The conceptual framework of this study reflects the objectives set for the study. The framework shows that budgeting practices influence organisational performance. The framework also shows that there are several dimensions of budgeting. The conceptual framework is shown in Figure 1.

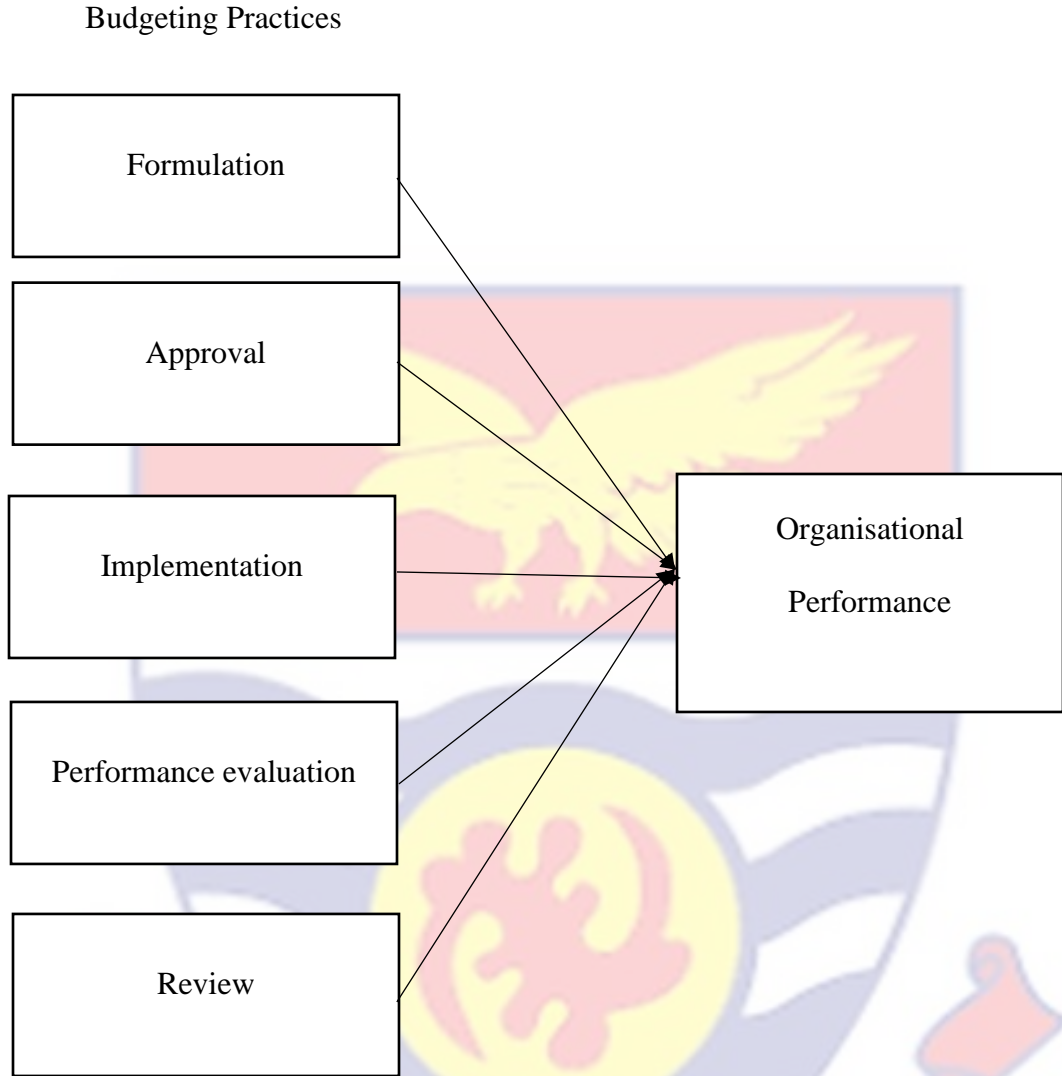


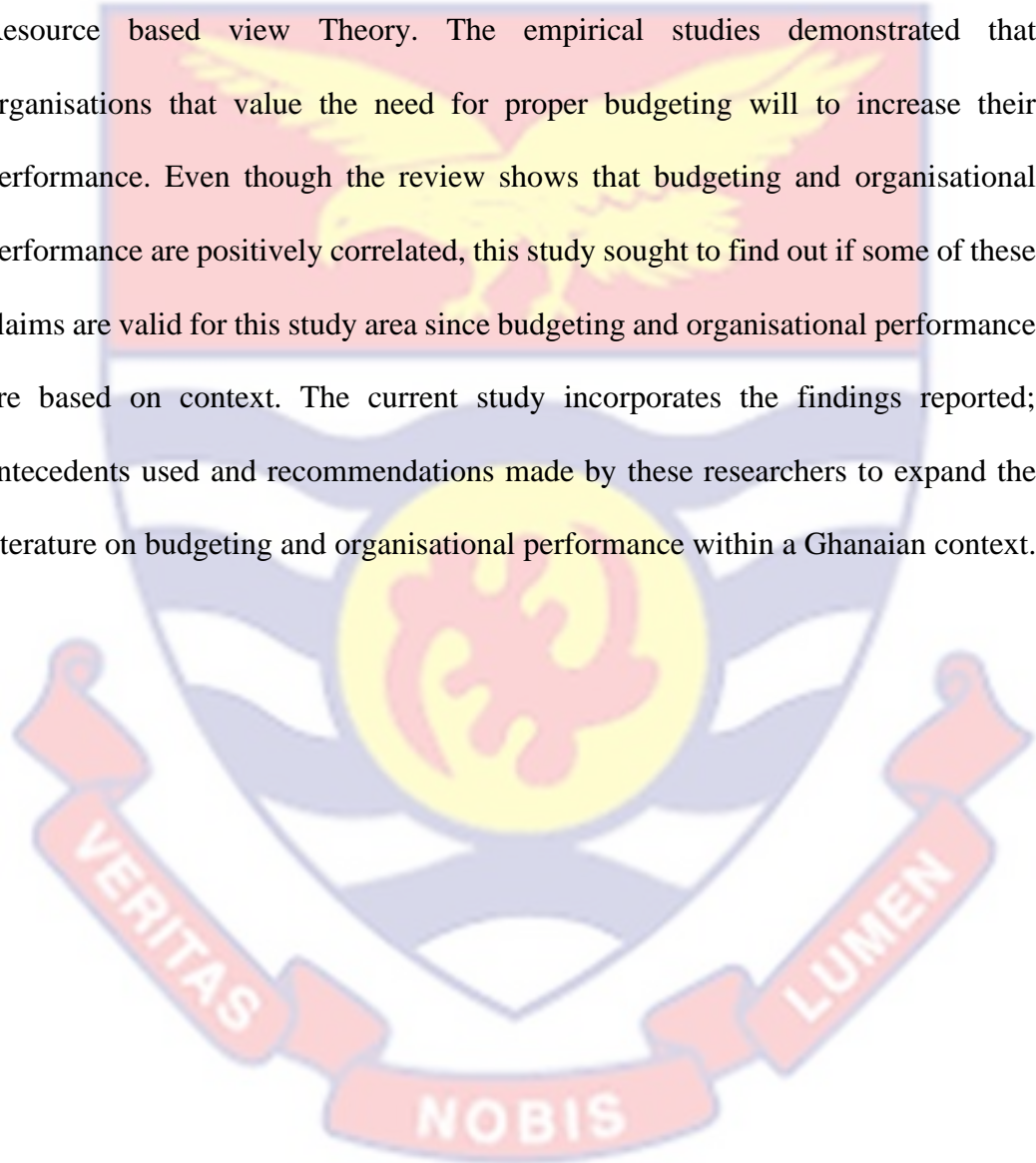
Figure 1: Conceptual Framework

Source: Author's Construct (2022)

The conceptualization is not a construct on its own but measuring items of organisational performance through effective and efficient provision of budgets. The framework shows that based on the dimensions of budgeting practices, the organisational performance of Tamale Teaching Hospital will be enhanced. The framework of this study notes that proper budgeting can be the reason for which organisational performance at Tamale Teaching Hospital will be improved.

