

MIDLANDS STATE UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

**AN ANALYSIS OF THE EFFECTS OF BUDGETARY PROCESS AND CONTROL
ON PERFORMANCE OF MANUFACTURING COMPANIES. A CASE OF MEGA
PAK PVT LTD**

BY

PATRICIA Z CHIMBALAMI

R155136W

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS OF BACHELOR OF COMMERCE ACCOUNTING HONOURS
DEGREE, SUBMITTED TO MIDLANDS STATE UNIVERSITY**

GWERU: ZIMBABWE

MAY, 2018

APPROVAL FORM

The undersigned certify that they have supervised and recommended to the Midlands State University a project entitled: **An Analysis of the effects of budgetary process and control on performance of manufacturing companies. A Case of Mega Pak Private Ltd (2015-2017)**

Submitted by: **Patricia Z. Chimbami (R155136W)** in fulfillment of the requirements of Bachelor of Commerce Accounting Honours Degree.

.....

SUPERVISOR

.....

DATE

.....

CHAIRPERSON

.....

DATE

RELEASE FORM

NAME OF STUDENT: PATRICIA Z. CHIMBALAMI (R155136W)

DISSERTATION TITLE: An Analysis of the effects of budgetary process and control on performance of manufacturing companies. A Case of Mega Pak Private Ltd (2015-2017)

DEGREE TITLE: Bachelor of Commerce Accounting Honours Degree

YEAR THIS DEGREE GRANTED: 2018

Permission is hereby granted to Midlands State University Library to produce single copies of this dissertation and to lend or sell such copies for private, scholarly or scientific research purpose only. The author reserves other publication rights; no part of this project may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or any other information storage and retrieval system without the author's written permission.

PERMANENT ADDRESS: 451 Glen View 1 Extension, Harare

CONTACT NUMBER: 0774 999 519 / 0712 796 437

SIGNED:

DATE

DEDICATION

This Project is dedicated to my late father Mr S. Mudzimurema and my mother Mrs O. Mudzimurema for the inspiration. Also to the Almighty God for the strength.

ACKNOWLEDGEMENTS

Firstly, I would like to thank the Almighty God for sailing me through. Profound thanks to my dearest husband Eldon and my children Anesuishe, Aaron Tanatswanashe and Anotidaishe Samuel and friends for their moral support.

Furthermore, I would to thank My Supervisor Mr Ngirazi for the time and supervision throughout the entire dissertation. In addition, appreciation is granted to the Mega Pak family for the permission to carry out this study and their guidance and support.

ABSTRACT

The recurring adverse overhead expenditure variances between 2015 and 2017 reaching a peak of USD509 798 in 2016 at Mega Pak Pvt Ltd has triggered the researcher to analyse the effects of budgetary process and control on performance of manufacturing companies in Zimbabwe with special focus on Mega Pak Pvt Ltd. Specifically the study sought to identify the effects of budget process and control on organisational performance and to identify factors that affect the budgetary process at Mega Pak Pvt Ltd. The study also aimed at identifying the limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control. Finally, the study sought to identify ways to improve budgeting and budgetary controls at Mega Pak Pvt Ltd. The researcher used the mixed method approach to conduct the study. A questionnaire and a semi-structured interview were triangulated to collect data from participants. A sample of sixty participants was sampled using stratified random sampling and simple random sampling from a population of two hundred and eighty seven employees at Mega Pak Pvt Ltd. A response rate of questionnaires obtained was 83%. The study found out that the effects of budget process and control on performance of Mega Pak Pvt Ltd entail provision of expenditure tracking and reduction of operational costs. The researcher concluded that the top five effects of budget process and control on performance entail provision of expenditure tracking and reduction of operational costs, enhancement of performance evaluation, and effective tool for resource allocation, facilitation of business growth and promotion of goal congruence at the organization. The researcher also concluded that both internal and external factors affect the budgetary process at Mega Pak Pvt Ltd. It was also concluded that Mega Pak Pvt Ltd faced a myriad limitations that included time constraint in budget preparation, inadequate financial resources to finance budgetary process, hindering of initiative and lack of training to budget implementers. The study recommended a move to beyond budgeting, training of employees on budget preparation, process, implementation and use of advanced budgeting software.

List of Figures

Figure 3.4.1	Target Population
Figure 3.5.2	Sample framework
Figure 4.1	Response Rate of the Study
Figure 4.2.1	Gender of Respondents
Figure 4.2.2	Work Experience of the Respondents
Figure 4.2.3	Highest Educational Qualifications of Respondents
Figure 4.2.4	Positions Occupied by Respondents
Figure 4.2.5	Departments of Research Participants
Figure 4.3.1	Views of Respondents on Profit Maximisation as a Result of Budgetary Process and Control
Figure 4.3.2	Views of Respondents on Facilitation of Business Growth as a Result of Budgetary Process and Control
Figure 4.3.4	Views of Respondents on Expenditure Tracking & Cost Reduction of Budgetary Process and Control
Figure 4.3.5	Views of Respondents on Motivation as a Result of Budgetary Process and Control
Figure 4.3.6	Views of Respondents on Enhancement of Performance Evaluation as a Result of Budgetary Process and Control
Figure 4.4.1	Response of Participants on Political Environment as a Factor that affects Budgetary Process and Control
Figure 4.4.2	Response of Participants on Social Environment as a Factor that affects Budgetary Process and Control
Figure 4.4.3	Responses of Participants on Economic Environment as a Factor Affecting Budgetary Process
Figure 4.4.4	Responses of Organisational Structure as a Factor affecting Budgetary Process
Figure 4.4.5	Responses on Technology as a Factor that affects Budgetary Process and Control

Figure 4.4.6	Responses on Cultural Factor as a Force that affects Budgetary Process
Figure 4.4.7	Responses of Participants on Recruitment & Training as a Factor affecting the Budgetary Process
Figure 4.5.1	Budgeting Techniques in Use at Mega Pak Pvt Ltd
Figure 4.5.2	Responses on Whether the Budgetary Process at Mega Pak is Good or Not
Figure 4.6.1	Responses by Participants on Budgets Hindering Initiative
Figure 4.6.2	Responses of Participants on Budgets Slacking and Manipulation of Figures
Figure 4.6.3	Responses on Cost Budgets Outweighing Benefits Derived from Using it
Figure 4.6.4	Response on Budgets Favouring a Top Down Approach of Information
Figure 4.6.5	Responses of Participants on use of Estimates in Budget Makes the Information Less Reliable
Figure 4.6.6	Responses of Participants Concurred That Budgets Takes Too Much Time Preparing
Figure 4.6.7	Response on Preparation of Budgets Based Mainly on Past and not Future
Figure 4.6.8	Response on Departmental Conflicts Resulting in Some Departments Compromising and Giving Less Input to Budget Preparation
Figure 4.6.9	Results on Inadequate Funding Leading to Underfunding of the Budget Process
Figure 4.6.10	Results on Lack of Training to Budget Implementers
Figure 4.7.1	Responses on Integration of Strategic Planning and Budgets Improving Performance
Figure 4.7.2	Responses of Participants on Forecasting as a Technique to Improve Budgeting
Figure 4.7.3	Responses on Continuous Training as a Technique that Enhances Budgetary Process

Figure 4.7.4	Responses on Use of Advanced Budgeting Software as a Technique to Enhance Budgetary Process
Figure 4.7.5	Responses on Moving from Incremental Budgeting to Beyond Budgeting as a Technique to Improve Performance
Figure 4.7.6	Responses on Increased Employee Participation as a Technique to Improve Budgetary Process

LIST OF TABLES

Table 4.1	Response Rate of the Study
Table 4.2.1	Gender of Respondents
Table 4.2.2	Work Experience of Research Participants
Table 4.2.3	Highest Education Qualifications of Participants
Table 4.2.4	Strata Occupied by Respondents
Table 4.2.5	Departments of Respondents
Table 4.3.1	Response on Profit Maximisation
Table 4.3.2	Response on Business Growth
Table 4.3.4	Results on Expenditure Tracking and Reduction of Operational Costs
Table 4.3.5	Response on Motivation of Employees
Table 4.3.6	Respondents on Performance Evaluation
Table 4.3.7	Other Effects of Budgetary Process and Control on Performance of the Company
Table 4.4.1	Results on Political Environment
Table 4.4.2	Response on Social Environment
Table 4.4.3	Results on Economic Environment
Table 4.4.4	Results on Organisational Structure
Table 4.4.5	Results on Technological Environment
Table 4.4.6	Results on Organisational Culture
Table 4.4.7	Results on Organisational Recruitment and Training Process

Table 4.5.1	Responses of Participants on Budgeting Techniques in use at Mega Pak Pvt Ltd.
Table 4.5.2	Response on Participants who Ranked as Good Budgetary Process and Control.
Table 4.6.1	Results on the Budget Process Hindering Initiatives
Table 4.6.2	Results on the Budget Slacking and Manipulation of figures
Table 4.6.3	Results on the Costs of Creating the Budgets Outweighing the Benefits Derived from Using it.
Table 4.6.4	Response on Budgets Favouring a Top Down Approach of Information.
Table 4.6.5	The Response on the use of Estimates in Budgets Making the Information Less Reliable.
Table 4.6.6	Responses on Budgets Taking Too Much Time Preparing
Table 4.6.7	Responses on Preparation of Budgets Based Mainly on Past and Not Future Create a False Feeling of Planned Working
Table 4.6.8	Responses on Departmental Conflicts Resulting in Some Departments Compromising and Giving Less Input to Budget Preparation
Table 4.6.9	Response on Inadequate Financial Resources Lead to Inefficient Allocation of Resources to Departments and Underfunding of the Budgetary Process
Table 4.6.10	Response on Lack of Training to Budget Implementers
Table 4.7	Response on Techniques to Improve Budgetary Process at Mega Pak Pvt Ltd
Table 4.7.1	Results on Integration of Strategic Planning and Budget Process Improving Performance
Table 4.7.2	Results on Use of Forecasting Techniques to Improve Budgetary Process at Mega Pak Pvt Ltd
Table 4.7.3	Response of Participants on Continuous Training of Employees Techniques to Improve Budgetary Process
Table 4.7.4	Response of Participants on Implementation of the Advanced Budgeting Software as a Technique to Enhance Budgetary Process

Table 4.7.5	Response of Participants on a Move from Using Incremental Budgets (Traditional) to Beyond Budgeting (Modern) as a Technique to Improve Budgetary Process
Table 4.7.6	Response of Participants on Increased Employee Participation Improve Budgetary Process as a Technique to Improve Budgetary Process at Mega Pak Pvt

Table of Contents	Page
1.0 Chapter 1: Introduction	1
1.1 Background of the Study	1
1.2 Statement of the Problem	2
1.3 Research Objectives	2
1.4 Research Questions	2
1.5 Significance (or Importance) of the Study	3
1.6 Assumptions of the Study	3
1.7 Delamination of study	4
1.8 Limitation of the study	4
1.9 Definition of Terms	4
1.10 Summary	5
Chapter 2: Literature Review	6
2.1 Introduction	6
2.2 Theoretical Framework	6
2.2.1 Agency Theory	6
2.2.1.1 Relevance of Agency Theory to the study	7
2.2.2 Priority Based Budgeting Theory	7
2.2.3 Conceptual framework	8
2.3 The budgeting process	9
2.4 Effects of budgeting on performance of an organization.	9
2.4.1 Profit maximization	9
2.4.2 Facilitation of business growth	10

2.4.3	Provision of expenditure tracking and reduction...	10
2.4.4	Motivation of employees	11
2.4.5	Enhancement of performance evaluation	11
2.5	Factors affecting the budgetary process in the manufacturing sector	11
2.5.1	External factors	11
2.5.2	Internal factors	12
2.5.2.1	Organisational structure	12
2.5.2.2	Organisational culture	13
2.5.2.3	Recruitment and training of employees by an Organization	13
2.6	Limitations of budgetary process and control	14
2.7	Ways to improve budgetary process	15
2.7.1	Setting strategic targets	15
2.7.2	Forecasting	15
2.7.3	Human resources and training	16
2.7.4	Technology used by the organization	16
2.7.5	Improved participation of employees in the budgeting process	17
2.8	Empirical evidence	18
2.9	Research gap	21
2.10	Chapter summary	22
	Chapter 3: Research Methodology	23
3.0	Introduction	23
3.1	Research Design	23
3.2	Descriptive Research Design	24

3.3	Justification of the Design	24
3.4	Population	24
3.5.	Sampling	25
3.5.1	Sampling Technique	25
3.5.2	Sample Size	26
3.5.3	Data Sources	27
3.5.4	Primary Sources of Data	27
3.5.5	Secondary Sources of Data	28
3.6	Research Instruments	28
3.6.1	Questionnaire	28
3.6.2	Interviews	29
3.7	Data Validity and Reliability	30
3.8	Data Collection Procedures	31
3.9	Data Analysis Plan	32
3.10	Ethical Considerations	32
3.11	Chapter Summary	33
	Chapter 4: Data Presentation and Analysis	34
4.0	Introduction	34
4.1	Response rate	34
4.2	Analysis of Demographic Variables	35
4.2.1	Gender of Respondents	35
4.2.2	Work Experience of Research Participants	35

4.2.3	Highest Education Qualifications of Respondents	37
4.2.4	Position occupied by respondents	38
4.2.5	Department of the respondents	39
4.3	Effects of budgetary process and control on performance of Mega Pak Pvt Ltd	41
4.3.1	Profit maximization	41
4.3.2	Facilitation of business growth	42
4.3.4	Provision of expenditure tracking and reduction of operational costs	43
4.3.5	Motivation of employees	44
4.3.6	Enhancement of performance evaluation	46
4.3.7	Other effects of budgetary process & control on performance of the company	47
4.4	Factors influencing the budgetary process	50
4.4.1	Political environment	50
4.4.2	Social environment	51
4.4.3	Economic environment	52
4.4.4	Organisational structure	54
4.4.5	Technological environment	55
4.4.6	Organizational culture	56
4.4.7	Organisational recruitment and training process	57
4.5	Weaknesses of the budgetary process and control	59
4.5.1	Budgeting techniques in use at Mega Pak Pvt Ltd	59
4.5.2	Ranking of the overall budgetary process and control by respondents	60

at Mega Pak Pvt Ltd

4.6	Limitations of budgetary process and control at Mega Pak Pvt Ltd	62
4.6.1	The budget process hinders initiative	62
4.6.2	Budget process promotes budget slacking and manipulation of figures	63
4.6.3	The cost of creating the budgets outweighs the benefits derived from using it	64
4.6.4	Budgets favour a top down approach of information	65
4.6.5	The use of estimates in budgets makes the information less reliable	66
4.6.6	Budgets takes too much time preparing	67
4.6.7	Preparation of budgets based mainly on past and not future create a false feeling of planned working.	68
4.6.8	Departmental conflicts result in some departments compromising and giving less input to budget preparation	70
4.6.9	Inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process	71
4.6.10	Lack of training to budget implementers	73
4.7	Techniques to improve the budgetary process	74
4.7.1	Integration of strategic planning and budget process improves performance	74
4.7.2	Forecasting techniques to improve budgetary process at Mega Pak Pvt Ltd.	75
4.7.3	Continuous training of employees as a technique to improve budgetary process at Mega Pak Pvt Ltd	77
4.7.4	Implementation of the Advanced Budgeting software as a Technique to improve budgetary techniques at Mega Pak	78
4.7.5	A move from using incremental budgets (traditional) to beyond	79

budgeting (modern) as a technique to improve budgetary process at Mega Pak Pvt Ltd	
4.7.6 Increased employee participation improve budgetary process as a Technique to improve budgetary process at Mega Pak Pvt Ltd	80
4.8 Major Research Themes (Key Research Findings)	81
4.8.1 The Majority of the Respondents Concurred that the Effects of Budget Process and Control on Performance of Mega Pak Pvt Ltd	81
4.8.2 The Majority of Respondents Concurred that Factors Affecting the Budgetary process in Mega Pak Pvt Ltd	81
4.8.3 The majority of the research participants identified the following limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control	81
4.8.4 Ways which can be used to Improve Budgeting and Budgetary Controls at Mega Pak Pvt Ltd:	82
Chapter 5: Summary Conclusions and Recommendations	83
5.0 Introduction	83
5.1 Summary	83
5.2 Conclusions	86
5.3 Recommendations for study	87
5.4 Recommendations for further studies	87
References	89
Appendix 1	92

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Effective budgetary systems in an organisation can promote sustainable profits and company activities. There is need to have realistic planning of the activities of the firm taking into consideration the limiting factors and the long term objectives of the firm. In order to achieve minimum costs, budgeting as a tool of planning, monitoring and control becomes paramount. Background of the study, the statement of problem, the main research question, research objectives and sub research questions, delimitations, limitations, definition of terms and the summary is highlighted in this chapter.

1.1 Background to the Study

Management of costs and cash flows in major manufacturing firms has been managed through budgeting as tool, from the history of budgets which can be traced back to 1920 when they were first introduced Koech (2015), made a revelation During the period between 1960 and 1970 firms used budgets as a tool to direct employees. Since 1980 challenges arose as firms failed to diverge from their tight original budgets by not using unbudgeted funds to satisfy their clients hence, customer service was compromised. According to Mega Pak Pvt Ltd.'s policy requires periodical preparation of budgets from every department. However, at Mega Pak Pvt Ltd there has been a problem of diverging from Budgeted figures and actual output. Budgets facilitates coordination of several departments to work harmoniously towards achieving one common goal, motivation of employees and act as an effective managerial performance measurement tool. Notwithstanding the myriad of benefits anticipated from a properly done budget, evidence on the ground shows that Mega Pak Pvt Ltd is not realizing the budgetary control benefits as exhibited by recurring expenditure and revenue variances especially over the past three years where by the problem has been persistent. The scenario currently prevailing at Mega Pak Pvt Ltd, sends out an “out of control” signal.

In this context, budgeting benefits and its possible negative effects on attitudes and behaviours of managers on performance remains the key subjects of strategic management control systems that are being currently researched by academic scholars the world over. Virtually all large companies reforecast their forecast periodically.

1.2. Statement of the Problem.

Minimisation of budget variances becomes a crucial issue in several companies in Zimbabwe. Budget measures are pivotal to companies in the manufacturing sector because any theft, waste, excessive use or stock out could lead to the business's poor performance. Mega Pak Pvt Ltd has acknowledged that its performance is influenced by budgetary control systems. This is evidenced by recurring expenditure variances over the past three years (2015 to 2017). The problem of adverse total overhead expenditure variance was severe to reach the tune of \$509 798 in 2016 which oppose this background, raised interest of analysing effects of budgeting process and control on profitability levels of firms in the manufacturing sector with special focus on Mega Pak Pvt Ltd.

1.3 Research Objectives

Main Objective

Overally, the objective is to analyse the effects that budget process and control have on the performance of a manufacturing company

The sub-objectives to the research are:

- i. To identify the effects of budget process and control on performance of Mega Pak Pvt Ltd.
- ii. To identify factors affecting the budgetary process at Mega Pak Pvt Ltd.
- iii. To identify the limitations faced by Mega Pak Pvt Ltd in relation to budget preparation and implementation.
- iv. To identify ways to improve budgeting and budgetary controls at Mega Pak Pvt Ltd.

1.4 Research Questions

Main research question

What are the effects of the budgetary process and control on the performance of a manufacturing company?

The specific research questions of the study are:

- a) What are the effects of budgetary process and control on the performance of Mega Pak Pvt Ltd?
- b) What are the factors that affect the budgetary process at Mega Pak Pvt Ltd?
- c) What are the limitations faced by Mega Pak Pvt Ltd in budget preparation and implementation?
- d) What ways could be implemented to improve the budgetary process and control at Mega Pak Pvt Ltd?

1.5 Significance of the Study

The problem is worth investigating as this study may be beneficial to the organisation as it may use the findings to improve its profitability levels and its operational costs. The researcher gained detailed knowledge of the budgetary concepts and the relationship between budgetary control and business performance.

The university also benefitted as the research increased more reference sources in its library. The project may be used by other students who would want to research on the same research problem or related topic.

1.6 Assumptions

- The researcher assumed that the organisation would be in operation during the research period.
- The researcher assumed there would be adequate information free from errors available from staff and management for the research programme.
- The period to do the research would be short but it will be improved by way of using emails, internet and questionnaires to obtain data.
- Interviews would be fruitful since immediate response would be obtained from the interviewee.

1.7 Delimitations of the Study

Although budgeting concepts are in place in most firms in different industries, this research mainly focused on firms in the manufacturing sector in particular Mega Pak Pvt Ltd. Research data mainly covered the financial periods from 2015 to 2017. Data was obtained

from management and those involved in budgetary process at Mega Pak Pvt Ltd through interviews and questionnaires. The research focused on the analysis of budgetary process and control on performance of manufacturing companies.

1.8 Limitations of the Study

The research is conducted under the following limitations:-

- Management and staff were unwilling to cooperate or respond due to hectic schedules and confidentiality reasons. The researcher advised the respondents that their responses shall be kept private and were used exclusively for academic purposes. Benefits of the study were clearly spelt out and hence the limitation was resolved.

1.9 Definition of Terms

Budget

A budget is a financial plan for a defined period of time, usually a year. It may also include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows.

Budgetary Control

According to Brown and Howard (2015), budgetary control is a system of controlling costs which include preparation of budgets, coordinating the departments and establishing responsibility comparing the actual performance and the budgeted and acting upon the results to achieve the maximum profitability. Budgetary control is a management control system in which actual income an expenditure is compared with the budgeted to see if the organisation visions are adhered to in order to control and maintain the profitability levels of the organisation. Budgetary control enable decision making and motivation of personnel to achieve organizational goals and objectives.

Profitability

It is the ability of business to earn a profit. A profit is what is left of the revenue a business generates after it pays all the expenses directly related to the generation of revenue.

Profit

In Accordance to Barro (2008), profit is defined as a result of revue less costs. **Incremental Budgeting**

It is a traditional budgeting method whereby budget is prepared from a previous period's budget or actual performance as a basis with incremental amounts added to new budget period. Resources are allocated based upon from previous period and new budget is arrived only by incremental changes.

Acronyms and Abbreviations

- **ACCA** - **Association of Chartered Certified Accountancy**
- **LTD** - **Limited**
- **TQM** - **Total Quality Management**
- **PVT** - **Private**

1.10 Summary

This chapter presented the background to the study, statement of the problem, main research question, research objectives, sub research questions, delimitations, limitations, assumptions, definition of terms. The next chapter presents be the literature review.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents reviewed previous work in regard to budgeting and budgetary controls. The chapter commenced with theoretical framework and proceeded to cover literature that relates all the four major objectives of the study. Empirical evidence is covered in this chapter. Research gaps left by previous researchers were unearthed and how the current study has covered the gap is clearly spelt out. The chapter concludes with a summary of the literature reviewed.

2.2 Theoretical Framework

2.2.1 Agency Theory

An agency relationship is precisely defined as a contract under which one or more people (the principal(s)) engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to that agent (Koech 2015). The cornerstone of agency theory is the assumption that the interest of principals and agents diverge. However it is crucial to note that the principal can significantly reduce the divergence from his/her interest by establishing appropriate incentives for the agent, and by incurring monitoring costs designed to limit opportunistic actions by the agent. In the true world of business, managers and board of directors are agents acting on behalf of firm's stakeholders. Therefore, managers are expected to attend to the needs of stakeholders who have the power to reward and/or punish them (ACCA, 2017). In order to solve agency problems public companies hold annual general meetings. Shareholders make decisions at annual general meetings, thus limiting the power of management and board of directors. Roberta (2010) cited in Koech (2015) stated that the review and approval of firm's financial statements, discussion on dividend payments and a review and approval of the company's budget and capital expenditures are some of activities undertaken during annual general meetings.

2.2.1.1 Relevance of Agency Theory to the Study

The theory is useful to the study because by seeking to address the problem of variances, the managers (agents) will intend to reduce the conflict with shareholders (principals) who are expecting a dividend annually. The dividend is usually eroded by adverse variances and that result in scenarios where by management (agents) fails to declare dividends to the principal (shareholder) consistently but the managers continue to enjoy their huge perks every month.

2.2.2 Priority Based Budgeting Theory

The Priority-based budgeting theory was propounded by Kavanagh, Johnson and Fabian (2011) cited in Kimunguyi (2015). The theory was centred on the essentials of corporate firms on how they allocate their resources in the budgeting process. Investment of resources in order to meet corporate goals is vested in priority driven budgeting in allocation of resources in the most profitable areas of the organisation. Kimunguyi (2015) argues small to medium enterprises also adhere to budgeting process to determine priorities which need proper funding in order to facilitate accountability, efficiency and transparency.

2.2.2.1 Priority Based Budgeting Theory

This theory has a link to study under review as it explanations the budget process in the manufacturing sector of Zimbabwe. is affected by prioritization through planning and budgetary information systems that enhance transparency and accountability in budget management.

