



EFFECT OF BUDGETING PRACTICES ON FINANCIAL PERFORMANCE OF HOSPITALITY SECTORS OF RWANDA: A CASE STUDY OF NOBLEZA HOTEL & SHAMI APPART'S HOTEL

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Abstract

The purpose of this study was to assessing the effect of budgeting practices and financial performance of hospitality sectors of Rwanda. The specific objectives: to examine the effects of participatory budgeting on financial performance of Nobleza Hotel & Shami Appart's Hotel; to determine the effects of corporate budgeting on financial performance of Nobleza Hotel & Shami Appart's Hotel; to analyze the effects of incremental budgeting on financial performance of Nobleza Hotel & Shami Appart's Hotel and to establish the effects of activity-based budgeting on financial performance of Nobleza Hotel & Shami Appart's Hotel. This study was designed as descriptive study for Nobleza Hotel & Shami Appart's Hotel using the survey method; a case study was described the analysis of budgeting practices and financial performance of hospitality sectors, the researcher was acquired knowledge regarding the subject under topic. It is a qualitative analysis that involves careful observation of a situation. All the respondents from the population of Nobleza Hotel & Shami Appart's Hotel to respond to research questionnaires. The researcher used questionnaires to collect data. As far as this study is concerned, the population was comprised of employees of Nobleza Hotel & Shami Appart's Hotel targeting 60 employees. To describe target population of a study as the point of focus from which a generalization was made regarding the research findings. Thus, a sample size of 60 people as respondents. The researcher used primary and secondary data to get all information needed in this study, the quantitative data was analyzed using descriptive and inferential statistics after running the data collected through the Statistical Package for Social Sciences (SPSS). Corporate budgeting evaluates reports prepared regularly

at Nobleza Hotel and Shami Appart's Hotel" the respondents strong agreed with a mean of 2.05 and standard deviation of 1.276 with the statement. This indicated that the respondents strong agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. The second statement was "Corporate budgeting would focus on improving the company performance and competitiveness at Nobleza Hotel and Shami Appart's Hotel "where the respondents agreed with a mean of 3.6 and standard deviation of 1.75. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average the respondents agreed with a mean of 3.825 and standard deviation of 1.517745 with the Asset Quality has used a lot as far as respondents are concerned to increase of corporate budgeting at Nobleza Hotel and Shami Appart's Hotel. This empowers directors to expect issues some time recently they emerge and guarantees contemplated choice making. This think about too prescribes that supervisors inside the organization must have a clear understanding of the part which they are required to play in guaranteeing budgetary compliance. This guarantees that the foremost suitable people are made responsible for budget execution. Senior administration can moreover utilize budgets to communicate corporate targets downwards and guarantee that other representatives get it them and co-ordinate their exercises to accomplish them. The act of planning as well as the budget itself will moreover move forward

communication. Participation in budget setting relates to the extent that subordinates are able to influence the figures incorporated in their targets. This study recommends that participation always be embraced to allow the influence of

the employees to the budget if performance increments are to be realized in the hospitality sectors.

Keywords: Budgeting practices, financial performance and hospitality sectors

1. Introduction

A well-developed and comprehensive budgetary control system is essential for business firms to control costs and maximize cash deployment effectively. Budgetary control is as crucial as cash itself and any theft, waste, excessive use or stock out could lead to the business poor performance. The resources of an organization should be managed effectively and efficiently to achieve its purpose. This implies that the organization should be able to achieve its objectives by minimizing cost (Koech, 2015)

According to Spendesk (2020), Budgeting control refers to the process a company uses to track actual spending against planned budgets. Not only does this help keep spending under control, but businesses are able to create more accurate budgets and maximize their profits.

When a budget is produced, it is important to follow up and ensure your actual performance matches up to the original plan. Strong budgetary control lets you track and measure expenses against the initial forecast. This system also encourages taking action against any variance to keep your company running cost-efficiently. Budgetary control is an ongoing process, but manual reviews can occur monthly, quarterly or annually. Alternatively, automated management accounting will prompt decision-makers as when action is required (Spendesk 2020).