## Chapter Summary

In sum, the above review showed that there are different dimensions of budgeting that can be implemented by the management of an organisation to increase their performance. The chapter reviewed the Goal-setting Theory and the Resource based view Theory. The empirical studies demonstrated that organisations that value the need for proper budgeting will to increase their performance. Even though the review shows that budgeting and organisational performance are positively correlated, this study sought to find out if some of these claims are valid for this study area since budgeting and organisational performance are based on context. The current study incorporates the findings reported; antecedents used and recommendations made by these researchers to expand the literature on budgeting and organisational performance within a Ghanaian context.





## CHAPTER THREE

### RESEARCH METHODS

#### Introduction

The purpose of the study was undertaken to assess the budgeting practices and performance of Tamale Teaching Hospital. In this chapter, the methods and techniques used for data collection for this research as well as reasons for the choice of this method is discussed. The role of the researcher in collecting data is also discussed. Furthermore, the research process is described in detail according to the aims and objectives of the research stated in chapter one. Finally, this chapter will discuss how reliable and valid the data collected is to addressing the research questions.

#### Research Design

It was prudent to select the appropriate research design that would enable the researcher to answer the research questions and put up useful and perfect assumptions with less difficulty. A research design is a detailed strategy which the researcher followed while gathering the study data and conducting the research analysis (Turner, 2014). According to Potwarka, Snelgrove, Drewery, Bakhsh and wood (2019), a research design is considered as a set of arrangements made to collect and analyse data in a way that seeks to integrate compliance with the purpose of the research process and economics. According to Young and Javalgi (2007) a master plan that describes the process and methods for obtaining and analysing the required information is considered a research design.

The three main research designs that have usually characterized social science research are descriptive, explanatory and exploratory (Creswell & Clarke, 2017; Rovail et al., 2013). The exploratory research is conducted to have a better understanding of a prevailing problem and generally does not lead to a definite outcome. It is flexible and provides the basis for future study. According to Creswell and Clarke (2017), the exploratory design focuses on obtaining facts and understanding social reality. Thus, the objective of the exploratory design is to detect significant challenges and variables in a real-world situation.

The explanatory research is undertaken to give details as to why a phenomenon happened and to predict future events. It generally concentrates on “why questions” in a bid to appreciate the relationships that exist between variables (Babbie, 2010). Though the explanatory research does not offer conclusive results due to lack of statistical strength, it enables the researcher to decide on how and why things occurred.

The descriptive design offers descriptions of observations about a particular phenomenon (Creswell & Clarke, 2017). It concentrates on answering the how, what and where questions rather than why questions. A distinctive characteristic of the descriptive design is that it often assists a researcher to present comparisons, similarities, and contrast between phenomena, and in so doing, enhances the understanding of social reality (Babbie, 2010).

The current study adopted the explanatory research design. An explanatory research design was used because of the logic of cause-and-effect relationships among the variables of interest – budgeting practices (independent variables),

organisational performance (dependent variables) – drives the research (Dependent Variable). Explanatory design study is used to determine the scope and type of cause-and-effect linkages, according to Zikmund Carr, Babin, and Griffin (2013).

Explanatory studies examine a scenario or a specific problem in order to explain patterns of variable relationships (Creswell, 2014). Explanatory research's main goal is to explain why things happen and to anticipate what will happen next (Maxwell, 2012). The claim that the data are quantitative and nearly always need the application of a statistical test to demonstrate the validity of the connections also informs the decision to approach the investigation quantitatively.

### **Research Approach**

Based on the nature of the study aim, particular objectives, and the type of the main data to be gathered and analysed, the study used quantitative research technique. The conceptions were quantifiable and statistically manipulable by their very nature. According to Creswell (2014), the quantitative approach entails gathering numerical data and analysing it using mathematically based approaches, particularly statistics. Quantitative methods, which typically employ deductive logic, seek regularities in human lives by dividing the social world into empirical components known as variables, which can be numerically represented as frequencies or rates, and whose relationships can be explored using statistical techniques and accessed through researcher-initiated stimuli and systematic measurement (Ben-Shlomo, Brookes & Hickman, 2013).

This method usually starts with data collecting based on a hypothesis or theory, and then uses descriptive or inferential statistics to analyse the results

(Tashakkori & Teddlie, 2003). Generalizations from testing of statistical hypotheses lead to general inferences about population features, and quantitative approaches are usually regarded as deductive in nature. Quantitative techniques are usually described as presuming the existence of a single “truth” that is independent of human experience (Guba & Lincoln, 1994).

Because it involves a bigger sample that is randomly selected, the quantitative findings are likely to be extended to a complete population or a sub-population (Carr, 1994). Some quantitative research techniques have drawbacks, such as taking snapshots of a phenomena rather than going in-depth, and overlooking test-takers' and testers' experiences as well as what they mean by something (Rahman, 2020).

This current study adopted the quantitative research approach. This is because the measurements of the items in the scale were numerically rated by the respondents based on predetermined rating scales (5-point Likert scale). Besides, per the nature of the primary data required, design of the data collection instrument, research objectives, statistically application for data processing, statistical tools for data analysis as well as the theoretical foundation of the study, the adoption of quantitative research design becomes most preferred an obvious option in the face of both qualitative and mixed research approaches.

### **Study Area**

The Tamale Teaching Hospital, Ghana's third largest hospital, is located in Tamale. The hospital's mandate is established by Act 525 of the Ghana Health Service and Teaching Hospitals Act of 1996. The terms of the mandate allow the



hospital to provide advanced clinical health services, undergraduate and postgraduate medical science education, and health-related research to improve health care (www.wikipedia.com).

### Population

The population under study will comprise senior management, middle management, lower management of TTH. TTH was selected because of proximity and convenience in terms of data accessibility to the researcher. According to the Human Resource Department (2021), the total senior management, middle management, and lower-level management who work in the accounting and finance department and other management staff included in this study were fifty (50).

**Table 1: Distribution of the Population**

Level of Management	Number of employees
Top level Management	15
Middle level Management	18
Lower	17

Source: Field survey (2022)

### Sampling Procedure

Sampling is a statistical approach of acquiring a representative population to take information or data concerning a whole population by analysing only a portion of it (Babbie, 2007). Sampling is a process used in statistical in analysis in which a predetermined number of observations are taken from a larger population. Sampling has also been referred to the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Strouse,



Donovan & Fatima, 2019; Malhotra & Birks, 2007; Bassey, 1995). According to Bryman (2009) sampling is very essential because, in almost all cases, it is not possible to study all the members of a population.

