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FACULTY OF COMMERCE
DEPARTMENT OF ACCOUNTING

**THE IMPACT OF BUDGETING AND BUDGETARY CONTROL ON PERFORMANCE
OF GREAT ZIMBABWE UNIVERSITY.**

SUBMITTED BY

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R124503J

**THIS DISSERTATION IS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS OF THE BACHELOR OF COMMERCE ACCOUNTING HONOURS
DEGREE AT MIDLANDS STATE UNIVERSITY.**

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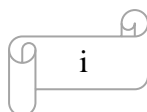
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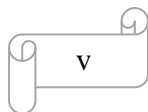
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DEDICATION

I dedicate this dissertation to Mrs Q. Makamanzi (my mother) and the late Mr V. Makamanzi (my father) and sisters for all the support they gave me in pursuing my studies.



ABSTRACT

The study sought to analyze the impact of budgeting and budgetary control systems being incorporated at Great Zimbabwe University. Great Zimbabwe University is a state owned institution which has been defied with adverse variances for the past three years up to date. The study revealed that these adverse variances was as a result of the nature of a poor budgeting system currently employed by the organization. The researcher used a descriptive research design and GZU as a case study in this research. A sample of twenty respondents was selected using a judgmental sampling approach. Gathering of data with the aim of confirming the existence of a problem was done through the use of questionnaires and interviews. Twenty out of twenty respondents filled and returned the questionnaires and three respondents were interviewed. The gathered data was presented and analysed in the form of graphs, tables and pie charts. Moreover, the gathered information was interpreted and compared to the existing literature in an attempt to confirm the existence of the problem. The results showed that there is inflexible budget structure, lack of lower level participation in budget process, poor supervision from management and ineffective implementation of budgets. The research recommends that the organization should adopt a flexibility budget structure, allow participation of low level managers in budget processes and effective implementation of budgets. The research strives to unleash that the budgeting approach used by the organisation has some loopholes which gave rises to unfavourable variances. Other budget techniques like zero based budgeting was surfaced so that the organization may adopt in order to curb the recurrence of adverse variances.

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CHAPTER ONE

1.0 Introduction

This chapter presented the introduction of the research by taking the reader through the background of the study, the statement of the problem, research objectives, research problem, research questions, and significance of the study. This same chapter also gave limitations and delimitations of the study, assumptions, definition of terms and a brief summary of the whole chapter.

1.1 Background of the study

A handful researchers (Derfuss, 2015; Kung et al, 2013; Lua and Tan, 2015; Lepori et at, 2013; Lili, 2011; Murphy and Katsinas, 2014) identified budgeting as the most viable tool in management accounting used for planning, coordinating, effective resource allocation and performance evaluation. Prior studies by Ryan and Wentzel (2015) evidenced that budget decisions can differ due to extent of emphasis placed on accomplishing time budget targets and unpremeditated factors of adverse variances. Otley (2016) also brought forward that, budgetary information possessed, get influenced when executed in a way which did not recognize its limit, therefore budgeting can be seen as a complicated and practical field which needs to be inspected and develop (Annessi-Pessina, Barbera, Francesca & Steccolini, 2016). The call for accountability, delivery of efficient services in public orgranizations across Africa (Adongo and Jagongo, 2013), compelled budgetary control measures to step in and provide far reaching management platform for the distribution of scarce resources more efficiently and effectively (Mohamed, Evans and Tirimba, 2015; Siyanbola, 2013). Budgeting and budgetary controls was seen as the vehicle of controlling costs and improving organizational efficiency, yet earlier

studies in developing countries had paid little attention to them and they did not convincingly managed to address the impact they had on performance of public institutions (Adongo & Jgongo, 2013; Mohamed et al ,2015). Hence, the focal point of this study was to seal that gap by establishing the impact of budgeting and budgetary controls on performance of state owned institutions in Zimbabwe.

Great Zimbabwe University, state institution which prepares its fiscal year budgets using the line item budgeting technique. It was facing poor performance challenges due to its budgeting system and lack of effective budgetary controls being witnessed by recurring unfavourable variances in revenue and expenditures for the past three years as presented in the table below.

Table 1:1 Budget Variance Report-Revenue and Expenditure performance (2013 - 2015).

YEAR	DETAILS	INCOME (\$US)	EXPENDITURE (\$US)
2013	Budgeted	32,850,200.00	25,100,280.00
	Actual	30,240,500.00	24,990,680.00
	Variance	<u>(2,609,700.00)</u>	<u>109,600.00</u>
2014	Budgeted	35,944,600.00	28,360,200.00
	Actual	31,980,210.00	29,180,920.00
	Variance	<u>(3,964,390.00)</u>	<u>(820,720.00)</u>
2015	Budgeted	38,480,500.00	32,140,800.00
	Actual	33,090,820.00	34,950,380.00
	Variance	<u>(5,389,680.00)</u>	<u>(2,809,580.00)</u>

(Source) GZU Management Accounts Report for the period 2013 – 2015.

In a Budget Committee meeting held on 18 September 2015, the Bursar of GZU expressed concern on the gradual decline of revenue collected and rising expenditures than budgeted which led to recurring negative variances for the past 3 years. As evidenced in Table 1:1 above, an

adverse variance of 7.9% in revenue in 2013 was realized. The subsequent year, which was 2014 the situation became worse than before as it resulted in an adverse variance of 11% in revenue which was 3.1% higher than the revenue achieved in 2013. In year 2015, again an adverse variance of 14% revenue was attained, which was a further increase of 3% as compared to the revenue collected in 2014.

All these deviations from the projected revenue was caused by a number of factors, the major one was that most students failed to pay their full fees and levies, others were also deferred, (Management Accounts Report 2015). Since student tuition seen as the major source of income for the university to finance its operations, the decision to enroll more students was adopted in year 2013 but still the university failed to reach the targeted income every year, (Annual Report, 2014).

In 2013, a favourable variance of 0.4% in expenditure was achieved, followed with an adverse variance of 2.9% in expenditure in 2014. Again, in year 2015, an adverse variance of 8.7% was attained, which was 5.8% further increase from year 2014. The adoption of Multi Campus approach from 2013 leads to increase in number of students being enrolled per semester seems to provide a sense of growth (more income) in the organization, however this did not in the monetary value of funds as expected. The increase in enrolment of students actually increased cost drivers such as: electricity, parallel/block allowances, examinations expense, fuel, internet rental/connections, and then lease and rental charges, thus deviating revenue for its intended use ending up squeezing the budget compromising institution's objectives and eventually affecting its performance as demonstrated with adverse variances, (Annual Report, 2014).

Following the minutes of management meeting held on 27 October 2015, the Deputy Bursar spelled out the fact that GZU had faced difficulties in implementing the set standards in the

budget effectively since there was a skyrocketing trend of expenditures from 2013 up to 2015 period. By the end of that particular meeting, the management agreed on the need for the university management to put in place strict measures to ensure that the majority of students pay their full fees in time to increase revenue base and then to embark on cost cutting measures in all department so that the university will be able to accomplish its targeted goals, (Management Accounts Report 2015).

Isaac, Lawal and Okoli, (2015) also highlighted that, when a budget and its control system watchfully planned and implemented by any organization, it can lead to decrease in cost and increase in revenue, which in turn leads to maximization of profits and improved performance. Consequently, the study hoped to ascertain the impact the current budgeting and budgetary control systems has had on performance of Great Zimbabwe University.