2.2.3 Conceptual Framework

Independent variables

Mediating variable

Dependent

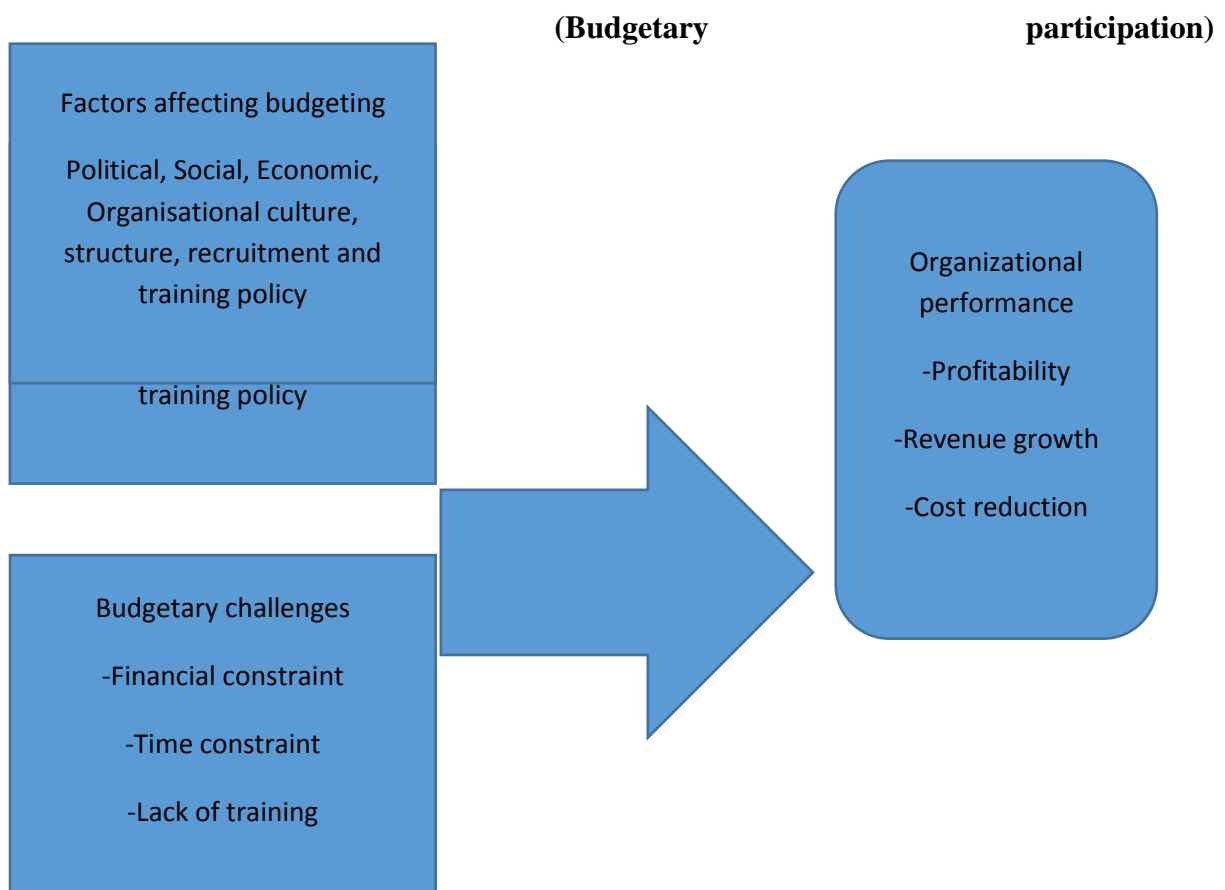


Figure 2.5 Conceptual framework for the study.

Source: Author (2018)

The researcher identified independent variable as budgetary process and control. The budgetary process and control is influenced by factors affecting the budgeting process and challenges faced by the organization due to budgeting. The factors affecting budgeting entail political, economic, social, legal, organizational structure, culture of the organization and recruitment training of workforce. The challenges faced during budgetary process and control entail inadequate financial resources, wastage of time and dysfunctional conflicts. The

dependent variable has been identified as organizational performance for the purposes of the current study. The organizational financial performance is the dependent variable. The organizational performance is measured by three major indicators that entail profitability as measured by net profit percentage, revenue growth and cost reduction. Both the independent and dependent variables were derived from a review of empirical literature indicated above.

2.3 The budgeting Process

The budgeting process is endless. It is an iterative cycle. The budgets for various functional areas are interdependent. Therefore, there is need to follow a logical process in crafting budgets of an organization to ensure that overall business objectives are achieved. The main stages of the budgeting process has been outlined by Drury (2013)

1. Communication of details of budget policy and guidelines to those people responsible for preparation of budgets.
2. Determining the principal budget factor or factor that restricts output.
3. Preparation of the sales budget.
4. Initial preparation of various budgets.
5. Negotiation of budgets with superiors.
6. Coordination and review of budgets.
7. Final acceptance of budgets.
8. Ongoing review of budgets.

2.4 Effects of Budgeting on Performance of an Organization.

2.4.1 Profit Maximization

Preetabh, (2010), cited in Adongo (2013) highlighted the benefits of budgetary control as profit maximization. The author stated that budgetary control aims at maximization of profits or an organization through, proper planning and co-ordination of different departments that entail marketing, finance, production and human resources, proper control over various capital and revenue expenditures and putting resources into best use. Coordination is achieved through working of different departments and sectors. The organization is a system. It has subsystems (departments) that need to be coordinated to work in perfect harmony towards achieving budgets of the organisations. This is achieved through effective budgeting and budgetary control (Adongo 2013). The revenue and expenditure budgets are crafted in such a way that firms in the private sector can maximize their profitability. Thus budgeting

plays a key role in improving performance of an organization as measured by profitability of the company.

2.4.2 Facilitation of Business Growth

Some players in the private sector use budgets to achieve the objective of growth in business size Assey (2014). Small firms of today are the multinational giants of the future. This is achieved through budgeting among other factors. Some companies use incremental budgeting among other techniques when preparing their sales budgets. Thus the budget is set at a level that is higher than the previous year's actual results. That results in a scenario whereby sales are increasing annually. The sales increase on an annual basis is an indicator of growth (Assey, 2014). Growth can be measured by the sales revenue. The incremental revenue results in incremental profit which is then used to create reserves for use in opening new branches. In the long run economies of scale are realized by firms that do effective budgeting (Assey, 2014).

2.4.3 Provision of Expenditure Tracking and Reduction of Operational Costs

Budgeting process involves the setting targets. The comparison of targeted or budgeted expenditure with actual expenditure enables management to detect variances. The variances can either be favourable or unfavourable. Management analyse variances of various cost categories that entail material variances, labour variances and overhead variances, therefore they are able to detect the department which has contributed significantly to losses or profitability of the organization (ACCA 2017). Corrective action is recommended to address the adverse variances. Some of the recommendations may lead to cost effective procurement (Adongo 2013). Thus in today's business environment some firms are finding it difficult to increase the top line hence has resorted to increase the bottom line through cost reduction. Effective cost reduction is achieved when departments spend amounts within budget or spend less than their budget allocations thereby releasing cash flows for other income generating projects (Drury 2013). Thus budget overruns are minimal if the budgeting process has been done properly (BPP, 2016).

2.4.4 Motivation of Employees

Human resources practitioners pointed out that the budgeting process is an effective tool that is used by companies in the true world of business to motivate employees (Kaplan 2016). Motivation of employees is achieved through allowing every member of department an

opportunity to contribute his or her ideas Assey (2014). Employees are on the ground understand better the challenges they faced that inhibits them to achieve the set budgets. This is different from a scenario where only senior management set a budget and forces employees to adhere to a budget that may be unrealistic and rigid. Such budgets impose a threat to employees and instead of imposing a challenge to the employees it may be resisted and become detrimental to the organization.

2.4.5 Enhancement of Performance Evaluation

A manager's performances are evaluated by comparing their budgeted results against actual results. That will enable the company to identify high performers and low performers. Managers who achieves favourable variances consistently are likely to be recognized through promotion such that the organization is able to utilize their skills to achieve overall organizational goals (Drury, 2013)

Having realized the several effects of budgeting on the performance of companies, the current study investigated the specific effects of budgeting on performance of Mega Pak Pvt Ltd with a view to address the research problem.

2.5 Factors Affecting the Budgetary Process in the Manufacturing Sector

Researchers and academic scholars unearthed several external and internal factors that affect the budgetary process of an entity. The external factors entail the political, economic, social, technology and legal factors. The internal factors entail firms structure, culture, employment engagement, training process within the firm .

2.5.1 External Factors

Horgren (2009) cited in Muzadzi (2014) stated that changes in the political environment such as rallies, wars, demonstrations and political campaigns and economic changes such as melt down force firms to alter budget techniques and factors are uncontrollable, therefore firms has to adopt the prevailing economic and political situation in order to survive.

Amoako et al (2008) cited in Foster(2017) opposed that political structure, economic, social changes, legal and ecological factors bears intense effect on firms as the changes are more frequently and unpredictable in today's business environment. The modern business environment is dynamic and the external factors keep changing

Anohene (2011) cited in Kazeem et al(2014) revealed that Firms alter their operations which affects the budgeting process due to external factors such as political, economic and social changes.

2.5.2 Internal Factors

2.5.2.1 Organisational Structure

According to renowned author T Lucey (2010) cited in Kaplan (2013) stated that Budgeting processes is affected by centralising and decentralising style of management. Renowned author highlighted three areas of the organizational structure that affect budgetary process either favourably or unfavourably. These areas entail complexities of the organizational structure, span of control and decision making techniques. Lucey (2010) pointed out that a decentralized organization quickly respond to changes in the operating environment as there as area managers has the autonomy to adjust their budgets to suit the prevailing local environment changes. This is different from a centralized organizational structure where everything has to be consulted with head office or senior management, thereby creating red tape and time wastes that could adversely affect the cost control of the organization. There is slow speed to make decisions if the organizational structure is centralized.

Some organizational structures are tall whilst others are flat. Tall organizational structures have a lot of bureaucracies in decision making due to the existence of several layers of management. This is different from flat organizational structure that has few layers of management such that decision making is quick thereby, instilling efficiency in budgeting process (Stimpson 2013).

The span of control can either be narrow or broad. A broad span of control is a scenario where by the manager supervises a large number of subordinates whilst a narrow span of control involves a situation whereby the manager supervises very few employees. Libby (2010) cited in Jazi (2014) pointed out that the review of work is compromised leading to problems of controlling costs and unfavourable firm results. Stimpson (2013) revealed that a small number of employees is easy to supervise, managing of costs is manageable and budget process of the firm is improved.

2.5.2.2 Organisational Culture

Lau et al (2002) cited in Muzadzi (2014) clearly and categorically stated that if an entity runs on the culture of honesty and transparency from the top management down to the subordinates the budgetary process will be free from gaming and budget slacking thereby providing the budget process of the organisation. However, those companies with senior management that lacks the qualities of integrity, transparency and honest, gaming and budget slacking are recurring issues from one year to another. The departments will proceed with budgeting process with suspicions as some divisional heads use the budgeting process to achieve their individual motives ahead of those of the organisations in light of the organizational politics at play. Budgetary figures can be manipulated in such instances (Demera, 2017).

Lucey (2010) cited by ICSAZ (2015) also weighed in saying that culture of team work and hard work entrenched in the employees promote a productive workplace behaviour such that communication between departments is enhanced thereby making coordination of the budgetary processes more easily and improves attainment of set targets and objectives.

2.5.2.3 Recruitment and Training of Employees by an Organization

The ability of employees to produce a proper budget depends on the competence, experience and qualifications of employees (Kaplan 2013). Trained employees have relevant knowledge to draft a realistic and achievable budget and they can provide better methods of preparing budgets effectively and efficiently. The results concur with the empirical findings of Lajevardi (2017) who found out that recruitment policies in Iranian automobile industry were essential aspect that recruitment strategies indicate the quality of human resources that the company owns in relation to their contribution to competent and quality products to the firm. According to Perrin, (2012), cited in Adongo (2013) if a budgetary control program is to be successful, it must have complete acceptance and support of the persons who occupy key management positions.

Having cited the several internal and external factors that affect the budgeting process locally, regionally and globally, it is crucial that the current study established the specific factors that impact on the budgeting process of Mega Pak Pvt Ltd. Mega Pak Pvt Ltd is not an island. It is therefore affected by external factors just like any other entity its budgeting process. The effect of each internal factor on the budgeting process has been established in the context of Zimbabwe, specifically in the manufacturing sector at Mega Pak Pvt Ltd.

2.6 Limitations of Budgetary Process and Control

According to the Chartered institute of chartered management accountants (CIMA, 2017), budgetary process and control is being limited/ suffered by the following;

Budgetary control is severely affected by human judgment, interpretation and evaluation. The budgetary control system makes use of forecasting which is surrounded with the risks of future uncertainties. It requires good and adequate standards and in some cases these are hard to develop at the same time, it requires skills, experience, and expenditure of time, money and effort to make this system to work successfully.

CIMA (2016) indicated that the major drawback of traditional budgetary control is that focuses primarily on expenses, paying little attention to the results obtained as the result of the expenses incurred. For instance, the marketing director may fail to cash on an opportunity to sell more products by increasing the travelling of his/her sales persons because that will lead to travel expenditure exceed the budget.

Kaplan (2016) revealed another common limitation of budgetary control which relate to the way budgets are finalised. In several companies the budgets are usually prepared on the basis of past performance rather than the future requirements. This tends to create a false feeling of planned working, when in reality the organization is only drifting along with the flow of past trends.

CIMA (2016) revealed that the budgetary process is a set in stone. Managers may be constrained by the original budget (e.g. make no attempt to spend less than maximum or exceed target income). Thus budgets promotes rigidity of management and stifles innovation and business loss potential revenue due to the need to have strict adherence to the original budget set by the organisation

Muzadzi (2014) revealed that budgetary process and control consumes a valuable resource of time. Budgetary process is time consuming process which may deflect managers from their prime responsibilities to running the business. A lot of productive time is wasted whilst departmental meets to prepare budgets. Tahy meet several times to agree on the final budget. That can result in a lot of productive time being wasted by the budgetary process and control.

The budgetary process are costly to run to implement and inefficient and the budgets take time for them to be completed and by the time they are done they will no longer be applicable

(Assey 2014) and Ioryer, (2017) agree that inadequate financial resources and lack of competent manpower /untrained workforce are some of the major challenges that impact negatively on the budgetary process and control. The lack of adequate financial resources

Having observed a myriad of limitations cited by several academic and empirical experts it is important to unpack those challenges that are specific to the manufacturing sector with focus on Mega Pak Pvt Ltd in order to address the research problem. The study has unearthed the challenges faced by Mega Pak Pvt Ltd in budgetary process and control.

2.7 Ways to Improve Budgetary Process

There a myriad of ways that can be used by organisations to improve the budgetary process. Several academic and empirical researchers has highlighted some of the common ways of improving the budgetary process. These entail setting strategic targets, providing forecasts and reports, human resources and training and technological advancements.

2.7.1 Setting Strategic Targets

Muzadzi (2014) clearly indicated the budgetary process can be improved significantly through setting strategic targets. Strategic targets cover both the short run and the long run time horizon. The ACCA (2017) body stated categorically that when setting the strategic targets the organisation have to include employees from throughout the entire company including those responsible for the firms strategic planning and those for the budgetary process. If the two sections are merged the two ramifications arising from changes in different areas are quickly identified and rectified. Thomson (2007) cited in Muzadzi (2014) strongly agreed that merging budget processes with strategic management removes the rigidity of the budgets and allows flexible planning. The ACCA (2017) body pointed out that adequate financial and human resources support from executive managers facilitate the smooth production realistic and strategic budgets. Blumetritt (2006) cited by Assey (2014) echoed similar sentiments by indicating that flexibility planning is key since it enables the shifting of resources to different activities whenever necessary. Blumetritt (2006) goes on to indicate that strategic and flexibility planning is essential for the organisations long-run viability, sustainability and value creation of the stakeholders

2.7.2 Forecasting

Skae (2013) revealed that forecasting is one of the scientific techniques that can be used by organisations to improve the budgetary process. The reason cited by Skae was that forecasts are prepared by experts who use both qualitative and quantitative techniques. Therefore, forecasts are more accurate than budgets. Forecasting provides information that is valuable for budget preparation. The use of forecasting techniques during the budgetary process is of great use in a volatile and turbulent economic or operating environment.

2.7.3 Human Resources and Training

Faraji (2013) revealed that human resources is a vital asset that plays a key role in the effective and efficient production of budgets. The author indicated that an improved budgetary process management must recruit personnel which is competent enough and qualified for those particular tasks so that fewer resources will be channelled in their training or enhancements. The organization need to source the best candidate to deliver the job in order to produce realistic or proper budgets (Wolf, 2018).

ACCA (2015) revealed that the era of modernity is characterized by dramatic environmental changes that demand the organisations to continuously learn in order to remain relevant and stay ahead of competitors. A learning organization can quickly adapt to a changing business environment due to the high flexibility of the workforce. A rapidly changing business environment means that budgets need to be quickly revised to match the current trends. That can only be achieved if there is a contentious professional development or training of employees as the environmental changes do not render the skills of the employees obsolete (ICAZ, 2017).

Poorly trained employees or untrained employees can resist the change due to fear of the unknown and is unwilling to update some of the changes into the budget due to lack of knowledge of how to dance in tune with the latest economic environmental changes (Wolf, 2017).

2.7.4 Technology Used by the Organization

ICSAZ (2015) pointed out that the processes of planning, coordinating, controlling requires an advanced and quick way of communicating decisions and information. The flexibility of the organisation significantly depends on how fast information or instructions are communicated to the people when it is needed.

Kaplan (2013) echoed similar sentiments by revealing that majority of firms in the 21st century are now moving into the integration of the budget process and strategic management and therefore technology is now paramount in order for the successful integration of the systems and for proper communication which save time and resources. Kaplan (2013) went on to highlight that the use of advanced budgeting software by large firms addresses the complexities faced by the large firms in producing a proper budget. The advanced software minimize errors and enhances the chances of producing an accurate budget.

2.7.5 Improved participation of employees in the budgeting process

Organisations can use either the top down approach to budgeting or the bottom up approach to budgeting (Oluwalope, 2017). Top down budgeting approach requires senior managers at the top of the organizational hierarchy to produce budgets and present them to employees at the lower level of the hierarchy to follow. Bottom up approach requires more input of lower level employees such that each department comes up with its own budget for presentation to senior management who will either approve or disapprove the budget. Bottom up approach to budgeting raises the morale of employees as they have a high sense of ownership and responsibility to the budget which is usually realistic or achievable (Kaplan 2016). There is a link between approach to budgeting and achievement of the budget or targets.

Having observed a relatively sizeable but not exhaustive ways of improving the budgeting process of an organization it is critical to note that the techniques can not fit like a straight jacket to all organisations in the true world of business. Some of the solutions to improve budgetary effectiveness and efficiency cited above are sound in theory but of little use in the true world of business. Therefore, it is the interest of the researcher to determine those techniques which can be used by Mega Pak Pvt Ltd to improve its budgeting process and minimize recurring adverse variances.

2.8 Empirical Evidence

Siyanbola T (2013): The Impact of Budgeting and Budgetary Control on the Performance of Manufacturing Company in Nigeria

The study revealed that budgets act as critical tools used by management to evaluate whether their goals and objectives are actualized or not. The study indicated that a properly done budget reduce significantly the occurrence of adverse variances in Nigeria. The study was carried out in Nigeria. The economic variables in Nigeria differ significantly from those of

Zimbabwe. Therefore, the current study covered the gap by establishing the effect of budgeting and budgetary control of companies in the manufacturing sector with specific reference to Mega Pak Pvt Ltd.

Maziriri E T and Mapuranga M (2017): The Impact of Management Accounting Practices (Maps) on the Business Performance of Small and Medium Enterprises within the Gauteng Province of South Africa

An empirical study on the impact of management accounting practices (Maps) on the business performance of small and medium enterprises within the Gauteng was carried out by Maziriri and Mapuranga in 2017. The study revealed that management accounting practices positively influence the performance of SMEs. The study used a simple random sampling technique to collect data from the research participants and reported some flaws associated with the empirical study. The major flaw was the use of simple random sampling technique to generate the study sample. Simple random sampling has significant chances of bias. That affects the validity of the research results of Maziriri and Mapuranga. The current study covered the gap through the use of both simple random sampling and stratified random sampling to carry out the research. Stratified random sampling ensures that all subgroups of the population of relevance are fairly represented thereby making the results more reliable fair and valid comparatively to a scenario where simple random sampling technique only was used. The study by Maziriri and Mapuranga also focused on SMEs whereas the current study focused on the manufacturing sector, thereby adding more knowledge to the existing body of literature.

Isaboke, E M (2016): An Assessment of Budgeting Process on Financial Performance of County Government of Nakuru, Kenya

The study found out that financial capacity has a significant positive influence on the financial performance of the government of Nakuru in Kenya. The study used a sample of 80 participants from a population of 5262. That represented a mere 1.52 % of the target population. Renowned researchers that entail Saunders have clearly and categorically stated that a sample that is greater than or equal to 5% of the target population is precise enough to warranty the validity of the research findings. Therefore, in the quantitative study of Isaboke (2016) a sample that is below the threshold of at least 5% triggers this researcher to challenge the validity of the study. The current study covered the gap by using a sample that exceeds the minimum threshold of 5% of the target population thereby producing valid and reliable

results. The study of Isaboke, focused on the public sector. The current research cover the gap by focusing on the private sector as variables in the public sector differ significantly from those in the private sector. The budgetary objectives of public sector are different from those of players in the private sector which are mainly profit driven.

Akeem, L.B (2017): Effects of Cost Control and Cost Reduction Techniques in Organizational Performance, Ogun State, Nigeria

An empirical study on the effect of cost control and cost reduction techniques in organizational performance was carried out in Ogun State of Nigeria in 2017. The study revealed that cost control techniques that entail budgetary control and standard costing positively influence performance of an organization and style of management has also a positive influence on the organizational performance. The study also revealed that a well-motivated workforce is an essential ingredient to the achievement of budgets set by the organization. The current study focused on several techniques that impact on organizational performance. That can adversely affect the validity of the research findings as it becomes difficult to isolate the extent to which each cost control technique impact on the organizational performance. The current study cover the gap by precisely investigating the effect of only budgeting and budgetary control on the performance of the organization.

Oluwalope, A and Sunday, O. (2017): The Impact of Budgetary Participation and Organizational Commitment on Managerial Performance in Nigeria

A study on the impact of budgetary participation and organizational Commitment on managerial performance in Nigeria was carried out by Oluwalope and Sunday in 2017. The research revealed that budgetary participation and organizational commitment positively impact on managerial performance in Nigeria. The study findings support the imperial body of positive impacts. The study consisted of several companies from the food or retail sector of Nigeria. The current study covers the gap by focusing on the manufacturing sector of Zimbabwe. Whilst several studies that relates to the relationship between budgets and organizational performance has been undertaken in Nigeria, there is less empirical evidence from the Zimbabwean perspective. Therefore, the current study covers the knowledge gap by investigating the effect of budgeting and budgetary control on the performance of manufacturing companies in the context of Zimbabwe. The current study is also a case study. A case study results are holistic and describe a unit in detail.

Ioryer, O.S (2017) A Critical Appraisal of Budgeting and Budgetary Control in the Public Sector: A Case Study of Ministry of Finance, Makurdi, Benue State

An empirical research on a critical appraisal of budgeting and budgetary control in the public sector: a case study of ministry of finance was carried out by Ioryer in Makurdi, Benue state in 2017. The key research findings of the study entail the revelation that budgeting and budgetary control in the public sector of Makurdi in Benue estate is weak and despite the effort of government, budget and budgetary control has failed because of dependence on federation account, untrained budget staff, non-adherence to budgetary control measures, corruption, inflation and political environment. The study focused on the public sector of Benue estate. The public sector of Benue estate significantly differs from the private sector of Zimbabwe. The current study covers the gap by investigating challenges faced by firms in budgetary control.

Kazeem O. F, Hakeem O. F, and Reuben O. O, (2014): Budgetary and Management Control System for Improved Efficiency in Public Sector of Nigeria

Another study on budgetary and management control system for improved efficiency in public sector of Nigeria was done by Kazeem et al (2014).The study revealed that the Nigerian budgetary reforms have been geared to achieving aggregate fiscal discipline and enhancing technical efficiency and that formal mechanism for transparency and accountability have been central to these reforms .The authors strongly recommend that diversification of public funds should be based on a scientific reckoning of actual needs of different sectors, that governing body should adopt sound accounting techniques, procedures, and robust corrective measures in the event that negative variance occurs. The other recommendation of the study was that there should be budgetary and financial discipline, while public officials should spend funds lawfully for the purposes provided by law otherwise face impeachment or dismissal and also made to bear the full brunt of the law. Whilst the solutions to address the budget deficit raised by the study of Kazeem et al(2014) are sound in practice, their applicability in the private sector need further empirical test. The current study covered the gap by determining the possible solutions that may be used by companies in the manufacturing sector to address the research problem.

Foster, A. T (2017): Budget Planning, Budget Control, Business Age, and Financial Performance in Small Businesses. Walden University. USA

Foster (2017) carried out a study on budget planning, budget control, business age, and financial performance in small businesses in United States of America against the background of over 390,000 businesses that failed in the United States in 2014 due to poor planning and budgets. The study found out that budget planning significantly predicted financial performance. The study also revealed that better planning using budgets help managers improve the financial health of their small businesses, potentially reducing business failures and job losses. Financially strong and healthy small businesses are the engines of job creation and improve the economic health of local communities as well. The study used a convenience sampling technique to address the research problem. Convenience sampling is not a reliable sampling technique due to the fact that the sample may not represent all the subgroups in the population of relevance. The study was also done in USA which is a first world country. The economic fundamentals of USA a first world economy is very different from those of a developing country like Zimbabwe. The current study cover the gap by assessing the effect of budgeting and budgetary control on the performance of companies in the manufacturing sector with special focus being on Mega Pak Pvt Ltd.

Assey, D.D. (2014): Effectiveness of Budgeting Process in Achieving Organizational Goals: A Case of Temesa, Tanzania.

The research was based on a sample of 25 elements. The study revealed that budget enables mobilization of TEMESA resources and maximizes proper utilization of resources in the adequate and correct ways and that TEMESA is facing the problem of being not having computerized budgeting software. The study indicated that the survival of effective budget enable the achievement of organization goals. The study also unearthed challenges faced by organization during the budgeting process. The key challenges faced by Temesa in Tanzania were identified as inadequate financial resources and database for improving revenue collections, lack of working capital and lack of competent and / knowledgeable manpower. The current study added more knowledge to the existing body of literature by unearthing challenges faced by Mega Pak Pvt Ltd in Zimbabwe during budgeting and budgetary control process. A sample of 25 elements is statistically regarded as a small one. Hence the reliability of the results of Assey (2014) leaves room for further research using a bigger sample. The current study covered the gap by investigating the effect of budgeting and budgetary control on organisational financial performance using a larger sample exceeding thirty elements. That assists by producing more reliable results in respect of the current research.

2.9 Research Gap

The various empirical research cited by Assey, (2014), Foster, (2017), Kazeem, Hakeem, and Reuben, (2014) and Oluwalope, and Sunday, (2017) above concurred that budgetary process and control positively affects the performance of companies operating in countries in Tanzania, USA and Nigeria. However, there is less research available on the effects of budgetary process and control on performance of manufacturing entities in the context of Zimbabwe. The researcher covered the knowledge gap by focusing on the topic with precise focus on Mega Pak Pvt Ltd thereby adding more knowledge to the existing body of literature.