Three basic types of sampling techniques exist. These are non-probability sampling, probability sampling and mixed approach sampling techniques. According to Buchanan and Bryman (2009) in non-probability sampling, not all the members of the population have the opportunity to be selected for the sample. The definition of a non-probability sampling technique defines the population that will give a reliable inference about a population. Non-probability sampling techniques include convenience sampling, quota sampling, network sampling and purposive sampling.

Probability sampling on the other hand, has its elements having equal chance or opportunity of being selected for the sample. This sampling technique tends to increase the likelihood of achieving the aim of choosing members that precisely represent the entire population from which the members were chosen. Probability sampling technique includes simple random, stratified, cluster or multi stage sampling (Cavana, Delahaye, & Sekaran, 2001). Estimating the extent of probable success is the main aim of the probability sampling technique (Malhotra & Birks, 2007). As a result, probability theory serves as the basis for a member of a population to be included in a sample. Mixed sampling technique, according to Wurtz (2015) is a sampling strategy whereby the combination of non-probability and probability sampling techniques are employed at different stages in research.

In this current study, the researcher adopted the census sampling for the selection of the respondents from the sampling frame. From the point of Israel (1992), there are several approaches that can be used in determining the sample size. These include using census for small populations, imitating a sample size of similar studies, using published tables, and applying formulas to calculate the sample size. In the context of this study, a census was used because of the relatively small number of population size. In view of this, a sample size of fifty (50) was used which is made up of all employees at Tamale Teaching Hospital.

### **Data Collection Instruments**

Questionnaires were used to gather data from respondents in order to get primary data. The sample, particularly the senior management, was also interviewed. This was done in order for the researcher to have a thorough grasp of the difficulties. The questionnaire survey approach was employed to acquire quantitative data in order to collect primary data. The questionnaire survey was chosen because it is both affordable and adaptable, as well as a realistic approach to obtain data for this type of study.

McLeod (2014) stated that questionnaire survey allows respondents to be grouped together, making it easier for the researcher to handle different groups. When compared to approaches such as interview or observation, where the sample population is distributed over a broad region, this type of data collecting has been deemed the most effective means of acquiring information. In this study, the major primary data gathering instrument was a structured questionnaire.

Closed-ended questions are included in the survey. Causal investigations are highly organized by nature (Maxwell, 2012), necessitating the use of structured primary data collecting methods. A questionnaire is a collection of questions designed to elicit information from respondents (Singer & Couper, 2017; Malhotra & Birks, 2007). Surveys employing questionnaires are arguably the most commonly used data-gathering tool in research, according to Young and Javalgi (2007), and may be used to measure problems that are critical to the management and development of organisations (Malhotra & Birks, 2007).

Closed ended questions require responders to pick from a range of options and to consider each option independently of the others. Closed-ended items included checklists (a list of behaviors, characteristics, or other entities that the researcher is looking into), Likert scales (which are more useful when a behavior, attitude, or other phenomenon of interest needs to be evaluated in a continuous manner), dichotomous questions, and multiple-choice questions (Leedy & Ormrod, 2010).

In general, McColl (2005) claims that employing questionnaires rather than interviews has significant advantages. When structured questions are utilized for initial data collection, data analysis becomes easier and more straightforward. Furthermore, an easy-to-use questionnaire lowers measurement error and the risk of study participant nonresponse (Singer & Couper, 2017; Boateng & Sekyere, 2018). It also lent support to the research's quantitative methodology (Guetterman, 2017; Malhotra, 2015). The questionnaire was divided into three sections. These categories corresponded to the study's specific aims. The demographic information

of the respondents was addressed in Section "A." Budgeting practices were measured in section "B," while organisational performance was examined in part "C". These instruments were adopted from the studies by Sreeram, Kesharwani and Desai (2017) and Robinson and Last (2009).

When examining an instrument, reliability and validity are two important factors to examine. According to Bless and Higson-Smith and Kagee (2006), instrument dependability is concerned with the instrument's consistency, and an instrument is considered to have high reliability if it can be relied upon to provide an accurate and constant measurement of an unchanging value. Given the sample size, the scale may be deemed trustworthy because all of the Cronbach's Alpha values are more than 0.5 (Ben –Shlomo, Brookes & Hickman, 2013; Pallant & Tennant, 2007). The results of the reliability test for the variables as presented in Table 1 show that all the constructs are highly reliable in that the results are all greater than the minimum criteria suggested by Pallant and Tennant (2007). Table 2 summarises the reliability score for the individual constructs of the study.



**Table 2: Reliability Results**

Construct	Cronbach's Alpha	No. of Items
Formulation	0.801	4
Approval	0.877	8
Implementation	0.816	5
Performance Evaluation	0.775	4
Review	0.742	4
Organisational Performance	0.501	8

Source: Field survey (2022)

The validity of an instrument relates to how well it measures the specific idea it was designed to assess (Saunders, Lewis & Thornhill, 2007). It reflects how well the research's data gathering and analysis captures the reality under investigation (Mohajan 2017). Saunders et al. (2007) went on to say that an instrument must be dependable before it can be valid, indicating that it must be consistently repeatable; and that after this is done, the instrument may be examined to see whether it is what it claims to be. The researcher investigated additional relevant literature to assess the validity of the questionnaires, and that literature supported the construct of the instrument. Some of the scales' items had been scientifically verified. Before being sent to the respondents, the developed questionnaire was sent to the project supervisor for vetting, correction, and approval.



### **Data Collection Procedure**

Permission for the data collection exercise at TTH was sought from the authority of the institution when a letter was issued by the Department of Accounting in University of Cape Coast. Permission for the primary data collection was then granted. The sampling frame was then made available to the researcher. This sampling frame was rich in content. The purpose of the study was explained to all participants. Consent of the respondents was sought. A date for the distribution of the questionnaire to the participants was determined. The poll was conducted using a drop-and-pick method. The respondents completed the questionnaire themselves. The respondents were given 50 questions in all. All of the respondents properly supplied the information requested and submitted the surveys, resulting in a 100% response rate.

### **Data Processing and Analysis**

Adèr (2008) defines data analysis as "the act of editing, cleansing, converting, and modelling data with the purpose of emphasizing valuable information, offering suggestions, drawing conclusions, and assisting in decision-making." The application of analytics necessitates the transformation of complicated data into useful and actionable information (Johnson, Levine, Smith & Stone, 2010). For the analysis, the questionnaire responses were edited, coded, and put into the Statistical Package for Social Science (SPSS version 25.0). This statistical program is suggested for us in social science research (Gaglio et al, 2020).

Descriptive statistics of mean and standard deviation as a measure of central tendency was used for the research objective 1, Pearson product-moment

correlation analysis was also done on the research objective 2 to determine the relationship that exists between the independent and dependent variables, Inferential statistical technique such as standard multiple regression was conducted on research objective 3 to find out how much variance in the dependent variable (organisational performance) is explained by the independent variables (budgeting practices). The findings were chronologically presented on Tables and Figures, which made the interpretation and discussion of the findings easier and straight forward.

### **Ethical Consideration**

According to Saunders, Lewis, and Thornhill (2016), any social researcher should get consent from respondents by explaining their goals explicitly and adhering to study ethics. As a result, the respondents were advised of their anonymity and confidentiality. According to Bless and Higson-Smith (2000), ethics play an essential role in ensuring that authentic processes are followed from the conception of the study subject through its completion. In the full information collection process, Bless and Higson Smith (2000) characterized the primary data collecting standards as voluntary involvement, the right to privacy, equality, and anonymity, as well as secrecy, in the whole information collection process.

