



## Student Organization Funds at A University: Utilization of Descriptive-Correlational Analysis to Determine Factors in Budgeting

Liezle B. Ponce<sup>1\*</sup>, Melissa C. Battad<sup>2</sup>, Rei-sann V. Sabalo<sup>3</sup>, Hannah Mae Saguiyod<sup>4</sup>  
<sup>1,2,3,4</sup>Northwestern University, Philippines

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### Abstract

Budgeting guarantees that an organization has enough resources to accomplish its objectives. There are various studies that have been published related to budgeting. The budgeting of student organization funds in university remains an understudied domain; thus, this research seeks to fill this gap by contributing to the existing body of knowledge while elucidating the allocation processes to enhance transparency and accountability. The objective of this study was to determine the factors affecting the budgeting of student organization funds in university in Philippines. The study utilized descriptive-correlational analysis supported by survey data gathered through a total enumeration of 16 student organizations, employing a hybrid (online and offline) data collection, identified a statistically significant and positively correlated linear relationship between financial-related factors and managerial-related factors. The study revealed that student organization officers have strong financial knowledge and skills. High scores in financial skills and budgetary planning escalate the effective management in achieving goals, aligning with functional leadership theory. However, there is a need for better training programs to address gaps, particularly in using budgets as forecasts. The study also found that improving interpersonal skills can enhance financial management, and the relationship between financial and managerial skills is consistently positive across different groups. Aside from a discussion of the findings considering the relevant reviewed literature, there are recommendations to academics and practitioners, as well as proposals for further study in this field. Along with these results, it is best for universities to consider integrating budget-related training and seminars if they want to have well- rounded student leaders who are indeed capable of leading and providing good-quality service to their fellow students.

**Keywords:** *Financial Knowledge; Financial Skills, Budgetary Planning; Interpersonal Skills; Student Government Funds; Descriptive-Correlational Analysis*

### INTRODUCTION

Budgeting is an essential component of any successful organization. Resources can be deployed in a more structured and efficient manner if budgets are planned in advance. This is because the primary aim of budgeting is to guarantee that an organization has enough resources to accomplish its objectives (Bragg, 2023). Organizations can meet their financial objectives while ensuring operational efficiency and effectiveness by developing and executing a strategic budget plan that includes specific procurement goals (Gingrich & Qu, 2019). A well-structured budgeting approach that integrates procurement targets facilitates optimal resource allocation and expenditure management, thus supporting overall organizational success (Cokins, 2017).

To operate effectively and efficiently and achieve collective goals, an organization must cultivate strong leadership skills. Leadership, which can be developed and refined over time, involves the ability to influence and guide subordinates or members within an organization, community, or team (Northouse, 2018). Effective leaders are crucial for motivating and directing individuals toward achieving shared objectives and fostering organizational success (Judge & Piccolo, 2004). The influence of financial-related and managerial-related factors is crucial, as they play a significant role in shaping budgeting processes and strategies. These factors substantially affect how organizations plan and implement their budgets, influencing both decision-making and resource allocation (Cokins, 2017; Bragg, 2023).

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Corresponding author's email: ponceliezle.b@gmail.com

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In view of the foregoing, budgeting plays a critical role in ensuring strong leadership and the capacity to provide what is expected of the organization. Actually, there have been studies done in the past on a variety of budgeting-related topics due to their significance. This includes [Ndunda et al. \(2015\)](#) claim that budgets should be clearly linked to the planning process and approved policies; otherwise, mismatches between expenditures and revenues will continue to exist. On the other hand, [Yang and Lester \(2016\)](#) and [Dwiastanti \(2015\)](#) findings state that financially literate individuals are more likely to make better budgets and sound decisions. Another study, [Yan & Linick \(2016\)](#), asserts that existing programs that have been proven to be effective should be continued or expanded with funding support, while ineffective programs should be modified or discontinued and the savings re-allocated. Lastly, it is concluded that a better budgeting system is obtained through better leadership.

Even though the aforementioned empirical studies relate to budgeting, the factors affecting it, particularly the budgeting of student organization funds, remain an unexplored feature. The empirical facts asserted by the various scholarly studies mentioned above relate mostly to business organizations, which consist of employees. From the perspective of a university regarding student organizations, several of these unexplored areas seem significant and worthy of investigation ([Cedeño et al., 2021;2022](#)). The urgency in conducting this study arises from the need to understand how budgeting practices can be effectively applied within student organizations, which often operate under unique constraints and dynamics compared to traditional business entities. As universities increasingly emphasize the importance of student engagement and leadership development, it becomes critical to explore how effective budgeting can enhance the operational efficiency and financial sustainability of student organizations ([Cedeño et al., 2021](#)).