2.10 Chapter Summary

The chapter has covered adequately empirical evidence, gaps left by previous researchers, theoretical framework of the study, review of literature related to objectives of the study and a conceptual framework of the study. The next chapter focus on the methodology used by the author to address the research problem.

CHAPTER THREE

RESEACH METHODOLOGY

3.0 Introduction

The chapter clearly presents an account of the research design, population, sampling techniques, sample size, data collection methods, organisation and analysis adopted in the study. Most importantly the chapter also deal with issues of data reliability and validity. Ethical considerations that were taken into account as the researcher was carrying out the study are adequately covered.

3.1 Research Design

A research design has been defined as the blueprint that enables the investigator to come up with solutions to problems and guides in the various stages of the research (Dumbu and Choga, 2013). The term has also been defined research design as systematic and scientific search for pertinent information on specific topic (Kpedo 2012, cited in Makotsa 2017).The main rational is to examine the Mega Pak Pvt Ltd for evidence of effects of budgetary process and control on business performance. Gray 2013, notes that research design is a plan used to collect, measure and analyse data. This is further complemented by renowned authors Martins et al who highlights that this is a crucial requirement for every researcher to make step by step plans to get all useful data from respondents. There multiple research designs that can be used by researchers to carry out an empirical study. These entail action research design, case study design, causal design, cohort design, cross sectional design, descriptive

design, experimental design, exploratory design, historical design, longitudinal design, meta-analysis design and observational design.

The study triangulated a descriptive research design and a case study research design in order to address the research problem at Mega Pak Pvt Ltd.

3.2 Descriptive Research Design

A descriptive research design is a design that help to provide answers as to to the questions of who, what, when, where, and how associated with a particular research problem. It is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. (California University, 2016).

3.3 Justification of the Design

A descriptive research design goes beyond data collection because it encompasses measurement, classification, analysis, comparison and interpretation of data. Descriptive research gave the researcher the opportunity to use both quantitative and qualitative data in order to address the research problem and also allows the researcher to analyse the effects of budgetary process and control in manufacturing companies specifically at Mega Pak Pvt Ltd's performance based on the responses, views, opinions and attributes of the respondents. It also narrow down a very broad field of research into one or a few easily researchable examples (Creswell 2014).

3.4 Population

Population was defined as total collection of all elements about which we make some inference. (Kamau 2017). Burns and Burns (2008) also described population as "... population of the research is its entire collection of all observations of the interest to the researcher".

The target population of this study consisted of personnel in the finance department, human resources, marketing, technical, operations and administration department of Mega Pak Pvt

Ltd. The population consists of 287 critical staff as elaborated on the Figure 3.4.1 below. The 287 staff members work at Mega Pak Pvt Ltd hence they understand well the issues to do with budgetary process, control and business performance of Mega Pak Pvt Ltd. The reason for using all the 287 employees drawn from all the six departments as target population of the study was that all departments have their functional or departmental budgets where the input of departmental employees is sought. More so in terms of actual results, every employee contributes. The actual results show performance of the organisation. Thus budgetary control come as a result of deviation between actual results and budgeted results, therefore, nearly every employee has input to the implementation of the budgets and there was need to include every organisational employee as the target population.

Figure 3.4.1 Target Population

Name of Company	Population	Top managers	Middle managers	Low level managers	Non managerial
Finance	15	2	3	1	9
Administration	9	4	1	1	3
Operations	165	4	5	10	146
Marketing	55	2	4	6	43
Technical	39	3	4	7	25
Human resources	4	1	1	1	1
	287	16	18	26	227

Source: Human resource departmental records- Mega Pak Pvt Ltd: 2018

3.5 Sampling

Leary (2004), cited in Machona (2017) defined sampling as, "...the process by which a researcher selects a sample of participants for a study from the population of interest". Sampling was used in order to trim down the population and give respondents opportunity to answer specific questions. This is a practical method of selecting few relevant respondents to answer the given questions because it is costly to interview all staff at Mega Pak Pvt Ltd. The sample chosen of staff from the six departments of Mega Pak Pvt Ltd reflects the personnel who has input on budgetary process and control and it is reflective on the population.

3.5.1 Sampling Technique

Sampling technique refers to the name of the specific process by which the elements of the sample have been selected in a study (OECD 2015). There are probability and non-probability sampling techniques. Probability sampling techniques entail simple random sampling, stratified random sampling, systematic random sampling, cluster sampling and multistage random sampling. Non probability sampling entail convenience sampling, haphazard sampling, purposive sampling, expert sampling, heterogeneity sampling, modal instance sampling, quota sampling and snowball sampling. (Stephanie 2015).

The study triangulated stratified random sampling and simple random sampling to address the research problem. Stratified sampling is defined as a type of sampling method in which the total population is divided into smaller groups or strata to complete the sampling process (Stephanie 2015). Stratified random sampling entails dividing the targeted population into subpopulations and then applies random sampling technique to come out with the desired sample (Machona, 2017). Stratified sampling was used to ensure that the different views, knowledge and experience regarding effects of budgetary process and control was gathered from management team and from the non-managerial staff as well in order to effectively address the research problem. The justification by the researcher for using stratified random sampling was that the technique is credited for ensuring that all the specific subgroups in the target population are fairly represented by the sample. The risk of either overrepresentation or underrepresentation of certain groups was significantly reduced by the use of stratified simple random sampling. The strata identified included management staff and non-managerial staff drawn from all the six departments shown in figure 3.4.1. The use of a sample drawn from all departments was justified because every department play a pivotal role in the production of budgets. Hence, all departmental members were regarded as key informants for this research.

Simple random sampling was ultimately used to draw the final sample of participants from each subgroup of the population as shown in Figure 3.5.2. Simple random sampling is a sampling technique whereby every observation in a population has an equal chance of being selected as a member of the final sample (OECD 2015). The selection of sample through simple random sampling technique is free from personal bias as the researcher does not at any point exercise his or her discretion of preference in choosing the elements or research subjects. The use of simple random sampling in selecting the final sample ensured that every element of the target population had an equal chance of being selected. That minimised sample selection bias thereby improving the reliability and validity of the research findings.

3.5.2 Sample Size

The researcher used a sample size of sixty participants. That represented a sample size of 21 % of the targeted population. Cooper and Schindler (2003) cited in Bonyongwe (2018) indicated that a sample size that exceeds 5 % of the desired population is sufficient to warrant the validity of the research findings. Therefore, the use a sample size of twenty one percent of the targeted population improved significantly the reliability and validity of the research findings. The sample was chosen from participants that directly or indirectly participate in the production of budgets, involved in budgetary control and involved in the day to day operations that ultimately lead to realisation of budgetary goals at Mega Pak Pvt Ltd. The sample selection was 12 managers from all the departments and 48 non managerial staff members drawn from the six departments at Mega Pak Pvt Ltd. The detailed breakdown of the sample selected is shown in figure 3.5.2 below

Figure 3.5.2 Sampling Framework

		No. of Members	Top Managers	Middle Manager	Low level Managers	Non Managerial
Population	Finance	15	2	3	1	9
Sample	Finance	3	0	1	0	2
Population	Administration	9	4	1	1	3
Sample	Administration	2	1	0	0	1
Population	Operations	165	4	5	10	146
Sample	Operations	34	1	1	2	30
Population	Marketing	55	2	4	6	43
Sample	Marketing	12	1	1	1	9
Population	Technical	39	3	4	7	25
Sample	Technical	8	1	1	1	5
Population	Human resources	4	1	1	1	1
Sample	Human resources	1	0	0	0	0
Overall population		287	16	18	26	227

Overall sample		60	3	4	5	48
Representation		21%	19%	22%	19%	21%

Source: Author: 2018

3.5.3 Data Sources

Both primary and secondary sources were used to carry out the study. Primary data is “new” data and or first-hand information that the researcher obtains from her own study.

3.5.4 Primary Sources of Data

The researcher triangulated two research instruments that is a questionnaire and interviews to collect primary data from the research subjects. Triangulation enables one instrument`s strength to cover for another instrument`s weakness. That consequently improves the reliability and validity of the research findings. Primary data refers to data originated by the researcher specifically for the purpose of the investigation at hand. Primary data on effects of budget process and control on company performance, factors affecting the budgetary process , limitations faced in relation to the budgetary process and budgetary control and ways to improve budgeting and budgetary controls at Mega Pak Pvt Ltd was captured directly from the research participants. Primary data on demographic variables of the research participants was also gathered. The use of primary data was justified because it enabled the researcher to obtain answers directly from research participants applicable to the research problem at hand.

3.5.5 Secondary Sources of Data

Secondary data precisely refers to statistics not gathered for the immediate study at hand, but for some other purpose (Jazi 2014). Secondary data was used from academic journals, textbooks, previous empirical research findings, internet and working papers for validation of the primary research findings. The secondary data was readily available hence it was cost effective to gather secondary data. The researcher used secondary data for identifying knowledge gaps left by previous researchers and identifying how the current study fit into the existing body of literature. Secondary data also helped the researcher in designing the questionnaire, as questions of previous authors on effects of budgetary process and controls on company performance were used to address the current research problem. Secondary data was also used in building up background to the research problem. Thus secondary data regarding the history of budgets was gathered and used in the study.

3.6 Research Instruments

Research instruments are tools or devices used by the researcher to collect data from the research participants in order to address the research problem (Creswell 2014). These entail questionnaires, interviews, content analysis, focus groups, observation and video cameras. For the purposes of the current study a questionnaire and interviews were selected as right research instruments to collect data from the research participants.

3.6.1 Questionnaire

The questionnaire was employed as a primary research instrument for carrying out the study. Sixty questionnaires were prepared and hand delivered to the targeted sample at Mega Pak Pvt Ltd. The questionnaire consisted of nine questions. The questionnaire had two sections. Section A covered demographic details of research participants. Section B covers on identification of the effects of budget process and control on performance of Mega Pak Pvt Ltd, factors affecting the budgetary process in Mega Pak Pvt Ltd, on the limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control and ways to improve budgetary process and controls in Mega Pak Pvt Ltd. Thus Section B was prepared based on the research objectives of the current study. That increased the validity of the research findings as the instrument design produce a valid research instrument. The questionnaire was used because it enabled the researcher to gather data from a large population in a short space of time comparatively to other research instruments. The used questionnaire was standardized and validated, hence the work of the researcher was directly comparable to work of previous empirical researchers. The researcher also used questionnaires because it enables the respondents to remain anonymous therefore they were honest in disclosing their views.

Data collected through questionnaires is generally standardized and avoids bias by the investigator. Respondents were given enough time to complete the questions at their own spare times. The researcher pre-tested the questions to ensure that the instrument is valid and reliable. The pretested questionnaire was then delivered by hand to the sixty respondents.

The researcher included both open ended and closed questionnaires. Open ended questions enabled the researcher to understand the reasons for agreeing or disagreeing with several budgetary control, process, business performance, limitations and factors affecting the budgeting process matters on the questionnaire. Closed ended questions were easy to code,

analyse and interpret. A five point Likert scale was also employed because of its simplicity and its favourable response rate from respondents. The used questionnaire is attached in appendice 1.

The researcher also conveniently used the questionnaire because the method was cheaper and quicker to administer (Cooper and Schindler 2007 cited in Kamau, 2017).

3.6.2 Interviews

Interviews are the backbone of case studies (Bonyongwe, 2017). Interviews refer to the collection of data by asking questions. There are four main types of interviews that entail structured interview, semi-structured interview, in-depth interview, and focused group discussion. A semi structured interview was conducted by the researcher to obtain first-hand information from the finance director and Operations manager at Mega Pak Pvt Ltd. Semi-structured interviews basically involve a number of planned questions, but the interviewer has more freedom to modify the wording and order of questions. The researcher was able to exchange ideas and views with the respondent face to face and had the opportunity to probe issues that required clarification and explanations. The researcher used a semi structured interview to obtain answers to the research questions. The researcher prepared the questions ahead of time. That increased the competence of the researcher during the interview. The semi structured interviews allowed the participants the freedom to express their views in their own terms. It was a two way communication. The interviewees were asking questions to the researcher for clarity and the author articulated well the grey issues. The semi structured interview complemented the main research instrument (questionnaire) used in carrying out the research. Thus the interviews strengths covered for the weakness of the questionnaire. The interview schedule used was based on the research objectives .The researcher also used the interviews to probe reasons for certain responses revealed by participants on the questionnaire. The interview schedule used is attached in appendice 3

3.7 Data Validity and Reliability

Reliability precisely means the consistency, stability and repeatability of results. That means the result of a researcher is considered reliable if consistent results have been obtained in identical situations but different circumstances (Twycross and Shields, 2004 , cited in Bonyongwe 2017) .On the other hand validity refers the extent to which any measuring

instrument measures what it is intended to measure (Creswell, 2014). It is vital to note that it's possible for a measurement to be reliable but invalid. However, if a measurement is unreliable, then it cannot be valid (Thatcher, 2010 cited in Creswell 2014)

Data was organised for processing into information. The researcher used the construct validity approach to ensure the validity of the current research in that questions used were compared to existing instruments used in the similar studies by well-established theories and business models. The researcher conducted probing and detailed analysis of the outcomes to confirm facts and opinions. There were also clear instances where there was contradictory data from related questions. In order to address that contradiction, the researcher did a thorough analysis of the outcomes to clarify contradictions in order to ensure consistency.

The researcher used triangulation to improve the reliability and validity of the research findings. Triangulation involves the use of more than one research instrument to collect data from the research participants. Thus weaknesses of the questionnaire were covered by employment of interviews as additional research instrument. The researcher used interviews to verify the reliability and validity of questionnaire responses.

The use of a pretested questionnaire improved significantly the reliability and validity of the research findings. A draft questionnaire was sent to four respondents drawn as one senior manager, one middle manager, one low level manager and one non managerial employee. The four respondents completed the pilot questionnaire and put forward their comments on the language used, structure of the questions, length of the questions, and ambiguity of the questions and forwarded the completed questionnaires to the researcher. The researcher made refinements to the questionnaire by addressing concerns of pilot survey participants. The pilot test assisted the researcher in identifying flaws in the questionnaire. The flaws were solved by the researcher. Simple and straight forward language was used in questionnaires sent to respondents for them to be understandable. The pilot test also assisted the researcher to measure the average time required to complete the questionnaire. The writer was able to test face and content validity through the pilot survey. The refined questionnaire was sent to the final sample of respondents.

3.8 Data Collection Procedures

Data collection has been concisely defined as the precise and systematic gathering of information relevant to the research problem(s) using one or more data collection

instrument(s) (Burns & Grove, 2010 cited in Kamau, 2017). Data collection procedures refer to the channel used by the researcher to collect data from the research participants. These entail interview, telephone, postal/email survey, drop and pick method and focus group discussions. Each data collection procedure has its own merits and demerits. In light of the need to meet the research deadline, the researcher hired two research assistants to physically distribute the questionnaire and collect the collected questionnaire within a week. The research assistants were fully trained on how and to whom to administer the questionnaires to the respondents. The drop and pick method was used for data collection in respect of the current study. The researcher made follow ups to ensure objectivity. The follow up also were also advantageous because it increased the response rate because those who had not yet completed the questionnaire were reminded and ultimately completed the questionnaires.

3.9 Data Analysis Plan

Data analysis has been defined by renowned authors (Saunders, Lewis and Thornbill (2009), cited in Kamau, 2017) as the systematic processing of data to make meaningful information after quantitative data is collected through questionnaires. Data collected from research participants was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keying into Microsoft Excel computer software for analysis. Microsoft Excel package was used to produce frequencies, descriptive and inferential statistics which were used to derive conclusions and generalizations regarding the population of the current study in a bid to address the research problem.

The researcher screened questionnaire and interview responses for anomalies. The questions were coded with numbers assigned to each question. Open-ended questions were summarised. The data was presented in a logical and organised form using statistical measures that entail bar graphs, pie charts, area charts, frequency tables and graphical presentations to increase visual impact of the study.

3.10 Ethical Considerations

The author respected respondents' anonymity, privacy and confidentiality in undertaking the study. Anonymity is protected when the subject's identity cannot be linked with personal responses. Mantzorou (2011) cited in ACCA (2018) revealed that confidentiality means that individuals are free to give and withhold as much information as they wish to the person they choose. "Privacy is defined as the freedom an individual has to determine the time, extent,

and general circumstances under which private information will be shared with or withheld from others. Mantzourou (2011) cited in ACCA (2018) believes that an invasion of privacy happens when private information such as beliefs, attitudes, opinions and records, is shared with others, without the research participant's knowledge or consent.

Every person is entitled to privacy and confidentiality both on ethical and legal grounds. The author requested respondents not to provide their names on the questionnaire. Therefore, the questionnaire respondents remained anonymous to protect their anonymity, privacy and confidentiality. The study upheld the principle of anonymity, privacy and confidentiality. The respondents were also assured that their responses shall not be distributed anywhere and shall be used exclusively for academic purposes. That boosted confidence of respondents in providing honest, reliable and valid responses.

There was free and informed consent in undertaking the study. Informed consent means that a person knowingly, voluntarily and intelligently, and in a clear and manifest way, gives his or her consent (ACCA, 2018).The researcher also clearly advised respondents that they were free to withdraw from the research at any given time without giving reasons to the researcher. Thus, all respondents participated voluntarily in the research exercise. There was absolute voluntary participation. The benefits and drawbacks that directly affected the participants were clearly and accurately highlighted to respondents before commencement of questionnaire completion.

3.11 Chapter Summary

The chapter covered the research methodology used in addressing the research problem. It also covered research design, population, sampling techniques, research instruments, reliability, validity and ethical considerations. The next chapter will comprehensively cover data presentation and analysis of the results obtained from the research participants.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

The chapter presents data collected from research participants and a detailed analysis of the data in order to address the research problem raised in chapter one. Each question was analysed individually. Tables, bar charts, pie charts and area charts were used to show the results collected from the research participants. The results were checked for consistency with empirical and academic literature cited in chapter two.

4.1 Response Rate

Questionnaire Response Rate

The researcher collected fifty questionnaires out of the sixty questionnaires dispatched to respondents. That represented an overwhelming response rate of 83%. Saunders (2009) argued that a response rate in excess of 50% is enough to warranty the validity of the research

findings. Therefore, the study findings are valid. The pie chart shown in figure 4.1 and table 4.1 below show the response rate.

	Responses	Non responses	Total
Frequency	50	10	60
Valid percentage (%)	83	17	100

Table 4.1 showing the response rate

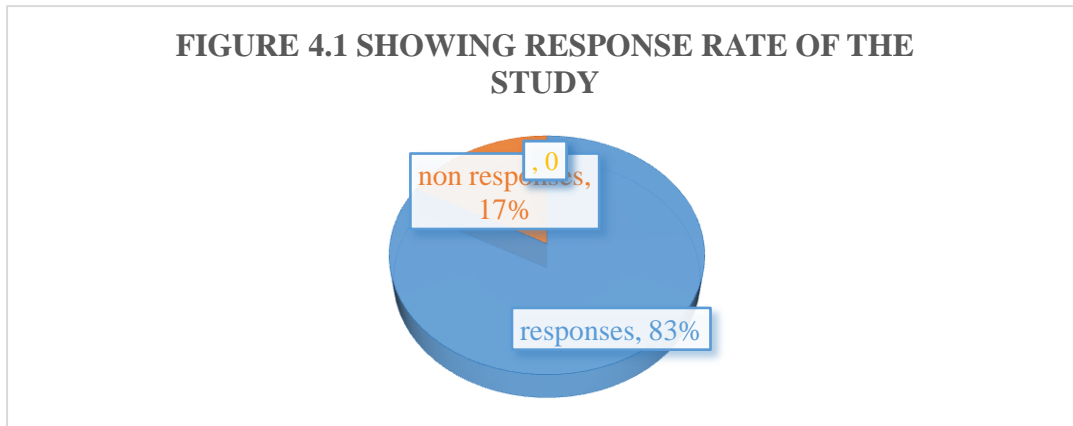


Figure 4.1 Pie chart showing the response rate

Source: Survey results (2018)

4.2 Analysis of Demographic Variables

	Male	Female	Total
Frequency	30	20	50
Valid percentage (%)	60	40	100

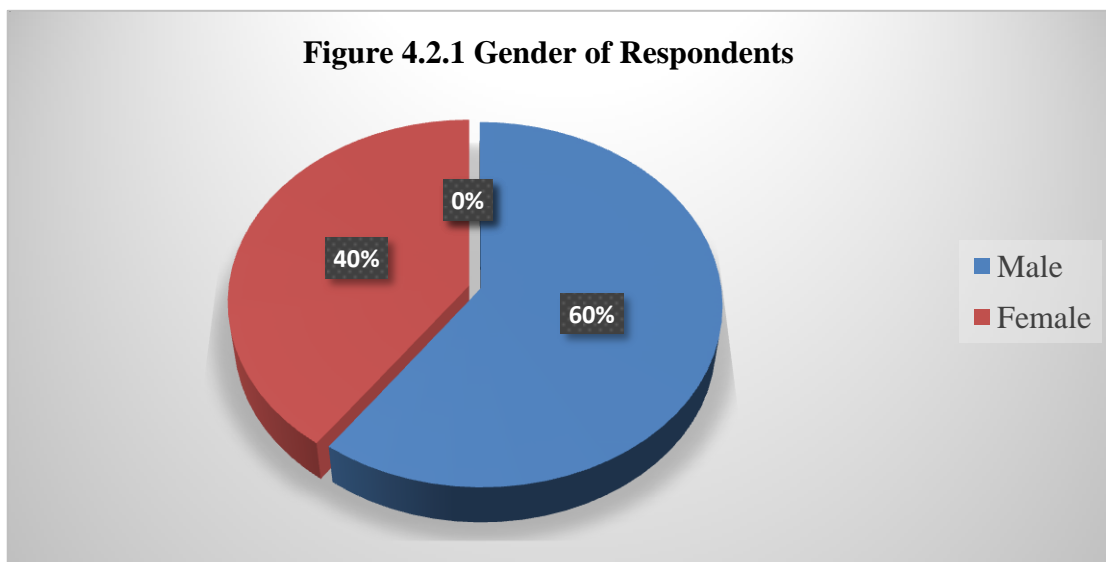


Table 4.2.1 Gender of respondents

Figure 4.2.1 Pie chart showing gender of respondents

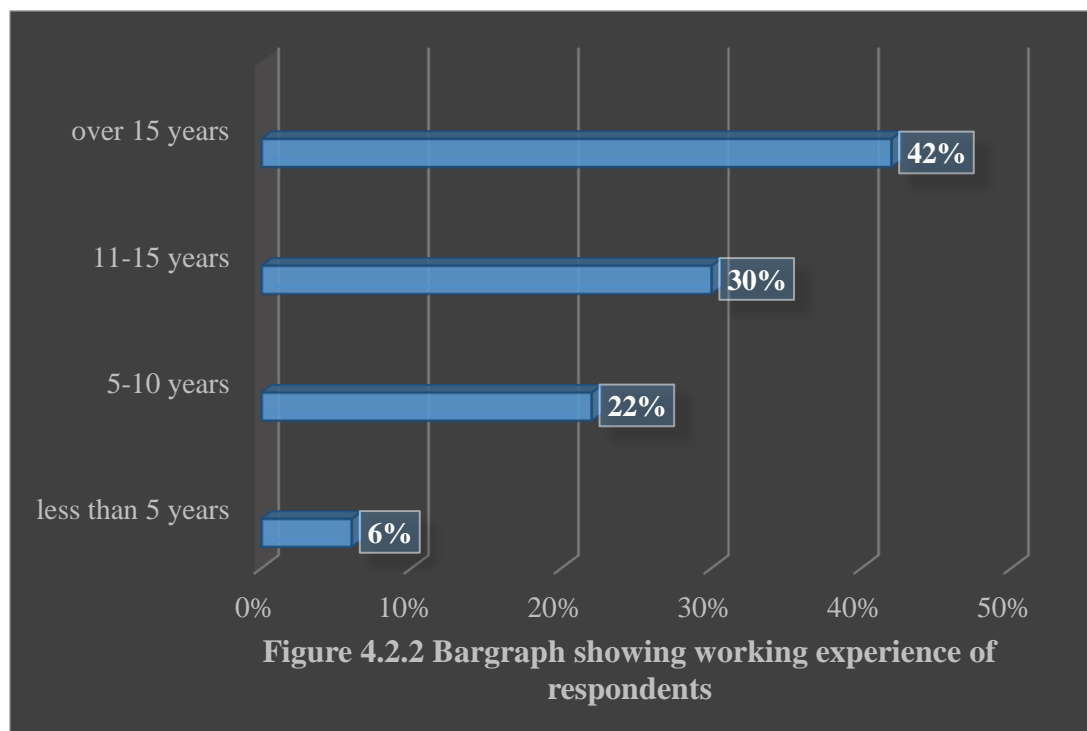
Source: Survey results (2018)

From Pie chart in figure 4.2.1, 60% of the respondents were male and 40% of the participants were female. The results show that Mega Pak Pvt Ltd is a male dominated environment. This is due to the fact that most of the production processes are masculine and most of the male work in the factory. The results are important for the current study because they clearly show that views of both male and female were captured in addressing the researcher problem. Thus the results do not have gender bias as signified by participation of both male and female in the study.