1.2 Statement of the problem

From 2013 up to 2015 it had been noted that actual income realized at GZU was below the budgeted and actual expenditures exceeded the budgeted ensuing unfavourable variances. During the budget execution there was ineffective budget implementation, lack of flexibility to respond to raising expenditures and no justification of cost incurred, as such there was no balance between the set standards and the actual outcomes. This then leads to setbacks in accomplishment of overall organizational targets, thus poor performance. The research sought to scrutinize the impact the current budgeting and budgetary control systems had on performances of GZU.

1.3 Research Objectives

- To evaluate the nature of budgeting system employed at GZU.
- To identify the problems likely associated with the use of budgets and budgetary controls.

- To investigate the major causes of continuous negative variances.
- To highlight alternative budgeting approaches relevant at GZU.
- To identify ways in which GZU can take to move to a viable performance.

1.4 Main Research Problem

The impact of budgeting and budgetary controls on performance of GZU

1.5 Sub-Research Questions

- What is the nature of budgeting system employed at GZU?
- What are the problems likely to be associated with the use of budgets and budgetary controls?
- What are the causes of persistent negative variance?
- What are the alternative budgeting approaches relevant at GZU?
- What are the ways which GZU can take to immediately move to a viable performance?

1.6 Significance of the Study

The research will be of importance to:

- The researcher

The research was carried out in part fulfilment of the requirements of the Bachelor of Commerce Accounting (Honours) Degree. The research also widened the researcher's academic knowledge on the study area.

- To Midlands State University

The researcher believes that the problem filled a gap in literature and would contribute to the knowledge base of fellow colleagues willing to do studies in this field. The whole compilation of the research is expected to contribute to the Accounting department academic resources.

- To Great Zimbabwe University (Company)

The research suggested recommendations which the concerned firm might find useful or might want to further explore and refine for the improvement of the overall organizational performance.

1.7 Delimitations of study

The research was conducted at the Main Campus of Great Zimbabwe University which is located in Masvingo, Zimbabwe. The research period on Great Zimbabwe University under review in this study was from 2013 to 2015. Prior literature reviewed under this study was from 2011 up to 2016 a period of 5 years. The key informants from Great Zimbabwe University who gave data for the variables under assessment in this study were management and employees of the organization.

1.8 Limitations

- Corporate confidentiality

Due to official secrecy, the respondents may not want to divulge a lot of information. To counter that challenge, the researcher assured them that the information collected would be for academic purpose only.

1.9 Assumptions:

In this study certain research assumptions have been made. It was assumed that key informants were knowledgeable and willing participants in this study. Data were provided within the normal time to enable the researcher to finish the research under scheduled time. In this study, the researcher assumed that data collected from informants was correct, complete and relevant, hence it can be relied on for use in this study.

1.10 Definition of key terms and acronyms:

- Budget - refers to a more detailed plan conveyed in quantitative terms and it reflects the way in which resources were allocated and used during a certain stipulated period of time (Hilton and Platt,2014).
- Budgetary control- “is the system of controlling costs through budgets. It involves comparison of actual performance with the budgeted with the view of ascertaining whether what was planned agrees with actual performance”, (Mohamed et al, 2015, pp. 328).
- Variance – termed as the divergence between the budgeted results and the actual result, which can be computed through subtracting the actual amount from the budgeted amount (Davis and Davis, 2014).

Acronyms:

BB	:	Beyond Budgeting
DB	:	Deputy Bursar
GZU	:	Great Zimbabwe University
HRM	:	Human Resource Manager
PM	:	Procurement Manager
ZBB	:	Zero Based Budgeting

1.11 Summary

This chapter presented the background of the study which was immediately followed by the problem of statement along with the research questions. Research purposes which the study seeks to attain and a brief detailed significance of the study to the student, organization and the university. The student goes on to clarify delimitations to limit focus of the study and then boundaries which could task the investigation’s value, assumptions, definition of terms and

acronyms. The next chapter focused on analyzing existing literature on budgeting and budgetary controls.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter embraced the literature review from various sources and published material that relates to the research on the impact of budgeting and budgetary controls systems on performance of public institutions in Zimbabwe. Secondary data sources that includes the published journals and books was the essential sources which had been used on this particular review. The analysis on the nature of line budgeting system, causes of adverse variances and the best practices on budgeting and budgetary control system was explored in detail. A brief summary of this chapter was also given.

2.1 Evaluating the nature of budgeting system employed at GZU.

2.1.1 Line-Item budgeting technique

Siyanbola (2013) viewed the line-item budgeting technique as a traditional approach which utilizes the previous year estimates of expenditures and income as a source to determine the budget estimates for the succeeding year and the system mostly used in public sectors. In corroboration to the above, ACCA (2014) and ICAP (2015) revealed that, this budgeting approach was acceptable and extensively used in public sectors due to its simplicity to prepare and easily understandable method to employees, since historical (previous year) figures were only adjusted for inflation and other known changes (Adeleye, 2016).

Although, this approach provides managers with the basis of planning for the forthcoming period's estimates (ACCA, 2011), however it has demonstrated a lot of inefficiency and

ineffectiveness as it continues to transfer the problems of the previous financial year into the following year. That is, the same parameters were being used on yearly basis, as a result mismanagement of funds, low productivity and poor performance of government owned enterprises can be shown (ACCA, 2014; Adeleye, 2016). In the case of GZU, all adverse variances and deficits attained each year were brought forward to the subsequent year, thus inducing poor performance.

Abogun & Fagbemi (2011) and Foyeke (2013) highlighted that advocates of budgeting claimed that the use of line item budgeting approach forces managers to become better administrators which sets realistic goals, promotes coordination and communication within the organization, aids performance evaluation and motivates employees to strive for the best and attain set targets (De Waal et al , 2011). In addition to the above, Kyei, Kwaning and Francis, (2015) considered traditional budgeting as a technique which enables managers to transform strategic notions into plausible operative action, targets into financial values and making easily measurable progress, by comparing actual performance against anticipated performance. Akande and Oluwaseun (2014) also complemented that, this budgeting approach allows managers to learn well in advance of productions and distribution bottlenecks and the knowledge of these problems helps in resolving or avoiding them.

Contrary to the above views, many managers were dissatisfied with line item budgeting system (Horngren et al, 2012), because it reinforce or fortify departmental barriers rather than encourage knowledge sharing, makes people feel undervalued and seen as an annual performance ritual to managers (De Waal et al., 2011; Nwagbara, 2012; Pietrzak, 2013). According to ACCA (2014), the use of line budgeting technique has resulted in individuals lacking corporation within themselves as they were only concentrating on their own budgets, disregarding other factors in

the organisation. Bragg (2011) stipulated that the use of line budgeting has reduced synergetic effects between departments and this was evidenced at Great Zimbabwe University. De Waal et al (2011) further suggested that, line budgeting can lead to dysfunctional or undesirable behaviour, such as: negotiating lower targets and building a reserve in the budget so that the targets can easily be reached; reducing costs in the short term to achieve margin targets and after all it hampers achievement of long-term goal of an organisation (Bamber and Parry, 2014).

More so, Thompson et al (2013) viewed line budgeting technique as a mechanism which lacks transparency and unsuitable for complex situations, although it is simple to use. That is, by the end of each fiscal year university faculties noticed spending spree and holidays in an endeavor to expend their block allocations (Tagwireyi, 2012). In that same thought (Raghunandan et al, 2012) opined that, in public service or sector there are dysfunctional practices correlated with traditional budgeting, that is, the “spend it or lose it syndrome”. That is, traditional budgeting encourages excessive spending in bid to utilize their full budget before the year end as they fear to get reduced allocations in the upcoming period as noted by (De Waal et al, 2011; Abdullahi et al, 2015).