With regard to budgetary administration frameworks, counting budgeting, taken a toll allotment procedures, monetary detailing frameworks and others have come beneath endless examination. Concurring to Pimpong and Laryea (2016), this has pulled in the consideration of researchers on the subject of monetary execution within the different zones of commerce and key administration. It is basic that businesses that need to stay competitive particularly in creating countries such as Rwanda ought to have amazing control over their costs (Marginson, 2013). Koech (2015) too famous in his thinks about that one of the foremost radically influenced sides of organizations is the budget and budgetary control. It is unquestionable that for any organization that needs to outlive within the later competition inside the commerce division require sharp apparatuses and demonstrated administration methodologies to estimate and decide the noteworthy changes which are likely aiming to impact the commerce whereas they select future course and measurement of assets required to discover the expressed objectives of the organization. Most organizations receive modern administration apparatuses with the want to improve their administration and budget prepare (Ponder and Straight to the point, 2018). Historical, over the world in nations like of Europe and America, Budgetary control and monetary execution in commerce endeavors frame portion of what

decides the budgetary position of a commerce concern. Since management is concerned with monetary execution, which could be a degree of trade execution, particularly in a manufacturing concern, the require for higher deals will emerge and this will encourage the have to be increment generation capacity, which in turn brings around increment in fetched. Brumbaugh (2018) was of the supposition that corporate bodies ought to observe the fetched and the benefit will beware of itself. The suggestion is that cost ought to, he controlled instead of setting out on informal taken a toll diminishment which will interpret to bringing down the quality of item.

In Africa, Budgetary control constitutes a fundamental aspect of the operations of companies as done by Simons. Mastel (2016) argued that a fundamental problem facing managers is how to exercise adequate control in organizations that demand flexibility, innovation and creativity. The concept of cost control system in Africa meets the organization's needs; managers need to identify responsibility centers, develop performance measures, establish a monitoring and reporting structure, weigh costs and benefits, and provide motivation to achieve goal congruence and managerial effort. Elements of management control systems include strategic planning; budgeting; resource allocation; performance measurement, evaluation and reward; responsibility center allocation; and transfer pricing (Oyewo, 2016). Ugandan organizations have set up implies for which budgetary control for the productivity of the organizations can be produced. Cashin (2018) posted that obligation bookkeeping could be a framework outlined construct up ">to construct up and report costs by person levels of duty, each supervisory zone is charged as it were with the taken a toll for which it is capable and over which it has control. The duty bookkeeping framework ought to too give costs for building up approaches and for making day by day choice. Most cost accounting systems were originally designed to accumulate and distribute costs for product or inventory cost and for general cost control.

Budgetary control is defined by the Institute of Cost and management Accountants (CIMA) as the establishment of budgets relating to the responsibilities of executives of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy, or to provide a basis for its revision. Budgetary control as a practice of comparing the cost of a business activity with the original cost in order to ascertain if the cost is as planned. The practices include budget allocations, cost monitoring and cost evaluations. Standard costing is defined by Drury (2000) as predetermined cost; they are cost that should be marred under efficient operating

conditions. The standard cost may be determined on a number of bases. Financial performance in this study will be gauged by profitability/surplus, cost per unit and degree of goal attainment. Profit/Surplus, this is a control dimension that ensures that users of financial information, who include all the stakeholders, get an accurate and reliable summary which communicates the firm's financial affairs (Pandey, 2012). Financial performance of organization can be gauged via the degree of attainment of their organizational objectives like meeting both short-term and long-term objectives as and whenever they fall due. The scarce resources of the organization are not supposed to be pumped into white elephants. Optimal resource utilization should ensure maximum output in the projects named in the organizational objectives. Organizations cannot afford to waste their limited financial and skilled manpower resources on unproductive ventures (Wee, 2016).

Later improvements, such as a worldwide advertise, innovation propels and e-Commerce, shorter item life cycles and seriously competition have changed the trade working environment. As a result different budgetary administration frameworks, counting budgeting, taken a toll allotment strategies, money related detailing frameworks and others have come beneath more noteworthy investigation. It is basic that businesses that need to stay competitive have great control over their costs. Otherwise these businesses may cease to operate in the near future, as they may not be able to compete effectively (Banham, 2010), and (Kaplan, 2018). Indeed, failure to draw – up, monitor, and adjust budgets to changing conditions is one of the primary reasons behind the collapse of many businesses (Lazaridis & Try Fonidis, 2016).

Generally an organization's objective is expressed in time frames as informed by its mission and visions. The planning horizon for organizations may vary depending on organization objectives and uncertainties involved. The most forward – looking budget is the strategic plan, which sets the overall goals and objectives of the organization (Kipkemboi, 2013). Budgets come in after the organization's strategic and action planning for organization has been done and organization needs to know how much money will be required to execute those actions. The major value of budgeting lies in aligning the plans and budgets to strategies.

Rwanda hospitality sectors should develop an approach that consciously attempts to consider the financial and non-financial processes together (Hokal & Shaw, 2014). A key feature is that before any review of the financial variances takes place, the firm asks questions about the expected position, based on the understanding of what has happened, what happened that was unexpected and what planned events did not take place. It needs to structure its responses and planned management actions into those that can be taken in-year and those that require a longer timeframe, with consideration of what specific financial actions may be required as well as substantive operational actions (Drury, 2016; Hokal & Shaw, 2015). The best

management reports detail what has happened and what is expected to happen in the future.