4.2.2 Work Experience of Research Participants

Experience in years	Frequency	Valid percentage
Over 15	21	42
11-15	15	30
5-10	11	22
Below 5	3	6
	50	100

Table 4.2.2 Showing work experience of participants



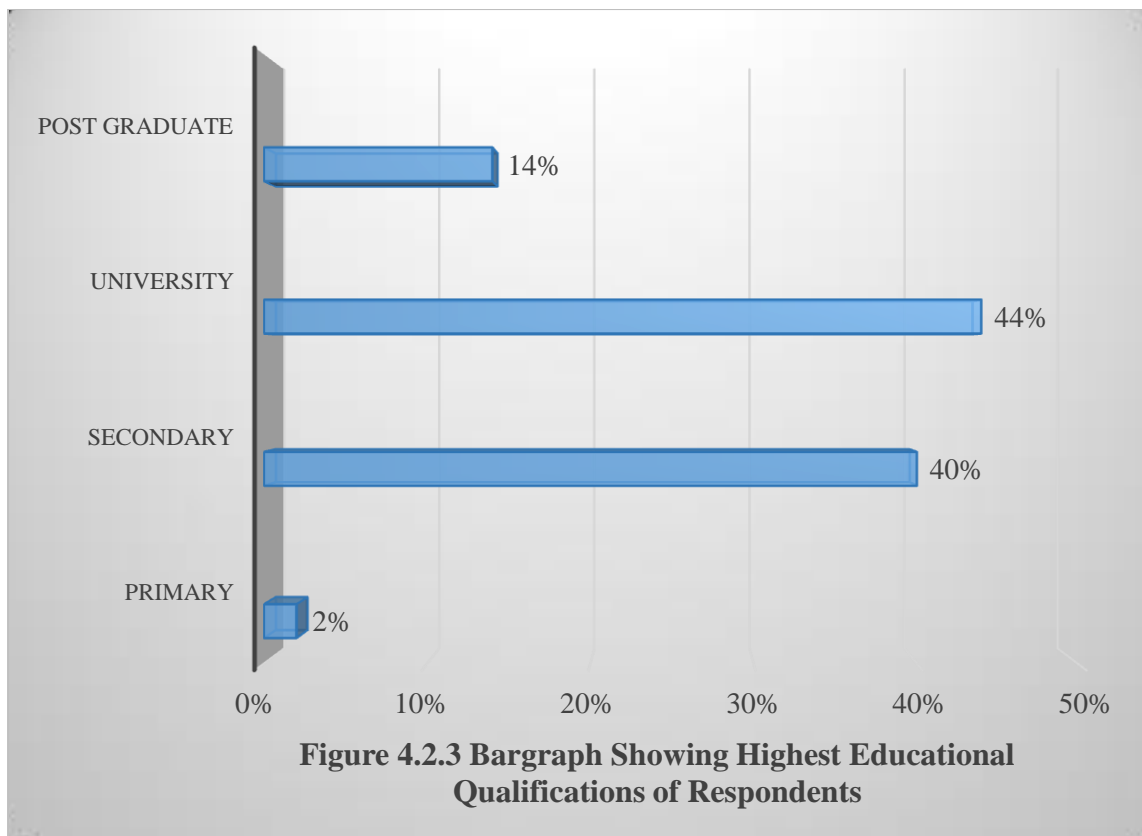
Source: Survey results (2018)

From Figure 4.2.2 Bar chart show that 6% of the research participants had less than 5 years working experience at Mega Pak Pvt Ltd. The results also indicate that 22% of the research participants had between 5 and 10 years. The range of 11 to 15 years work experience had 30% of the research participants. The last category of over 15 years work experience had 42% participants. The results show that the majority of the research participants were had been working in the organization for a considerable number of years. The results are important because they show that the researcher gathered responses to the research problem from well experienced employees. Hence the chances of obtaining reliable and valid responses was enhanced as majority of the employees had been witnessing and participating in budgets process and implementation at Mega Pak Pvt Ltd.

4.2.3 Highest Education Qualifications of Respondents

Highest qualification	Frequency	Valid percentage
Post graduate	7	14
University	22	44
Secondary	20	40
Primary	1	2
	50	100

Table 4.2.3 showing results on highest educational qualifications of participants



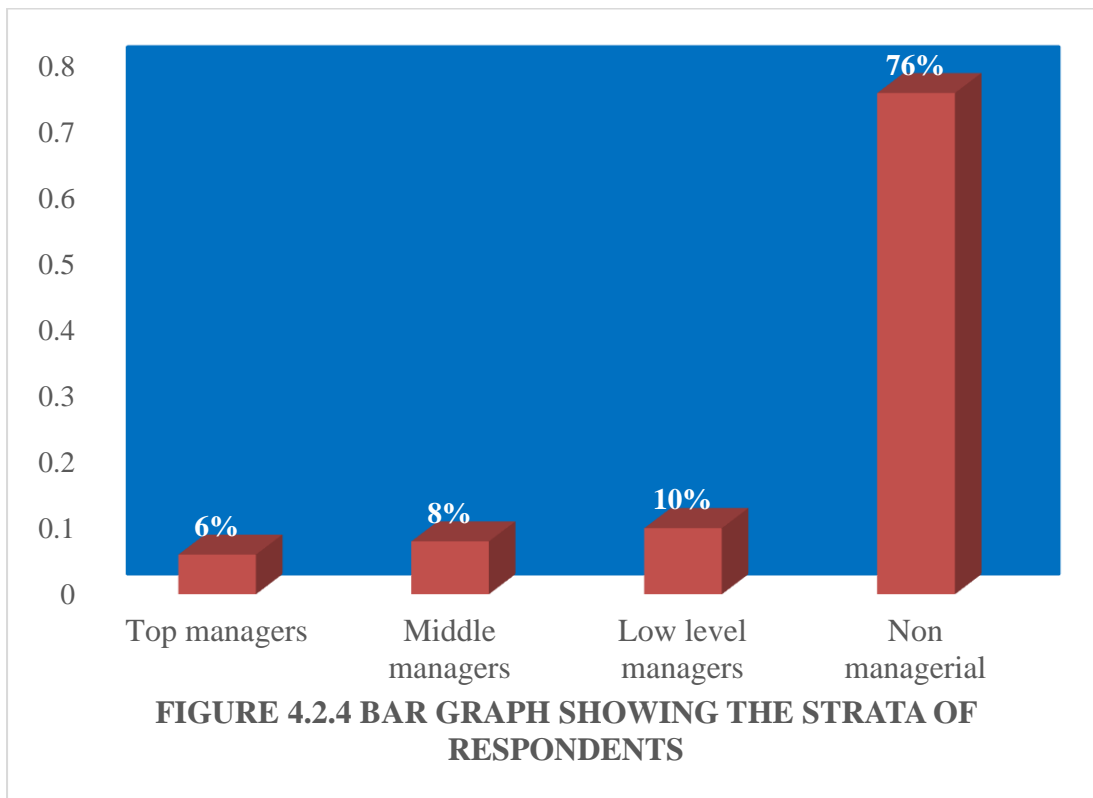
Source: survey results (2018)

The bar chart in figure 4.2.3 above show that a mere 2% of the respondents had primary education as their highest educational qualification. The graph also depicts that 40%, 44% and 14% of the respondents had secondary, university and postgraduate qualifications respectively as their highest educational qualifications. The results indicate that the majority of the employees are degree holders at Mega Pak Pvt Ltd. The results also show that all respondents were well educated to articulate issues raised in the questionnaire. Another significance of the result was that the educated respondents were qualified enough to understand clearly the subject of budgetary process and control, challenges faced and possible remedies in order to address the research problem. Thus the researcher obtained valid responses from the highly qualified respondents.

4.2.4 Position Occupied by Respondents

Table 4.2.4 Strata Occupied by Respondents

Strata	Frequency	Valid percentage
Top managers	3	6
Middle managers	4	8
Low level managers	5	10
Non managerial staff	38	76
Total	50	100



Source: Primary data (2018)

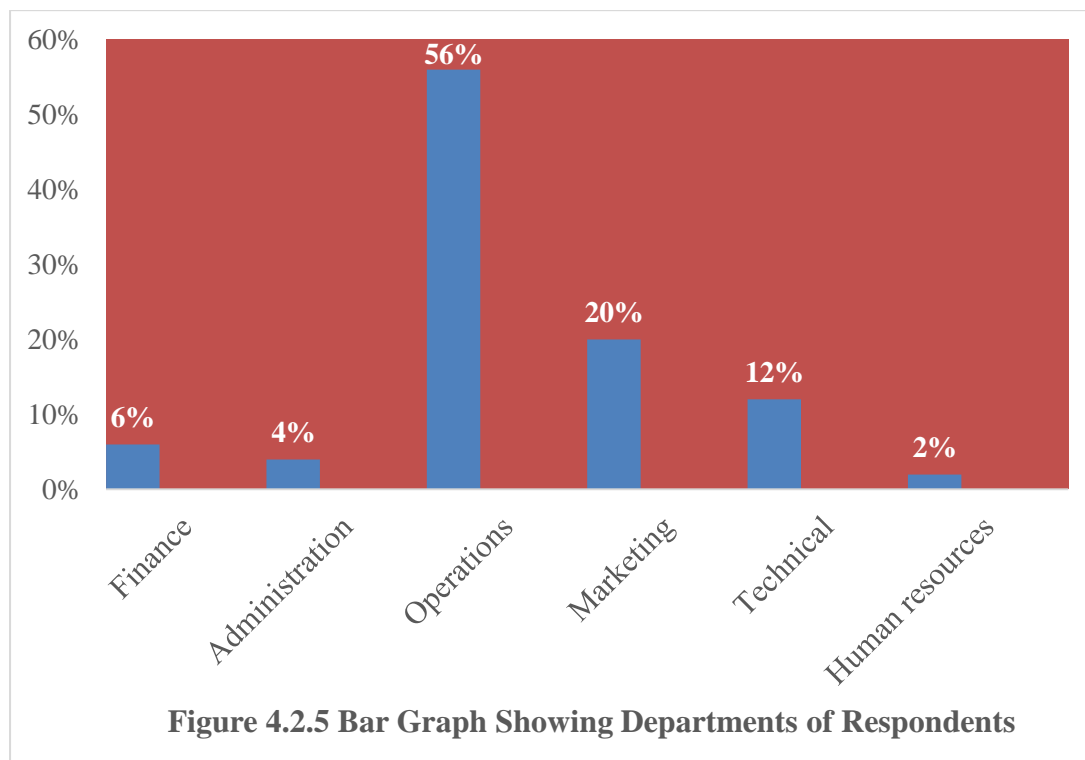
Figure 4.2.4 shows an overwhelming response of 6% senior managers, 8% middle managers, 10% low level managers and 76% non-managerial staff in a bid to address the research problem. The results show that most of the employees at Mega Pak Pvt Ltd are non-managerial staff and that was in line with the human resources department population records of Mega Pak Pvt Ltd shown in chapter three. Thus the research has captured the views of all the four strata shown by the company's organogram. The views of both management and non-management as far as budget process, control, implementation challenges were all covered from an operational, tactical and strategic view / dimensions. That assisted

substantially in addressing the research problem. The participation by all groups of employees in the organization enhances validity and reliability of the research findings in line with Saunders (2009) sentiments that stratified sampling ensures more valid responses are captured from all subgroups of the target population.

4.2.5 Department of the Respondents

Department	Frequency	Valid percentage
Finance	3	6
Administration	2	4
Operations	28	56
Marketing	10	20
Technical	6	12
Human resources	1	2
	50	100

Table 4.2.5 showing departments of respondents



Source: Primary data (2018)

Figure 4.2.5 Bar graph show that 56% of the research participants were working in the operations department of Mega Pak Pvt Ltd. The graph also exhibit that 20% of the research participants were working in the Marketing department. Twelve percent of the research participant were from the technical department. Six percent of the research participants were from the finance department. Four percent of the research participants were from the Administration department. A mere two percent of the research participants were from the human resources department. The results show that majority of the respondents were from the operations department. This fairly represent the target population as indicated by the 2018 human resources records which show that the operations department was the largest department at Mega Pak Pvt Ltd.

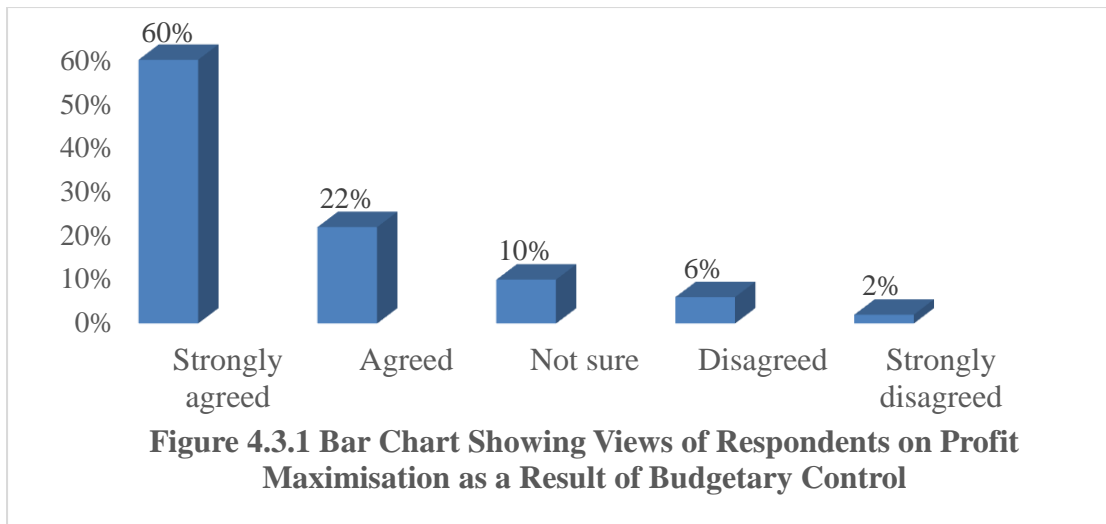
The results are important because it is the operations department’s main input that contributes to recurring adverse variances, hence the need to understand challenges faced in implementing of the budgets was critical from employees at the operation point. The results are also important because they show that all departments participated in the survey. Therefore views and opinions of all departments at Mega Pak Pvt Ltd were captured in order to address the research problem.

4.3 EFFECTS OF BUDGETARY PROCESS AND CONTROL ON PERFORMANCE OF MEGA PAK PRIVATE LTD

4.3.1 Profit Maximization

Response	Frequency	Valid percentage (%)
Strongly agreed	30	60
Agreed	11	22
Not sure	5	10
Disagreed	3	6
Strongly disagreed	1	2
Total	50	100

Table 4.3.1 showing response on profit maximization.



Source: survey results (2018)

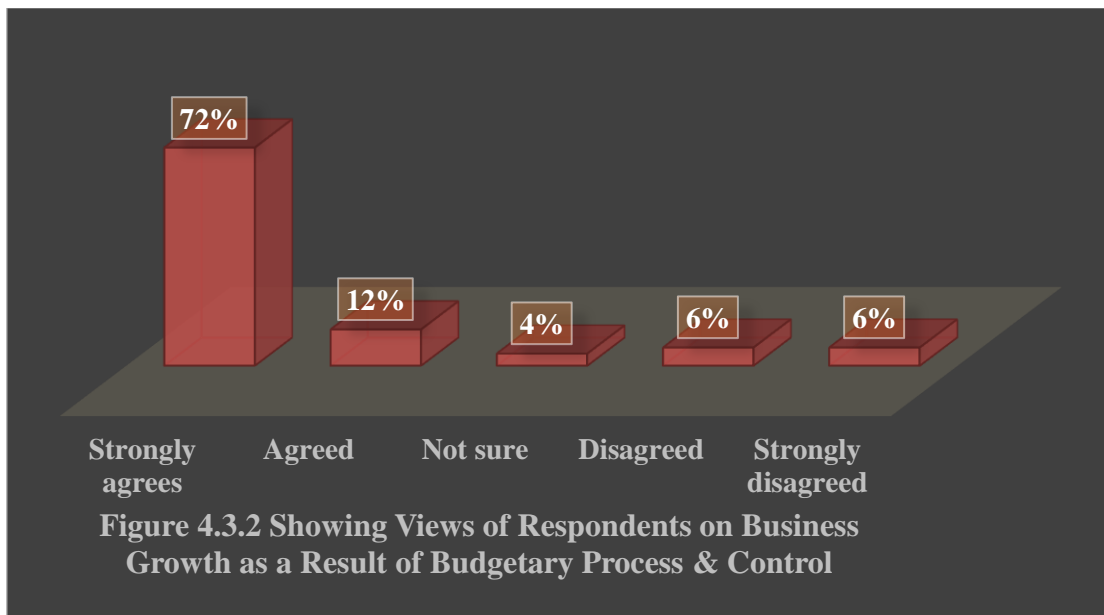
An overall 82 % (41/50) percent of the research participants agreed that profit maximization is a result of budgetary process and control. Ten percent (5/50) of the research participants were not sure if profit maximization is a result of budgetary process and control. However only eight percent (4/50) of the research participants objected that profit maximization is a result of budgetary process and control.

The results show that the majority of the respondents concurred that profit maximization is a brain child of effective budgetary process and control. Respondents indicated that adverse expenditure variances are addressed through effective budgetary control as recommendations to address the deviations are always made regularly. The results concur with the findings of Siyanbola, (2013) who revealed that a properly done budget reduce the problem of adverse variances thereby improving profitability of the organization.

4.3.2 Facilitation of Business Growth

Response	Frequency	Valid percentage (%)
Strongly agreed	36	72
Agreed	6	12
Not sure	2	4
Disagreed	3	6
Strongly disagreed	3	6
Total	50	100

Table 4.3.2 showing response on business growth



Source: Survey results (2018)

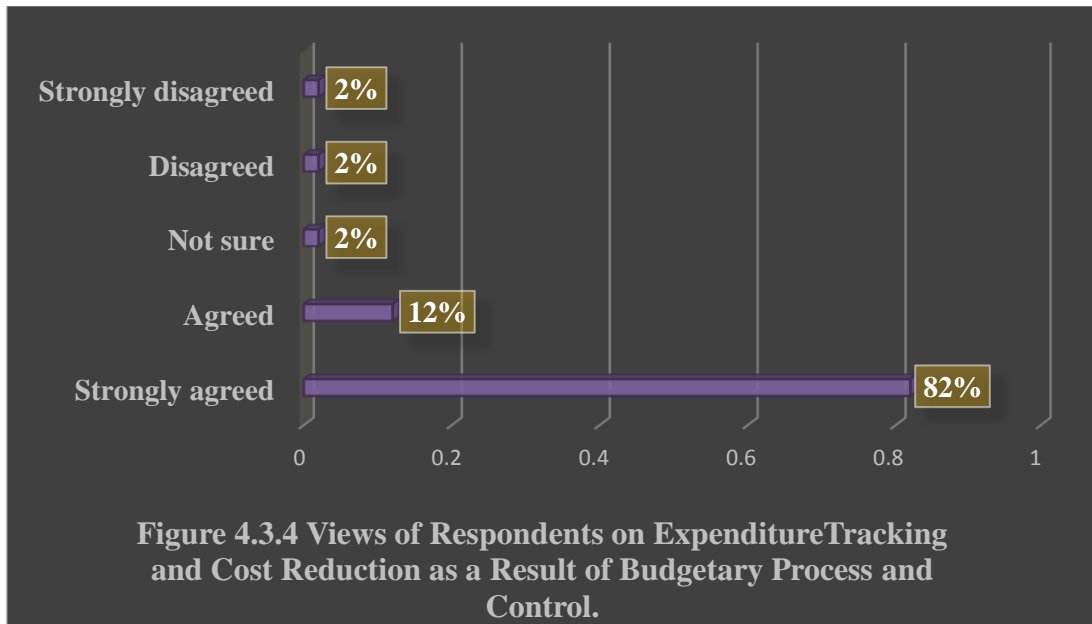
The bar graph 4.3.2 above show that 84 % (42/50) of the respondents agreed that budgetary process and control facilitates business growth. Four percent (2/50) of the respondents were not sure if budgetary process and control facilitates business growth. Twelve percent (6/50) of the respondents disputed that budgetary process and control facilitates business growth.

The results show that majority of the respondents concurred that budgetary process and control is an essential ingredient to business expansion motive. Thus corporate objectives of expanding business are covered in the budgeting process of the organization. The results are consistent with the findings of Assey, (2014) who revealed that survival of effective budget enable the achievement of organization goals that entail improvement of shareholder value.

4.3.4 Provision of Expenditure Tracking and Reduction of Operational Costs

Response	Frequency	Valid percentage (%)
Strongly agreed	41	82
Agreed	6	12
Not sure	1	2
Disagreed	1	2
Strongly disagreed	1	2
Total	50	100

Table 4.3.4 showing results on expenditure tracking and reduction of operational costs.



Source: Primary data (2018)

Ninety four percent (47/50) of the research participants concurred that budgetary process and control leads to expenditure tracking and reduction of operational costs. Only one research participant was not sure if budgetary process and control leads to expenditure tracking and reduction of operational costs. Four percent (4/50) of the research participants disagreed that budgetary process and control leads to expenditure tracking and reduction of operational costs.

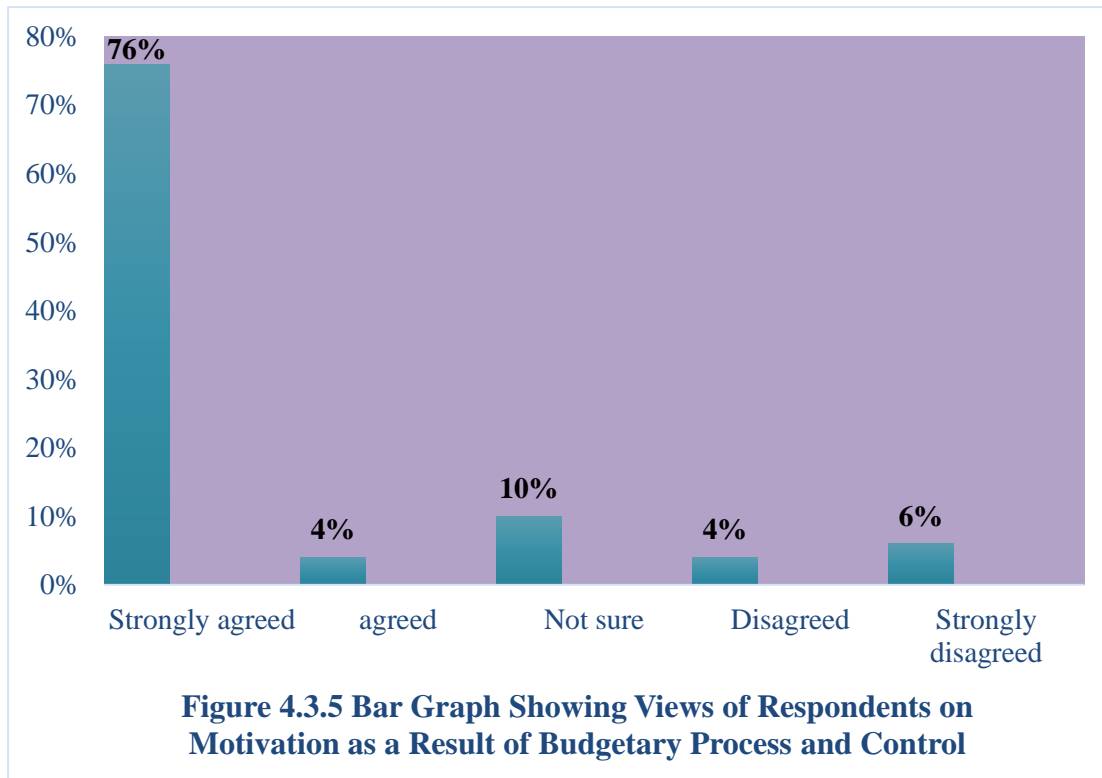
The results show that majority of the respondents agreed that businesses are able to track expenditure and reduce operational costs. Respondents indicated that adverse expenditure variances are identified through budgetary control and recommendations are made by management to address the variances in future periods thereby resulting in effective cost reduction. The results concurred with the findings of Siyanbola, (2013) who revealed that a properly done budget reduce significantly the occurrence of adverse variances in Nigeria.

4.3.5 Motivation of Employees

Response	Frequency	Valid percentage (%)
Strongly agreed	38	76

Agreed	2	4
Not sure	5	10
Disagreed	2	4
Strongly disagreed	3	6
Total	50	100

Table 4.3.5 showing response on motivation



Source: primary data (2018)

Eighty percent (40/50) of the respondents concurred that budgetary process and control motivates employees. Ten percent (5/50) of the respondents were not sure if budgetary process and control motivates employees. Ten percent (5/50) of the respondents opposed the position that budgetary process and control motivates employees.

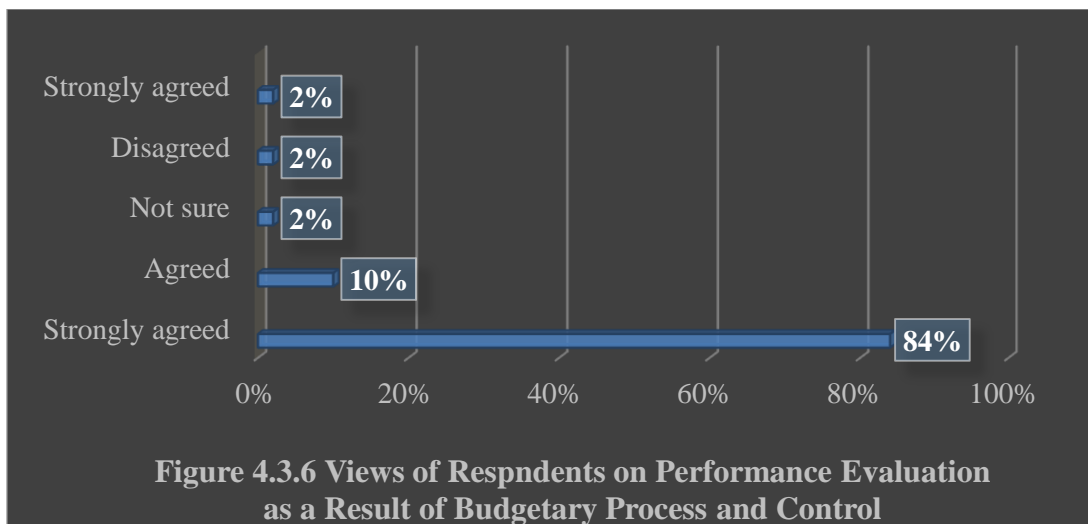
The results show that majority of the respondents concur that budgetary process and control are an essential tool to motivate employees. Respondents indicated that motivation of employees occur when budgeted results are achieved and they are recognized for such achievements. The respondents also indicated that their participation in budget preparation motivates them to work hard towards realization of the set targets especially if the company use a bottom up approach of budgeting. The results are in line with the findings of

Oluwalope, and Sunday, (2017) who revealed that budgetary participation motivates employees and positively impact on managerial performance in Nigeria.