Amato (2013) underscored that, the traditional budgeting technique provided a benchmark in determining compensation or reward for managers in an organisation. Since managers were rewarded according to fulfilment of budget targets as noted by Garrison et al (2012), they set undemanding targets which were easy to accomplish (Bamber and Parry, 2014). Consequently, this model can reduce a department manager’s drive to innovate, since the leader is only rewarded if the department hit the budget target (Cardos, 2014). Banker et al (2011) sighted that, line item budgeting was a deficient standard mechanism since it does not provide incentive for

departmental managers to try and reduce costs, thus managers may end up spending money just for that sake (ACCA, 2014).

Furthermore, Foyeke (2013) expressed that, the use of line budgeting is not out of date but evolving, since the need for forecasting, planning, controlling and coordinating of activities plays an imperative role in enhancing firm performance. Akande and Oluwaseun (2014) added that, traditional budgeting process increases management's ability to deploy resources more efficiently and effectively and to introduce modifications to the plan in a timely manner. However, studies conducted by Cardos (2014), Goode & Malik (2011) and Hansen, (2011) showed that, criticism of line item budgeting was notably increased in recent years, whereby many researchers considered it as outdated and historical object of the past. That is, the spending pattern can be analysed by comparing the data of the current year and for the previous year (ICAP, 2015). In addition, performance evaluation generally carried out at the end of the budget period and this can be too late to remedy deficiencies in a timely manner (Goode and Malik, 2011). De Wall et al (2011) and Tagwireyi (2012) suggested that, a number of practitioners perceived traditional budgeting being incapable of encountering or matching optimal resources to the demands of the competitive environment, encouraging budget games and heavily condemned for hampering efficient resource allocation, which in turn reduces organizational performance as evidenced by (Abdullahi et al, 2015; Amato, 2013; Cardos, 2014; Goode & Malik, 2011). Therefore, traditional budgeting was not dead yet, but has lost its usefulness and become outdated (Ekholm & Wallin, 2011).

Moreover, Goode and Malik (2011) expressed that, managers also believed that despite the associated time and costs, budgets were adding value to an organization. This was upheld by Amato (2013) who propounded that traditional budgeting evolved in an attempt to limit cost and

at the same time adding value in an organization. Contrary to the above, line budgeting was seen to be more concerned on cost reduction instead of adding value in an organisation (Cardos, 2014; Henttu and Jarvinen, 2013). This budgeting approach limit the potential to achieve high growth or substantial cost reductions because budgeting generally sets upper limits of what can be spent. A lot of organizations which uses line item budget strives for meeting the budget instead of beating the competition and no longer serves management in generating stakeholder value (De Waal et al, 2011; Zeller & Metzger, 2013). The above facts came to be true in the case of GZU, because for the past 3 years the organization had tried to reduce costs they failed, since adverse variance results was attained, hence failed to add value of stakeholders.

Furthermore, line item budgeting was viewed as a common accounting control tool used in many organizations to implement strategies and management of resources (Henttu-Aho & Jarvinen, 2013; Ostergren & Stensaker, 2011). In contrary to the above, Hansen (2011) views line budgeting technique as an ineffective control tool which does not aid in resource management. The literature of (Cardos, 2014; Chenxi, 2011; De Waal et al, 2011; Goode and Malik, 2011) identified line budgeting approach as an inefficient control and it does not give support in resource management.

Finally, ACCA (2014) indicated that the use of line item line item failed to guarantee the efficient and effective use of the resources due to its lack of flexibility and rigidity planning ,which often impede companies to be adaptive in the increasingly unpredictable environments facing contemporary organizations (Chenxi, 2011). In addition, in traditional budgeting expenditures were presented in detail, but less attention was given to them (ICAP, 2013). According to ACCA (2011), instead of justifying the cost incurred managers only gave proof of

occurrence of such cost and GZU was not an exception. Therefore, this study sought to unearth if all the above mentioned characteristics above was witnessed at GZU.

2.2 Problems associated with the use of budgets and budgetary controls systems

2.2.1 Inaccurate figures/ Guess work inflict limitations

Davis and Davis (2014) viewed a budget as an intricate guess work or mere estimates, in which the budgetary controls to a larger extent depends on the accuracy or adequacy with which estimates were made (ICSI, 2013). For that reason, absolute accuracy may be very impossible in budgeting and forecasting. Olurankinse (2012) avers that a budget was an estimate which may be true or not, since they are based on individual judgments. In addition, budgets are more concerned with the future, the information for its preparation ought to be future oriented but on historical events, as a result forecasting cannot be accurate in this world of dynamic nature (Siyanbola, 2013). Wiley (2012) concluded that the usefulness of a budget as a standard to measure the efficiency of different activities became questionable, since they are just informed guesses (ICAP, 2015).

However, Isaac et al (2015) had a point of view that, though at times forecast or guess work may be incorrect, yet it delivers a source for necessary adjustment when there is variances. ICAP (2015) clarified forecasting can be seen as an influential tool that helps in ascertaining how to allocate limited resources for the future period and it can be used as a benchmark in organizations which have a long term prospect of operations. It was the aim of this study to find out the effects of guess work on performance of GZU.

2.2.2 Inflexibility budgetary structure

Isaac et al (2015) suggested that adequate attention must be given on budgetary control as it deserves in every company, because the fact that good planning without strong controls for an

objective to evaluate performance caused inefficiency and sub optimality. That is, budgets estimates lose their usefulness under changing world because of its inflexibility or rigidity controls (ICAP, 2015). A budget may become stale or outdated at the beginning or during the year due to constant changes and uncertainty, thus, it bestows little or no value to its planned purpose. In other words, budget becomes outdated before the date of use, thereby failing to give the management helpful information for decision making (Adongo & Jgongo, 2013; Hassan & Siraj, 2015). Hassan and Siraj (2015), further submitted that, presented with the new realities of competitiveness, management must be encouraged to embrace on adaptable and flexible budgetary control and planning systems which has the capability to swiftly respond to environmental complexities and changes. Budgets at times triggered budget holders not to respond to uncertainties, due to budgetary control inflexibility system (Noreen et al, 2014).

Summing up all, Amato (2013) postulated that, line budget technique was a less imperative device which cannot quickly adopt to new changes, therefore in response to that it creates room for other new management controls and budgeting systems to step in and improve organisational performance (Cardos, 2014). Hence, this study hoped to ascertain if inflexibility budgetary structure had effect on performance of the organization under study.

2.2.3 Pressure device

Drury (2013) was of opinion that budget goals sometimes are reflected as a pressure strategies which lowers morale of the personnel. Budgetary controls lowers down the morale of the people particularly when the budgetary control system does not operate properly. Bhimani (2012) also stated that budgetary controls are capable of being used as a pressure device by superiors and seen as a pressure device used on subordinate. In addition, Noreen et al (2014) articulated that

budgets often used as a pressure device and excessive emphasis was placed on meeting budgets targets under all circumstances.

Moreover, Raghunandan et al (2012) propounded that, many organizations expects good results through budgetary controls and overlooked the fact that problems of budgeting were caused by human behaviour . In this case, undesirable behaviour can create pressures which steers hostility, mistrust and actions which is harmful to the long term perspective of an organization. Hassan and Siraj (2015) added that, the type of planning model employed in an organization can influence budgeting especially the tight model. Tagwireyi (2012) opined that, managers can underestimate their productivity and overestimate expenses intentionally to relief pressure from tight budgets, resulting in negative variance being attained. However, rather than being used as a weapon or pressure device, the budget should be used as a positive instrument to assist in establishing goals, measuring operating results, and isolating areas that need attention (Noreen et al, 2014). Consequently, it was the aim of this study, to investigate if the above perceptions was witnessed in the organization under study.