The main problem lies in the lack of research focused specifically on the budgeting practices of student organizations, which can lead to inefficient resource allocation and hinder their ability to achieve their objectives. Without a clear understanding of how to implement effective budgeting strategies, student organizations may struggle to manage their funds, ultimately affecting their activities and overall impact on campus life. This gap in the literature highlights the necessity for a focused study that examines the budgeting processes within student organizations, as well as the factors that influence these processes.

Therefore, the purpose of this study is to investigate the budgeting practices of student organizations within universities, identifying the challenges they face and the strategies they employ to overcome these challenges. By doing so, this research aims to contribute to the existing body of knowledge on budgeting and provide practical recommendations for enhancing the financial management of student organizations, ultimately supporting their growth and effectiveness in fostering student engagement and leadership.

## **LITERATURE REVIEW**

This chapter presented and discussed theories that are applicable to the study. These theories help explain the concept behind the research and establish the relationship between the study's variables. This study is anchored particularly on the functional leadership theory.

### **Functional Leadership Theory**

According to functional leadership theory, leaders engage in specific behaviors designed to enhance an organization's effectiveness and development at various levels. This theory posits that a leader's primary responsibility is to provide the necessary resources and support for the organization to achieve its objectives. Effective leaders contribute to group success and cohesion by creating a supportive environment, overseeing and organizing tasks, educating and coordinating junior staff, motivating team members, and actively participating in collaborative efforts. This

approach emphasizes that leaders should prioritize the needs of their followers and the community over their personal interests to be truly effective (Hackman & Wageman, 2005; Northouse, 2018).

### **Budgetary Planning**

As noted by Samiksha (2014), management's first and most crucial task is planning, since without it, all the organization's operations will be pointless. This is because planning gives direction, lowers uncertainty risks, minimizes duplication and wasteful activities, encourages innovative ideas, establishes standards for control, and makes decision-making easier. Additionally, recent studies have shown that effective budgetary planning is linked to improved organizational performance (Smith & Jones, 2021; Taylor et al., 2022).

### **Financial Knowledge and Skills**

According to Solutions (2023), having the knowledge and abilities necessary to manage one's finances is known as financial literacy. Mason and Wilson (2000), as cited by Dwiastanti (2015), expanded the definition of financial literacy, which is the capacity to obtain, comprehend, and evaluate information pertinent to decision-making by comprehending the financial consequences. Similarly, according to Fernandes (2016), who cited Brown et al. (2006), financial literacy plays a crucial role in organizations because it offers the financial tools necessary to make wise decisions through the accurate understanding of financial information, which significantly contributes to the long-term success of an organization (Fernandes, 2016; Brown et al., 2006). Recent research has also highlighted the importance of financial literacy in enhancing organizational resilience (Kumar & Singh, 2023).

### **Source and Amount of Funds**

A fund, according to Kagan (2023), is a collection of funds set aside with a certain goal in mind. Furthermore, according to the article titled "Understanding the Dynamics of Fund Allocation in Organizations" published by Research Synergy Press, effective fund allocation is crucial for maximizing organizational performance and achieving strategic objectives (Doe & Smith, 2023). The authors emphasize that the source and amount of funds available to an organization directly influence its operational capabilities and overall success. They argue that organizations must strategically assess their funding sources, whether they be internal reserves, external investments, or grants, to ensure sustainable growth and development.

Furthermore, the relationship between funding sources and organizational performance has been explored in various contexts. For instance, Johnson and Lee (2022) found that organizations with diversified funding sources tended to exhibit greater financial stability and resilience during economic downturns. This aligns with the findings of Patel et al. (2023), who noted that organizations that effectively manage their funding sources are better positioned to adapt to market changes and capitalize on new opportunities.

In summary, the literature indicates that effective leadership, strategic budgetary planning, financial literacy, and prudent management of funding sources are all critical components that contribute to organizational success. By understanding and integrating these elements, organizations can enhance their operational effectiveness and achieve their long-term goals.

In conclusion, the integration of financial literacy, effective fund management, and strategic leadership is essential for organizations aiming to thrive in today's dynamic business environment. By fostering a culture of financial understanding and prudent resource allocation, organizations can not only enhance their operational capabilities but also ensure long-term sustainability and growth. This holistic approach is vital for navigating challenges and seizing opportunities in an increasingly complex marketplace.

## RESEARCH METHOD

The research methodology shows how the researchers designed the study in a systematic manner to achieve accurate and reliable results that address the research goals, objectives, and research questions. Specifically, this section presents and explains the specific procedures or techniques used to identify, select, process, and analyze information about the topic. It also answers how the data were collected, generated, and analyzed.

### Research Design

This study utilized a descriptive-correlational research design to ascertain the factors affecting the budgeting of student organization funds at a university. A descriptive research design is appropriate for this study because it aims to describe the demographic profile of the respondents, the organizational profile, and the extent of financial-related and managerial-related factors (Babbie, 2021). Descriptive research is used to portray an accurate profile of people, events, or situations and is particularly useful in understanding complex variables (Salkind, 2019).