The accounts and report provide the information needed to take any corrective action required. Such action needs to take place for the firm as a whole, so it is important that all areas are covered. This implies that the operational data and financial data are presented together in a comparable and consistent form (Kariuki, 2015). It also implies that risk and other aspects of performance are reported along with the financial headlines. The risks are thus quantified financially and uncertainty in the financial forecasts is made explicit. Some firms have found it helpful to present a regularly updated board-level report of risks and opportunities, in which the main possible financial up- and downsides are shown alongside each period's forecasts. This permits focus on a range rather than a spot forecast (Hokal & Shaw, 2019; Kiringai, 2012). Hospitality sectors need to be as adaptive to change as possible in budgeting practices for performance of the institutions, the rigidity of the budgeting practices only to stifle innovation and responsiveness to change. According to (Howell, 2018) in his research shown that many institutions failure because of poor budgeting practices that affect project performance. In our country many projects do not survive for long due to the lack of resources, resources management on other hands the problem it's how they use the resources to the better performance of the institutions (Drunk F, 2016).

A report by Neely (2001), drawn primarily from the practitioner literature, cites a dozen weaknesses of budgetary control ranging from time consuming, being barriers to change, budgets concentrate on cost reduction and not value creation, to budgets making staff feeling undervalued. While not all would agree with these criticisms, critiques Hope and Frazer (2013) and Jensen (2014) also support the perception of widespread dissatisfaction with budgeting practices. Zimmerman (2015) watches that budgeting encourages coordination of deals and generation, definition of a beneficial deals and generation program, coordination of deals and generation with funds and coordination of all operations inside the trade.

It is observed that the poor budgeting practices hampers financial performance of hospitality sectors where there is poor incremental budgeting, poor corporate budgeting, poor participatory budgeting and lack of activity-based budgeting that affect negatively financial performance of hospitality sectors. However, from the different scholars it is shown that there exist deficiencies in evidence on the relationship between budgeting practices and financial performance of hospitality sectors. That is why this study was intended to investigate effect of budgeting practices and financial performance of hospitality sectors of Rwanda using Nobleza Hotel and Shami Appart's Hotel as case studies.

The objectives of the paper are:

- i. To examine the effects of participatory "budgeting on financial performance" of Nobleza Hotel & Shami Appart's Hotel;

- ii. To determine the effects of corporate “budgeting on financial performance” of Nobleza Hotel & Shami Appart’s Hotel;
- iii. To analyze the effects of incremental “budgeting on financial performance” of Nobleza Hotel & Shami Appart’s Hotel;

2. Review of Literature

Participatory Budgeting

Once a budget is input, it can be utilized as a control instrument to compare real execution with budgeted execution. Since most organizations’ exercises are communicated in money related terms, it is conceivable to measure these exercises. Hence, budgetary control may be a shape of obligation bookkeeping inside a firm whereby costs are coordinated with incomes and analyzed in like manner through compelling budgetary observing frameworks (Adongo and Jagongo, 2018). Budgetary control requests that each chief of a taken a toll center is dependable for the costs of that taken a toll unit. Concurring to Robinson (2019), budgetary control is characterized as a arrangement set up by firm’s official for comparison purposes between real and budgeted comes about related with fulfillment of a specific objective. Thus, accentuation is set on control accomplished through comparison of the genuine comes about against budgeted plans. Abdullahi et al., (2015) fight that budgetary control could be a prepare that compares real comes about with set targets and reports all a variety emerging in that called fluctuation.

Concurring to Robinson (2019), this sets a control component inside which use can be kept inside sensible limits, deviations famous and suitable remedial activity taken on time. In a few remarkable circumstances, organizational objectives may be revised. In a normal trade environment, budgetary control includes a departmental head getting a duplicate of the departmental budget. The budget will clearly appear positive, negative or no change between genuine use and budgeted use for each departmental vote head. From this information, appropriate remedial activity ought to be taken. Typically in line with the common budgeting hone that calls for change clarification to be done by the mindful sectional head in a trade undertaking. Other than, the departmental head is anticipated to act in like manner to maintain a strategic distance from future conceivable unfavorable changes (Mohamed et al., 2015). It isn’t continuously that negative fluctuations ought to be disposed of or changed. Administration can still endure negative fluctuations so long as in their supposition, such changes are practical and achievable. Hence, a conclusion can be made to the impact that administration holds the key to budgetary control in a firm.