4.3.6 Enhancement of performance evaluation

Response	Frequency	Valid percentage (%)
Strongly agreed	42	84
Agreed	5	10
Not sure	1	2
Disagreed	1	2
Strongly disagreed	1	2
Total	50	100

Table 4.3.6 showing views of respondents on performance evaluation



Source: Survey results (2018)

Ninety four percent (47/50) of the research participants concurred that performance evaluation is enhanced through budgetary process and control. One (2%) participant was not sure if performance evaluation is enhanced through budgetary process and control and also two (4%) participants disputed that performance evaluation is enhanced through budgetary process and control.

The results show that majority of the respondents agree on the fact that effective budgetary process and control enhances performance evaluation. Respondents highlighted that the actual performance of a department is measured against the budget and the organization can

point out all departments that surpassed the target and those that performed below budget and management will look for solutions to improve performance of those departments that fail to achieve the target. The results concur with the findings of Siyanbola, (2013) who found out that budgets act as critical tools used by management to evaluate whether their goals and objectives are actualized or not in Nigeria.

4.3.7 Other Effects of Budgetary Process & Control on Performance of the Company

4.3.7 Table Showing Other Effects of Budgetary Process & Control on Performance of the Company

	Strongly Agreed	Agreed	Not Sure	Disagreed	Strongly Disagreed
Budgets are an effective tool for resource allocation	88%	6%	0%	4%	2%
Budgets encourages goal congruence at the organization	80%	4%	2%	4%	10%
Budgets promotes a harmonious working relationship among several departments	70%	2%	8%	10%	10%
Budgets provide framework for responsibility accounting	60%	4%	6%	10%	20%
Potential reduction of business failure	50%	10%	6%	30%	4%
Improvement of financial health	40%	14%	10%	26%	10%

Source survey results (2018)

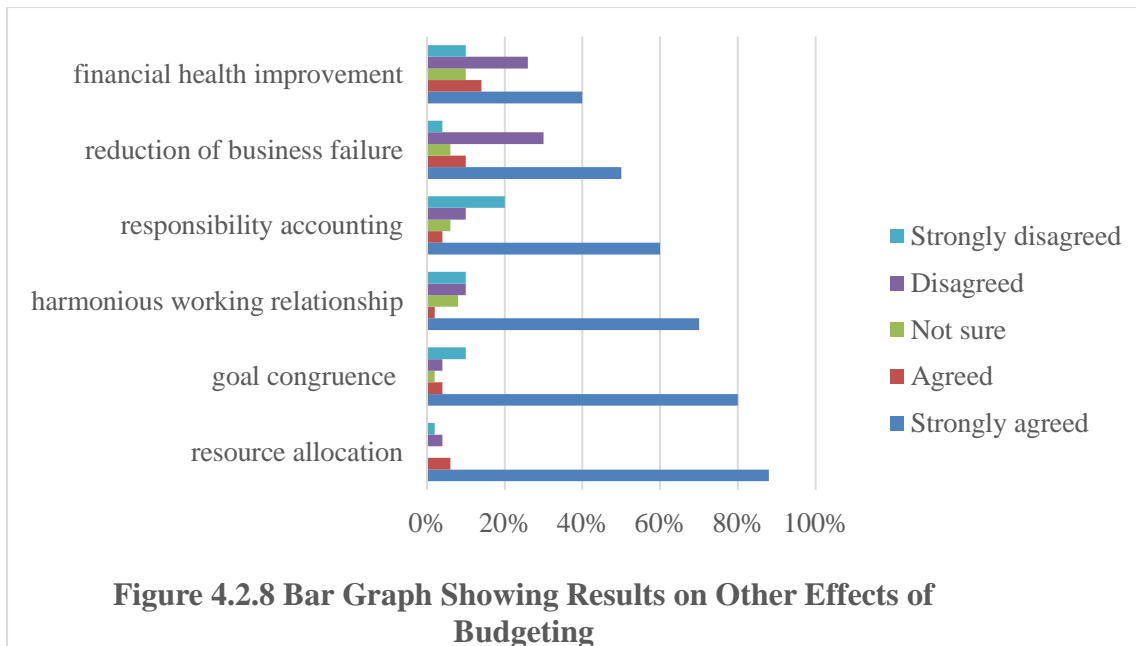


Table 4.2.8 and figure 4.6.7 bar chart above indicate other effects of budgetary process and control on performance of an organization as revealed by respondents. Overall 94 % (47/50) of the respondents concurred that budgets are an effective tool for allocating financial resources to various departments. Only three respondents disputed that budgets are an effective tool for allocating financial resources to various departments. The results imply that the process of budgeting involves the allocation of financial resources to all functional units or strategic business units of the organization.

An overall 84 % (42/50) of the study participants concurred that goal congruence is achieved through budgets whilst 14 % (7/50) of the participants disputed the position. One respondent (2%) was unsure if goal congruence is achieved through budgets. The results show that the majority of respondents agree that goal congruence is achieved through effective budgeting. Thus departmental goals are fine tuned to align with corporate objectives through budgets. The results are consistent with academic literature of ACCA (2017) that stated the several effects of budgetary process and control as promotion of responsibility accounting principle, effective coordination and facilitation of goal congruence.

An overall 72 % (36/50) of the research participants are of the view that budgets promotes a harmonious working relationship among several departments whilst 20 % (10/50) disputed that budgets promotes a harmonious working relationship among several departments. Only four respondents were unsure if budgets promotes a harmonious working relationship among several departments. The results show that the majority of the respondents concurred that

budgets promotes a harmonious working relationship among several departments. The results imply that all departments work together to ensure that they achieve same corporate objectives through the budgeting process and budget implementation. ACCA (2017) revealed that effective coordination of functional departments is achieved through budgetary control. Thus budgets are used as a coordination tool to ensure that all departments work in perfect harmony to achieve same corporate objectives. Respondents indicated that areas of disagreement are highlighted and addressed during the budgetary process and control.

An overall 64 % (32/50) of the respondents concurred that budgets act as a framework of responsibility accounting whilst 30 % (15/50) of the respondents disputed that. A mere 6 % (3/50) of the respondents were unsure if budgets act as a framework of responsibility accounting. The majority of the respondents concurred that budgets act as a framework of responsibility accounting. The respondents indicated that budgetary control requires managers of budget centres to be accountable for failure to achieve their budgets. The results concur with academic literature of ACCA (2017) that revealed several effects of budgetary process and control that entail promotion of responsibility accounting principle and effective coordination.

An overall 60 % (30/50) of the respondents concurred that potential reduction of business failure is achieved through budgeting. However, 34 % (17/50) of the respondents disputed the idea and 6 % (3/50) of the respondents were not sure if reduction of business failure is achieved through budgeting. It is through budgeting that some problems like overtrading are addressed by putting in place only expansion programs that can be fully funded by available short term resources in the budget, thereby reducing chance of business failure due to overtrading. The results are consistent with the findings of Foster, A. T (2017) who found out that better planning using budgets help managers improve the financial health of their small businesses, potentially reducing business failures and job losses.

An overall 54 % (27/50) of the respondents concurred that in improvement of financial health of an organization is a result of budgeting. However, 36 % (18/50) of the respondents disputed the idea and a mere 10 % (5/50) of the respondents were not sure if improvement of financial health of an organization is a result of budgeting. The result imply that in budgeting management take holistic stance of addressing areas of liquidity, profitability, efficiency, capital gearing and thereby craft a budget in such a way that liquidity problems and other financial problems are addressed by the budget, therefore it helps in an overall improvement

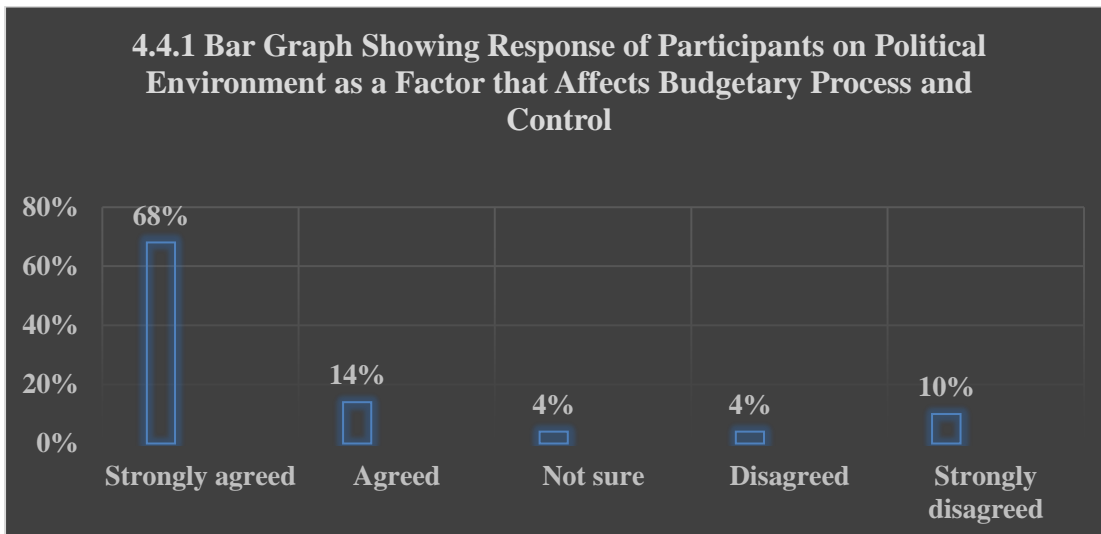
of the financial health of the organization. Budget deficits may be addressed through budgetary control. The results are in line with the findings of Foster, A. T (2017) who revealed that better planning using budgets help managers improve the financial health of their small businesses.

4.4 FACTORS INFLUENCING THE BUDGETARY PROCESS

4.4.1 Political Environment

Response	Frequency	Valid percentage (%)
Strongly agreed	34	68
Agreed	7	14
Not sure	2	4
Disagreed	2	4
Strongly disagreed	5	10
Total	50	100

Table 4.4.1 showing results on political environment



Source: survey results (2018)

Bar graph 4.4.1 above indicates that 82 % (41) of the research participants concurred that the political environment affects budgetary process and control. Four percent (2/50) of the research participants were not sure if political environment affects budgetary process and control. Fourteen (7/50) percent of the research participants opposed that the political environment affects budgetary process and control.

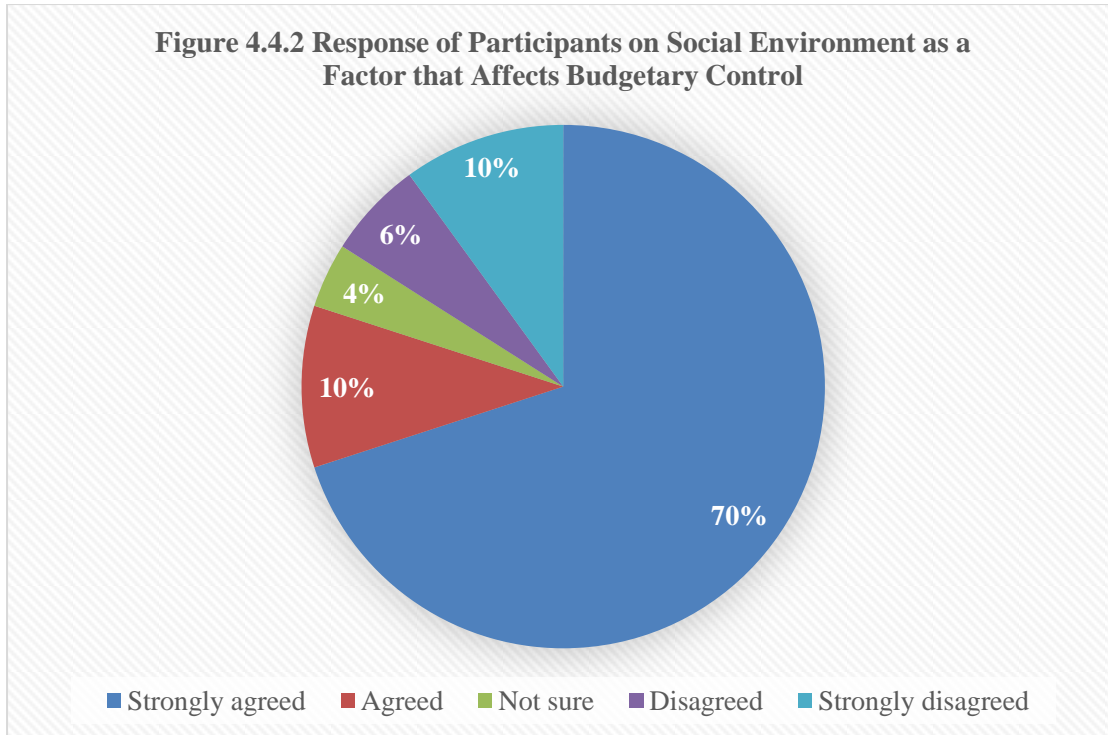
The results show that an overall 82% of the respondents appreciate that changes in the political environment affects the budgetary process and control at Mega Pak Pvt Ltd. The result show that political forces play a great role on budgetary process of manufacturing companies in Zimbabwe. This was also confirmed by the finance director through an interview carried out by the researcher. Thus whenever there is a change in political government, there are some economic policies that may be changed or updated which forces organisations to review their budgets either downwards or upwards. The results are consistent with what Muzadzi (2014) indicated that changes in the political environment like rallies, wars, demonstrations and political manifestos force companies to change their budget techniques to flexible budget and sensitivity analysis.

4.4.2 Social Environment

Response	Frequency	Valid percentage (%)
Strongly agreed	35	70
Agreed	5	10
Not sure	2	4
Disagreed	3	6
Strongly disagreed	5	10
Total	50	100

Table 4.4.2 response on social environment

Figure 4.4.2 Response of Participants on Social Environment as a Factor that Affects Budgetary Control



Source: Survey results (2018)

Eighty percent (40/50) of the research participants concurred that the social environment affects budgetary process. Four percent (2/50) of the research participants were not sure if social environment affects budgetary process. Sixteen percent (8/50) of the research participants opposed that the social environment affects budgetary process.

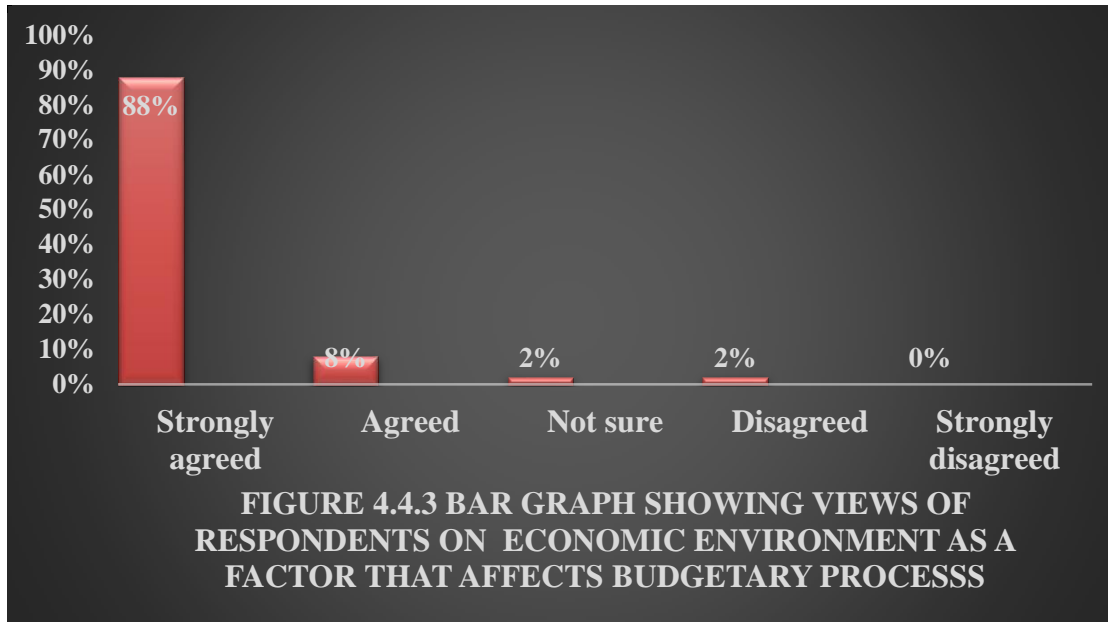
The results indicate that majority of the research participants agree that social environment affects the budgetary process. The results support the view that the business is not an island. It is part of the society and therefore changes in tastes and preferences of customers affect sales budgets and cash budgets of organisations. The results concur with the findings of Muzadzi (2014) who revealed that external factors such as the social environment affects budgetary process in the manufacturing environment.

4.4.3 Economic Environment

Response	Frequency	Valid percentage (%)
Strongly agreed	44	88
Agreed	4	8
Not sure	1	2
Disagreed	1	2

Strongly disagreed	0	0
Total	50	100

Table 4.4.3 results on economic environment.



Source: Survey results (2018)

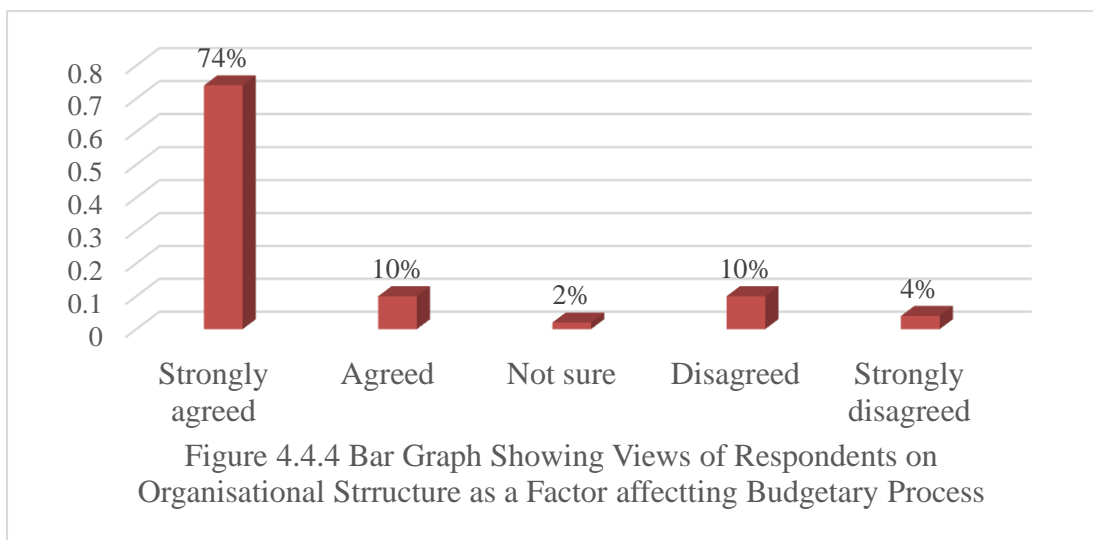
Ninety six percent (48/50) of the research participants concurred that the economic environment affects budgetary process and only one (2%) respondent opposed that. One (2%) research participant was not sure if economic environment affects budgetary process.

The results show that an overwhelming majority of the respondents concur that the economic environment has a bearing on the budgetary process of Mega Pak Pvt Ltd. The researcher concluded that consideration of the economic environment plays a role in preparing budgets in manufacturing firms. Respondents indicated that economic environment entails factors such as inflation, exchange rates movement and changes in input prices that ultimately affects a budget favourably or unfavourably. This was also confirmed in an interview with the finance director. The results concur with the sentiments of Kazeem et al (2014) who stated that external factors which include political, economic and social tend to have an effect which may be direct or indirect to the organisation which may see the organisation altering its operations affecting the budgetary processes.

4.4.4 Organisational Structure

Response	Frequency	Valid percentage (%)
Strongly agreed	37	74
Agreed	5	10
Not sure	1	2
Disagreed	5	10
Strongly disagreed	2	4
Total	50	100

Table 4.4.4 showing results on organizational culture



Source: Survey results (2018)

From figure 4.4.4 bar graph above eighty four percent (42/50) of the respondents confirmed that the organizational structure affects the budgetary process whilst 14 % (7/50) of the respondents objected to that. Two percent of the respondents were not sure if the organizational structure affects the budgetary process.

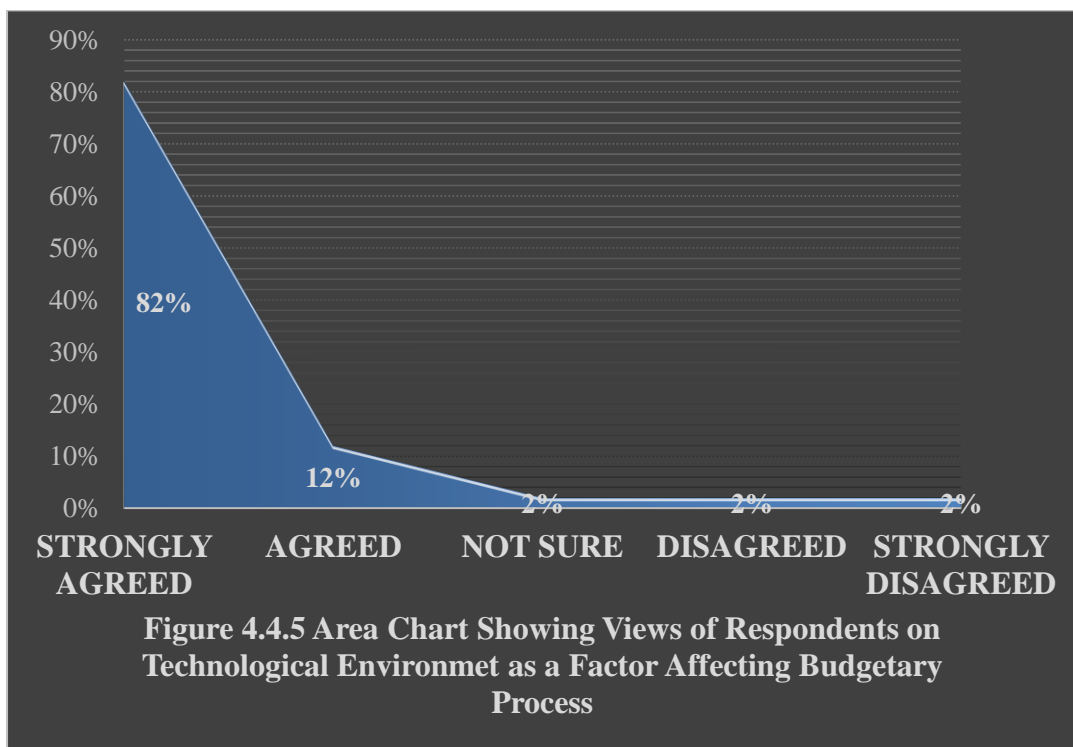
The results show that majority of the respondents appreciate that the organizational structure of Mega Pak Pvt Ltd affects the budgetary process. Respondents indicated on the commentary section of the questionnaire that centralisation and bureaucracy at Mega Pak Pvt Ltd has resulted in the organization adopting a top down budgeting approach that has resulted in significant variances as key decision makers involved in the budgetary process are detached from what will be really transpiring on the ground. The results are consistent with

the findings of Kaplan (2013) that stated that that a decentralized organization quickly respond to changes in the operating environment as there are area managers who has the autonomy to adjust their budgets to suit the prevailing local environment changes.

4.4.5 Technological Environment

Response	Frequency	Valid percentage (%)
Strongly agreed	41	82
Agreed	6	12
Not sure	1	2
Disagreed	1	2
Strongly disagreed	1	2
Total	50	100

Table 4.4.5 showing results on technological environment



Source: Primary data (2018)

Ninety four percent (47/50) of the research participants concurred that technology affects the budgetary process. On the other hand only one research participants disputed that technology affects the budgetary process.

An overall majority of the participants agree that technology affects budgetary process at Mega Pak Pvt Ltd. The respondents indicated that the use of manual spread sheets or excel to prepare budgets at Mega Pak Pvt Ltd perpetuate errors and increase the lengthy of time taken to prepare budgets. The respondents indicated that management is resistant to the adoption of modern advanced budgeting software. The results auger well with the findings of Kaplan(2013) who clearly stated that majority of firms in the 21st century are now moving into the integration of the budget process and strategic planning and therefore technology is now paramount in order for the successful integration of the systems and for proper communication which save time and resources.

4.4.6 Organizational Culture

Response	Frequency	Valid percentage (%)
Strongly agreed	32	64
Agreed	9	18
Not sure	6	12
Disagreed	2	4
Strongly disagreed	1	2
Total	50	100

Table 4.4.6 results on organizational culture

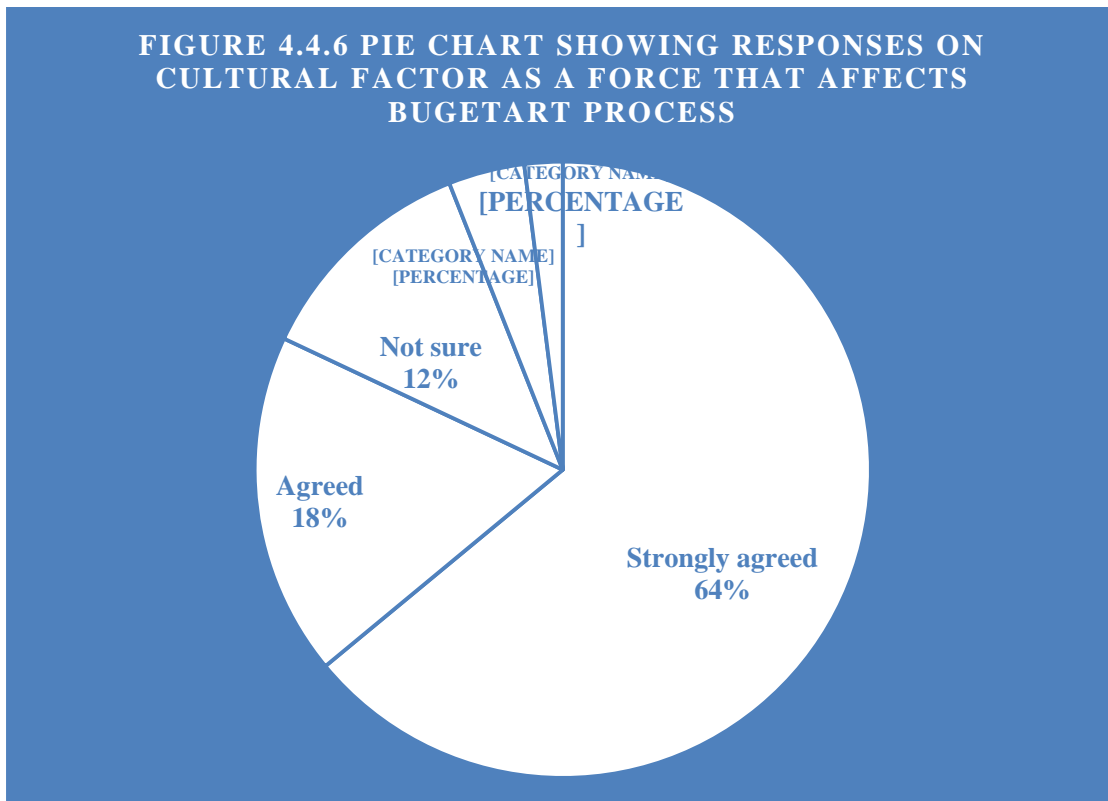


Figure 4.4.6 Pie chart showing views of respondents on organizational culture as a factor affecting budgetary process.