The interviewees were promised that their identities would not be revealed by the researcher. As a result, all information obtained from them (respondents) would be treated with the utmost secrecy. In addition, the researcher reminded the respondents that they were free to stop responding at any time if they so desired.

Finally, the researcher did not intentionally deceive study participants by withholding information regarding the study's potential dangers or advantages.

### **Chapter Summary**

This chapter explained in details the methodology followed in carrying out the research. The theoretical foundation of the study, research approach, research design, sampling technique, procedures for data collection, data collection instrument and data analysis were thoroughly discussed. The positivism research paradigm was used as the theoretical foundation of the study. The quantitative research approach was employed for the study because the data collected using questionnaire was quantitatively analysed by using both descriptive and inferential statistics. Descriptive research design was adopted to ensure objectivity in the research process. Simple random sampling technique was used to select samples for the study. The data collection instrument used was a 5-Likert scale questionnaire. The Statistical Package for Social Sciences (SPSS) version 25 and the SMART PLS 3 were the software used to analyse the data.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

The purpose of the study was undertaken to assess the budgeting practices and performance of Tamale Teaching Hospital. This chapter presents information in respect of the results and discussions given cognizance of the findings as dictated by the nature of the specific research objectives. The findings are first summarized in Tables, are then presented and interpreted given cognizance of their practical, theoretical and managerial implications and are finally compared with some empirical postulations in literature.

**Table 3: Demographics**

Variable	Option	Frequency	Percentage
Sex	Male	36	72.0%
	Female	14	28.0%
Years of work	Up-to-1 year	20	40.0%
	2-3 years	17	34.0%
	4-5 years	5	10.0%
	6 years and above	8	16.0%
Position in the organisation	Senior Management	15	30.0%
	Middle Management	18	36.0%
	Lower Management	17	34.0%
Education qualification	Diploma	11	22.0%
	Bachelor's degree	23	46.0%
	Master's degree	12	24.0%
	HND	4	8.0%
Age	21-30 years	6	12.0%
	31-40 years	20	40.0%
	41-50 years	15	30.0%
	Over 50 years	9	18.0%

Source: Field survey (2022)



The demographic information of the respondents was measured with descriptive statistics of frequency and percentage. These descriptive tools are appropriate for nominal scale items such as the variables that were included in the demographics of the respondents. The findings are presented in Table 3. The demographic information shows most the workers at TTH are male (72.0%) whilst the remaining 28.0% are female. This shows that the workforce structure of TTH is male-dominated as is the usual case of many industries in Ghana (Nordensvard, 2014; Darkwah, 2010). Observation of the job position shows majority of the respondents are senior and general staff; 36.0 % and 34.0% respectively whilst the remaining 30.0% are middle management staff. This finding shows the typical structure of a working organisational hierarchy.

The educational qualification of the respondents shows they are all formally educated with most of them having bachelor's degree certificate (46.0%), followed by master's degree (24.0%), those with Diploma (22.0 %) and then those with HND (8.0%). It makes managerial sense to have found that all the respondents are formally educated because of the very nature of job they are engaged in. The age range of the staff shows majority of the respondents are between 31-40 years (40.0%). 30.0% of the respondents are within 41-50 years whilst 18.0% are over 50 years and the remaining 12.0% are within 21-30.

Most of the respondents have worked at TTH for a year (40.0%), followed by those with 2-3 years working experience at TTH (34.0%) and then those with 6 years and above (16.0%) and 4-5 years working experience (10%). These workers have enough experience to provide accurate information regarding the interplay of



the concepts considered in the context of this study. The years of working with TTH of the respondents imply they have relatively longer active working lives ahead which should be channeled for the betterment of TTH.

**Common method bias**

**Table 4: Total Variance Explained**

Component	Initial values	Eigen %	Of Cumulative %	Extraction Loadings	Sums of Squared	of Squared
	Total	Variance		Total %	Variance of Cumulative	
Formulation	2.515	62.878	62.878	2.515	62.878	62.878
Approval	4.573	57.160	57.160	4.573	57.160	57.160
Implementation	2.965	59.303	59.303	2.965	59.303	59.303
Performance evaluation	2.411	60.278	60.278	2.411	60.278	60.278
Review	2.542	58.207	58.207	2.542	58.207	58.207
Organisational Performance	2.610	26.097	26.097	2.610	26.097	26.097

Source: Field survey, (2022)

Common method bias was measured with the Herman’s Single Factor approach and it was discovered there was threat of common method bias with the independent variables (formulation, approval, implementation, performance measurement, review) with respect to the collection of the primary data with the structured questionnaire because the % of variance are more than 50% of the total variance (Sreeram, Kesharwani & Desai, 2017; Pangarso, Astuti, Raharjo & Afrianty, 2020). However, there was no threat of common method bias with organisational performance since its % of variance is far less than 50%.

**Table 5: Test of Normality**

		Statistic	Std. Error
Organisational	Mean	3.2644	.06713
Performance	95% Confidence Interval Lower Bound	3.1292	
	for Mean Upper Bound	3.3997	
	5% Trimmed Mean	3.2710	
	Median	3.2000	
	Variance	.203	
	Std. Deviation	.45033	
	Minimum	2.30	
	Maximum	4.20	
	Range	1.90	
	Interquartile Range	.60	
	Skewness	-.031	.354
	Kurtosis	-.493	.695

Source: Field survey (2022)

The test of normality for the dependent variable (organisational performance) shows that the data is approximately normally distributed since its z-scores for the Skewness (0.2852) and Kurtosis (-1.658) are between -1.96 and 1.96 range (Kim, 2013; Loperfido, 2020).

**Table 6: Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Organisational Performance	.112	45	.191	.978	45	.524

a. Lilliefors Significance Correction

Source: Field survey, (2022)

The Kolmogorov-Smirnov ( $p=0.191$ :  $p>0.05$ ) and Shapiro-Wilk ( $p=0.524$ :  $p>0.05$ ) tests (Table 5) shows that the data in respect of organisational performance is approximately just normally distributed (Okeniyi, Okeniyi & Atayero, 2020; Aslansefat, Sorokos, Whiting, Kolagari & Papadopoulos, 2020).

**Objective 1: The Effectiveness of the Budgeting Practices Employed at the Tamale Teaching Hospital**

The study sought to examine the nature of the effectiveness of the budgeting practices employed at TTH. This was analysed with the descriptive statistics with mean and standard deviation as a measure of central tendency. Composite variables were formed for the respective constructs under consideration in the context of this study.

**Table 7: Descriptive Statistics**

	Mean	Std. Deviation
Formulation	3.3722	.59740
Approval	3.5194	.59110
Implementation	3.2889	.57770
Performance evaluation	3.3778	.63430
Review	3.5073	.58732

Source: Field survey (2022)

Descriptive statistics for budgeting practices was assessed to determine the effectiveness of budgeting practices employed at TTH. Descriptive statistics of the budgeting practices was measured with the mean and standard deviation because these tools are deemed appropriate for measuring the central tendency and dispersion owing to their unique way of measurement in the context of the study. The findings are presented in Table 6. On a 5-point scale, a mean score of 0-2.5 is considered low, between 2.51 and 3.5 is considered moderate (average) and above 3.51 is considered high (Okorley, 2010). The findings were interpreted based on these criteria.