Budgetary control in itself controls nothing but administration does control execution when they act on data gotten based on a few comes about (Polisetty, 2016). Budgetary control can too be characterized as a framework, which treats a budget as an road of creating and offering merchandise or administrations. It is advance contended

- iv. To establish the effects of activity-based “budgeting on financial performance” of Nobleza Hotel & Shami Appart’s Hotel.

that the three key capacities of budgetary control, which are helped by remedial activity and criticism, are arranging, participation and control (Raghunandan, 2018). Budgetary control includes the arrangement of a budget, recording of real accomplishments, discovering and examining the contrasts between genuine and budgeted execution and taking appropriate therapeutic activity so that budgeted execution may be accomplished (Kimani, 2017). Budgetary control is the framework of controlling costs through budgets. It includes comparison of genuine execution with the budgeted with the see of discovering whether what was arranged concurs with real execution. In case deviations happen, reasons for distinction are discovered and proposal of medicinal activity to coordinate genuine execution with plans is done.

The fundamental goals of budgetary control are arranging, coordination and control. It is troublesome to talk about one without specifying the other (Kipkemboi, 2016). Insufficient budgetary controls lead to goals not being cleared and execution not being accomplished or palatable. This reduces yield since workers don’t know or are far fetched almost what to do, when and how to do it. They spend a parcel of time looking for clarifications from administrators. Hence, driving to delays in recognizable proof of deviations from plans, which lead to disappointment in objective accomplishment and thus destitute execution (Adongo and Jagongo, 2017). Performance of any institution is regularly assessed by measuring victory in assembly the budget. When the budgetary control is effectively executed, the organization’s targets will be realized and once this has been done the organization is said to have accomplished at execution level (Turakira, 2018). Resbery and Lormorie, (2016) expressed that in hone, numerous organization compare real execution with the first budget, but if the circumstances anticipated when the first budget was set vary, there will be a arranging and control conflict. Isaac et al., (2015) contends that for the smooth usage of an organization’s budget, budgetary arranging and control must be legitimately done. Beneath budgetary control, assessment that’s a prepare by which an examination of execution is efficiently conducted with a see to degree person, division and organizational commitment ought to be done. It is conducted in arrange to require suitable action. In particular, assessment of budgetary control could be a handle of surveying execution against budget measures and execution targets with entomb to require remedial activity (Emmanuel and Otley, 2015).

Budgetary guidelines and targets tend to be the criteria upon which the exhibitions of organizational individuals, the bosses in specific are assessed. These benchmarks and targets give a premise for recognizing and evaluating

chosen angles of organizational execution, since they are the criteria utilized to direct and spur it. Adongo and Jagongo (2017) expressed that the assessment benchmarks ought to be exceptionally fine articulations inferred from budgetary arranging objectives of the past period, budgetary control involvement with regard to budgetary objectives of the past year and from the encounter of comparable execution perspectives with regard to the past periods. Once this can be done, budgetary control will be accomplished, and the organizations destinations will be legitimately executed and consequently proficiently accomplished.

Corporate budgeting

Modern highlights of corporate budget arranging are a dynamic interface in all circles of society. It is outlandish to suppose the present day world without developments that have as of now taken put and which have ended up routine, and without future ones that contribute to advance advancement. Kazakhstan analysts as Sayabek, (2016) composed around the quick development of the showcase of logical and specialized items and the tall level of competition, showcase fitting arrangement gets to be finding ways to commercialization of investigate items. Another one meaning of Ziyadin S, (2017) is that the investigate contains a writing survey which is giving knowledge into the basic comprehension of digital transformation. Discoveries show that indeed in spite of the fact that computerized change could be a wellknown thought a strategy for the organized advanced change of commerce models is lost. Streltsova, E., Borodin, A., et al. (2018) inquired about the creation of brilliantly demonstrating instruments for choice back within the assessment of mental ventures submitted for financing, as based on subjectively characterized characteristics. The financial and numerical models that shape the premise of the toolkit are built utilizing the numerical device of fluffy rationale, which permits for the depiction of ineffectively organized information of masters, as well as their application in understanding questions approximately the degree of the effect of the proposed ventures on the environment. Joshi (2018).

Composed in their inquire about almost the ponder discoveries propose the require for investigate on demeanors held by the budgeters towards the use of budget changes within the setting of progressed administration bookkeeping strategies. Shipper, K. A. investigated almost the contrasts in corporate level budgeting frameworks are related to corporate estimate, differences, and degree of decentralization and how distinctive choices in framework plan and utilize are related to of generational execution and director inspiration and demeanors. Jensen, M. in his inquire about work portrayed the counterproductive impacts related with utilizing budgets or targets in an organization's execution estimation and remuneration frameworks. Concidine, M.(2016) in his work decided the program budgeting, corporate arranging, execution contracts, program assessment and unused shapes of effectiveness

examination are among the strategies presented. Concurring to Mutanov, G, (2016), as of late, the escalated of computerized innovation and advancement has been generally reflected within the level of sustainable financial advancement.