Source: survey results (2018)

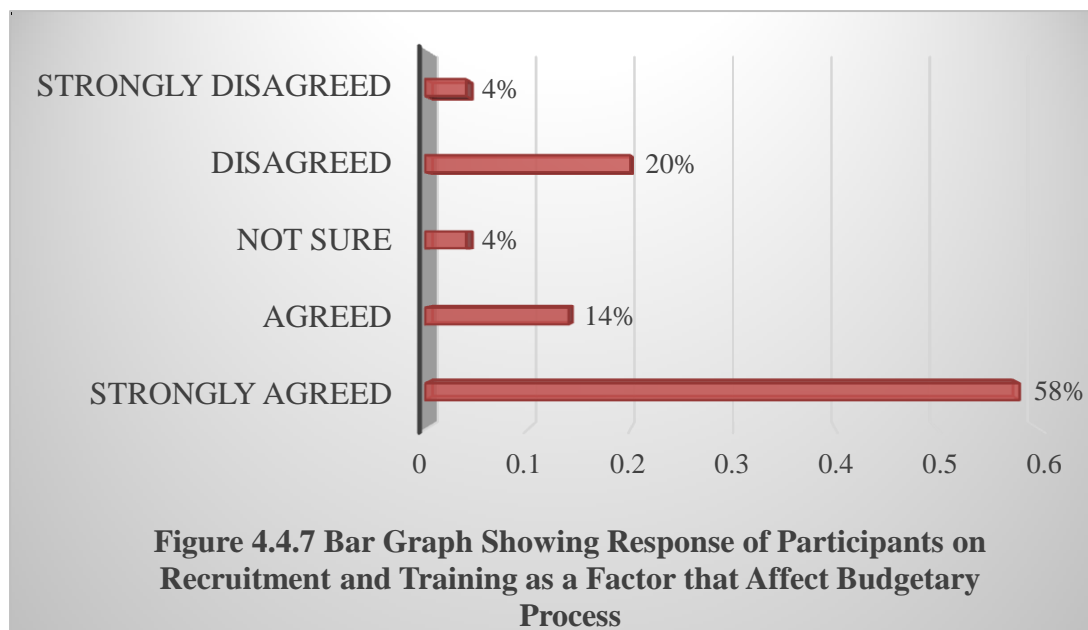
Eighty two percent (41/50) of the participants were in agreement with the view that cultural factors affect the budgetary process. Twelve percent (6/50) of the participants were not sure if cultural factors affect the budgetary process. Six percent (3/50) of the participants objected that cultural factors affect the budgetary process.

The results show that an overall majority of the research participants understand that the culture of Mega Pak Pvt Ltd impact on the budgetary process. Respondents revealed that key decisions that are essential in the budgeting process are determined by the relative power of individuals and interest groups at Mega Pak Pvt Ltd and this has result in some departments being allocated less funds on an annual basis. The results are consistent with the sentiments of Muzadzi (2014) who revealed that that if an entity runs on the culture of honesty and transparency from the top management down to the subordinates the budgetary process will be free from gaming and budget slacking thereby providing the budget process of the organisation.

4.4.7 Organizational Recruitment and Training Process

Response	Frequency	Valid percentage (%)
Strongly agreed	29	58
Agreed	7	14
Not sure	2	4
Disagreed	10	20
Strongly disagreed	2	4
Total	50	100

Table 4.4.7 showing results on organizational recruitment and training process.



Source: survey results (2018)

Seventy two percent (36/50) of the research participants were of the same opinion that recruitment and training process affect the budgetary process. Four percent (2/50) of the research participants were not sure if recruitment and training process affect the budgetary process. Twenty four percent (12/50) of the research participants disputed that recruitment and training process affect the budgetary process.

The majority of the participants were in agreement that recruitment and training of employees at Mega Pak Pvt Ltd affects the budgetary process. Research participants indicated that the recruitment policy of the company of being biased towards recruiting already existing employees (in house) denies the company a chance to see how other successful companies

are making it in the budgeting process. The respondents also revealed that whilst less input is required from them during the budgetary process they are not aware of key information vital for budget preparation and they believe that it is an exclusive role of senior management. Respondents also revealed that there are no refresher courses that aim at equipping all departments with budgeting skills, hence the occurrence of abnormally high expenditure variances year after year. The results auger well with empirical findings of Lajevardi (2017) who found out that recruitment policies in Iranian automobile industry were a major factor to performance in a sense that the recruitment policies determine the quality of the personnel which in turn determine the quality of output produced thereby affecting the effectiveness of the budgeting process.

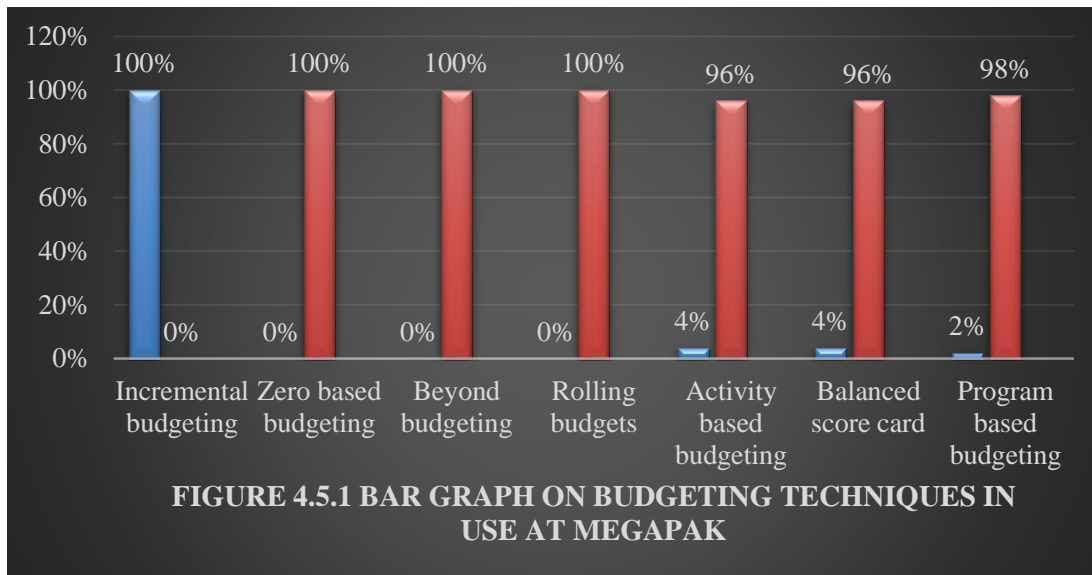
4.5 WEAKNESSES OF THE BUDGETARY PROCESS AND CONTROL

4.5.1 Budgeting Techniques in Use at Mega Pak Pvt Ltd

Budgeting Technique	YES	NO
Incremental budgeting	100%	0%
Zero based budgeting	0%	100%
Beyond budgeting	0%	100%
Rolling budgets	0%	100%
Activity based budgeting	4%	96%
Balanced score card	4%	96%
Program based budgeting	2%	98%

Table 4.5.1 showing responses of participants on budgeting techniques in use at Mega Pak Pvt Ltd

Source: Primary data (2018)



Source: primary data (2018)

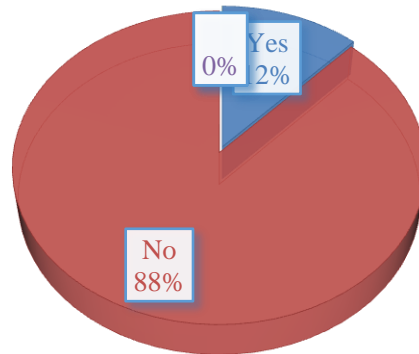
All respondents unanimously agreed that Mega Pak Pvt Ltd use the incremental budgeting approach in preparing its budgets. The researcher asked the question in order to check whether Mega Pak Pvt Ltd use traditional techniques of budgeting or modern techniques of budgeting. The results show that Mega Pak Pvt Ltd is comfortable with the traditional approach of budgeting. Therefore all the demerits of incremental budgeting to the organization are inevitable. Respondents also indicated that they are not well versed in modern approached of budgeting that entail beyond budgeting and Zero based budgeting. An interview with the finance director confirmed that incremental budgeting is one in use at Mega Pak Pvt Ltd.

4.5.2 Ranking of the Overall Budgetary Process and Control by Respondents at Mega Pak Pvt Ltd.

	Frequency	Valid percentage (%)
Yes	6	12
No	44	88
Total	50	100

Table 4.5.2 showing response on participants who ranked as good the budgetary process and control at Mega Pak Pvt Ltd

FIGURE 4.5.2 PIE CHART SHOWING RESPONSES ON WHETHER THE BUDGETING PROCESS AT MEGAPAK IS GOOD OR NOT.



Source: Survey results (2018)

Eighty eight percent (44/50) of the respondents ranked the overall budget process as poor.

A mere 12% (6/50) of the respondents ranked the current budgetary process and control as good at Mega Pak Pvt Ltd. Respondents who ranked the budgetary process as poor highlighted the lack of participation by low level employees, use of political muscles to advance interests of some departments ahead of others in budgetary allocations, over reliance on incremental budgeting approach and use of top down approach of budgeting among other limitations.

The 12% respondents who indicated that the current budgetary process was okay at Mega Pak Pvt Ltd indicated that senior management are the think tanks of the organization who crafts organizational or corporate strategy therefore they need to do the budgets on their own and align it with corporate strategy and the rest of the employees need to simply implement the budget set. They also argued that senior management is paid for critical thinking and budgeting is part of that and therefore they should do it alone.

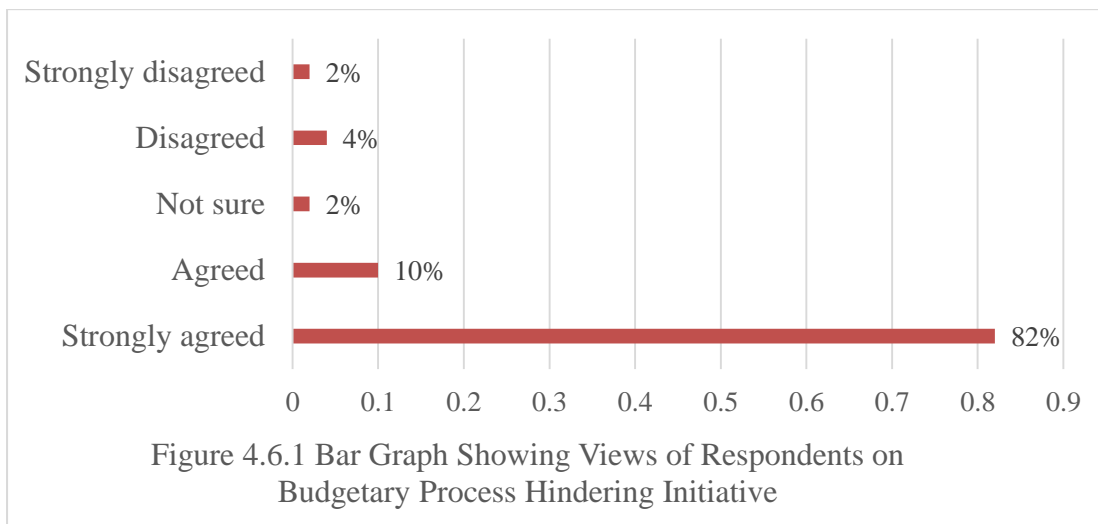
Overall responses of participants show that there are myriad of underlying limitations with Mega Pak Pvt Ltd's current budgetary process and control. The researcher then investigated the specific limitations faced in budgeting process, implementation and control at Mega Pak Pvt Ltd.

4.6 LIMITATIONS OF BUDGETARY PROCESS AND CONTROL AT MEGAPAK PVT LTD

4.6.1 The Budget Process Hinders Initiative

Response	Frequency	Valid percentage (%)
Strongly agreed	41	82
Agreed	5	10
Not sure	1	2
Disagreed	2	4
Strongly disagreed	1	2
Total	50	100

Table 4.6.1 results on the budget process hindering initiative



Source: Survey results (2018)

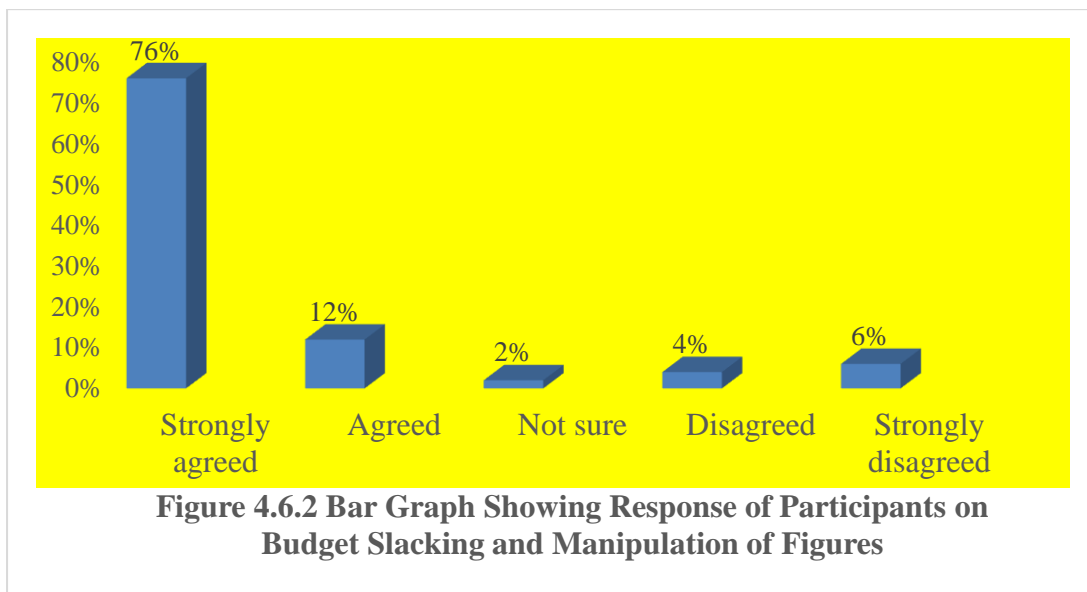
From figure 4.6.1 an overall 92 % (41/50) of the research participants clearly agreed that the budget process hinders initiative. Whilst a mere 2% (1/50) of the respondents were not sure if the budget process hinders initiative the bar graph illustrates that only 6%(3/50) of the respondents are not agreeing with the view that the budget process hinders initiative. The results show that the majority of participants agree that one of the limitation of a budget is that it hinders initiative as functional departments may adopt a box ticking mentality and fail to think outside the box due to the budget restriction. The results are consistent with the revelations of CIMA (2016) that budgets promotes rigidity of management and stifles

innovation and businesses loss potential revenue due to the need to have strict adherence to the original budget set by the organisation .

4.6.2 Budget Process Promotes Budget Slacking and Manipulation of Figures

Response	Frequency	Valid percentage (%)
Strongly agreed	38	76
Agreed	6	12
Not sure	1	2
Disagreed	2	4
Strongly disagreed	3	6
Total	50	100

Table 4.6.2 showing results on budget slacking and manipulation of figures.



Source: Primary Data (2018)

An overall 88 % (44/50) of the research participants are of the view that budget process promotes budget slacking and manipulation of figures. On the other hand 10 % (5/50) of the research participants do not agree that budget process promotes budget slacking and manipulation of figures. Only one respondent was not sure if budget process promotes budget slacking and manipulation of figures.

The results show that majority of respondents appreciate that a budget can result in an expected circumstances whereby managers may end up doing unethical behaviour of budget

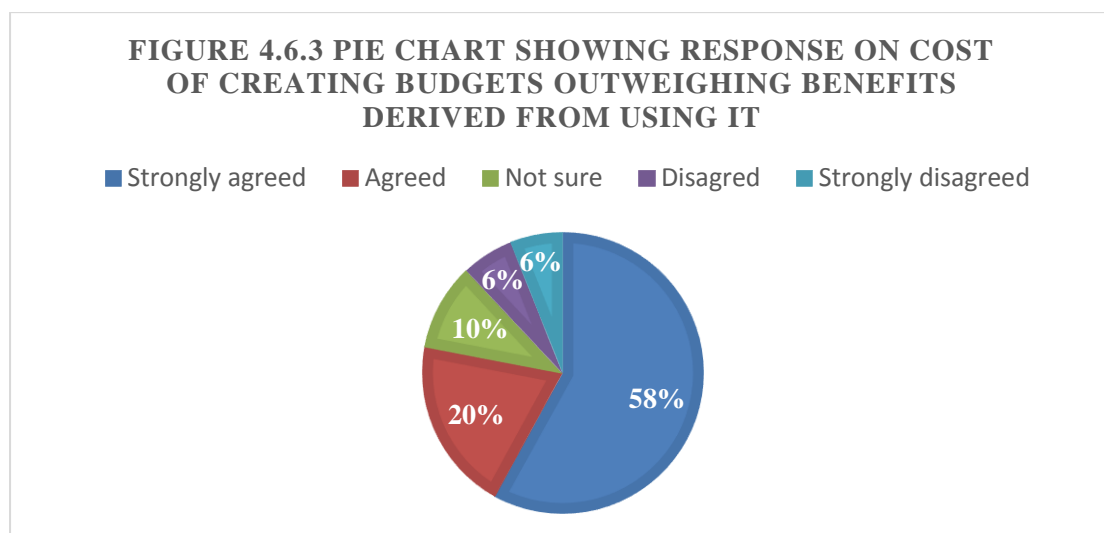
slacking and manipulating figures due to pressure from senior management/board of directors /shareholders in a bid to report favourable figures since the budgets will be difficult to attain. The results are consistent with academic literature of Drury (2013) who revealed that unrealistic fixed budgets are sometimes set and actual activity level will be unattainable and managers may over estimate costs so that they will not be blamed in future, should they over spend.

4.6.3 The Cost of Creating the Budgets Outweighs the Benefits Derived

from Using it

Response	Frequency	Valid percentage (%)
Strongly agreed	29	58
Agreed	10	20
Not sure	5	10
Disagreed	3	6
Strongly disagreed	3	6
Total	50	100

Table 4.6.3 showing results on the cost of creating the budgets outweighing the benefits derived from using it



Source: survey results (2018)

An overall 78% (39/50) of the research participants agreed that cost of creating the budgets outweighs the benefits derived from using it. On the other hand 12 % (6/50) of the research

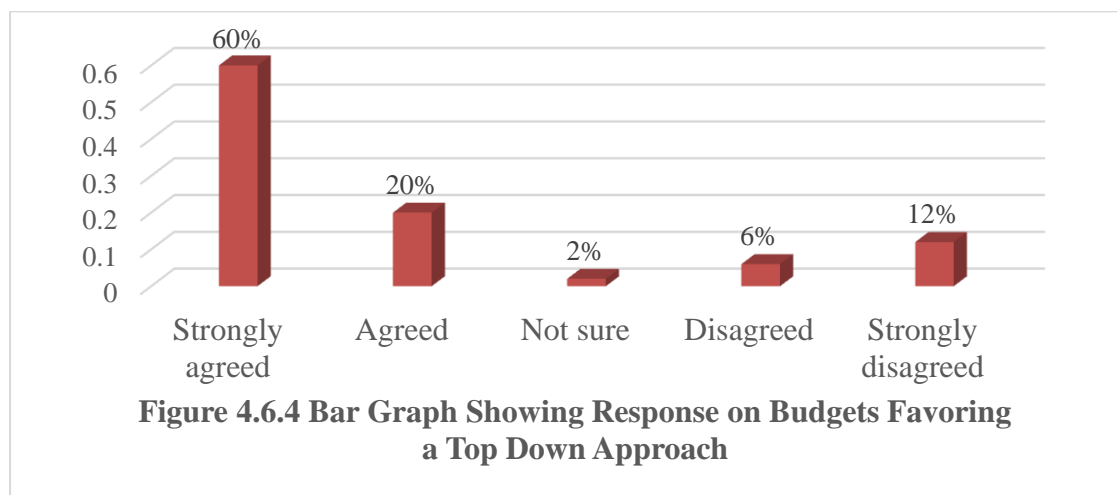
participants disagreed that cost of creating the budgets outweighs the benefits derived from using it. Ten percent of the research participants were not sure if cost of creating the budgets outweighs the benefits derived from using it.

The results show that costs of preparing a budget may outweigh benefits due to the employment of financial resources and wastage of productive time as departments meet several times in preparing the budgets. The results are consistent with the findings of BPP (2015) that the traditional budgeting processes are too time consuming thereby living little time for implementation and the high costs of preparing them is not justified against the benefit that is derived from their use.

4.6.4 Budgets Favour a Top Down approach of Information

Response	Frequency	Valid percentage (%)
Strongly agreed	30	60
Agreed	10	20
Not sure	1	2
Disagreed	3	6
Strongly disagreed	6	12
Total	50	100

Table 4.6.4 showing response on budgets favouring a top down approach of information



Source: Primary data (2018)

Eighty percent (40/50) of the respondents concurred that budgets favour a top down approach of information at Mega Pak Pvt Ltd. However, 18 % (9/50) of the respondents do not share

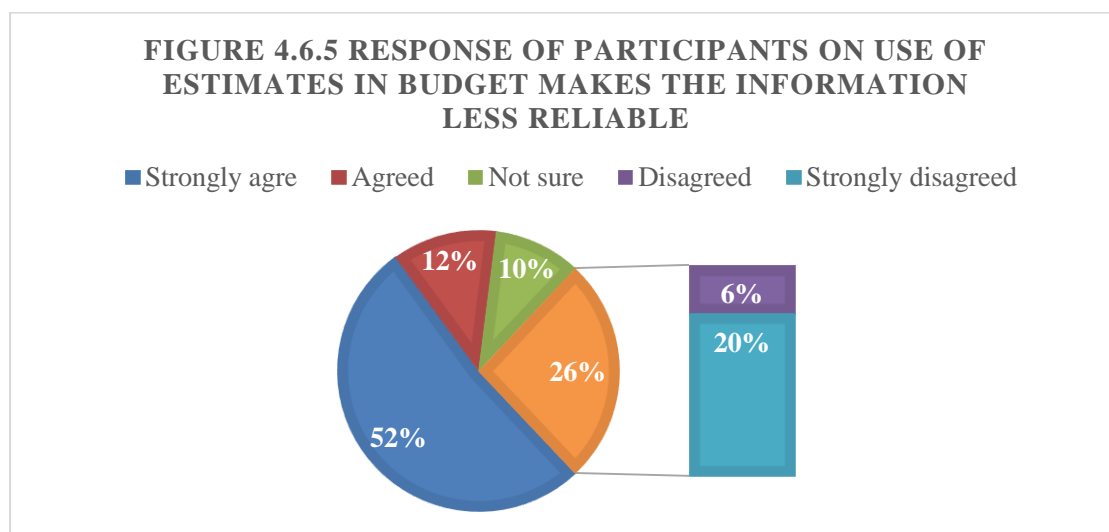
the same perspective that a top down approach of information at Mega Pak Pvt Ltd. Only one (2%) respondent was not sure if budgets favour a top down approach of information at Mega Pak Pvt Ltd.

The results show that a scenario of having budgets biased towards a top down approach of information is a serious limitation affecting the organization as less input is sourced from low level employees and mainly senior management crafts the budget and impose it on their subordinates. Subordinate may find it difficult to achieve such budgets because some of the targets set are ideal and unattainable. The results are in line with Drury (2013) who revealed that unrealistic fixed budgets are sometimes set and actual activity level will be unattainable.

4.6.5 The use of Estimates in Budgets Makes the Information Less Reliable

Response	Frequency	Valid percentage (%)
Strongly agreed	26	52
Agreed	6	12
Not sure	5	10
Disagreed	3	6
Strongly disagreed	10	20
Total	50	100

Table 4.6.5 response on the use of estimates in budgets making the information less reliable



Source: Primary data (2018)

As depicted on pie chart above on figure 4.6.5 an overall 64 % (32/50) of the respondents concurred that the use of estimates in budgets makes the information less reliable. Ten percent (5/50) of the respondents were not sure if the use of estimates in budgets makes the information less reliable. On the other hand 26 % (13/50) of the research participants oppose the view that the use of estimates in budgets makes the information less reliable.