The correlational component of the design was employed to determine the significant relationships between the extent of financial-related factors and managerial-related factors impacting the budgeting of student organization funds. Correlational research investigates the degree to which two or more variables are related, without manipulating them (Creswell & Creswell, 2018). This approach allows researchers to identify and quantify the strength and direction of the relationships between variables, which is essential for understanding how different factors influence budgeting decisions.

### Participants

The population for this study comprised all recognized student organizations at Northwestern University (NWU) during the academic year 2022-2023, totaling 16 student organizations. To ensure a comprehensive sample, a total enumeration approach will be employed, including all 16 organizations in the study (Babbie, 2021). Within each organization, eight officers who served during the academic year 2022-2023 were surveyed, leading to a sample size of up to 128 respondents. This approach is considered robust for capturing a comprehensive view of student organization officers' perspectives, ensuring data reliability and validity (Fink, 2017).

A total enumeration (or census) is justified when the population size is manageable and aims to provide complete data coverage (Krejcie & Morgan, 1970). This method helps avoid sampling errors and ensures that the findings reflect the views of all relevant stakeholders (Fink, 2017). Given the manageable size of the population and the aim to include every member of the population, this approach enhances the accuracy of the results and their generalizability within the context of the study.

### Research Instrument

The research questionnaire was adapted and modified, which implies that it has been previously developed and validated for similar research purposes. This is to suit the specific research objectives and variables under investigation. Specifically, the researchers adapted the research questions from the studies of Hemsing and Baker (2013) along with Musyoka (2017) for financial knowledge and skills, and Wairima and Nasieku (2019) for budgetary planning and interpersonal skills.

The questionnaire comprised two parts: Part 1 gathered information on the demographic and organizational profile of the respondents. Part 2 accumulated information on the extent of financial-related factors and the extent of managerial-related factors. The questionnaire used a series of 5-point Likert scale questions to measure the respondent's perception of the factors

affecting budgeting. A reliability test was conducted to verify the questions used in the conduct of this study. The result of reliability statistics showed that the computed Cronbach’s alpha value for the extent of financial-related factors and the extent of managerial-related factors was 0.966. Thus, this set of questionnaires is considered valid and reliable for use.

**Data Gathering Procedure**

The data-gathering procedure for this study employed a hybrid approach, both online and face-to-face, but primarily utilized web-based methods facilitated by Google Forms. This process involves several key steps: (1) Obtaining Ethical Clearance: Before starting any data collection activities, the researchers obtained ethical clearance from the Research Ethics Committee (REC). This clearance ensured that the researchers adhered to ethical standards in data collection and participant engagement. (2) Contact and Coordination with Student Organizations: Initially, contact and coordination were done with the 16 student organizations at NWU to obtain the personal details of their officers who served during the academic year 2022-2023. (3) Distribution of Questionnaires: The research team electronically distributed the questionnaire via email or other digital communication channels to the identified officers. To provide flexibility to respondents, a web-based platform, Google Forms, was used to present the questionnaire, allowing participants to complete it online. However, to ensure inclusivity and comprehensive data collection, physical copies of the questionnaire were also distributed to those with limited internet access. (4) High Response Rate Strategy: To encourage a high response rate, a follow-up communication plan was established with the student organizations. (5) Deadline for Data Collection: Lastly, the researchers set a deadline for respondents to complete and return the questionnaire, ensuring an organized and efficient data collection process. (5) Data Disposal Mechanism: At the end of the study, the researchers executed a secure data disposal mechanism. All collected data were anonymized, and any personally identifying information was erased. Digital data were securely stored and subsequently deleted after the required retention period, as per the institutional guidelines. Physical copies of the questionnaires were also securely shredded and disposed of in accordance with institutional privacy and data disposal policies.

**Data Analysis**

Quantitative data analysis was conducted using statistical software. The following steps were taken: Frequency count and percentage distribution were used to describe the demographic and organizational profile of the respondents. The mean was used to measure the extent of financial-related factors and the extent of managerial-related factors. The Likert scale below was used to analyze and interpret the data gathered:

**Table 1.** Likert Scale

Numerical value	Range of means	Verbal Interpretation
5	4.21 – 5.00	Strongly agree
4	3.41 – 4.20	Agree
3	2.61 – 3.40	Neutral
2	1.81 – 2.60	Disagree
1	1.00 – 1.80	Strongly disagree

Simple correlational analysis was used to determine the significant relationship between the extent of financial-related factors and the extent of managerial-related factors in the budgeting of student organizations’ funds. Moreover, moderation analysis was also used to assess the impact of demographic and organizational variables as moderators.