Within the setting of worldwide competition, this could be seen in those nations that give favorable financial conditions and the benefits related with development. The improvement of an imaginative economy is vital prerequisite for expanding the country's competitiveness. In a perfect world, to preserve competitiveness, budgeting pointed at long-term presence ought to be went with by a ceaseless look and usage of imaginative arrangements. In spite of the fact that, frequently, advancements experience certain challenges of execution, they are a source / save for a noteworthy increment within the productivity of person forms. This can be particularly essential amid periods of mechanical emergency, when the optimization of generation forms, taken a toll diminishment, expanded deals productivity due to the creation of unused items, etc. take a vital course of advancement.

Incremental budgeting

Taken simply, financial forecasting refers to that process by which a business estimates or predicts how it is likely to perform in the future. As noted below, forecasting finances for a business involves a look at three main financial statements. Here we mention what financial statements are essential to forecasting and help you understand the difference between creating forecasts and models. We will elaborate on the topic below, but it's worth remembering that the core makeup of a financial forecast is prediction (Walker, 2018).

For any given business, the present financial status carries a lot of weight- not just for its health, but also to ensure the business satisfies investors. Properly undertaking this process gives the company a glimpse of its future income and expenses, helping in revenue management and expenses calculations. Financial forecasts are made for a specific period, usually for the next year, Ziyadin S, (2017). However, it's possible to project financial forecasting to cover shorter periods- six months- or for longer period. Historical forecasting involves analyzing your past financial statements and using the data to project future growth. Here you look at the company's income statements, balance sheets, and Cash Flow statements. From these documents, you can determine how the business has grown over the past few years and draw an estimate of what the next year and so on will be like. The advantage of this approach is that it's somewhat easy and doesn't require a lot of expertise. One of its drawbacks, however, is that as a quick-and-dirty approach, historical forecasting doesn't take into account aspects of the wider market and competition. It, therefore, isn't suitable when looking for a financial forecast document to present to potential investors (Whittington 2015).

Activity-based budgeting

Activity based budgeting is one of the budgeting systems developed to overcome the obstacles of the traditional budgeting approach and eliminate its deficiencies

(Santosuosso, 2017; Janikova, 2019). Activity based budgeting is a budgeting system based on activity-based costing philosophy (Atrill and McLaney, 2019). The emergence and development of activity-based costing and activity based management approaches have resulted in the expansion of the relevant methodology to planning and budgeting areas over time (Hansen, 2018). This situation has led to the emergence of activity-based budgeting. If the activity-based budgeting system is to be considered in a narrow sense, it refers to the extension of activity and capacity-based concepts into the budgeting area (Pietrzak, 2018; Hansen, 2018).

In another definition, activity-based budgeting is defined as a budgeting approach that focuses the attention of business management on activities in order to increase customer value and current profit and reduce costs (Shim et al., 2019). When considered as a process, activity based budgeting system is expressed as an approach that takes cost objects as the starting point, determines the necessary activities according to this starting point, and then estimates the resources required for the budget period (Dury, 2018). Activity based budgeting process starts with demand forecasts. These estimates are then used to plan the activities required for the budget period and to budget the resources required to perform these activities (Shim et al., 2019).

3. Materials and Methods

The descriptive research design was used in this study as a way to facilitate a researcher to have a mixture of both qualitative and quantitative approaches. This is considered as a way to investigate how it was utilized to depict characteristics of a wonder to be examined Kumar (2011). The analyst was portrayed the circumstance or preparing detail. Thus, this study was used descriptive research design.

The total target masses was considered and expected to give out the information related to the objectives of the explore think approximately was based on participations of differing individuals in Nobleza Hotel & Shami Appart's Hotel who was composed of 60 employees in different departments and 60 respondents as sample size. As all population was sample size; therefore, be made of number the staff and employees of Nobleza Hotel & Shami Appart's Hotel respondents who was involved in interaction with

2017). In activity-based budgeting, activity-based costing process is reversed. In this system, the activities required to produce these outputs from the planned outputs and then the costs required to perform these activities are reached (Robinson, 2017).

Financial performance

Financial Performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation financial statements do not reveal all the information related to the financial operations of a firm, but they furnish some extremely useful information, which highlights two important factors profitability and financial soundness Financial analysts often assess the firm's production and productivity performance (total business performance), profitability performance, liquidity performance, working capital performance, fixed assets performance, fund flow performance and social performance (Eshna, 2022).

researcher. Data collected was analyzed using descriptive statistics because the data obtained in this study was quantitative. According to (Quang and Hong, 2009), quantitative data are observations measured on a numerical scale. Results collect also entered into the statistical analysis. This analysis indicated variations of the response in the sample, response to the various questions and variations among different groups. Presentation of the results and findings were in terms of tables and graphs. Qualitative analysis techniques were used. The Qualitative analysis techniques were complemented with some statistics that was mainly obtained from the secondary data that was obtained through documentary analysis from the case study organization.