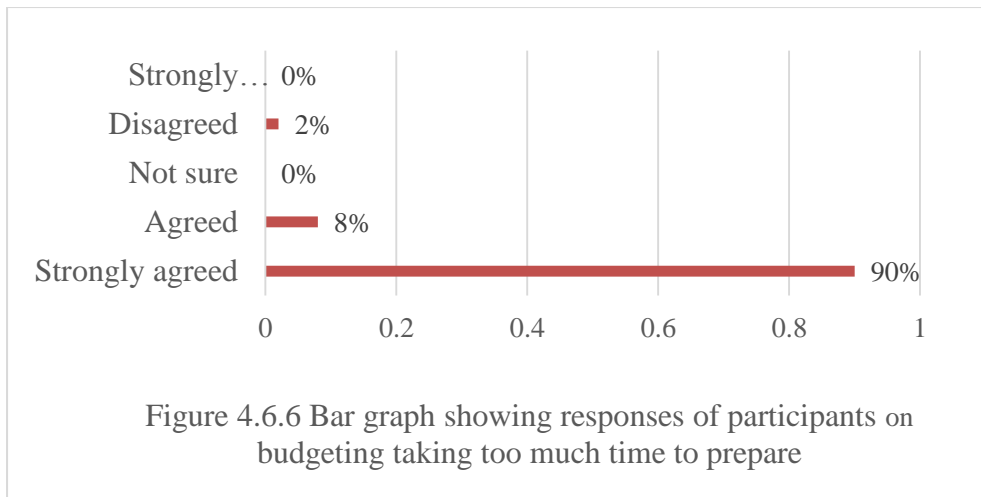
The position of the majority of respondents that the use of estimates in budgets makes the information less reliable stems from the fact that budgets are prepared in advance and the figures in the budget are based on the expertise of those who prepares budgets. Those who prepare budgets may have less forecasting skills and they may craft unrealistic budgets and therefore the budgets would not be reliable in such circumstances. The results are in line with the academic literature of (CIMA, 2017) that budgetary control is severely affected by human judgment, interpretation and evaluation and budgetary control system makes use of forecasting which is surrounded with the risks of future uncertainties.

4.6.6 Budgets Takes Too Much Time Preparing

Table 4.6.6 Showing Responses on Budgets Taking Too Much Time Preparing.

Response	Frequency	Valid percentage
Strongly agreed	45	90%
Agreed	4	8%
Not sure	0	0%
Disagreed	1	2%
Strongly disagreed	0	0%
	50	100%

Source: Primary data



Source: survey results (2018)

An overwhelming 98 % (49/50) response from participants concurred that budgets takes too much time preparing. Only a single participant disputed that argument that budgets takes too much time preparing. No respondent was unsure if budgets takes too much time preparing.

It is implied from table 4.6.6 above that time is a major limitation to budgets preparation at Mega Pak Ltd. Nearly all respondents understand that a lot of time is wasted in crafting budgets that may not bring the much needed value as budgets disrupt the normal operations. The results are in line with empirical findings of Muzadzi (2014) who revealed that budgetary process and control consumes a valuable resource of time because the budgetary process is time consuming and may deflect managers from their prime responsibilities to running the business. Muzadzi (2014) also revealed that the budgets take time for them to be completed and by the time they are done they will no longer be applicable since the business environment would have changed.

4.6.7 Preparation of Budgets Based Mainly on Past and not Future Create a False Feeling of Planned Working.

Response	Frequency	Valid percentage
Strongly agreed	30	60%
Agreed	10	20%
Not sure	5	10%
Disagreed	1	2%
Strongly disagreed	4	8%

	50	100%
--	-----------	-------------

Table 4.6.7 showing response on preparation of budgets based mainly on past and not future create a false feeling of planned working

Source: Primary data (2018)

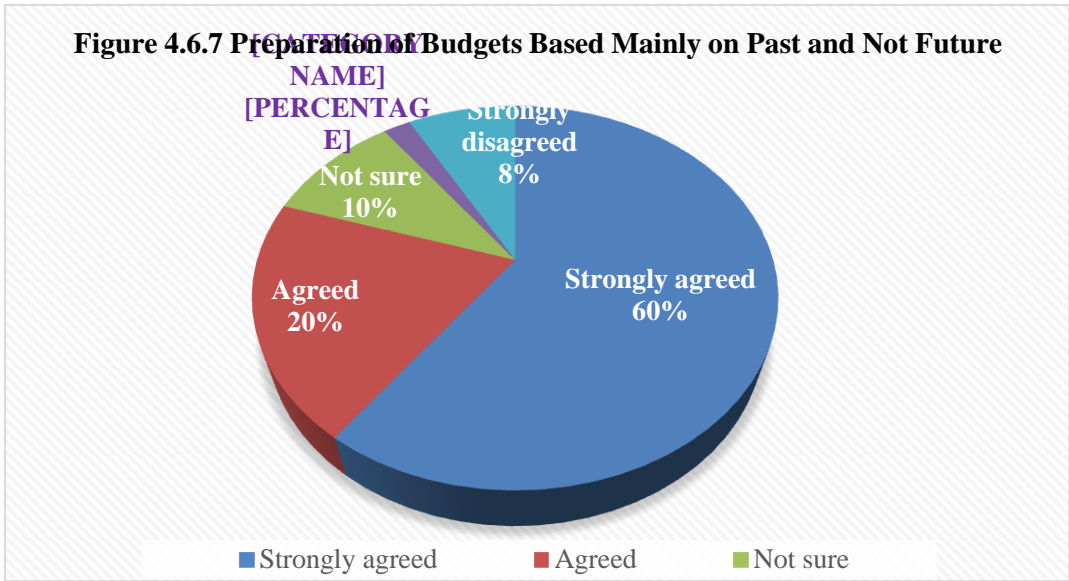


Figure 4.6.7 Pie chart showing response on preparation of budgets based mainly on past and not future create a false feeling of planned working.

Source: survey results (2018)

From Figure 4.6.7 Pie chart above, an overall 80% (40/50) of the respondents agree on the view that preparation of budgets based mainly on past and not future create a false feeling of planned working. However 10 % (5/50) oppose the view that preparation of budgets based mainly on past and not future create a false feeling of planned working. A mere 10% of the respondents were not sure if preparation of budgets based mainly on past and not future create a false feeling of planned working

The results show that the preparation of budgets based mainly on past and not future requirements tends to create a false feeling of planned working, when in reality the organization is only drifting along with the flow of past trends. The results are consistent with Kaplan (2016) revelation that one common limitation of budgetary control relate to the way budgets are finalized and precisely the reliance on past rather than future requirements.

4.6.8 Departmental Conflicts Result in Some Departments Compromising and Giving less Input to Budget Preparation

Response	Frequency	Valid percentage
Strongly agreed	42	84%
Agreed	3	6%
Not sure	0	0%
Disagreed	1	2%
Strongly disagreed	4	8%
	50	100%

Table 4.6.8 showing response on departmental conflicts resulting in some departments compromising and giving less input to budget preparation

Source:

Primary

data

(2018)

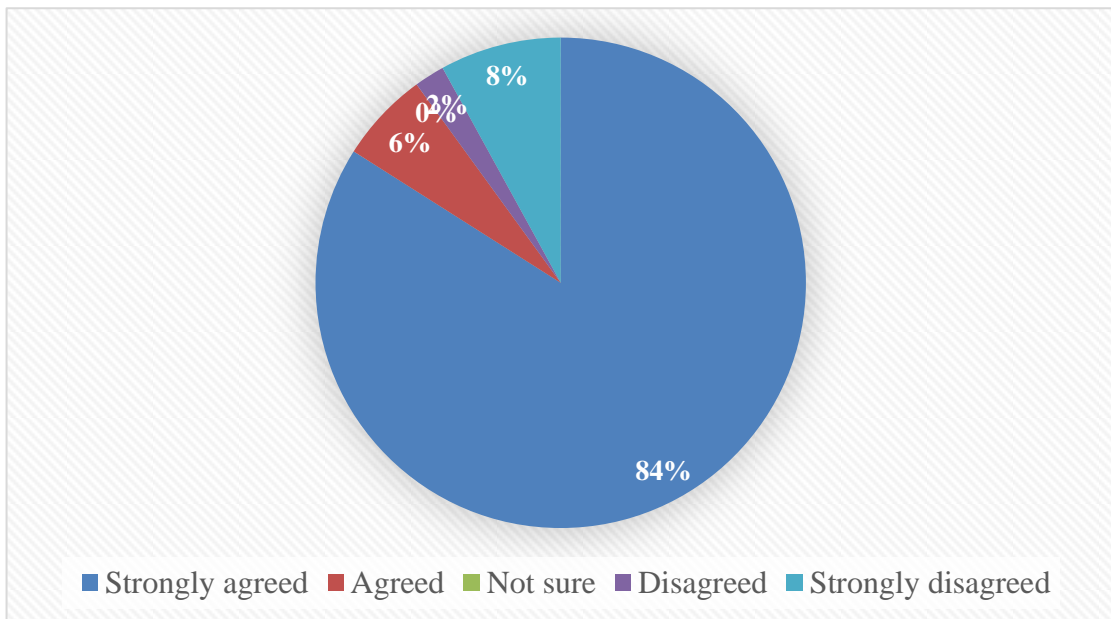
Pie

chart

:

Figure

4.6.8



showing response on departmental conflicts resulting in some departments compromising and giving less input to budget preparation

Source: Primary data (2018)

As illustrated in Figure 4.6.8 Pie chart above an overall 90 % (45/50) respondents concurred that departmental conflicts result in some departments compromising and giving less input to budget preparation. On the other hand 10% (5/50) of the respondents share complete different

dimension and do not agree that departmental conflicts result in some departments compromising and giving less input to budget preparation.

The results shown by majority of the respondents point to the fact that departmental conflicts are detrimental to the budget preparation process as some departments led by politically powerful managers may dominate the process and other less powerful department leaders may give in and do not provide their input despite the fact that the input will be essential. However, in scenarios where the conflicts are functional, that is healthy to the company and that explains the reason why probably five respondents disagreed with the view that departmental conflicts result in some departments compromising and giving less input to budget preparation. The results auger well with sentiments of Drury (2013) that departmental conflicts may arise due to disputes over resource allocation, department blaming each other if targets are not attained among other things .

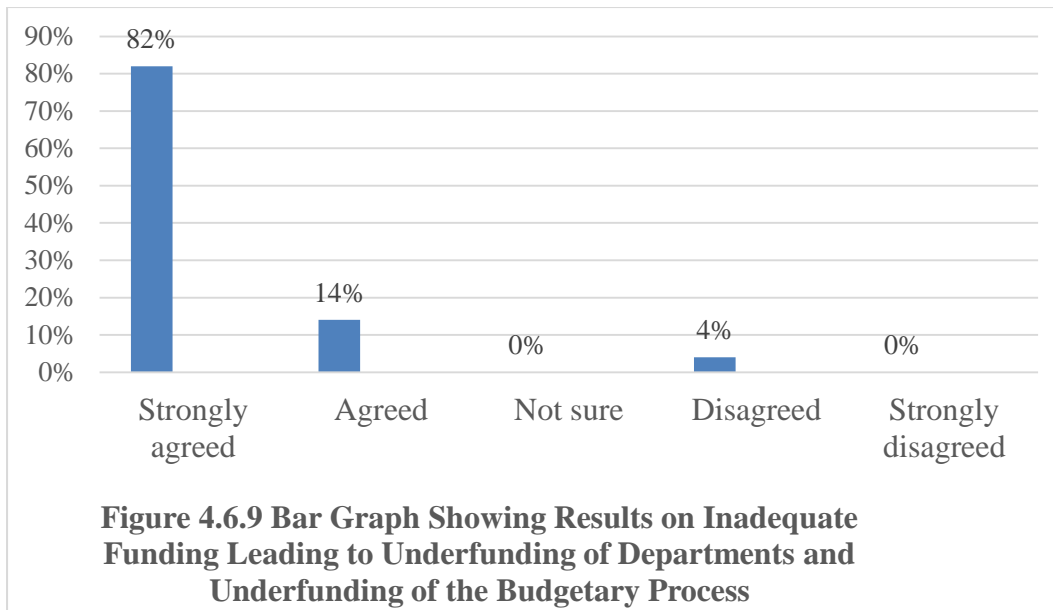
The results are also in line with findings of Loryer (2017) who indicated that there is need for cooperation in the budget process and managers and the workforce must be in full support of the budget target however if the support and co-operation is lacking there is bound to be problem in the attainment of the objectives of the company.

4.6.9 Inadequate Financial Resources Lead to Inefficient Allocation of Resources to Departments and Underfunding of the Budgetary Process

Response	Frequency	Valid percentage
Strongly agreed	41	82%
Agreed	7	14%
Not sure	0	0%
Disagreed	2	4%
Strongly disagreed	0	0%
	50	100%

Table 4.6.9 showing response on inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process

Source: Primary data (2018)



Source: primary data (2018)

From table 4.6.9 above 96% (48/50) of the respondents concurred that inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budget process. However only two respondents disagreed that inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budget process. No respondent was unsure that inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process.

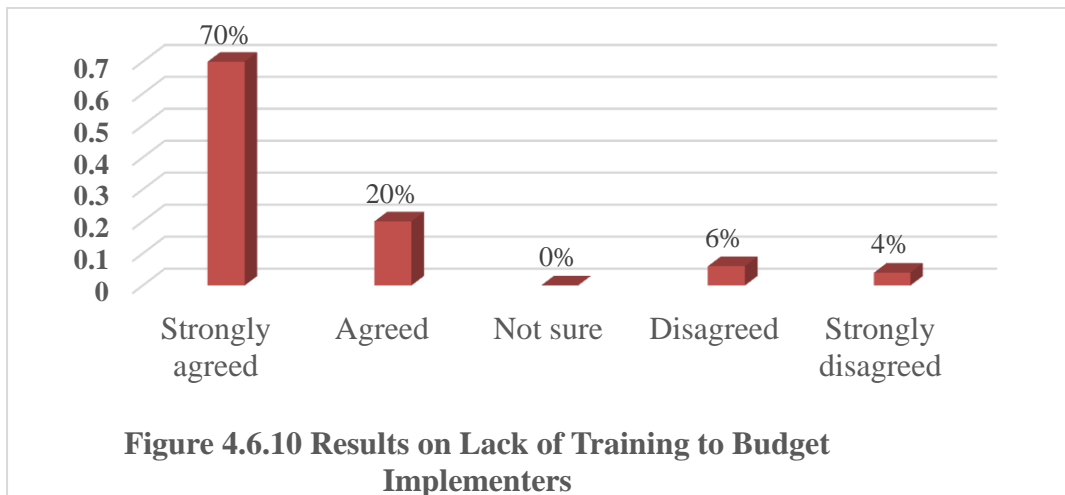
The result by the majority of the respondents revealed that the challenge of inadequate financial resources that may lead to inefficient allocation of resources to departments is a probably a serious challenge at Mega Pak Ltd. The result may be attributed to the fact that inadequate financial resources being allocated to the budgetary process arise from current prevailing financial challenges facing the manufacturing sector and nearly every cent received is channelled to sourcing of foreign currency at the black market as inputs of Mega Pak Ltd are imported from other countries. The little funds received are channelled to the most powerful departments since respondents revealed that key decisions that are essential in the budgeting process are determined by the relative power of individuals and interest groups at Mega Pak Ltd and this has result in some departments being allocated less funds on an annual basis. The results are consistent with (Assey 2014) and Ioryer, (2017) who concurred that inadequate financial resources and lack of competent manpower /untrained workforce are some of the major challenges that impact negatively on the budgetary process and control.

4.6.10 Lack of training to budget implementers

Response	Frequency	Valid percentage
Strongly agreed	35	70%
Agreed	10	20%
Not sure	0	0%
Disagreed	3	6%
Strongly disagreed	2	4%
	50	100%

Table 4.6.10 showing response on lack of training to budget implementers

Source: Primary data (2018)



Source: survey results (2018)

From figure 4.6.10 bar chart above, 90 % (45/50) concurred that lack of training to budget implementers is a limitation of budgetary process at Mega Pak Pvt Ltd. On the other hand 10 % (5/50) respondents objected to the view that lack of training to budget implementers is a limitation of budgetary process at Mega Pak Pvt Ltd. No respondent was unsure that lack of training to budget implementers is a limitation of budgetary process at Mega Pak Pvt Ltd.

The result by the majority of the respondents at Mega Pak Pvt Ltd indicates that there is lack of training on budget implementers. That means the budget implements face difficulties in implementing because they lack budget implementation skills such that they fail to achieve the set objectives. That probably explains the reason for recurring adverse expenditure variances over the past three years at Mega Pak Pvt Ltd. The results concur with the

empirical findings of Ioryer, (2017) who revealed that inadequate financial resources and lack of competent manpower /untrained workforce are some of the major challenges that impact negatively on the budgetary process and control.

4.7 TECHNIQUES TO IMPROVE THE BUDGETARY PROCESS

Table 4.7 Showing Responses on Techniques to Improve Budgetary Process at Mega Pak Pvt Ltd

	SA	A	NS	DA	SDA
Integration of strategic planning and budget process improves performance	80%	18%	0%	2%	0%
Forecasting makes the company more flexible to the rapid changes	72%	12%	0%	6%	10%
Continuous training of employees enhances the budgetary process	70%	20%	0%	6%	4%
Implementation of the Advanced budgeting software enhances the budget process	82%	12%	2%	2%	2%
A move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance	80%	14%	0%	4%	2%
Increased employee participation improve budgetary process	76%	4%	10%	4%	6%

Source: primary data (2018)

4.7.1 Integration of Strategic Planning and Budget Process Improves Performance

Response	Frequency	Valid percentage (%)
Strongly agreed	40	80
Agreed	9	18
Not sure	0	0

Disagreed	1	2
Strongly disagreed	0	0
Total	50	100

Table 4.7.1 Results on Integration of Strategic Planning and Budget Process Improving Performance

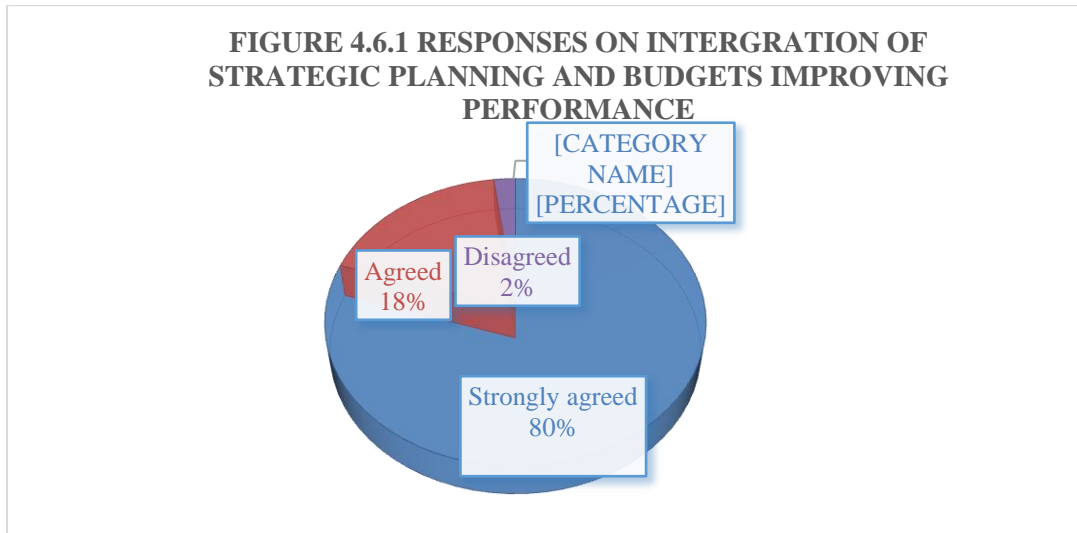


Figure Pie chart showing response of participants on integration of strategic planning and budget process improving performance

Source: survey results (2018)

From Figure 4.7.1 pie chart above an overall 98 % (49/50) of the respondents concurred that integration of strategic planning and budget process improves performance whilst only one respondent oppose the idea. The results show that majority of respondents agree on the position that integration of strategic planning and budget process improves performance. The results auger well with Kaplan (2013) revelation that majority of firms in the 21st century are now moving into the integration of the budget process and strategic management and therefore technology is now paramount in order for the successful integration of the systems and for proper communication which save time and resources.

4.7.2 Forecasting Techniques to Improve Budgetary Process at Mega Pak Pvt Ltd

Response	Frequency	Valid percentage (%)
Strongly agreed	36	72
Agreed	6	12

Not sure	0	0
Disagreed	3	6
Strongly disagreed	5	10
Total	50	100

Table 4.7.2 results on use of forecasting techniques to improve budgetary process at Mega Pak Pvt Ltd

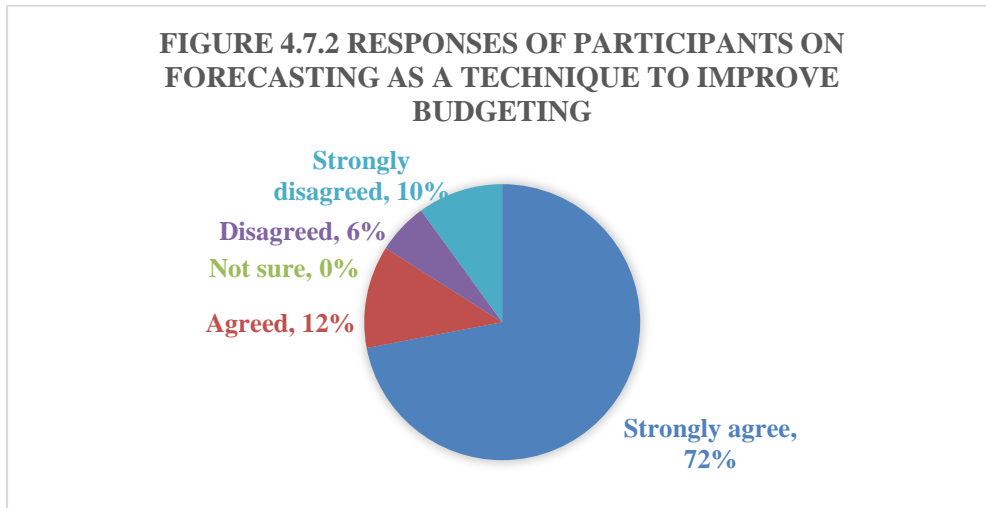


Figure 4.7.2 Pie chart showing response of participants on forecasting techniques to improve budgetary process at Mega Pak Pvt Ltd.

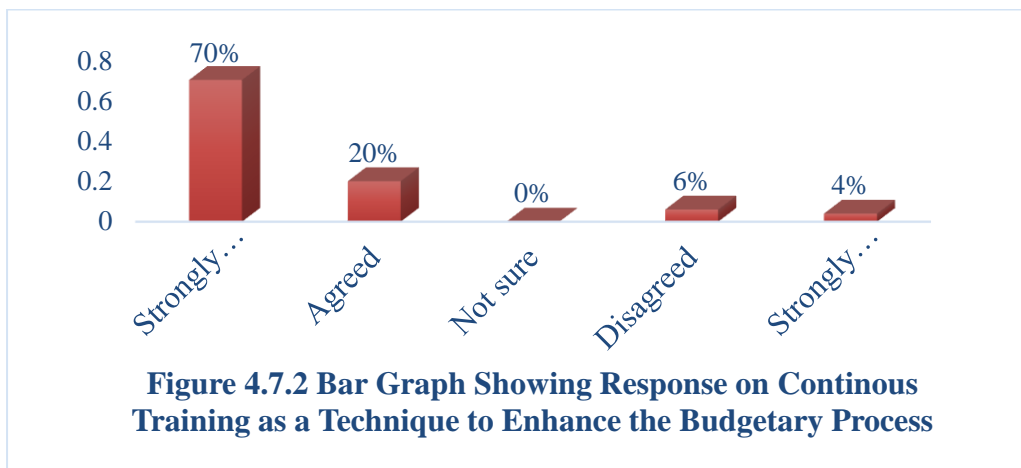
Source primary data :(2018)

Figure 4.7.2 pie chart above depicts that eighty four percent (42/50) of the respondents concurred that forecasting makes the company more flexible to the rapid changes whilst a mere 16% (8/50) of the respondents disagreed. The results show that forecasting is a potential solution to address budgetary process and control challenges at Mega Pak Pvt Ltd. The results concur with the findings of Skae (2013) who revealed that forecasting is one of the scientific techniques that can be used by organisations to improve the budgetary process since the forecasts are prepared by experts who use both qualitative and quantitative techniques and provides information that is valuable for budget preparation. Skae (2013) also indicated clearly and categorically that the use of forecasting techniques during the budgetary process is of great use in a volatile and turbulent economic or operating environment as price of inputs keep changing more frequently.

4.7.3 Continuous Training of Employees as a Technique to Improve Budgetary Process at Mega Pak Pvt Ltd

Response	Frequency	Valid percentage (%)
Strongly agreed	35	70
Agreed	10	20
Not sure	0	0
Disagreed	3	6
Strongly disagreed	2	4
Total	50	100

Table 4.7.3 showing response of participants on continuous training of employees techniques to improve budgetary process.



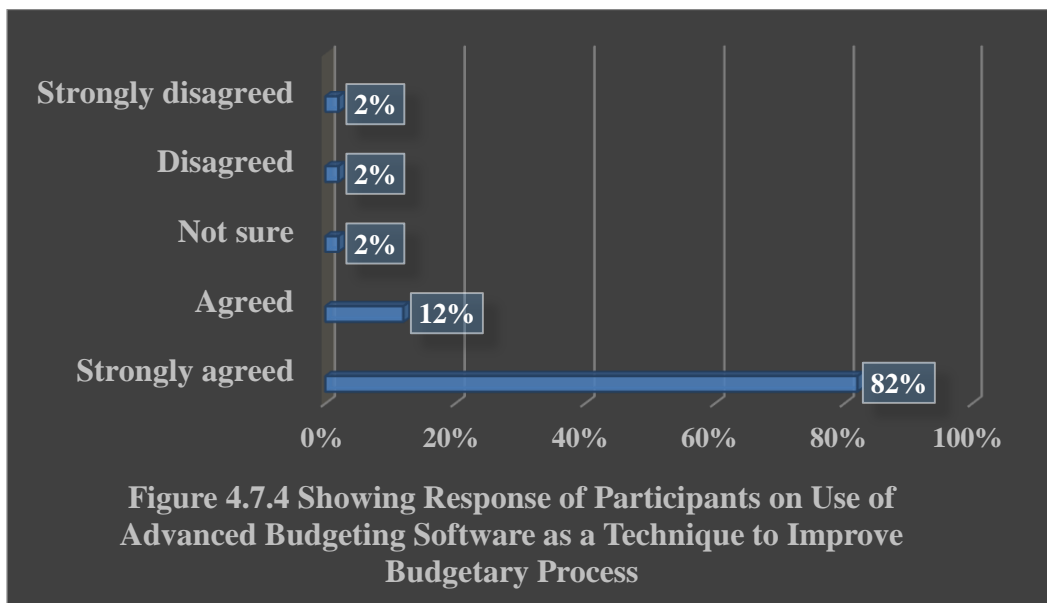
Source: survey results (2018)

From figure 4.7.3 the bar chart illustrates that ninety percent (45/50) of the respondents concurred that continuous training of employees enhances the budgetary process whilst a mere 10 % (5/50) of the respondents opposed the idea. The results show that continuous training of budget holders, budget preparers and budget implementers will go a long way in improving the budgetary process at Mega Pak Pvt Ltd. The result is consistent with the previous finding that the lack of training has impacted negatively on budgetary process and control. The results are also in line with the empirical findings of Ioryer, (2017) who revealed that lack of competent manpower or untrained workforce are some of the major challenges that impact negatively on the budgetary process and control.