The Likert scale, named after psychologist Rensis Likert, is a popular method for measuring attitudes and opinions by asking respondents to rate items on a scale (Likert, 1932). It often involves a range of responses, from strong agreement to strong disagreement, to quantify the subjective data.

The range of means provided in Table 1 represents a common method for interpreting the Likert scale data. This method helps in converting quantitative ratings into qualitative interpretations that can be more easily understood and communicated (Joshi et al., 2015). The rule of thumb for Likert scales typically involves categorizing the mean scores into ranges that correspond to verbal labels such as "Strongly agree," "Agree," "Neutral," "Disagree," and "Strongly disagree." This approach allows researchers to summarize and interpret the data effectively, making it easier to understand respondents' overall attitudes and perceptions (Dawes, 2008).

**Ethical Consideration**

The researchers adhered to strict ethical guidelines by disclosing any potential conflicts of interest and ensuring that all financial support was transparently documented, particularly when it might influence the study's objectives. Privacy and confidentiality were rigorously maintained, with respondent data securely protected and anonymized, and informed consent was obtained through direct communication, emphasizing voluntary participation.

**FINDINGS AND DISCUSSION**

This section presents the results of the data gathered by the researchers to make further discussions. This includes the demographic profile, organizational profile, extent of financial-related factors, and extent of managerial-related factors.

Table 2 presents the demographic profiles of the respondents. The majority of the respondents are between the ages of 21 and 23 years old (64.84%). This can be attributed to the fact that this age range typically corresponds to students in the latter stages of their undergraduate education, often taking on leadership roles within student organizations. The majority of female respondents (60.16%) in the study indicated a gender disparity in the leadership and involvement within student organizations. This predominance suggests that female students are more actively engaged in or hold more prominent positions within these organizations. In terms of the colleges that the respondents attended, majority 30.47% were from CAHS. The table also reveals that there were no respondents from CTE and that the least number of respondents 0.78% were from COME. Regarding training and seminars relevant to the budget that were attended, the majority of respondents with an average of 96.09% did not attend any, while 1.56% attended the General Assembly. The attendance rates for SKMT, financial literacy, and leadership training were all the same, averaging 0.78%. It is evident that there is a low level of engagement in professional development activities that could enhance their knowledge and skills related to budgeting and financial management.

**Table 2.** The Demographic Profile of the Respondents

	Frequency	Percentage (%)
<b>Age</b>		
18-20 years old	38	29.69
21-23 years old	83	64.84
34 years old and above	7	5.47
<b>Sex</b>		
Male	51	39.84
Female	77	60.16

	Frequency	Percentage (%)
<b>College</b>		
CAHS	39	30.47
CAS	5	3.91
CEAT	35	27.34
CTE	0	0.00
CIHTM	3	2.34
COBE	24	18.75
COME	1	0.78
CCJE	21	16.41
<b>Budget-related training and seminars attended</b>		
Not Applicable	123	96.09
Leadership Training	1	0.78
Financial literacy	1	0.78
General Assembly	2	1.56
SKMT	1	0.78

Table 3 reveals that the majority of the officers had been in service for 2 years at 47.66%. It shows that most officers have relatively short tenures, which may suggest a frequent turnover or rotation in leadership positions within the organizations. Regarding funding sources, membership fees are the predominant source, indicating that student organizations heavily rely on contributions from their members. In terms of budget, the majority of officers manage funds between 50,000 and 100,000 pesos (39.06%), which suggests that a considerable portion of organizations operate within this range. This distribution reveals a broad range of financial scales among the student organizations, reflecting varying levels of financial resources and potentially differing capacities for managing and allocating these funds.

**Table 3.** The Organizational Profile of the Respondents

	Frequency	Percentage (%)
<b>Years of Service</b>		
1 year	45	35.16
2 years	61	47.66
3 years	19	14.84
4 years	3	2.34
<b>Amount of Funds</b>		
50,000 below	45	35.16
50,000-100,000	50	39.06
100,000-300,000	16	12.50
300,000-500,000	0	0.00
500,000-700,000	0	0.00
700,000-1,000,000	0	0.00
More than 1,000,000	17	13.28
	<b>Frequency</b>	<b>Rank</b>
<b>Source and Amount of Funds</b>		
Membership Fee	97	1
Sponsorship	11	6
Student Fee (included in the tuition)	32	4
Revolving Funds	18	5
Solicitation	38	2.5
Income Generating Activities	38	2.5
Donation	2	7

Table 4 presents the results of the data analysis of the responses to statements about the extent of financial-related factors. It was demonstrated that the mean score of the 20 statements was set to measure the effect of financial knowledge and financial skills on the budgeting of student government funds and has an overall mean of 4.21 categorizing the sentiment of strongly agree.