4. Results

4.1 Perceptions of the Respondents on participatory budgeting

Table 1: Perceptions of respondents on participatory budgeting

Statements	N	Mean	Std. Deviation
Participatory budgeting integrates the organization's strategic planning with budgets and processes of cost control at Nobleza Hotel and Shami Appart's Hotel	60	4.5500	.944
Participatory budgeting identifies the budgeting / financial skills required for better decision making at Nobleza Hotel and Shami Appart's Hotel	60	4.6500	.933

Participatory budgeting gives Nobleza Hotel and Shami Appart's Hotel real control over where a budget is spent	60	4.4421	.881
Average		4.39	1.105

Source: Primary Data (2022)

The findings in table 1 indicated that for the first statement that stated that "Participatory budgeting integrates the organization's strategic planning with budgets and processes of cost control at Nobleza Hotel and Shami Appart's Hotel" the respondents agreed with a mean of 4.55 and standard deviation of .94451 with the statement. This indicated that the respondents agreed with the statement as indicated by the mean and heterogeneity of answers as indicated by the standard deviation where the respondents had same opinions of the statement.

The second statement evaluated was "Participatory budgeting identifies the budgeting / financial skills required for better decision making at Nobleza Hotel and Shami

Appart's Hotel" where the respondents agreed with a mean of 4.65 and standard deviation of .9333. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement and participatory budgeting gives Nobleza Hotel and Shami Appart's Hotel real control over where a budget is spent with mean of 4.4421 and .881 standard deviation. On average the respondents agreed with a mean of 4.39 and standard deviation of 1.1051 with profitability.

4.2 Perceptions of the Respondents on corporate budgeting

Table 2: Perceptions of respondents on corporate budgeting

Statements	N	Mean	Std. Deviation
Corporate budgeting evaluate reports prepared regularly at Nobleza Hotel and Shami Appart's Hotel	60	2.0500	1.276
Corporate budgeting would focus on improving the company performance and competitiveness at Nobleza Hotel and Shami Appart's Hotel	60	3.6000	1.759
A budget provides essential information for operating within the means, managing unexpected challenges, and turning a profit at Nobleza Hotel and Shami Appart's Hotel	60	2.900	1.547
Average		3.825	1.517

Source: Primary Data (2022)

The findings in table 2 indicated that for the statement that "Corporate budgeting evaluates reports prepared regularly at Nobleza Hotel and Shami Appart's Hotel" the respondents strong agreed with a mean of 2.05 and standard deviation of 1.276 with the statement. This indicated that the respondents strong agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement was "Corporate budgeting would focus on improving the company performance and competitiveness at Nobleza Hotel and Shami Appart's Hotel" where the respondents agreed with a mean of 3.6 and

standard deviation of 1.75. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average the respondents agreed with a mean of 3.825 and standard deviation of 1.517745 with the Asset Quality has used a lot as far as respondents are concerned to increase of corporate budgeting at Nobleza Hotel and Shami Appart's Hotel while a budget provides essential information for operating within the means, managing unexpected challenges, and turning a profit at Nobleza Hotel and Shami Appart's Hotel with mean of 2.900 and standard deviation of 1.547.

4.3 Perceptions of the Respondents on incremental budgeting

Table 3. This section evaluated the perceptions of the incremental budgeting

Statements	N	Mean	Std. Deviation
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A incremental budgeting allowing finance departments to establish business goals that are both realistic and feasible at Nobleza Hotel and Shami Appart's Hotel;	60	4.35	1.039
A incremental budgeting gives management valuable insights into the way the business performed in the past and the way it will compare in the future at Nobleza Hotel and Shami Appart's Hotel;	60	2.30	1.454
Incremental budgeting starts by using the expenditures from the previous year as estimated expenses for the current fiscal year at Nobleza Hotel and Shami Appart's Hotel.	60	4.15	1.136
Average		3.6	1.207

Source: Primary Data (2022)

The findings in table 3 indicated that for the first statement that stated that "A incremental budgeting allowing finance departments to establish business goals that are both realistic and feasible at Nobleza Hotel and Shami Appart's Hotel" the respondents agreed with a mean of 4.35 and standard deviation of 1.039 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was "A incremental budgeting gives management valuable insights into the way the business performed in the past and the way it will compare in the future at Nobleza Hotel and Shami Appart's Hotel" where the respondents strong agreed with a mean of 2.30 and standard deviation of 1.454. This indicated that the respondents agreed with the statement as indicated by the weak mean and heterogeneity of answers as indicated by

the standard deviation where the respondents had different opinions of the statement.