2.2.4 Hiding inefficiencies and wastages of funds

Bragg, (2011) noted that budgets and budgetary controls may be used to hide inefficiencies and wastages. According to Goode and Malik (2011) budget preparation and completion compels almost 20% to 30% managers time and it became slightly applicable at time of their completions since the organization operate in a world of dynamic nature. That is, a department may be inefficient even though its expenses was within the budget limits. Manso (2014) suggested that, the budgeting systems extends inefficiency and wastage of funds in bid to consume budgeted amounts. Tagwireyi (2012) pointed out that, budgetary systems in public institutions seem to be disgruntled by the heads of departments and budget holders during the allocation of resources.

That is, resources are allocated to areas of minimal needs in expense of those areas which are core function of the organization. Tagwireyi (2012) went on to say that, lecturers were complaining due to lack of teaching resources like transport to go and assess students on attachment and overhead projectors, concurrently non-academic staff raises complains due to limited resources allocated to their departments. Therefore, this study wanted to unearth if the above situations was experienced at GZU.

2.2.5 Costly and time consuming

Lu (2011) stated that, the installation of budgeting system is costly even in an economically sound enterprise, so the management must embrace the budgeting system after examining properly the cost and paybacks of the system. It has been often found that in many organisations that the budgetary control systems become top heavy and therefore costly especially from the point of view of small concern (ICSI, 2013). Abdullahi et al (2015) was of opinion that sometimes budgetary control cost exceeds the benefits obtained. Abdullahi et al (2015) went on to say that budgetary control system involves a lot of paper work which the technical staffs continuously reset because it requires a lot of time, money and efforts. Manso (2014) stressed that budgetary controls was time consuming since an amount of time was lost in evaluation and review of the budgets. The fact that, budget preparation and control involves a lot of paper work this was evidenced in the organization under study, since budgets are prepared using the excel worksheet such that, it requires due diligence of inserting excel formulas and checking of accuracy on each line item. Tagwireyi (2012) demonstrated that there is a lot of bureaucracy and delays in approval and releasing of monies from the central government, and as a result budget holders will end up put reliance on personal judgments and experience, which in turn cause

budget gaming. Then, this study aimed at establishing if the use of budgets and budgetary controls were costly and time consuming at GZU.

2.2.6 Human limitations

Arnold, (2011) opined that the cooperation of all employees working in the enterprise is required to make budgetary control successful. But it is not always possible to get the cooperation of all the employees. In addition, Abdullahi et al (2015) proposed that an organization's employees often had some negative attitudes towards budgets. Thus, for many people, budgetary controls represents limitations that were imposed on them and also a means by which others watch over and control their performance. Drury (2013) was of opinion that, there are chances that departmental supervisors may adopt self-justifying attitude when adverse deviation were brought to their knowledge, that is, they may blame either the reliability of the standards or pass the blame to other departments.

Noreen et al (2014), Perrin (2012) and Thuata (2016) also noted that, if the middle or lower level management aware that top management seems to be lukewarm or take budgetary controls as an essential evil, consequently their attitudes tend to imitate similar lack of enthusiasm. Noreen et al (2014) further elaborated that, if the top management failed to show commitment and enthusiastic to budget program, then it became probable that everyone in an organization will do the same, then poor results can be achieved. Therefore, this study wanted to shed more light if the above characteristics had been experienced at the organization under study.

2.3 Causes of persistent negative variances in an organization.

2.3.1 Errors in the Actual results.

Managers may report actual results wrongly with the aim of staying within the budget by way of throwing away any invoices received from suppliers, or charge them to someone else's account

code, thus according to Palmer (2012). ACCA (2014) enforced that top management and low management should be honest in providing realistic budgets and in the presentation of these budgets even if they contain unfavourable results. According to Palmer (2012), errors of the actual results may also emanate from the incorrect category, oversight of costs and incorrect double counting of income.

However, Amato (2013) and Palmer (2012) advocated that unfavourable variances was as a result of the use budget estimates. Amato (2013) further mentioned that estimation of expenditure without its justification results in haphazard estimates that do not lie within the historical trend. According to ACCA (2011), instead of justifying the cost incurred managers only gave proof of occurrence of such cost, as such deviation from the standard can leave the why and what causes questions unanswered (Murphy and Katsinas, 2014) and cause misleading results which can lead to inappropriate decisions being made (Palmer, 2012). Bamber and Parry (2014) suggested that managers had a system of unnecessary spending at the end of a budget period to avoid that next year's budget for certain costs would be set at a lower level, as a result adverse variances can be achieved. It was the thrust of the study to found out if the above scenarios was experienced at GZU.

2.3.3 Labor Efficiency variances

Needles (2011) statistically referred direct labour efficient variance as the divergence of actual direct labour hours from the standard direct labour hours multiplied by the standard direct labour rate. According to Garrison et al (2013), unfavourable labour efficient variance can be caused by failure of the managers to lay off workers with nothing to do as a result of insufficient demand of orders from customers.

However, Garrison et al (2012) went on further to illustrate other factors that lead to unfavourable labour efficient variance in which Crosson (2011) also supported. These include the use of poorly motivated workers, the use of poor quality materials that requires more labour time, the use of faulty equipment causing breakdowns and work interruptions, as well as poor supervision from management and inaccurate standards. This was in consistent with Noreen et al (2014) who expressed that the main cause of labour variance was due to lack of proper supervision or stricter supervision than specified, discontentment in workers due to unsatisfactory personnel relations and also poor working conditions as noted by Hama et al (2015). According to ACCA (2011) labour efficiency variance can be caused by quality of supervision good or bad, resulting in favourable or unfavourable efficiency variance. It was the aim of the study to shed more light, if labour efficiency had led to persistent adverse variances at GZU.

2.3.4 Direct Laborvariances

According to Crosson (2011) direct labour variance occurred when hourly rates of pay exceeded the standard rate even on a small uncomplicated task, that is, the employment of skilled workers who charges high hourly rates of pay instead of employing little skilled workers who calls for low hourly rates of pay (Needles, 2011). Garrison et al (2012) also elucidated that unfavourable labour rate variance may result from high rates of overtime as well as failure of production supervisors to monitor the labour rate variance. The grade or level of labour actually used was different from the grade of labour in the standard cost as a result labor rate variance may arise (ACCA, 2011), since more cash is pumped out as noted by Horngren and Foster (2012). Therefore, this research sought to discover if the above mentioned causes of negative variances was experienced in the organisation under study.

2.4 To highlight alternative budgeting approaches relevant at GZU.

2.4.1 Zero Based Budgeting (ZBB)

Davis and Davis (2014) and ICAP (2015) viewed zero based budgeting as a technique whereby executives are required to start at a zero budget levels every year, that is, there is no expectation that current activities can proceed to the next year period. Ekanem (2014) supplemented that, zero based budgeting requires management to take a fresh look at all activities and programs each year rather than using last year's budget estimates like the line item budgeting, which may in turn leads to transfer of problems of the previous financial year into the following year as revealed in line item budgeting (Adeleye, 2016; Siyanbola, 2013). Goode and Malik (2011) highlighted two types of zero based budgeting namely service level budgeting and zero line budgeting. On zero line budgeting, budget requests forms are distributed to departments without containing any actual expenditure of the prior period. Service level budgeting offers a decision package of zero based budgeting theory. Zero-based budgeting does not start from the previous year's budget level; it begins each budget period unlike in traditional budgeting (Ekanem, 2014). Kalz (2014) added that zero based budgeting system allows optimal matching of resources to current needs.