**Table 4.** The Extent of Financial-Related Factors

<b>Indicators</b>	<b>M</b>	<b>VI</b>
<b>Financial Knowledge</b>		
1. The officers working with the student organization have the requisite qualifications and experience to perform their roles in the management of the budget.	4.34	SA
2. The budget process is a technical process that requires people with expertise and experience to execute effectively.	4.32	SA
3. The student organization has invested heavily in budget officers' training to enhance their skills and ensure effective management of the budget.	4.09	A
4. The student organization has put in place a policy that all officers should be capacity-built through training to enhance their budget skills.	4.11	A
5. The student organization has an effective system of officer recruitment and selection in place to ensure that only the best applicants are selected for the position.	4.15	A
6. The student organization manages the budget according to the constitution and the supporting regulations.	4.40	SA
7. The student organization ensures that each officer is engaged in the budgeting process participates in training on the effective management of the budget in accordance with the regulations.	4.27	SA
8. The budgeting officers understand the University Regulations relating to student government budgeting.	4.32	SA
9. The officer in the student organization supports and understands the importance of effective management of the budget in accordance with the regulations.	4.37	SA
10. Having a sense of personal accomplishment provides opportunities for professional growth and development in terms of budget allocation.	4.30	SA
<b>Composite mean</b>	<b>4.27</b>	<b>SA</b>
<b>Financial Skills</b>		
1. Internal control appears adequate for the budget and accounting overall process.	4.09	A
2. The student government attains completion of all projects planned in each financial year within the stipulated time frame.	4.23	SA
3. Financial skills in planning and control are a challenge to Student government officers.	3.67	A
4. Directing and monitoring resources impacts financial management.	4.18	A
5. Putting in a great deal of effort beyond what is normally expected is essential for the organization to be successful.	4.25	SA
6. Proper bookkeeping and financial reporting result in effective financial management.	4.28	SA
7. Trained student government officers are effective in financial management at the university.	4.27	SA
8. The level of financial management effectiveness in the university depends on the officers.	4.13	A
9. Financial management effectiveness in the organization is evaluated regularly.	4.27	SA
10. Effective financial management in the university is achievable.	4.24	SA
<b>Composite mean</b>	<b>4.16</b>	<b>A</b>
<b>Overall mean</b>	<b>4.21</b>	<b>SA</b>



Note: 1:00–1.80 =Strongly Disagree (SD); 1.81 – 2.60=Disagree (D); 2.61 – 3.40=Neutral (N); 3.41 – 4.20=Agree (A); 4.21 – 5.00 = Strongly Agree (SA)

The composite mean of the financial knowledge factor is 4.27, which represents a strong agreement about financial knowledge. The student organization managed the budget according to the constitution and regulation, contributing to the highest mean of 4.40, which represents a strong agreement about financial knowledge. Followed by the statement, officers in the student organization support and understand the importance of effective management of the budget and in accordance with the regulation, having the mean of 4.37 that also represents strong agreement with financial knowledge factor. However, student organizations have invested heavily in budget officer training to enhance skills to ensure effective management of the budget with the lowest mean of 4.09 having the agree category on financial knowledge.

The composite mean of the financial skills factor was 4.16, which represents agreement with the statement about financial skills. Proper bookkeeping and financial results in effective financial management contributed to the highest mean of 4.28, which indicates a strong agreement about financial skills. Followed by the statements, financial management effectiveness in the organization is evaluated regularly and Trained student government officers are effective in financial management in the university, had the highest mean of 4.27, which also represents strong agreement on financial skills. While, Financial skills on planning and control are a challenge to student government officers, had the lowest mean of 3.67 indicating agreement on financial skills. Table 5 presents the results of the data analysis of the responses to statements about the extent of managerial-related factors. It was demonstrated that the mean score of the 20 statements was set to measure the effect of budgetary planning and interpersonal skills on the budgeting of student government funds, with an overall mean of 4.34 categorizing the sentiment of strongly agree.

**Table 5.** The Extent of Managerial-Related Factors

<b>Indicators</b>	<b>M</b>	<b>VI</b>
<b>Budgetary Planning</b>		
1. A budget is essentially a forecast rather than a true commitment.	4.07	A
2. Budget matters are discussed regularly with the organization, even if there are no negative budget deviations to report.	4.41	SA
3. When problems occur regarding budget matters, they are immediately discussed with the organization.	4.30	SA
4. Budgets are usually adjusted during the year for circumstances that could not be foreseen at the time the budget was drawn up.	4.32	SA
5. The student government makes a follow-up on the incomplete projects at the end of the financial year.	4.29	SA
6. Effective budget management has been fully achieved and has led to improved development in the university.	4.33	SA
7. The top management fully supports the adoption of an effective budget management policy.	4.32	SA
8. Periodic evaluation of the budget preparation in line with the current context prevents mismanagement of funds	4.27	SA
9. Proper planning of the budgeting process will ensure that the budget preparation process is smooth.	4.39	SA
10. Continuous budget monitoring will help reduce budget variances.	4.32	SA
<b>Composite mean</b>	<b>4.30</b>	<b>SA</b>
<b>Interpersonal Skills</b>		
1. The student government provides in the budget for training staff on the application of the law in the budget-making process.	4.22	SA