The results in Table 6 shows that the respondents moderately agree that budgeting practices are highly effective at TTH given the mean scores for all the indicators of budgeting practices. For instance, it is established that the respondents moderately agree that formulation is effective at TTH (M=3.3722; SD=0.59740). Again, the respondents highly agreed that approval is also effective at TTH (M=3.5194; SD=0.59110). In similar fashion, the respondents moderately agreed

that implementation is effective ( $M=3.2889$ ;  $SD=0.57770$ ) and also the respondents moderately agreed that performance measurement is also effective at TTH ( $M=3.3778$ ;  $SD=0.63430$ ) and finally, the respondents moderately agreed that reviewing of the budgets is also effective at TTH ( $M=3.5073$ ;  $SD=0.63430$ )

The overall implication is that budgeting practices; formulation, approval, implementation, performance measurement and review are moderately effective at TTH. This means the budgeting system appeals to the needs of the organisation and thus influence positively the state of operations and activities of TTH. The findings show that budgeting practices are moderately effective at TTH and management should continue putting measures in place to enhance these practices. The finding of this study is consistent with the results of Gachithi (2010), Robinson and Last (2009) and Kalule (2016); Mohamed, Evans and Tirmba (2016) whose results indicate budgeting practices significantly influence the organisational performance when implemented effectively.

**Objective 2: To evaluate the relationship between the budgeting practices and the performance of Tamale Teaching Hospital**

The study sought to examine the nature of relationship between budgeting practices and the performance of TTH. This was analysed with the Pearson product-moment correlation which is a typical parametric statistical technique for exploring linear relationship in research (Akoglu, 2018). Composite variables were formed for the respective constructs under consideration in the context of this study. The classification of the correlation results depends on the following cut-off points suggested by Cohen (1988) in that respect:  $r = 0.10$  to  $0.29$  or  $r = -0.10$  to  $-0.29$



(Very weak);  $r = 0.30$  to  $0.49$  or  $r = -0.30$  to  $-0.49$  (Weak);  $r = 0.50$  to  $0.69$  or  $r = -0.50$  to  $-0.69$  (Moderate);  $r = 0.70$  to  $0.99$  or  $r = -0.70$  to  $-0.99$  (Large). The findings in respect of the correlation results are presented in Table 7.

**Table 8: Correlation**

		Organisational Performance	Formulation	Approval	Implementation	Performance Measurement	Review
Formulation	Pearson Correlation	.756**	1				
	Sig. (2-tailed)	.000					
Approval	Pearson Correlation	.809**	.686**	1			
	Sig. (2-tailed)	.000	.000				
Implementation	Pearson Correlation	.790**	.705**	.828**	1		
	Sig. (2-tailed)	.000	.000	.000			
Performance Measurement	Pearson Correlation	.652**	.655**	.659**	.611**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Review	Pearson Correlation	.763**	.722**	.782**	.852**	.765	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey (2022)

The correlation results prove there is a statistically significant positive strong linear relationship between formulation and organisational performance at TTH ( $r=0.756$ ;  $p=0.0001$ :  $p < 0.05$ ). This finding therefore implies that a statistically significant higher increase in formulation is associated with a

statistically significant higher increase in organisational performance at TTH and a statistically significant higher decrease in formulation is associated with a statistically significant higher decrease in organisational performance at TTH. This finding does not however signal causality in such relationship, they only correlate positively and significantly in statistical terms.

This finding goes to support the position of some previous empirical studies that collectively hold the claim that planning is positively associated significantly with increased levels of organisational performance (Taufiq et al., 2017; Maher et al., 2017). Moreover, the correlation results prove there is a statistically significant positive strong linear relationship between approval and organisational performance at TTH ( $r=0.809$ ;  $p=0.000$ ;  $p<0.05$ ). This finding therefore implies that a statistically significant higher increase in approval is associated with a statistically significant higher increase in organisational performance at TTH.

A statistically significant higher decrease in approval is associated with a statistically significant higher decrease in approval at TTH. This finding does not however signal causality in such relationship they only correlate positively and significantly in statistical terms. This finding goes to support the position of some previous empirical studies that collectively hold the claim that approval is positively associated significantly with increased levels of organisational performance (Natsir et al 2017; Mbuthia et. al 2019).

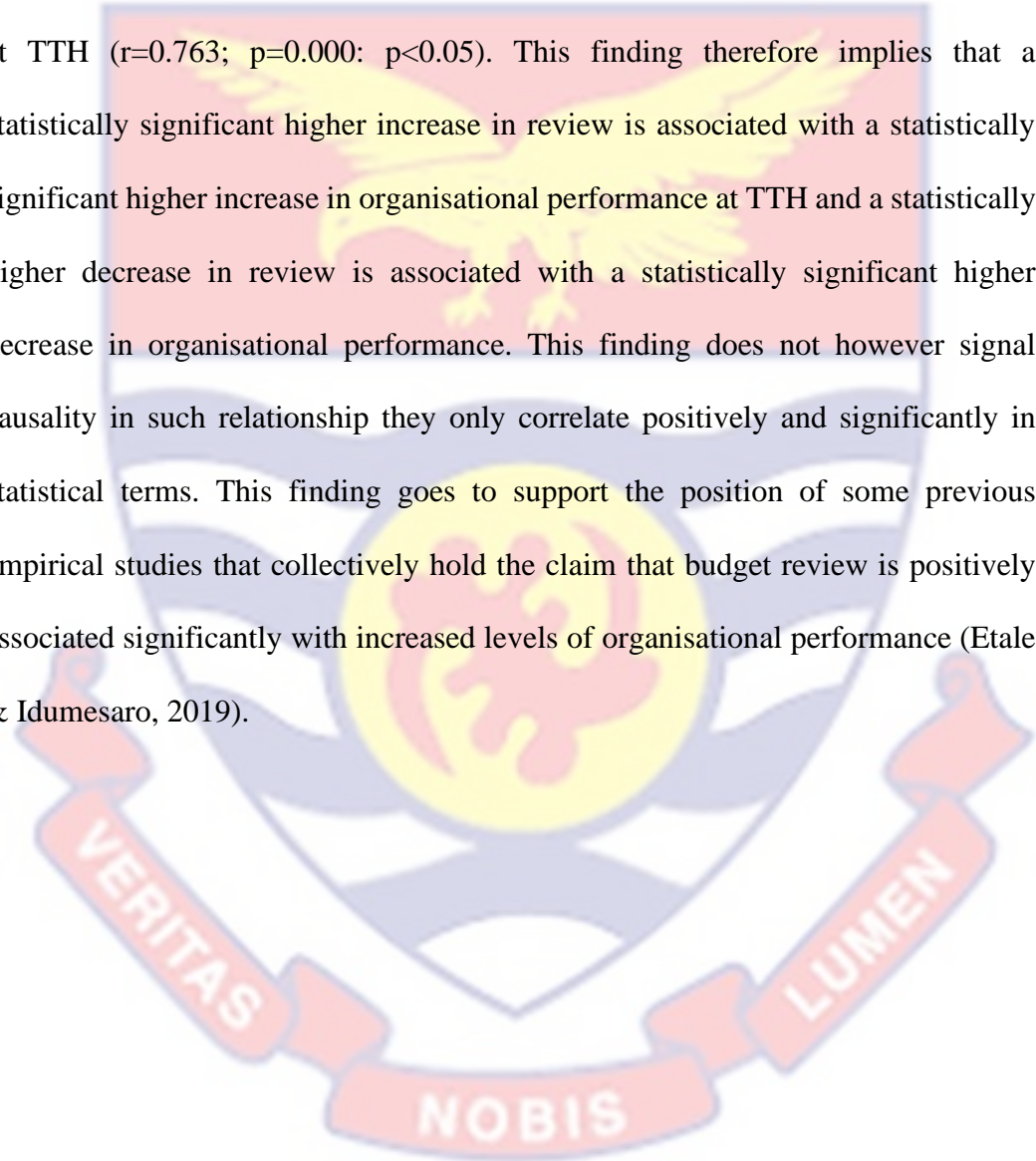
Additionally, the correlation results prove there is a statistically significant strong positive linear relationship between implementation and organisational performance at TTH ( $r=0.790$ ;  $p=0.000$ ;  $p<0.05$ ). This finding therefore implies