Zero Based Budgeting system allocates financial resources basing on planning requirements and results (ICAP, 2015). Due to this view; it came to the attention of Garrison et al (2012) that system activities are ranked in accordance of their importance which enables management to focus attention to only on decision packages, which enjoy priority to others hence efficient use of limited resources is promoted. Whilst, in line item budgeting, first reference is made to past level of spending and then demand for inflation and new programmes (ICAI, 2011; ICSI, 2013), hence it promotes poor allocation of limited resources to where the need is minimal at the

expense of those areas that make the core functions of the organisation(Tagwireyi, 2012). More so, where resources and output are difficult to compare, one can use the zero based system as it would be most applicable (Goode and Malik, 2011). This was in consistent with (Idio, 2011) who suggested that zero based budgeting forces comparison and choice among programs and activities which are often difficult to compare adequately. Unlike in line item budgeting only inputs (expenditures) are easily quantifiable but difficult to compare it with actual output (ACCA, 2015).

According to Garrison et al (2012), zero based budgeting's activities are ranked in accordance of their importance hence there is efficient use of limited resources. This was in line with Ekanem (2014) who clearly elaborated that efficiency under this system can be enhanced when managers are given the opportunity to look for alternative operation plan. Due to this view, zero based budgeting was seen as flexible, realistic and it provided useful control information especially where unexpected variance occupied (Ekanem, 2014). Idio (2011) suggested the effective application of zero based budgeting as that which devoid of staff aggression in forecast and standards since there were not imposed on them without consultation. That is, responsibility is shifted from top management to the manager of decision unit as compared to traditional budgeting, where top management to decide why a particular amount should be spent on a particular decision unit without consulting lower level managers (ICAI, 2011; ICSI, 2013). Zero based budgeting encourages greater involvement by managers and might motivate them to eliminate wasteful spending and budget games, thus providing betterment in organizational performance (ACCA, 2011).

Zero based approach can enables management to develop cost effective techniques for improving operations and they can justify all budgeted expenditure or each individual item on the budget

(Horngren and Foster, 2012); Garrison et al, 2012). However, according to ACCA (2011) when using the line item budgeting, instead of justifying the cost incurred managers can only give proof of occurrence of such cost. The use of zero based budgeting system also enables managers to be equipped with a better insight into the detailed workings of departments, added Goode and Malik (2011). According to Horngren et al (2012) zero based budgeting is an added advantage as compared to traditional budgeting because it grants budget setters the room to examine every budgetary item. ICSI (2013) clarified that on traditional budgeting, the figures of the previous years were taken as a base and additions are made for the current year. This has been noted to be a different case under zero based budgeting where the running projects are to be justified for continuation. Therefore, this study wanted to find out if this budgeting system was appropriate at GZU, since it yields better results than line item budgeting technique.

2.4.2 Flexible Budgets.

Needles (2011) characterised a flexible budget as a summarized projected costs for variety of activity levels. Budget flexibility may make managers focus on the goal of value creation in long run other than meeting current financial budget such as growth or quality when meeting the financial budget becomes harder control like when using the line budgeting system which is not flexible (Chenxi, 2011). Managers make use of flexible budgets in order to enhance performance evaluation Garrison et al (2012). Flexible budgets provide forecasted data which are subject to alterations when there were changes in the level of output (Mitchel, 2013) unlike the use of line item approaches which is outdated due to its failure to take into account changing circumstances in the environment in which it operates (Abdullahi et al, 2015; Goode & Malik, 2011).

Garrison et al (2012) added that it will be difficult to interpret any discrepancies incurred between budgeted and the actual cost if there are no adjustments in the level of activity made.

According to Wiley (2012), flexible budgets yields enhanced managerial control grades. It was only under this budgeting technique where managers put extra control over variable costs because it was discovered that cost behaviours are tied on units of production (Wiley, 2013). This budget recognizes the existence of fixed, variable and semi-variable costs and is designed to change in relation to the actual volume or output or level of activity in a period (Horngren et al, 2012). Chenxi (2011) had a point of view that flexible budgets provide a focus on good flexibility and value-generating activities, rather than gaming for the largest share of a given lump of resources as evidenced through the use of line item budgeting. However, a possible disadvantage of this form of budgeting is known to be the fact that they may be complicated to prepare, especially when the scenarios being considered are numerous in number, and complex in nature (ICAP 2015).

Although, this budgeting system provides a quick respond to changing environment like adjusting variable costs with the level of output, to some extent it may not suitably applicable to public institution like a university since it mainly associated with production or manufacturing industries.

2.4.3 Beyond Budgeting (BB)

According to Horngren et al (2012) beyond budgeting is a set of guiding principles that will enable an organization to manage its performance and decentralize its decision making process without the need for traditional budgets. In supporting the above view, Goode & Malik (2011) proposed that dissatisfaction with traditional budgets is growing in the business world and in response beyond budgeting has been proposed as an idea that will reinvigorate the managerial contribution of management accounting in business performance and operations. That is, its main

aim is to make changes in the existing management models; reconsideration of the existing budgeting processes and the budgeting mind set (Cardos, 2014).

As compared with the line item in which there was fixed annual plans, beyond budgeting is a more adaptive way of managing budgets targets since they are reviewed regularly and based on stretch goals linked to performance (Hansen, 2011). Nwagbara (2012) avers that, the use of line item budgeting as a control system in organization, become a restriction to progress for a modern and forward thinking company due to its reliance on past information which yielded unfruitful results. Therefore, beyond budgeting can be used as a more adaptive approach to management, with more frequent performance reviews (Ostergren and Stensaker, 2011). Another strength of beyond budgeting is to move toward performance evaluation relative to competition not internal targets and then implement a decentralized structure rather than a hierarchical and centralized structures being used in traditional budgeting (Goode & Malik, 2011; Hansen, 2011). This was in line with the idea of Rickards (2013) who explained that, beyond budgeting enables decision-making and performance accountability to be devolved to line managers and creates a self-managed working environment and a culture of personal responsibility which in turn promotes high productivity, employee motivation.

Abata (2016), Nwagbara (2012) and Henttu and Jarvinen (2013) argued that in the 21st century, line item budgeting limits organisational change and transformational leadership; by so doing this makes many companies to focus on cost reduction instead of value creation, which is a gateway to organisational growth and competitive edge. Therefore, beyond budgeting can step in against this backdrop of line item as a vehicle to generate extra time for managers spend on problem solving and adding value to the business, as the time taken to prepare budgets is a particular disadvantage (Ostergren & Stensaker, 2011), thus improving firm performance.

Moreover, Goode and Malik, (2011) further submitted that beyond budgeting set targets on external benchmarks and managers are rewarded in line with beating the competitors, as compared with managers which uses the line item budgeting does not provide incentive for departmental managers to try and reduce costs in fact (Banker et al, 2011). Therefore, this research aimed at establishing the applicability of beyond budgeting at Great Zimbabwe University.

2.5 Ways GZU can take to immediately move to viable performance

2.5.1 Budgetary Participation

According to Mitchell et al (2013) employee participation is the most important factor that enhances budgetary settings in many organizations Wagh and Gadade (2013) affirmed that, personnel involvement in the process of preparing budget creates democratic environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is a management and leadership philosophy about how people were enabled to contribute to continuous improvement and the ongoing success of their educational institutions (Wagh and Gadade, 2013). A higher level of participation provides the room of negotiation from manager in order to obtain budget targets which are easy for them to achieve (Epstein and Lee, 2011). Arnold (2011) brought to the attention that if individuals fail to participate in the budgetary process, they will experience a state of deprivation. Once there is participation in the organization, information sharing between top managers and unit managers is enhanced hence improvement in accuracy of budget estimates can be noted (Epstein and Lee, 2011).