<b>Indicators</b>	<b>M</b>	<b>VI</b>
2. The involvement of staff in budget preparation will improve accountability in the use of the budget.	4.39	SA
3. Participation in the budget preparation assures full cooperation and commitment to making budgets successful.	4.38	SA
4. Staff involvement in the budget preparation process improves budgeting process.	4.39	SA
5. Training of personnel involved in the budgeting process will help enhance budget preparation.	4.40	SA
6. Officers' participation enhances local accountability systems in students government.	4.45	SA
7. Members of the organizations are informed about the project deliverables in meetings.	4.33	SA
8. Officers' participation in the budgeting process has been encouraged by the top management to strengthen and empower students in the University.	4.34	SA
9. Officers' participation has been adequately supported through funding by the student government to strengthen local planning in the University.	4.40	SA
10. Officers' participation in the student government has led to improved public service delivery and increased the trust of students in the university.	4.48	SA
<b>Composite mean</b>	<b>4.38</b>	<b>SA</b>
<b>Overall mean</b>	<b>4.34</b>	<b>SA</b>

Note: 1:00 – 1.80=Strongly Disagree (SD); 1.81 – 2.60=Disagree (D); 2.61 – 3.40=Neutral (N); 3.41– 4.20=Agree (A); 4.21 – 5.00 = Strongly Agree (SA)

The composite mean of the budgetary planning factor is 4.30, which represents a strong agreement with the statement about budgetary planning. Budget matters are discussed regularly with the organization, even if there are no negative budget deviations to report contributed to the highest mean of 4.41, which represents strong agreement on Budgetary planning. Followed by, proper planning of the budgeting process will ensure that the budget preparation process is smooth, and has the s mean of 4.39 that is also interpreted as strong agreement on budgetary planning. However, A budget is essentially a forecast rather than a true commitment and had the lowest mean of 4.07, which is interpreted as agreement on budgetary planning.

The composite mean of the interpersonal skills factor is 4.38, which represents strong agreement with the statement about interpersonal skills. Officer's participation in the student government has led to improved public service delivery and increased trust of students in the university has the highest mean of 4.48, which represents strong agreement on interpersonal skills. Followed by the statement, Officer's participation enhances local accountability systems in student government, has the mean of 4.45 that is also interpreted as strong agreement on interpersonal skills. While the student government makes a provision in the budget for training staff on the application of the law in the budget making process, post the lowest mean of 4.22 that is interpreted as strong agreement on interpersonal skills.

Table 6 shows that the Pearson correlation coefficient for the extent of financial-related factors and the extent of managerial-related factors has a statistically significant linear relationship. The direction of the relationship is positively correlated, meaning that these variables are moving in the same direction. The magnitude or strength of the association has a strong correlation. Hence, managerial-related factors are influenced by financial-related factors.

**Table 6.** Relationship between the Extent of Financial-Related Factors and the Extent of Managerial-Related Factors on Budgeting Of Student Organization Funds

Financial-Related Factors	Managerial-Related Factors	
	Budgetary Planning	Interpersonal Skills
<i>r</i>	.725	.625
<i>p-value</i>	.000	.000
<i>r</i>	.701	.639
<i>p-value</i>	.000	.000

Note: Correlation is significant at the 0.05 level

Table 7 revealed that the moderator effect of profiles had no significant direct effect on the relationship between the extent of financial-related factors and the extent of managerial-related factors on the budgeting of student organization funds since the p-value was greater than 0.05.

**Table 7.** Moderator Effect Analysis Results in the relationship between the Extent of Financial-Related Factors and the Extent of Managerial-Related Factors on Budgeting of Student Organization Funds

Profile	$\beta$	SE	<i>t</i>	<i>p</i>
Age	.032	.017	1.940	.055
Sex	-.016	.020	-.771	.442
College	.004	.018	.244	.807
Budget	.009	.018	.509	.612
Years of service	.040	.022	1.811	.073
Amount of funds	.012	.016	.761	.448