4.7.4 Implementation of the Advanced Budgeting Software as a Technique to Improve Budgetary Process at Mega Pak Pvt Ltd

Response	Frequency	Valid percentage (%)
Strongly agreed	41	82
Agreed	6	12
Not sure	1	2
Disagreed	1	2
Strongly disagreed	1	2
Total	50	100

Table 4.7.4 showing response of participants on implementation of the advanced budgeting software as a technique to enhance budgetary process



Source: primary data (2018)

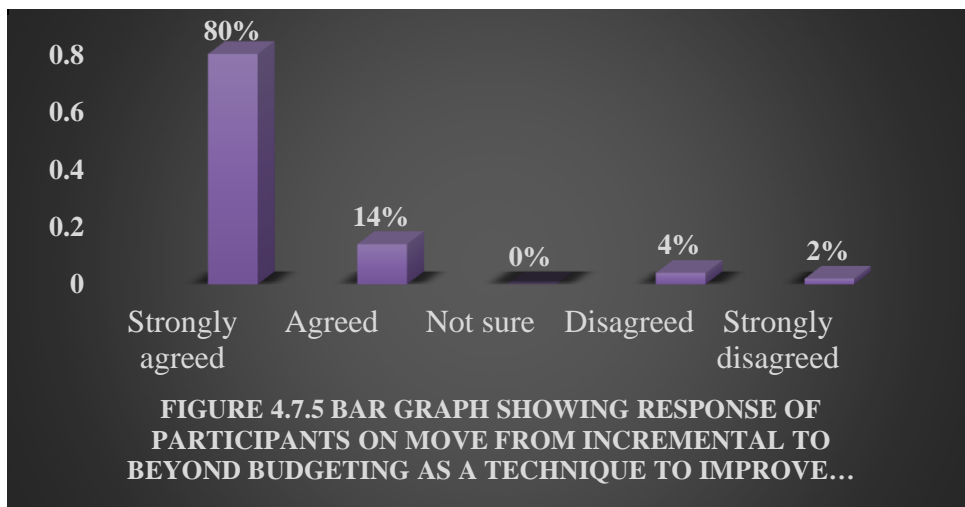
As shown on bar chart in figure 4.7.4 above ninety four percent (47/50) of the respondents concurred that implementation of the advanced budgeting software enhances the budget process whilst the other four percent (2/50) of the research participants opposed the idea. Only one respondent was unsure if implementation of the advanced budgeting software enhances the budget process. The result show that in light of a dynamic business environment where technology changes on a daily basis the introduction of advanced budgeting software that enhances the budget process is a key ingredient. The results align well with academic literature of Kaplan (2013) who stated that the use of advanced budgeting software by large

firms addresses the complexities faced by the large firms in producing a proper budget and the advanced software minimize errors and enhances the chances of producing an accurate budget.

4.7.5 A Move from Using Incremental Budgets (Traditional) to Beyond Budgeting (Modern) as a Technique to Improve Budgetary Process at Mega Pak Pvt Ltd

Response	Frequency	Valid percentage (%)
Strongly agreed	40	80
Agreed	7	14
Not sure	0	0
Disagreed	2	4
Strongly disagreed	1	2
Total	50	100

Table 4.7.5 showing response of participants on a move from using incremental budgets (traditional) to beyond budgeting(modern) as a technique to improve budgetary process.



Source: primary data (2018)

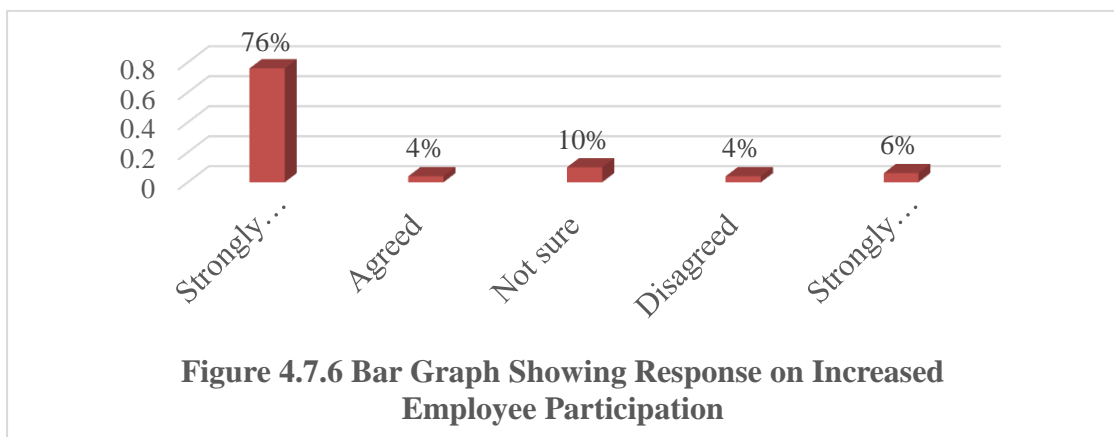
Ninety four percent (47/50) of respondents concurred that a move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance at Mega Pak Pvt Ltd whilst a mere four percent (2/50) of the research participants opposed the idea. No respondent was unsure that a move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance. The result show that a move from the current traditional budgeting approach to modern budgeting approach is a necessary remedy

to address the current budgeting challenges faced by Mega Pak Pvt Ltd. The results auger well with the Kaplan (2013) revelation that the move to modern budgeting techniques is necessary to integrate successfully strategic management and budgetary process.

4.7.6 Increased Employee Participation Improve Budgetary Process as a Technique to Improve Budgetary Process at Mega Pak Pvt Ltd

Response	Frequency	Valid percentage (%)
Strongly agreed	38	76
Agreed	2	4
Not sure	5	10
Disagreed	2	4
Strongly disagreed	3	6
Total	50	100

Table 4.7.6 showing response of participants on increased employee participation improve budgetary process as a technique to improve budgetary process at Mega Pak Pvt Ltd



Source: primary data

From figure 4.7.6 bar chart above eighty percent (40/50) of the research participants indicated that increased employee participation improve budgetary process. On the other hand 10 % (5/50) of the respondents disagreed that increased employee participation improve budgetary process. Five respondents (10%) were unsure if increased employee participation improve budgetary process. The result show that employee participation is a key ingredient to address to need to improve budgeting at Mega Pak Pvt Ltd. The result is consistent with the findings

of Oluwalope, and Sunday, (2017) who revealed that budgetary participation and organizational commitment positively impact on managerial performance in Nigeria.

4.8 Major Research Themes (Key Research Findings)

4.8.1 The Majority of the Respondents Concurred that the Effects of Budget Process and Control on Performance of Mega Pak Pvt Ltd entail the following:

- Provision of expenditure tracking and reduction of operational costs (94%)
- Enhancement of performance evaluation (94%)
- Effective tool for resource allocation (94%)
- Facilitation of business growth (84%)
- Encourages goal congruence at the organization (84%)
- Profit maximization (82%)
- Motivation of employees (80%)
- Promotes a harmonious working relationship among several departments (72%)
- Provide a framework for responsibility accounting (64%)
- Potential reduction of business failure (60%)
- Improvement of financial health (54%)

4.8.2 The Majority of Respondents Concurred that Factors Affecting the Budgetary process in Mega Pak Pvt Ltd include the following:

- Economic environment (96%)
- Technological environment (94%)
- Organisational structure (84%)
- Organisational culture (82%)
- Political environment (82%)
- Social environment (80%)
- Organisational recruitment and training (72%)

4.8.3 The majority of the research participants identified the following limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control:

- Budgets takes too much time preparing (98%)

- Inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process (96%)
- Budget process hinders initiative (92%)
- Lack of training to budget implementers (90%)
- Budget process promotes budget slacking and manipulation of figures (88%)
- Departmental conflicts leading to some departments compromising and giving less input to budget preparation (84%)
- Budgets favour a top down approach of information (80%)
- Preparation of budgets based mainly on past and not future (80%)
- The cost of creating the budgets outweighs the benefits derived from using it (78%)
- The use of estimates in budgets makes the information less reliable (64%)

4.8.4 The Majority of the Participants Concurred that the Following Ways can be Used to Improve Budgeting and Budgetary Controls in Mega Pak Pvt Ltd:

- Integration of strategic planning and budget process improves performance (98%)
- Implementation of the advanced budgeting software enhances the budget process (94%)
- A move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance (94%)
- Continuous training of employees enhances the budgetary process (90%)
- Forecasting makes the company more flexible to the rapid changes (84%)
- Increased employee participation improve budgetary process (80%)

CHAPTER FIVE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter presents a summary of all the previous chapters, conclusions made based on key research findings revealed in chapter four, recommendations for the study and recommendations for further research.

5.1 Summary

Chapter 1

The analysis of the effects of budgetary process and control on performance of manufacturing companies focusing on Mega Pak Pvt Ltd was triggered by recurring variances at Mega Pak Pvt Ltd between 2015 and 2017. In order to address the research problem the researcher formulated the objectives of identifying the effects of budget process and control on performance of Mega Pak Pvt Ltd, identifying factors affecting the budgetary process in Mega Pak Pvt Ltd, identifying the limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control and finally identifying ways to improve budgeting and budgetary controls in Mega Pak Pvt Ltd. In order to address the above research objective, the following key research findings were obtained from data collected from the research participants:

Chapter two

The researcher reviewed empirical studies on budgeting and budgetary control identifying gaps left by previous researchers. The researcher used the agency theory and priority based budgeting as theoretical framework for the study

Chapter three

The researcher used the mixed method approach to address the research problem. The researcher triangulated a questionnaire and interviews to collect data from the research subjects from a sample of sixty respondents using a stratified and simple random sampling techniques.

Chapter four

Research results were collected, analysed and presented using tables, bar graphs, pie charts and area charts. The results were consistent with previous empirical research findings. The study revealed that the effects of budget process and control on performance of Mega Pak Pvt Ltd entail provision of expenditure tracking and reduction of operational costs, enhancement of performance evaluation, effective tool for resource allocation, facilitation of business growth, encourages goal congruence at the and profit maximization. The research results also unearthed factors that affect the budgetary process as Economic environment, technological environment, organisational structure, organisational culture, political environment, social environment and organisational recruitment and training. It also revealed limitations faced in budgetary process as time constraint, financial constraint, hindering of initiative, budget slacking and manipulation of figures, unfunctional departmental conflicts and top down approach to information.

Major research findings

1. The Majority of the Respondents Concurred that the Effects of Budget Process and Control on Performance of Mega Pak Pvt Ltd entail the following:

- Provision of expenditure tracking and reduction of operational costs (94%)
- Enhancement of performance evaluation (94%)
- Effective tool for resource allocation (94%)
- Facilitation of business growth (84%)
- Encourages goal congruence at the organization (84%)
- Profit maximization (82%)
- Motivation of employees (80%)
- Promotes a harmonious working relationship among several departments (72%)
- Provide a framework for responsibility accounting (64%)

- Potential reduction of business failure (60%)
- Improvement of financial health (54%)

2. The Majority of Respondents Concurred that Factors Affecting the Budgetary process in Mega Pak Pvt Ltd include the following:

- Economic environment (96%)
- Technological environment (94%)
- Organisational structure (84%)
- Organisational culture (82%)
- Political environment (82%)
- Social environment (80%)
- Organisational recruitment and training (72%)

3. The majority of the research participants identified the following limitations faced by Mega Pak Pvt Ltd in relation to the budgetary process and budgetary control:

- Budgets takes too much time preparing (98%)
- Inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process (96%)
- Budget process hinders initiative (92%)
- Lack of training to budget implementers (90%)
- Budget process promotes budget slacking and manipulation of figures (88%)
- Departmental conflicts leading to some departments compromising and giving less input to budget preparation (84%)
- Budgets favour a top down approach of information (80%)
- Preparation of budgets based mainly on past and not future (80%)
- The cost of creating the budgets outweighs the benefits derived from using it (78%)
- The use of estimates in budgets makes the information less reliable (64%)

4. The Majority of the Participants Concurred that the Following Ways can be Used to Improve Budgeting and Budgetary Controls in Mega Pak Pvt Ltd:

- Integration of strategic planning and budget process improves performance (98%)
- Implementation of the advanced budgeting software enhances the budget process (94%)

- A move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance (94%)
- Continuous training of employees enhances the budgetary process (90%)
- Forecasting makes the company more flexible to the rapid changes (84%)
- Increased employee participation improve budgetary process (80%)

Finally the study indicated major ways of improving budgetary process and control as integration of strategic planning and budget process improves performance, implementation of the advanced budgeting software enhances the budget process, a move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance, continuous training of employees enhances the budgetary process, forecasting makes the company more flexible to the rapid changes and increased employee participation improve budgetary process.

5.2.1 Conclusions

Based on the above key research findings, the following conclusions were made:

- 5.2.1** The top five effects of budget process and control on performance of Mega Pak Pvt Ltd entail provision of expenditure tracking and reduction of operational costs, enhancement of performance evaluation, and effective tool for resource allocation, facilitation of business growth and promotion of goal congruence at the organization.
- 5.2.2** Both internal and external factors affecting the budgetary process in Mega Pak Pvt Ltd include the following. The top five factors entail economic environment, technological environment, organisational structure, organisational culture and political environment.
- 5.2.3** Mega Pak Pvt Ltd faced a myriad limitations in relation to the budgetary process and Budgetary control. The major five limitations entail budgets takes too much time preparing ,inadequate financial resources lead to inefficient allocation of resources to departments and underfunding of the budgetary process, budget process hinders initiative, lack of training to budget implementers and budget process promotes budget slacking and manipulation of figures.
- 5.2.4** Employees are aware of some of the solutions to improve budgeting and budgetary controls. There are multiple ways to improve budgeting and budgetary controls in

Mega Pak Pvt Ltd. The top five techniques that may be used entail, integration of strategic planning and budget process thereby improving performance, implementation of the advanced budgeting software that enhances the budget process, a move from using incremental budgets (traditional) to beyond budgeting (modern) would increase performance, continuous training of employees enhances the budgetary process and forecasting.

5.3 Recommendations

Based on the above conclusions the following recommendations were arrived at:

- Mega Pak Pvt Ltd need to shift its budgeting techniques from traditional or incremental budgeting to beyond budgeting approach to realize more value from use of budgets
- Mega Pak Pvt Ltd need to change its style of budgeting from top down approach to bottom up approach of budgeting in order to obtain more input from budget implementers and motivate employees to achieve organizational objectives or budgets.
- A thorough training of all employees on budget preparation, process, implementation and control is required. Managers need to be trained on how to prepare budgets in the modern era.
- Mega Pak Pvt Ltd need to seriously consider the use of advanced budgeting software to prepare its budgets and minimize human errors associated with the excel sheets currently in use.
- Management of Mega Pak Pvt Ltd need to hire business consultants to conduct a seminar on budgets. The seminar has to focus on budgets uses, benefits, demerits, challenges and solutions to the problems faced with regard to budgetary process and control.
- Mega Pak Pvt Ltd management has to scan the external environment through PESTEL analysis and the internal environment as well through SWOT analysis and use the findings in preparing budgets because both internal and external factors affect budgets.

- A decentralization organizational structure may assist Mega Pak Pvt Ltd in responding quickly to changes that may be required on budgets rather than relying on a bureaucratic centralised organizational structure.
- A change of culture from the political model to a participative model can assist Mega Pak Pvt Ltd to come out with realistic budgets that are achievable thereby reducing the problem of recurring adverse variances. The culture change will assist in obtaining more input from employees as most employees through this study have demonstrated that given a chance they can prescribe the right solutions to address the budgetary process
- The adoption of a priority based budgeting may assist Mega Pak Pvt Ltd d in crafting a proper budget that is based on key priorities of the organization rather than organisational politics.
- Review of the current recruitment policies of Mega Pak Pvt Ltd to ensure that a large number of employees from outside the organization can inject new ideas with regard to the budgeting process and control.
- Benchmarking with marketing leaders in the manufacturing industry may assist the organization to improve its budgetary process and controls by following what market leaders do in the industry.

5.4 Suggetsions for Further Studies

The current study has focused on the analysis of the effects of budgetary process and control on performance of manufacturing industries with exclusive focus on Mega Pak Pvt Ltd. Future researchers may consider an investigation of the effects of budgetary process and control on performance of companies in service industries and check for similarities and differences. Further research may also be pursued on the evaluation of current budgeting practices by manufacturing companies in Zimbabwe with a view to establish if traditional or modern techniques are dominant and how that is impacting on organizational financial performance.

REFERENCES

- Adongo, K.O. (2013) Budgetary Control as a Measure of Financial Performance of State Corporations in Kenya. Kenya
- Akeem, L.B (2017) Effect of Cost Control and Cost Reduction Techniques in Organizational Performance, Ogun State, Nigeria
- Assey, D.D. (2014) Effectiveness of budgeting process in achieving organizational goals: a case of Temesa. Tanzania.
- BPP Learning Media (2013-17) Marketing and promotion. United Kingdom: BPP Learning Media.*
- Burns, A. & Groove, B. (2010). The Practice of Nursing Research: Conduct, critique & utilization. 4th edition. W. B. Saunders Company.
- Burns. Sage, (2008): Mastery learning. JH Block, RB Burns. Review of research in education 4 (1), 3-49, 1976.
- Brown, J. L. and Howard, L.R. (2015). Principles and practice of management Accountancy. Macdonald and Evans ltd, London
- Chartered Institute of Management Accounting 2016
- Creswell, J. W. (2014). Research Design: Qualitative, Quantitative and Mixed Methods Approaches (4th ed.). Thousand Oaks, CA: Sage.

Cooper, D.R. & Schindler, P.S. 2003. Business research methods (8th ed.). Boston: McGraw-Hill

Drury, C. (2013) Management and Cost Accounting. New York: International Thomson Business Press.

Foster, A. T (2017) Budget Planning, Budget Control, Business Age, and Financial Performance in Small Businesses. Walden University. USA

Ioryer, O.S (2017) a critical appraisal of budgeting and budgetary control in the public sector: a case study of ministry of finance, Makurdi, Benue state

Institute of Chartered Secretaries and Administrators in Zimbabwe 2015

Isaboke, E M (2016) Assessment of budgeting process on financial performance of county government of Nakuru, Kenya

Jazi, T. (2014) An Analysis of the relationship between non-performing loans and company performance: A case study of CBZ Bank.UZ

Kamau, J. K., Rotich, G. & Anyango, W. (2017). Effect of budgeting process on budget performance of state corporations in Kenya: A case of Kenyatta National Hospital. International Academic Journal of Human Resource and Business Administration, 2(3), 255-281

Kaplan NC.LEX-RN Premier 2013-2016: With 2 Practice Tests. New York: *Kaplan* Pub, 2015

KOECH, G.M (2015). The effect of budgetary controls on financial performance of manufacturing companies in Kenya

Makotsa, B (2017). Effect of tobacco farming on livelihood of farmers in Charenzva village. Zou

Maziriri E T and Mapuranga M (2017) The Impact of Management Accounting Practices (Maps) on the Business Performance of Small and Medium Enterprises within the Gauteng Province of South Africa

Muzadzi, M (2014). An evaluation of the effects of budgeting on performance of manufacturing companies. MSU.

Kazeem O. F, Hakeem O. F, and Reuben O. O, (2014) "Budgetary and Management Control System for Improved Efficiency in Public Sector of Nigeria

Kavanagh S C, Johnson, J and Fabian, C (2011).Anatomy of a priority driven budgetary process, GFOAS Research Consulting Centre

Kimunguyi, S. (2015) Effect of Budgetary Process on Financial Performance of Ngos in Health Sector in Kenya. Jomo Kenyatta University

Koech, R (2015). Effects of forest resource use conflict enderit forest block in Mau Forest Complex, Kenya.

Orodho, A.J. & Kombo, D.K. (2002).Research methods Nairobi: Kenyatta University, Institute of Open learning

Oluwalope, A, A and Sunday, O. (2017) Impact of Budgetary Participation and Organizational Commitment on Managerial Performance in Nigeria

Robert J. Barro & Jose F. Ursua, 2008. "Macroeconomic Crises since 1870," Brookings Papers on Economic Activity, Economic Studies Program, The Brookings Institution, vol. 39(1 (Spring), pages 255-350.

Saunders, M., Lewis, P. & Thornhill, A. (2009) Research methods for business students, 5th ed., Harlow, Pearson Education.

Siyanbola TT, (2013) The Impact of budgeting and budgetary control on the performance of manufacturing company in Nigeria

Wood, Nick & Skae, Owen, 2013. "Principles of Management Accounting: The Question Book," OUP Catalogue, Oxford University Press, edition 2.

www.accaglobal.com

WWW.bpp.com/learning media

www.oecd-ilibrary.org/education/education-at-a-glance-2015_eag-2015-en

APPENDIX 1: QUESTIONNAIRE



Department of Accounting

Questionnaire

My name is Patricia Chimbalami, an undergraduate accounting student with Midlands State University. I am carrying out a research on the **Analysis of the effects of budgetary process and control on performance of manufacturing companies. A case of Mega Pak Zimbabwe Private Ltd (2015-2017)**. This research is being carried out in partial fulfilment of the requirements of the Bachelor of Commerce Accounting Honours Degree programme. I assure you that the information you are going to provide shall be treated with confidentiality and it is solely going to be used for academic purposes and shall not be published or transferred to whomsoever.

Instructions

Do not write your name on the questionnaire

If you face challenges in completing the questionnaire, do not hesitate to contact me on 0774999519 or email to patchimbalami@gmail.com.

For Question 1, 3, 6 and 7 kindly rate your level of agreement in the given statements.

KEY

SA – strongly agree

A - agree

NS – not sure

DA – disagree

SDA – strongly disagree

SECTION A: DEMOGRAPHIC DETAILS

1. Tick in the most appropriate box that corresponds to your specific demographic variable.

Gender	Male	<input type="checkbox"/>
	Female	<input type="checkbox"/>

Work Experience

Less than 5 years	<input type="checkbox"/>
5 - 10 years	<input type="checkbox"/>
11 - 15 years	<input type="checkbox"/>
Above 15 years	<input type="checkbox"/>

Highest level of Education

Secondary	<input type="checkbox"/>
National Certificate	<input type="checkbox"/>
National Diploma	<input type="checkbox"/>
1 st Degree	<input type="checkbox"/>
Masters	<input type="checkbox"/>

Other (Specify)

Position Occupied

- Top Manager
- Middle Manager
- Low Level Manager
- Non Managerial Staff

Department

- Operations
- Finance
- Marketing
- Technical
- Administration
- Human Resources
- Marital Status

SECTION B

Tick the appropriate column for each of the following questions indicating your level of agreement or disagreement with the given statement or factor.

Key

Agree - (A)

Strongly Agree- (SA)

Not Sure - (NS)

Disagree - (DA)

Strongly Disagree - (SDA)

1. The following are the effects of budgetary process and control on the performance of Mega Pak Pvt Ltd.

	A	SA	NS	DA	SDA
Profit maximization					
Facilitation of business growth					
Provision of expenditure tracking and Reduction of operational costs					
Motivation of employees					
Enhancement of performance evaluation					
Mobilization of resources					
Achievement of organizational goal					
Improvement on financial health					
Potential reduction of business failure					
Others (Specify).....					

- 3 The following factors influence the budgetary process at Mega Pak Pvt Ltd.

	SA	A	NS	DA	SDA
Political environment					
Social environment					
Economic environment					
Organisational structure					

Technological environment					
Organisational culture					
Organisational Recruitment and training process					
OthersSpecify.....					

4. The following budgeting techniques are in use at Mega Pak Pvt Ltd

Tick the most appropriate choice

Budgeting Technique	
Incremental budgeting	
Zero based budgeting	
Beyond budgeting	
Rolling budgets	
Activity based budgeting	
Balanced score card	
Program based budgeting	
Other (Specify).....	

5. Overall, the budgetary process and control can be ranked as good at Mega Pak Pvt Ltd

YES	NO

Motivate your response above.....
.....

6) The following are weaknesses of the budgetary process and control at Mega Pak Pvt Ltd.

	SA	A	NS	DA	SDA
The budget process hinders initiative					
The budget process promotes budget slacking and manipulation of figures					
The cost of creating the budgets outweighs the benefits derived from using it					
Budgets favour a top down approach of information					
The use of estimates in budgets makes the information less reliable					
Budgets takes too much time preparing					
Budgets are prepared using past information rather than the future					
Dysfunctional departmental conflicts					
Inadequate financial resources to cater for budgeting process					
Lack of training to budget implementers					
Others(Please specify).....					

7. The following techniques can be used by Mega Pak Pvt Ltd to improve its budgetary process.

	SA	A	NS	DA	SDA
Integration of strategic planning and the budget process					
Forecasting					
Continuous training of employees					
Implementation of the advanced budgeting software					
A move from using incremental budgets to beyond budgeting					
Increased employee participation					
Others(Specify).....					

8 Any comment with regard to budgets, budgetary process and control at Mega Pak Ltd

.....

Thank you for taking your precious time to complete the questionnaire.

APPENDIX 2

INTERVIEW GUIDE

- a) Which budgeting method is currently being used by Mega Pak Pvt Ltd?
- b) Why has the company adopted the budgeting method?
- c) What are the effects of budgetary process and control on the performance of Mega Pak Pvt Ltd?
- d) What are the factors that affect the budgetary process at Mega Pak Pvt Ltd?
- e) What are the limitations faced by Mega Pak Pvt Ltd in budget preparation and implementation?
- f) What ways could be implemented to improve the budgetary process and control at Mega Pak Pvt Ltd?