Owusu et al (2014) concluded that, the foundation of achieving budget goal is employee participation in the budgeting process since it is this foundation that will help employees to be clear about what the budget is meant, have a say by ensuring that resources are fairly distributed

among departments and faculties of the university and when this happens they tend to be committed to the budget goal which the end result will be attaining the goal of the budget (improved employees performance). In that same notion, Sholihin et al (2011) and Tanase (2013) believed that motivation of employees can be derived through actively participate in development of budgets, decision making processes and setting the goals which they have meet. A research conducted by Foyeke (2013) on employee participation in budgeting on medium and large scale revealed that companies should adopt the bottom up budgeting system which allows lower level employees participate in budget formation, as well as the use of periodic budgetary control method. In this case, employee involvement in budget resolves the problem of unattainable targets and it reduces wastage of resources and it enables an organization to mitigate unfavourable variances to a minimal levels. Hence, the study sought to ascertain if employee participation in budgeting process creates betterment performance at GZU.

2.5.2 Budget implementation

Budget implementation can be successful if the employees understand the budgeting process very well (Manso, 2014). In that same notion Abata (2014) sighted that budgets can only be well implemented if management have knowledge on the duties to deliver and they are equipped with the motive of achieving the stipulated goal. Horngren (2012) and Lu (2011) enlightened that some managers have failed to implement well set budgets because they are unachievable. Performance expectations and budgeted targets should be communicated effectively and more clearly to individuals. Top managers must in turn support and encourage the implementation of budgets in bid to achieve organizational set targets (Warren, 2013).

However, the inability to recognize the problem concerned and fixing a limit of investigation creates an obstacle for the successful implementation of budgets (Foyeke, 2013). Foyeke (2013)

further explained that, the foregoing reflects on the need for organizations to set up a formal mechanism for scanning its environment for opportunities and give early signs of future problems, this course of action will improve the system of budgeting and control, resulting in an improved performance. Mitchell (2013) avers that budget set standard can be effectively implemented when the dissemination of information, authority and reporting clearly laid down to all staff members. Therefore, this research aimed at discovering if implementation of budgets can assist GZU to curb adverse variances at hand.

2.5.3 Variance Analysis

According to Barfield (2015) variance analysis is the process of grouping the nature (unfavourable or favourable) of the change between actual costs and standard and determining the reasons for those deviations. This can help the organization to differentiate between controllable and non-controllable factors and clearly identify the department or individual responsible for those variances that is if they are controllable factors. An uncontrollable factor is one which is not controlled by an individual or department, for example these are external factors like change in the market. When the variances are reported, the management pays more attention to controllable factors (ICSI, 2013).

Bruce (2013) propounded that, variances can be analyzed by the type of cost, quantity and price effects. As a key to control cost, variance analysis can assist in identifying and to what extent does the set standards have been achieved and then take appropriate measures to fill gaps arises and then used as a tool for benchmarking performance of departments or organization as a whole. According to Aruomoaghe and Agbo (2013) in their research of investigating the application of variance analysis as a tool for performance evaluation, found out that, it is sensible for managers to exercise caution in the use of variance analysis to facilitate appropriate decision

making. Variance reports can be prepared, monthly, quarterly, mid-year and annually to enhance timely and corrective action to be made on all deviations from standards (ICSI, 2013; Kabiru & Adah, 2013).

2.5.4 Responsibility Accounting

Noreen et al (2014) noted responsibility accounting as a system in which managers are held responsible for those items of revenue and cost and only those items over which they can exert significant control. This is in line with Mohamed et al (2015) when the authors explained that, responsibility accounting on the other hand creates cost center, profit center and investment center which are just like departments of any organization after which all employees work on the basis of their centers, each with specific targeted performance. The point of an effective responsibility accounting system was to make sure that nothing falls through the cracks. That is, the organization reacts quickly and appropriately to deviations from its plans, and that the organization learns from the feedback it gets by comparing budgeted goals to actual result (Vonasek, (2011). The budgets are divided into components in order to give room for the budget to be regularly monitored (Secrett, 2013). Under each line item of the budget, Garrison et al (2012) suggested the fact that managers are held responsible for any subsequent deviations between actual and budgeted goals. That is, the management takes initiative in correcting any unfavourable discrepancies and ensure that they explain clearly the reasons on the cause of those deviations. Crosson (201) and Noreen et al (2014) also supports this view and brought forward that managers should not only take care of variances between goals instead they are held in charge of revenues and expenditures in their budgets. Consequently, this research wanted to discover the applicability of responsibility accounting at GZU in trying to eliminate recurrence of adverse variances.

2.6 Chapter Summary

This chapter provided an overview of literature on the nature of the current budgeting system at GZU, problems associated with the use of budgets and budgetary controls, causes of recurring adverse variances, alternative budget systems and the best ways the organization can adopt to enhance its performance. The next chapter focused on the research methodology that the researcher used to gather information from the organization under study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter concentrated on the research methodology employed in this study, specifically, the research techniques and designs that was used in collecting relevant data pertaining to the study

of budgeting and budgetary controls used at Great Zimbabwe University. It also included the target population, sample of the study and gives a clarification on how the data was gathered, data collection instruments used, assurance on the reliability and validity of the data, data analysis and presentation and a concluding summary.

3.1 Research Design

Kumar (2012) described a research design as a pattern of procedures, plan, structure and methods that can be used to attain information required for the research. In that same notion, Desai and Potter (2011) added that, a research design was a way that can be used to acquire solutions on questions and problems of the research. That is, a research design enforced researchers to bear in mind about what data is needed, what methods are supposed to be used to gather and analyse this data and how all of this will going to solve the research questions (Creswell, 2012). According to Bryman (2012) research design includes observational research, case studies and survey research. In an attempt to successfully achieve the objectives of this study, the researcher used a descriptive research design and a case study to gather data from respondents and GZU was employed as a case study which enabled the researcher to pencil in an understanding of the impact the budgeting and budgetary control systems had on GZU performance.

3.1.1 Descriptive Research

A descriptive research labels a problem, situation, service and phenomenon (Kumar, (2012). According to Cooper (2013), a descriptive research design can permits someone in solving questions of the research which includes what, how, when and who. That is, it tried to portray the characteristics of respondents in connection to a particular practice or service importance (Saunders, 2011). Although the amount of time completed in organizing the findings were considerable (Yin, 2012), Cooper (2013) & Neuman (2011) postulated that a descriptive research

designs delivers methods which recognized the opinions and attitudes of the population under the research. The use of a descriptive research design method offers a chance for the researcher to use either quantitative or qualitative data in coming up with a sound conclusions and recommendations (Creswell, 2012).

According to Duffy et al (2011) the use of two research approaches (qualitative and quantitative) is also known as triangulation method or the mixed approach. In this study the researcher used the triangulation methods since a quantitative (questionnaires) and qualitative (interviews) method as part of a validation plan to ensure described variances of the result of the essential phenomenon and not a relic of the research method adopted. In this study, the researcher deployed a descriptive research design with the aim of building up dependable qualitative and quantitative information on the impact of budgeting and budgetary control on the performance of GZU.

3.1.2 Case Study

Yin (2012) termed a case study as a research method which simplifies a deep examination of a real life on going phenomenon in its natural context. According to Cooper (2013), a case study is appropriate for a descriptive research and thus GZU was used in this research. Data collection was done through the use of questionnaires, interviews and document analysis relating to GZU.

Thus

allowing the researcher to have a deeper understanding of what causes unfavourable variances, problems being faced in budgets execution and the best budgetary control practices an organisation can adopt to counter prevailing phenomenon.