The third statement evaluated was "Incremental budgeting starts by using the expenditures from the previous year as estimated expenses for the current fiscal year at Nobleza Hotel and Shami Appart's Hotel" This was measured by a mean of 4.15 and standard deviation of 1.136. This indicated that the respondents disagreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On the average the respondents agreed with a mean of 3.6 and standard deviation of 1.207 with the increase of customers. This indicates that most respondents confirmed that there is increased of incremental budgeting at Nobleza Hotel and Shami Appart's Hotel.

4.4 Perceptions of the Respondents on activity-based budgeting

Table 4. Perceptions of respondents on activity-based budgeting

Statements	N	Mean	Std. Deviation
Activity-based budgeting system eliminates all sorts of unnecessary activities at Nobleza Hotel and Shami Appart's Hotel.	60	4.65	.933
Activity-based budgeting saved cost results in the production of goods and services at a lower cost than that of competitors at Nobleza Hotel and Shami Appart's Hotel	60	3.95	.99868
Activity-based budgeting system eliminates all sorts of unnecessary activities at Nobleza Hotel and Shami Appart's Hotel	60	4.32	.9956
Average		4.3	

Source: Primary Data (2022)

The findings in table 4 indicated that for the first statement that stated that "Activity-based budgeting system eliminates all sorts of unnecessary activities at Nobleza Hotel and Shami Appart's Hotel" On average the respondents agreed with a mean of 4.65 and standard deviation of .933 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was "Activity-based budgeting saved cost results in the production of goods and services at a lower cost than that of competitors at Nobleza Hotel and Shami Appart's Hotel" where the respondents agreed with a mean of 3.95 and standard deviation of .9986. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On the average the respondents disagreed with a mean of 4.3 that there is an activity-based budgeting at Nobleza Hotel and Shami Appart's Hotel.

4.3 Testing different model in relation with specific objectives

4.4 4.3.1 Relation with objective one

Statistical results are presented in the form of stepwise regression models where they are in three phases namely: (1) model summary which indicates the overall effect using adjusted R^2 to measure the multiple regression results (2) ANOVA which is analysis of variance in the results which helps to test the null hypothesis and (3) coefficients of explanatory variables individual effects as used in the multiple regression model.

Table 5: Model Summary on participatory budgeting

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788 ^a	.621	.600	5.32930

a. Predictors: (Constant), Participatory budgeting, corporate budgeting, incremental budgeting and activity-based budgeting

The results in above table indicated that the Adjusted R^2 is 0.621 which means the independent variables (Participatory budgeting, corporate budgeting, incremental budgeting and activity-based budgeting) jointly affect financial performance of Nobleza Hotel & Shami Appart's Hotel in this study.

Table 4.1: ANOVA^a On participatory budgeting

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	837.324	3	837.324	29.482	.000 ^b
	Residual	511.226	57	28.401		
	Total	1348.550	60			

a. Dependent Variable: Financial performance.

b. Predictors: (Constant), Participatory budgeting, corporate budgeting, incremental budgeting and activity-based budgeting

The results in Table above show that the F-test is positive 29.482 and that it is significant at 5% because its significance level is 0.000. Therefore, based on the results on this test, we can accept the first all null hypothesis stating that "Participatory budgeting, corporate budgeting, incremental budgeting and activity-based budgeting) have significant effect on financial performance". This is due to the fact that the ANOVA results indicated that there is positive and significant effect of financial performance at Nobleza Hotel & Shami Appart's Hotel in this study.

Table 6: Coefficient on participatory budgeting

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.206	.345		.598	.550
Participatory budgeting	-.355	.029	-.583	-12.246	.000
Corporate budgeting	.068	.030	.083	2.259	.025
Incremental budgeting	.021	.035	.024	.607	.544
Activity-based budgeting	.151	.023	.226	6.502	.000

a. Dependent Variable: Financial performance

The results from Table 6 indicated that participatory budgeting has a positive and significant effect on financial performance ($\beta_1 = -0.583$; $t = -12.246$; $p\text{-value} < 0.05$). [This means that 1% change in participatory budgeting leads to a decrease 0.583% change in financial performance]. The results again indicated that there is a positive and significant effect of corporate budgeting on financial performance at Nobleza Hotel & Shami Appart's Hotel ($\beta_2 = 0.083$; $t = 2.259$; $p\text{-value} < 0.05$). This means that 1% change in corporate budgeting it leads to at least 0.083% increase change in financial performance at Nobleza Hotel & Shami Appart's Hotel.