that a statistically significant higher increase in implementation is associated with a statistically significant higher increase in organisational performance at TTH and a statistically significant higher decrease in implementation is associated with a statistically significant decrease in organisational performance at TTH. This finding does not however signal causality in such relationship they only correlate positively and significantly in statistical terms. This finding goes to support the position of some previous empirical studies that collectively hold the claim that implementation is positively associated significantly with increased levels of organisational performance (Yamamoto, 2011; Anitha, 2016).

Furthermore, the correlation results prove there is a statistically significant positive strong linear relationship between performance measurement and organisational performance at TTH ( $r=0.652$ ;  $p=0.000$ ;  $p<0.05$ ). This finding therefore implies that a statistically significant higher increase in performance measurement is associated with a statistically significant higher increase in organisational performance at TTH and a statistically higher decrease in performance measurement is associated with a statistically significant higher decrease in organisational performance. This finding does not however signal causality in such relationship they only correlate positively and significantly in statistical terms. This finding goes to support the position of some previous empirical studies that collectively hold the claim that performance measurement is

positively associated significantly with increased levels of organisational performance (Imo & Deswosu, 2019; Etale & Idumesaro, 2019).

Finally, the correlation results prove there is a statistically significant positive strong linear relationship between review and organisational performance at TTH ( $r=0.763$ ;  $p=0.000$ ;  $p<0.05$ ). This finding therefore implies that a statistically significant higher increase in review is associated with a statistically significant higher increase in organisational performance at TTH and a statistically higher decrease in review is associated with a statistically significant higher decrease in organisational performance. This finding does not however signal causality in such relationship they only correlate positively and significantly in statistical terms. This finding goes to support the position of some previous empirical studies that collectively hold the claim that budget review is positively associated significantly with increased levels of organisational performance (Etale & Idumesaro, 2019).



**Objective 3: Effect of budgeting practices on organisational performance**

In order to assess the effect of budgeting practices on organisational performance at TTH, a multiple regression technique was employed to that effect.

**Table 9: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1 <sub>a</sub>	.866	.750	.746	.43831	1.794

a. Predictors: (Constant), Formulation, Approval, Implementation, Performance Measurement and Review

b. Dependent Variable: Organisational Performance

Source: Field survey (2022)

As part of the assumptions underlying the conduct of multiple regression analysis, it became necessary to examine the assumption of auto-correlation. According to Lewis-Beck & Tien, (2008) the Durbin-Watson indicator should fall between 1.5-2.5 in order to adequately measure auto-correlation. The result therefore shows the assumption of auto-correlation is not violated in the context of this very study, hence the conclusion that the joint relationship between the predictors (measures of budgeting practices) and organisational performance at TTH is not occurring by natural order but by the scientific interaction among the indicators included in the regression model. Hence, relying on the established nature of association between budgeting practices and organisational performance



at TTH to make scientific managerial decision in the area of budgeting practices and organisational performance is a step in the right direction.

Before assessing the predictive capacity of the model in respect of how changes in budgeting practices induce changes in organisational performance at TTH, it became imperative to examine the joint correlation between the predictors (Measures of budgeting practices) and organisational performance (dependent variable). The study proves there is a strong positive correlation between the predictors on one hand and organisational performance ( $r=0.866$ ). This result therefore signals that budgeting practices are associated with organisational performance at TTH. This does not suggest causation therefore it became necessary to assess the co-efficient of determination. This was used to assess the predictive capacity of the model.

The predictive capacity of the model was measured with the r-square value. According to Garson, (2016) the r-square is the most common effect size measure in path models. Hock and Ringle (2006) further prescribed some tentative cut-off points for describing R-square are as follows: thus, r-square results above 0.67 (Substantial effect), 0.33 (Moderate effect) and 0.19 (Weak effect). The R-square value includes the unique variance explained by each variable (Pallant, 2005). A closer look at the results shows changes in budgeting practices accounts for 75% positive variance in organisational performance when the effect of other factors not captured in the model are statistically controlled for ( $Beta=0.750$ ).

Thus, other factors not captured in the model but have the potential to predict changes in organisational performance could account for 25% change in

organisational performance. The implication is that budgeting practices accounts for a substantial increase in the level of organisational performance at TTH. However, this claim is not entirely acceptable as the level of significance of the predictive model needs to be assessed before a concrete conclusive statement could be made in respect of the effect of budgeting practices on organisational performance.

**Table 10: ANOVA**

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	140.290	4	35.073	182.556	.000b
	Residual	46.685	243	.192		
	Total	186.975	247			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Formulation, Approval, Implementation, Performance measurement and Review

Source: Field survey, (2022)

Observation of the results in Table 9 shows that budgeting practices accounts for a statistically significant substantial positive variance in organisational performance at TTH ( $p=0.0001$ ;  $p<0.05$ ) when the effect of other factors that have potential to predict changes in organisational performance are statistically controlled for. It is thus emphatic that budgeting practices scientifically causes a significant 75% improvement in the level of organisational performance at TTH. Relying on the model to make managerial decision for TTH is thus scientifically justified as the study proves the 75% variance in organisational performance at TTH is as a result of changes in the measures of budgeting practices in the

predictive model is not due to chance but the scientific interaction among the variables in the model.

The aspects of organisational performance influenced per the measures of budgeting practices include the assertions that organisational performance is influenced by budgeting practices. This finding goes to support some previous studies that collectively hold the position that budgeting causes significant improvement in organisational performance (Mohammed et al., 2015; Mbuthia et al., 2019; Imo et al., 2019; Dedoh, 2018; Abuga et al., 2019).

**Table 11: Coefficients**

Model	Unstandardized Coefficients	Standardized Coefficients	T		
Sig. Collinearity Statistics					
	B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-.219	.164	-1.336	.183
	Formulation	.302	.052	.287	5.760 .000 .415 2.412
	Approval	.372	.064	.359	5.847 .000 .272 3.675
	Implementation	.250	.063	.242	3.993 .000 .279 3.578
	Performance Measurement	.104	.060	.079	1.728 .000 .487 2.052
	Review	.208	.043	.068	1.546 .000 .345 2.232

a. Dependent Variable: Organisational Performance

Source: Field survey (2022)

In order to assess the contributions of the predictors (Measures of budgeting practices) to causing the 75% statistically significant positive variance in organisational performance at TTH, the coefficient results are relied on to this effect. The reliance on the results is based on two scenarios; standardized beta for purposes of comparison of contributions of the predictors and unstandardized beta for purposes of estimating the regression function (Pallant, 2005). The findings are presented in Table 10.