Bryman (2012) mentioned the rewards of using a case study as being cheaper since it focuses on a specific organisation and can be carried out by a single person. In addition to the above, Saunders (2011) stated that the conceptual justification for the use of descriptive case study in this particular instance was that the research will seek to gain an understanding about the known problem, its characteristics and the degree of structure in the unit of analysis. Thus opinions of a population about a particular subject matter or issues can be collected without disturbing the respondents.

3.2 Research Population

Parker (2012) viewed a population as a total target group who would in the ideal world be the subject of the research and about whom one was trying to say something. Neuman (2011) described population as the total number of elements available for study. It can be a group of concern to the researcher, since it is upon this group the researcher has generalized the results of the study. The total targeted population was twenty- five GZU staff members which includes human resource managers; deputy and assistant bursars; administrative assistants; procurement manager and stores clerks; accounting assistance. These members were selected from the following three departments; bursary, human resources and procurement since these were the ones who had knowledge about the area under review.

3.3 Sample

According to Creswell (2012), a sample is a limited number taken from a larger population. This is inconsistent with (Cresswell and Plano, 2011) as they viewed a sample as a selection of limited items obtained from the population. The researcher obtained a sample of (80%) that is, 20 individuals were sampled out of the total population of 25 individuals. Riffe et al (2014) outlined that if a sample is more than 50%, it represents the entire population, hence 80%

represented the targeted population of GZU. Bryman (2012) added that perfect sample should be a mirror image of the selected population. The 80% sample allowed the researcher to conduct the study to individuals from the population so that the results of their study can be used to derive conclusions that would apply to the entire population (Bryman, 2012).

3.3.1 Sample size

Sample size was referred to the number of units in a sample selected from the total population (Kumar, 2012). In order to come up with the targeted sample, the researcher considered whether the respondents were able to answer the questions in line with the objectives of the research. The researcher presented the sample size on Table 3.1 as follows:

Table 3.1: Sample Size

Participants	Population	Sample size	Sample size %
Human resource managers	4	2	50%
Deputy bursars and assistant bursars	6	4	66.67%
Administrative and accounting assistants	10	9	90 %
Procurement manager and stores clerks	5	5	100%
Total	25	20	80 %

Riffe (2014) postulated that, a sample size that equal or more than 50% is representative of the population. In this study, the researcher used 80% of the entire population as a suitable sample

size to represent the targeted population at GZU. This was done mainly to come up with a sample that gives a true picture of the total population based on personnel judgment.

3.3.2 Sampling Techniques

Various sampling methods which can be used to determine the individual who constitute the sample depending on the number required to fulfill the research objectives of the study (Creswell, 2012). The sampling procedure includes both probability and non-probability (judgmental) sampling methods, which may enable the researcher to use both statistical and own personal judgment of who to include in the sample. But under this study, the researcher found out appropriate to use judgmental sampling method.

3.3.4 Judgmental Sampling Method

Judgmental sampling also known as non-probability sampling was used to come up with the sample. This sampling technique requires the use of own judgment to select a sample that will best able to answer the research questions and objectives as suggested by Saunders (2011). The non-probability sampling method, specifically the purposive technique was chosen. Bethlehem and Silivia (2012) explained purposive sampling as a judgmental technique where sample members are strictly chosen by the researcher to meet a predetermined criterion on the basis that the chosen individuals provide the information required by the researcher.

The researcher used judgmental sampling in selecting respondents to questionnaires and interviews. The researcher used judgmental sampling because the sampling cost were low, it can be engaged over a short period of time and it also gave room to the researcher to choose respondents who are familiar with the area under study resulting in lesser distortion of results as noted by (Andrew, 2011; Uma and Pansiri, 2011).

3.4 Sources of Data

Both secondary and primary sources was used in order to achieve the objectives of this study

3.4.1 Primary Data Collection

Walliman (2011) viewed primary data as information that has been obtained in the field for the first time with a specific purpose in mind. According to Bethlehem and Silvia (2012) primary data is the data specifically needed for the research problem at hand. Primary data assists the researcher in addressing important issues in the context. Examples of primary data are personnel memos, transcript of legal proceedings, emails and photographs (Kumar, 2012). The research used firsthand information obtained from the study. This data was collected through on-site research of targeted population through personal interviews and self-administered questionnaires.

3.4.2 Secondary Sources

Secondary sources are readymade and readily available in the form of textbooks, online journals, internet and newspapers. They consist of data over which a researcher has no original control over collection and classification Kumar (2012). Saunders (2011) argued that, secondary data is information that already exists which has been collected for another purpose. The researcher made reference to GZU annual reports, minutes of meetings, management reports, journals and books. Secondary data is cheaper to use and saves time. However the major disadvantage is that the data might have been collected for other purposes other than that of the study at hand.

3.5 Research Instruments

Sherman et al (2011) propounded that personal interviews, questionnaires, telephone interviews and surveys are the of data collection methods to be used in carrying out a research. Personal interviews and questionnaires was used in the study.

3.5.1 Questionnaires

A questionnaire is an orderly accumulation of questions that are directed to a sample of population from which relevant information is anticipated (Griffin, 2013). This is in line with Kumar (2012) who viewed a questionnaire as a list of questions, the answers to which are recorded by respondents. The questionnaires will comprise of open-ended and closed-ended questions. In this study a closed ended questionnaires was used to gather data from a respondent in the form of pre-constructed questions presented in a specific order as highlighted by (Griffin, 2013). The questionnaires was chosen by the researcher since it gave the researcher confirmation in quantitative form as highlighted by Fraley (2011). Extreme care was considered in the expression and ordering of questions to ensure simplicity, directness and non-bias.

3.5.1.1 Closed-Ended Questions

Spillers (2014) stated that closed-ended questions are questions that have a limited choice in terms of response. In this study, close-ended questions were used because they require less time to fill against the answer, since the respondent would not get stuck on how to express an opinion .The closed-ended system was related to the likert scale.

3.5.1.2 Likert Scale

Likert scale is a system where respondents agree or disagree using a numerical score sheet (Copper 2013).Erwin, (2014) advocated that Likert scale undertakes the form of a chain of speeches that are rated on a five opinion measure and this includes strongly agree, agree strongly, neutral, disagree and strongly disagree as shown in table 3.2 below.

Table 3.2: Rating of Likert Scale

Strongly agree	5
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Agree	4
Neutral	3
Disagree	2
Strongly disagree	1

In this study, Likert Scale was used to enable a direct and dependable evaluation of attitudes from the respondents. Through the use of Likert scale, Great Zimbabwe University staffs were given the opportunity of expressing their opinion by ticking in the boxes which was provided. The researcher found it very easy to use the Likert scale because it provided quantitative data that can be used to draw up conclusions. On the other hand, likert scale limits the choice and type of answers given by respondents (Fraley et al, 2011).

3.5.2 Personal Interviews

Blair and Frederick (2011) described an interview as a purposeful discussion between two or more people. Semi-structured in-depth interviews were carried out. The questions which were asked during the interview were preset and this enabled similar questions to be asked to all respondents. Interviewing the right people who were knowledgeable in the research topic gave a great value to the research (Bryman, 2012). The researcher was able to confirm reliability of information produced since the exercise was direct interaction which caused confidential information to be revealed during interview. The face to face interview was done hand in hand with the questionnaires so that any questions left unanswered were answered by interviews.