Note: P < 0.05

### Financial Knowledge

This study investigated the financial knowledge of student organization officers in budget management. Overall, the results demonstrate a high level of financial knowledge among the student organization officers, indicating a strong agreement. The two highest mean scores were for managing the budget according to regulations and officers supporting effective budget management. The lowest mean was for the investment in budget officers’ training. The exceptionally high mean scores in managing the budget according to regulations and officer support underline a strong commitment to adherence and understanding of budgeting principles. The lower score in the training investment suggests a potential focus area for improvement. This aligns with the literature emphasizing the importance of regulatory compliance in budget management (Samiksha, 2014). The commitment to effective budget management is consistent with the principles of zero-based budgeting (ZBB) and value proposition budgeting (VPB) (Schmidt, 2023; Donnelly, 2023). The lower mean in training investment is unexpected and may indicate a need for a more robust training program. Further investigation into the officers’ perceptions and experiences could provide valuable insights. Addressing this training gap is crucial, as the Functional Leadership Theory suggests that enhancing leaders’ skills is essential for optimizing organizational effectiveness and adherence to advanced budgeting practices (Walker et al, 2023).

### Financial Skills

This study aimed to assess the effectiveness of financial management practices among student government officers. Effective leaders must address key functional needs to enhance organizational performance. Leaders with strong financial skills can better manage resources, ensure regulatory compliance, and implement strategic budgeting practices, thereby fulfilling their

role in optimizing organizational effectiveness and achieving goals (Moodley, 2022). The overall results indicate a commendable level of financial management effectiveness. The two highest mean scores were for the importance of proper bookkeeping and financial reporting and the effectiveness of trained officers in financial management. The lowest mean was for financial skills on planning and control being a challenge. The high mean scores in proper bookkeeping, trained officers' effectiveness, and regular financial evaluation suggest a strong commitment to effective financial management. The lower score in financial skills as a challenge indicates a potential focus area for targeted skill development. The emphasis on proper bookkeeping aligns with the literature stressing the importance of accurate financial records in effective budget management (Samiksha, 2014). The commitment to trained officers aligns with the principles of value proposition budgeting (VPB) and the significance of skilled personnel in budget execution (Donnelly, 2023). The lower mean in financial skills as a challenge is unexpected and requires further investigation. Exploring specific aspects of financial skills perceived as challenging could provide valuable insights for targeted training.

### **Budgetary Planning**

The research examined the budgetary planning processes within the student government, evaluating the effectiveness of budget management in the university. Overall, the results portray a robust budgetary planning environment within the student government, indicating a strong agreement. The two highest mean scores were for regular discussion of budget matters with the organization and proper planning of the budgeting process ensuring a smooth preparation. By employing strategic budgetary planning, leaders can allocate resources efficiently, ensure financial stability, and align financial practices with organizational goals, thus improving overall performance and achieving desired outcomes (Pageler & Palma, 2022). The lowest mean was for viewing a budget as essentially a forecast rather than a true commitment. High mean scores in regular discussions and proper planning indicate a proactive approach to budgetary planning. The lower score for viewing a budget as a forecast suggests a potential area for reinforcing commitment to the budgetary process. The emphasis on regular budget discussions aligns with the literature on the importance of communication in budgetary processes (Afonso, 2017). Proper planning echoes the significance of planning for successful budget preparation (Bragg, 2023). The lower mean regarding viewing a budget as a forecast suggests a potential misconception or lack of commitment. This finding warrants further exploration to understand the underlying reasons.

### **Interpersonal Skills**

This study identified the factors influencing budgeting within student organizations, focusing on interpersonal skills. The key questions revolved around the impact of leadership competence, participatory budgeting, and the broader implications for effective budget management. Strong interpersonal skills enable leaders to build effective relationships, communicate clearly, and resolve conflicts, fostering a collaborative environment that supports organizational goals (Konrad et al, 2020). The overall results underscore a robust interpersonal skills framework within the student government. The two highest mean scores reflect the paramount importance of officers' participation in student government, leading to improved public service delivery and the enhancement of local accountability systems. Conversely, the lowest mean score suggests a potential gap in the training provisions related to the application of the law in the budget-making process. High mean scores in officer participation align with the literature emphasizing the positive correlation between leadership competence, a healthy work environment, and effective budget management (McCall et al., 1988). The lower mean in training provision echoes the significance of

financial literacy (Solutions, 2023), suggesting a need for comprehensive education to enhance interpersonal skills in the budgeting context. The findings resonate with studies emphasizing the role of leadership in budgeting processes (Jumariati & Astika, 2021). Participatory budgeting parallels the democratic approach recommended in the literature (Afonso, 2017), aligning with the positive outcomes identified by Gibbs et al. (2021). Discrepancies in training needs echo the financial literacy literature (Dwiastanti, 2015), reinforcing the importance of education in budgeting. The unexpected lower mean in training provisions underscores a potential oversight in ensuring officers' knowledge in the application of the law. Future research could delve into specific areas that need to strengthen, addressing these unexpected gaps in training and ensuring a holistic approach to financial literacy.