The findings prove approval makes a statistically significant strongest unique positive contribution to predicting the 75% significant positive variance in organisational performance at TTH (Beta=0.359;  $p=0.000$ ;  $p<0.05$ ) when the effect of the remaining predictors in the model are statistically controlled for. In unstandardized terms, it is established that a statistically significant unit increase in scores for monitoring and control causes 0.372 statistically significant increase in organisational performance and a statistically significant unit fall in scores for monitoring and control causes 0.372 statistically significant fall in organisational performance at TTH.

The study proves formulation is a significant positive predictor of organisational performance at TTH (Beta=0.287;  $p=0.000$ ;  $p<0.05$ ). Thus, formulation contributes positively to predicting the 75% significant positive variance in organisational performance at TTH. The scientific interaction of formulation with the other remaining indicators in the predictive regression model is significant and therefore reliance on formulation to improve the state of organisational performance at TTH will produce a desired economically viable



organisational outcome. In unstandardized terms, it is established that a statistically significant unit increase in scores for formulation causes 0.302 statistically significant increase in organisational performance and a statistically significant unit fall in scores for formulation causes 0.302 statistically significant fall in organisational performance at TTH.

The findings prove implementation makes a statistically significant positive contribution to predicting the 75% significant positive variance in organisational performance at TTH (Beta=0.242;  $p=0.000$ ;  $p<0.05$ ) when the effect of the remaining predictors in the model are statistically controlled for. In unstandardized terms, it is established that a statistically significant unit increase in scores for implementation causes 0.242 statistically significant increase in organisational performance and a statistically significant unit fall in scores for implementation causes 0.242 statistically significant fall in organisational performance at TTH.

The study proves performance measurement is a significant positive predictor of organisational performance at TTH (Beta=0.079;  $p=0.000$ ;  $p<0.05$ ). Thus, performance measurement contributes positively to predicting the 75% significant positive variance in organisational performance at TTH. The scientific interaction of performance measurement with the other remaining indicators in the predictive regression model is significant and therefore reliance on performance measurement to improve the state of organisational performance at TTH will produce a desired economically viable organisational outcome.

The study proves budget review is a significant positive predictor of organisational performance at TTH (Beta=0.068;  $p=0.000$ ;  $p<0.05$ ). Thus, budget

review contributes positively to predicting the 75% significant positive variance in organisational performance at TTH. The scientific interaction of budget review with the other remaining indicators in the predictive regression model is significant and therefore reliance on budget review to improve the state of organisational performance at TTH will produce a desired economically viable organisational outcome. These findings support empirical studies that posit that budgeting practices significantly influence organisational performance (King et al., 2010; Kengara et al. 2020; Simeon, 2013; Owusu, 2015).

### **Chapter Summary**

The chapter has provided information concerning the findings of the study as dictated by the nature of the specific research objectives pursued. The study proves there are statistically significant positive strong linear correlations between the components of budgeting practices and organisational performance and also budgeting practices accounts for a statistically substantial positive variance in TTH's performance. However, the respondents moderately agree with the effectiveness of budgeting practices at TTH.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The study examined the effect of budgeting practices on organisational performance at Tamale Teaching Hospital. In addressing the purpose of the study, these questions were asked; How effective are the budgeting practices employed at the Tamale Teaching Hospital? What is the nature of relationship between the budgeting practices and the performance of Tamale Teaching Hospital? and What are the effects of the budgeting practices on the performance of Tamale Teaching Hospital? This chapter provides information regarding the summary of the key findings, conclusions drawn on the specific objectives and recommendations offered based on the findings in respect of the specific research objectives.

#### Summary of Key Findings

The first specific research objective sought to examine the effectiveness of budgeting practices at TTH. The study proves that budgeting practices are moderately effective at TTH. The respondents agreed that formulation is moderately effective, approval is also moderately effective. Additionally, implementation is also revealed to be moderately effective at TTH, Performance measurement at TTH was found to also be moderately effective at TTH and review is also moderately effective at TTH.

The second specific research objective sought to examine the nature of relationship between budgeting practices and organisational performance at TTH. The correlation results prove there is a statistically significant strong positive linear

relationship between budgeting practices and organisational performance at TTH. Thus, there are statistically significant positive strong correlations between formulation and organisational performance, approval and organisational performance, implementation and organisational performance, performance measurement and organisational performance and also between budget review and organisational performance at Tamale Teaching Hospital.

The third specific research objective assessed the effect of budgeting practices on organisational performance at TTH. The study proves there is a statistically significant strong positive joint correlation between the predictors (Measures of budgeting practices) and organisational performance. The predictive analysis shows budgeting practices accounts for a statistically significant substantial positive variance in organisational performance at TTH when the effect of other factors that have potential to predict changes in organisational performance are statistically controlled for.

Thus, other factors not captured in the model but have the potential to predict changes in organisational performance could account for 25% change in organisational performance. With respect to the contributions of the predictors to causing the 75% significant positive variance in organisational performance at TTH, the study proves planning, monitoring and Control, evaluation and coordination are all significant positive predictors of organisational performance at TTH.



## Conclusions

The study proved there budgeting practices are moderately effective at TTH. The implication of this finding is that, even though budgeting practices are implemented at TTH, they are not effectively implemented. For this reason, measures must be put in place to enhance the implementation of the budgeting practices at TTH. Also there exists a statistically significant positive strong linear correlations between the components of budgeting practices and organisational performance at TTH. This means at TTH, an improvement in budgeting practices will result in an increase in the performance of TTH and therefore, management looking at budgeting as an essential way of enhancing the performance of TTH is in accordance with the findings of this study.

Finally, the findings that Budgeting practices (formulation, approval, implementation, performance measurement and budget review) account for a statistically substantial positive variance in organisational performance at TTH. Therefore, measures must be in place at Tamale Teaching Hospital to ensure that budgeting practices are properly implemented to ensure that the organisational performance of TTH is enhanced.

## Recommendations

Based on the statistically significant positive strong linear correlations between the indicators of budgeting practices and organisational performance, it is recommended that management of TTH, put in place measures that affect positively and efficiently the conditions influencing the measures of budgeting including formulation, approval, implementation, performance measurement and review so



as to produce a statistically significant positive improvement in organisational performance at TTH.

Proper budgeting practices measured in the context of this study as well as making resources available for effective execution of the budgeting practices is therefore called for so as to improve the possibility of enhanced organisational performance at TTH. The study further proves budgeting practices at the Tamale Teaching hospital accounts for a statistically significant substantial positive variance in organisational performance and therefore it is recommended for management of TTH must continue the usage of the current budgeting practices as measured in the context of study if they are to induce significant substantial positive improvement in the level of organisational performance at TTH. Special preference should be placed on all the budgeting practices because they all significantly contribute positively to predicting the 75% change in organisational performance at TTH. Management of TTH must therefore improve their budgeting practices in order to improve their organisational performance.

### **Suggestions for Further Studies**

The study revealed that budgeting practices are moderately effective at Tamale Teaching Hospital. Further studies can therefore be conducted to assess the challenges inhibiting Tamale Teaching Hospital for being highly effective. This further study will be essential because, the findings of the current study proved that budgeting practices influence organisational performance and for that reason, identifying challenges associated with budgeting practices and providing strategies

to mitigate these challenges will enable TTH to achieve better organisational performance.