The results again indicated that incremental budgeting has positive but insignificant effect on financial performance ($\beta_3 = 0.024$; $t = 0.607$; $p\text{-value} > 0.05$). This means that 1% change in incremental budgeting leads to at least 0.024% change in financial performance. However, activity-based budgeting has positive and significant effect on financial performance ($\beta_4 = 0.226$; $t = 6.502$; $p\text{-value} < 0.05$). This means that 1% change in activity-based budgeting to at least increase of 0.226% in financial performance at Nobleza Hotel & Shami Appart's Hotel.

5. Discussion

The ponder concludes that; budgetary control coordinating the organization's key arranging with budgets and forms of taken a toll control, budget control recognizes the budgeting / budgetary aptitudes required for superior choice making, distinguish key monetary pointers for the commerce and how and when screen them, budget control recognizes sources of monetary and trade information that give experiences into trade and budgetary techniques when changed over into budgets, budget control makes a difference translate budgets and execution estimations as communication instruments and at last offer assistance to think proactively past budgeting which budget control moreover economizes administration time by utilizing the administration by uncommon guideline.

The study concluded that; hospitality sectors sets budgets that are reasonable and achievable; manager's responsibilities in budgeting and budgetary control are well clearly defined, effective accounting records and procedures in budgeting and budgetary control are clearly understood and applied, there is an information system that provides data for managers so that they can make realistic predictions, support and commitment of top management for the system of budget control is in place, revision of budgets where amendments are needed to make them appropriate and useful, manufacturing companies sampled recognizes that budget control is a management activity and not an accounting exercise and that sampled hospitality sectors ensures that there is participation of managers in the budget control system.

The ponder concluded that; their budgets have clear objectives and destinations, their organization has long term and brief term budget plans, all divisions plan budget plans earlier to the budget year, when budgeting, result objectives and goals are connected to programs, budgets cover all the viewpoints of the organization's mission which directors set needs for the coming year at budget conference/Committees. The think about concludes that; budget deviations are detailed to budget committee/executives, the deviations from the budget targets are as often as possible detailed, the costs of exercises are continuously checked on by the official committee, supervisors hold budget conferences/meetings

6. Recommendations

This study recommends that managers in the hospitality sectors continue with the motive of valuing budget control in their polices (planning, monitoring and control as well as advocating for participatory budgeting for these has been found to influence their financial performance to a great extent.

The think about moreover suggests that supervisors create nitty gritty budget plans to empower the usage of the long term or vital arrange. The yearly budgeting prepare must be continuously as found out in this think about empowers

frequently to audit execution, directors continuously take convenient remedial activities when unfavorable fluctuations are detailed, control of the budget exercises is done by the head of offices, the supervisors or their identical have budget approaches to check on investing, comparison is made between plans and real execution and the contrast is detailed regularly, there's a normal take after up on budget plans by the budget committee/departamental heads which ; budget execution assessment reports are arranged frequently. The consider concluded that the budgetary managers or their comparable are included within the budget setting handle, the money related chief or the identical are sensitized on the budget control prepare, each division plans a budget earlier to the generally budget, all the partners to the budget are included, all offices are continuously included within the budgeting handle, affirmed budgets are shared with all offices which , authority and back is given to all the subordinates all through the budget by directors.

The consider concluded that budget committee is successful against hazard and are not over-burden, budget committees are anticipated to center on the optimization of shareholders' riches and avoid the maximization of individual interface by the beat administration, the budget control measures put in put in our organization have a incredible impact on budgetary execution which budget committee center on making strides the neighborliness segments execution and competitiveness. The comes about appeared that the esteem of co-efficient of assurance (balanced R square) is 0.785 for all the factors considered (arranging, checking and control and participative budgeting). This subsequently suggests that there was a variety of 78.5% between the free (arranging, checking and control and participative budgeting) and subordinate variable (monetary execution in neighborliness divisions). In this way it implies that (arranging, observing and control and participative budgeting) clarified 78.5% of the monetary execution in neighborliness segments. The comes about appeared that there was a noteworthy relationship between money related execution in neighborliness divisions and the three factors (arranging, observing and control and participative budgeting).

directors to arrange for future operations, refine existing vital plans and considers how they can react to changing circumstances. This empowers supervisors to expect issues some time recently they emerge and guarantees contemplated choice making. This consider too prescribes that supervisors inside the organization must have a clear understanding of the part which they are required to play in guaranteeing budgetary compliance. This guarantees that the foremost suitable people are made responsible for budget usage. Senior administration can moreover utilize

budgets to communicate corporate destinations downwards and guarantee that other representatives get it them and co-ordinate their exercises to achieve them. The act of arrangement as well as the budget itself will moreover make strides communication.

Participation in budget setting relates to the extent that subordinates are able to influence the figures incorporated

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in their targets. This study recommends that participation always be embraced to allow the influence of the employees to the budget if performance increments are to be realized in the hospitality sectors.

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