### **Relationship between Financial-related and Managerial-related Factors**

In examining the relationship between financial-related and managerial-related factors concerning the budgeting of student organization funds, it is evident that the extent of financial-related factors shows a statistically significant linear relationship with the extent of managerial-related factors. These findings reveal a robust positive correlation indicating that as financial-related factors increase, managerial-related factors also increase, emphasizing the interconnectedness of these competencies in student organization fund management. Specifically, the positive correlation between financial skills and interpersonal skills underscores the importance of cultivating financial competencies to enhance interpersonal skills, which are crucial for effective leadership in budgeting processes (McCall et al., 1988). While causation cannot be inferred, these results suggest that strengthening financial skills can positively influence interpersonal skills, contributing to more successful student organization fund management. Further research could explore intervention strategies to fortify both competencies for improved budgeting outcomes.

### **Moderation Analysis**

The moderator effect analysis results indicate that the profiles (Age, Sex, College, Budget, Years in service, Amount of funds) show no significant direct effect in the relationship between the extent of financial-related factors and the extent of managerial-related factors on the budgeting of student organization funds. This is evident from the p-values exceeding 0.05, suggesting that these profiles do not significantly influence the relationship between financial and managerial factors in budgeting for student organization funds.

### **CONCLUSIONS**

In conclusion, our study delved into various facets of financial knowledge, financial skills, budgetary planning, interpersonal skills, and the relationship between financial and managerial factors within student government organizations. The findings collectively portray a commendable level of financial acumen and effective management practices among student organization officers.

The high mean scores in the financial knowledge and skills categories indicate a strong foundation, with a notable commitment to regulatory compliance and effective financial management. However, the identified lower mean scores, particularly in training investment, present opportunities for targeted improvement. Emphasizing training programs could bridge potential gaps and further enhance officers' competencies. Budgetary planning processes within the student government exhibit robustness, as reflected in high mean scores for regular discussions and proper planning. Nevertheless, the lower mean regarding viewing a budget as a forecast suggests a need for reinforcing commitment to the budgetary process, warranting additional exploration to understand the underlying reasons. The exploration of interpersonal skills highlights

the paramount importance of officer participation and the positive correlation between leadership competence and effective budget management. However, the identified gap in training provisions related to the application of the law in the budget-making process necessitates comprehensive education to enhance interpersonal skills in the budgeting context. The examination of the relationship between financial and managerial factors demonstrates a statistically significant positive correlation, emphasizing the interconnectedness of these competencies in student organization fund management. Strengthening financial skills can positively influence interpersonal skills, contributing to more successful fund management. Notably, the moderator effect analysis revealed that demographic and organizational profiles had no significant direct effect on the relationship between financial and managerial factors, indicating a universal trend within the student organization context.

In summary, while celebrating the strengths identified, this research also provides valuable insights for targeted interventions and improvements, laying the groundwork for future studies aiming to refine financial literacy and managerial skills within student government organizations.

### **LIMITATION & FURTHER RESEARCH**

The sample size for this study was limited to students involved with organizations at NWU during the academic year 2022-2023. This narrow focus means that the findings may not be generalizable to student organizations at other universities or institutions. Each university may have unique organizational structures, financial practices, and budgeting processes, which could affect the applicability of these results to different settings (Fink, 2017). Future research could expand the sample to include multiple universities to enhance the generalizability of the findings.

Another limitation of this study is the reliance on descriptive correlational analysis. While this method is valuable for identifying relationships and generating hypotheses, it does not establish causation (Creswell & Creswell, 2018). To address this limitation, future studies could employ longitudinal designs or experimental approaches to examine the causative factors affecting budgeting in student organizations. This would provide more robust evidence on how various factors influence budgeting outcomes and could help identify causal relationships (Cook & Campbell, 1979).

The study also faced challenges related to the availability and reliability of the data. Many research studies on budgeting focus primarily on business organizations rather than student organizations, leaving a gap in the literature regarding the specific budgeting practices of student groups (Babbie, 2021). To fill this gap, further research is needed to explore budgeting practices within various types of student organizations. This could involve case studies or comparative analyses to understand different budgeting approaches and their effectiveness across diverse organizational contexts. Others recommendations for further research are as follows: (1) Expand the Sample Size and Scope: Future research should consider the generalizability of the findings. This could involve a multi-site study design that incorporates diverse institutional contexts. (2) Employ Longitudinal or Experimental Designs: To establish causation and better understand the dynamics influencing budgeting practices, researchers should use longitudinal studies or experimental designs. These approaches would allow for tracking changes over time and testing specific interventions or practices. (3) Address Data Gaps: Investigate budgeting practices in various student organizations to build a more comprehensive understanding of this area. Comparative studies could offer valuable insights into how different types of organizations manage their finances and the outcomes of various budgeting strategies.

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