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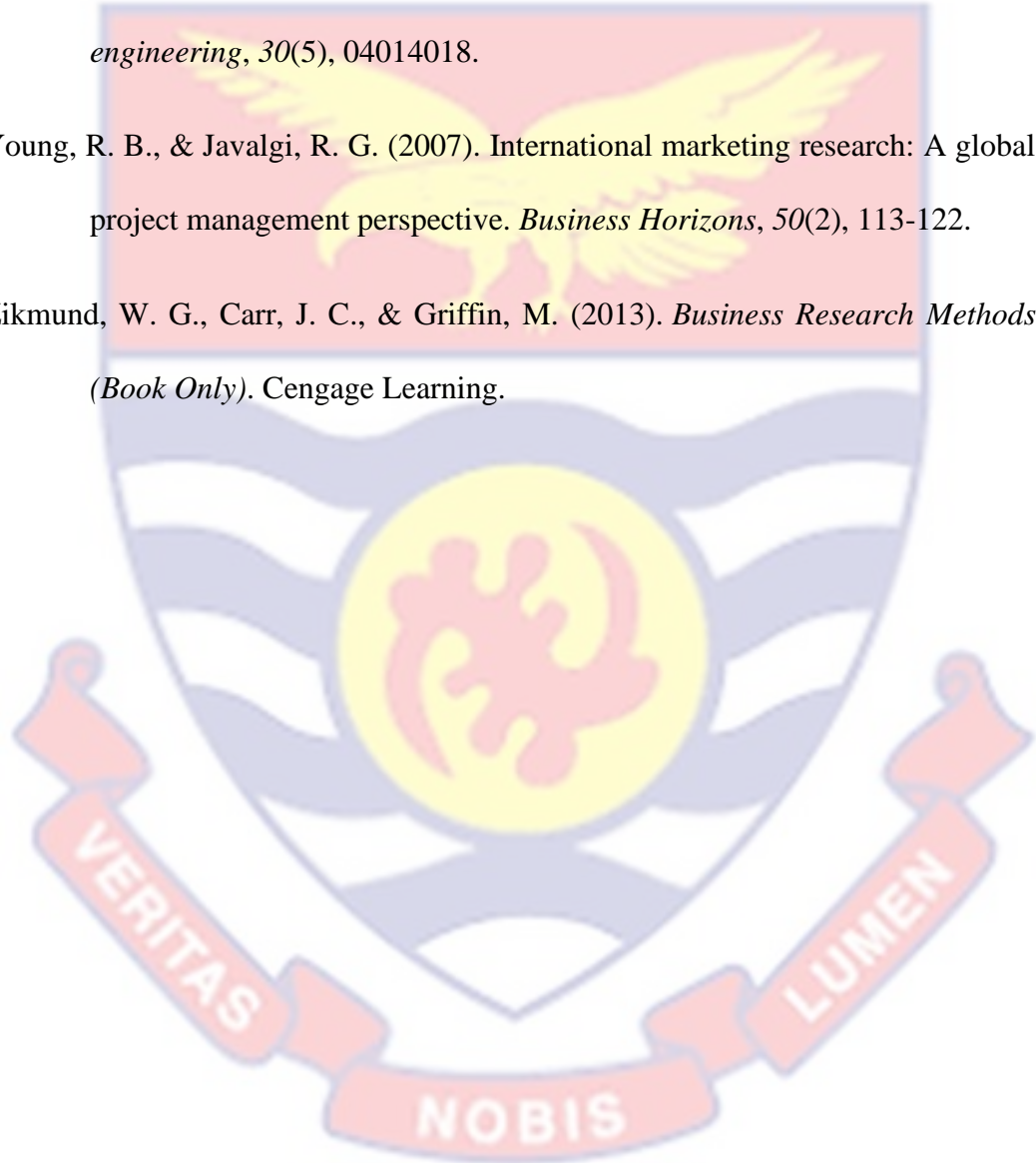
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## APPENDIX

### QUESTIONNAIRE

**Dear respondent**

I am a student of the University of Cape Coast conducting a study on the topic: **“BUDGETING PRACTICES AND PERFORMANCE OF TAMALE TEACHING HOSPITAL”** as part of the requirement of MBA programme. I would be very grateful if you could complete this questionnaire for me. I assure you that all responses given will be treated confidentially and used for academic purpose only.

**Instruction:** *Please tick [] the boxes below as it applies to you*

#### **PART I**

##### **Personal Information**

1. Gender            a. Male [] b. Female []
2. Age a. 21-30 years [] b. 31-40 years [] c. 41-50 years []  
d. Over 50 years []
3. How long have you been working in this hospital?  
a. Up to 1 year [] b. 2-3 years [] c. 4-5 years [] d. 6 years and above []
4. What is your current position?
  - a. Senior management            []
  - b. Middle management            []
  - c. Lower level management        []
5. Education qualification
  - a. Diploma                            []
  - b. HND                                    []
  - c. Bachelor's degree                []
  - d. Master's degree                    []
  - e. PhD                                    []

**Part Three: Budgeting Practices**

6. How effective are these aspects of budgeting practices implemented in this hospital?

*Where: 1-Not at all agree; 2-Slightly agree; 3-Moderately agree; 4-Highly agree; 5-Extremely agree*

No.	Budgeting Practices	1	2	3	4	5
	<b>Formulation</b>					
1	The organisation has a strategic plan for budget formulation					
2	Annual budgets are prepared regularly based on plans formulated					
3	When planning for budgets, goals, objectives and actions are linked to programs and organisational activities					
4	The organisation sets annual objectives to guide any budget formulation					
	<b>Budget Approval</b>					
1	Managers hold budget conferences and meetings regularly to approve the budget					
2	The organisation has policies that are based on to approve budgets					
3	Approval of the budget is done without delays					
4	Targets are determined in the departments first and then submitted to the top management for approval					
5	Targets are determined by the top management first, and then departments' opinions are taken					
	<b>Implementation</b>					
1	Budgets are implemented as formulated					

2	An effective leadership is provided to enhance budget implementation					
3	Good information flow is available for budget implementation					
4	Coordination among departments is achieved easily during budget implementation					
	<b>Performance measurement</b>					
1	The organisation's budget performance evaluation reports are prepared regularly					
2	The organisation's budget deviations are reported to Budget committee					
3	Managers always take timely corrective actions when adverse variances are reported					
4	There is a regular follow up on budget plans by the budget committee and departmental heads					
	<b>Review</b>					
1	Management reviews the process of budget allocation					
2	The organisation engages its stakeholders in budget reviews					
3	The organisation conducts regular audit of the budgets					
4	The management team reviews regularly the implementation of budgetary control measures in the organisation					

### Part Three: Organisational Performance

7. To what extent do you agree that performance of this hospital improved because of budgeting and budgeting control practices?

Where: 1-Not at all agree; 2-Slightly agree; 3-Moderately agree; 4-Highly agree; 5-Extremely agree

No.	Organisational Performance	1	2	3	4	5
1	enhance productivity in this hospital					
2	serve as a tool for measurement					
3	influence the morale of employees					
4	increase management efficiency					
5	increase profits in this hospital					
6	prevent shortage of stock in this hospital					
7	reduce operational cost					
8	increase sales revenue					
9	strengthens financial soundness of this hospital					
10	Improves quality service delivery in this hospital					