3.6 Validity

Validity referred to the appropriateness and accuracy in each step in finding out what you set out (Kumar, 2012). Validity can be evidenced when the data provided reflects a true picture of what was being studied (Bethlehem and Silva (2013). To establish the validity of the research, instruments, opinions of experts in the field of study, especially the research supervisor, were sought. This led to the revision and modification of the research instruments thereby enhancing the overall validity of this study. Therefore, this study was considered to be valid because relevant instruments that fit the study was used in analyzing questions pertaining to the research.

3.7 Reliability

Sherman et al (2011) explained reliability as the degree of consistency with the instruments which measures an attribute. The less the variation the instrument produces in repeated measurements of an attribute the higher the reliability (Kaliappen and Hilman, (2013). Thus, the greater the reliability of an instrument the less likely the errors of measurement occurs (Bethlehem and Silvia, 2012). In this study more than one data collection instrument and methods was used in order to eliminate the weaknesses inherent in the other instruments. In this research, the researcher asked the same questions to 20 independent people involved in the budget making process and implementation through the use of questionnaires and interviews hence reliability was established.

3.8 Data Presentation Techniques

Fraley (2011) stated that graphical presentation elaborate on the meaning of raw data and is a key element in the demonstration of a research. This was hand in hand with Neuman (2011) who avers that presentation of data is a desirable quality of providing visual instruments for clarity and information transmission, which enables users of data to observe similarities and spread of

results immediately before going through their details. In this study the presentation of data that was collected in the field was done in the form of bar graphs, tables, narrations and pie charts. The researcher checked questionnaires for completeness. The use of these methods was justified because they are easy to understand and provide a convincing illustration of gathered data.

3.9 Data Analysis

Data analysis is a process of inspecting, transforming and modelling data to obtain useful information that will award with better conclusions that will aid in decisions making (Kumar, 2012). According to Riffe et al (2014) data analysis is an orderly way of communicating data using statistical methods. Microsoft excel was used in this research in arranging data and statistical analysis of responses received from respondents. The questionnaires were organized and classified according to the patterns given by the respondents and their uniformity. The responses from the questionnaires were organized in line with the research questions and descriptive narratives were used to reflect the situation as it occurred at GZU and conclusions thereon.

3.10 Chapter Summary

This chapter introduced the research methodology conducted by the researcher in coming up with this research and this includes research design, research population, sample size and the sampling procedures used by the researcher. It also looked at the sources of data that were used in this research which are the primary and secondary data, the data collection methods used which includes questionnaire and interviews. Reliability and validity of the information, data presentation and analysis methods used was also discussed in this chapter. The next chapter focused on the presentation and analysis of the data gathered.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter focused on responding to research questions and objectives which were underscored in the first chapter. The research findings which were conducted through the use of questionnaires and interviews was presented in the form of graphs, tables and pie charts. The data was then analyzed, interpreted and interrelated to the relevant literature in the area under the study and also furnished with a comprehensive summary at the end of the chapter.

4.1 Response Rate

Johnson and Wislar (2012) clarified a response rate as a figure or percentage of individuals who participated in responding to the interviews and questionnaires allotted to them. Twenty questionnaires were distributed to the following respondents: deputy and assistant bursars; administrative and accounting assistants; human resource managers; procurement manager and stores clerks. The table below (Table 4.1) shows the number of respondents and percentages on questionnaires dispensed to GZU staff.

4.1.1 Questionnaire response rate

Table 4.1 Response Rate of the Questionnaires

Respondents	Distributed Questionnaires	Returned Questionnaires	Response Rate
Human resource managers	2	2	100%
Deputy and assistant bursars	4	4	100%
Administrative and accounting assistants	9	9	100%
A Procurement Manager and stores clerks	5	5	100%
Total	20	20	100%

As evidenced in the above table, 20 out of 20 questionnaires were distributed, filled and returned by the respondents which gave the researcher a combined response rate of 100%. The 100% response rate was recognized as a valid and reasonable response rate that can warrant the use of research outcomes as a foundation for establishing recommendations in this research, because it provided reliable and sufficient representatives of the targeted population at GZU. Saunders (2011) suggested that, a response rate of more than 80% was excellent, 70% was very good, and 60% was good and that 50% was adequate. Therefore, the returned questionnaires present valid information that will completely addresses the research objectives and questions in the area under study.

4.2 The impact of line item budgeting system

The motive here was to determine the extent and effects of line budgeting in an organization.

4.2.1 Simple to use and effective in planning for future period estimates

Table 4.2 Results for simplicity and effective planning for future period estimates

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	1	3	2	12	2	20
Response (%)	5	15	10	60	10	100

The question aimed at establishing how simple and effective for planning was line budgeting system at Great Zimbabwe University. As portrayed in table 4.2, 1/20 (5%) strongly agree and 3/20 (15%) agree that line item budgeting was simple to use and effective in planning for future period estimates. 2/20 (10%) were uncertain, 12/20 (60%) disagree and 2/20 (10%) strongly disagree about this view. A sum of 4/20 or 20% (5% strongly agree and 15% agree) agreed to the above perception as supported by ICAP (2015) that line budgeting approach was extensively used in most public sectors because of its simplicity and understandability by employees and bestowed managers with the basis of planning for subsequent period's budget (Hansen, 2011).

However, a total of 80% (10% were uncertain, 60% disagree and 10% strongly disagree) disagreed with the above view and this gave rise to a mode of 16. The mode was in concurrence with Wiley (2012) who perceived that line item technique was ineffective for planning since the same parameters of estimates were being used on yearly basis and it results in poor performance of government owned institutions (Adeleye, 2016; Kiabel, 2011). Summing up, the results

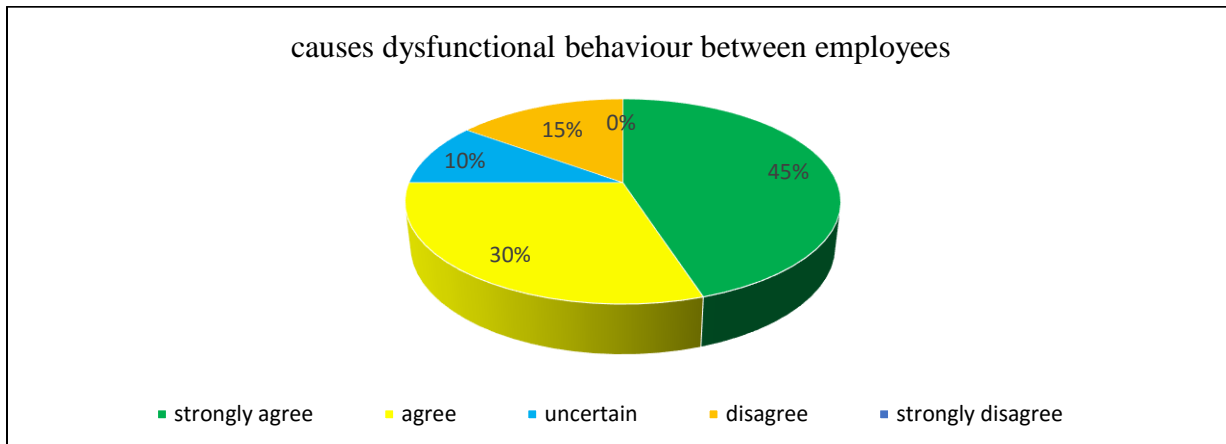
clearly showed that line item budgeting was not simple to use and ineffective in planning for future period estimates in the case of GZU.

4.2.2 Line budgeting caused dysfunctional behaviour between employees

Raw data: Line budgeting caused dysfunctional behaviour between employees

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	9	6	2	3	0	20

Fig 4.1 Responses on the cause of dysfunctional behaviour between employees



The question intended to find out if line budgeting caused dysfunctional behaviour among employees at GZU. The outcomes shown in fig 4.1 shows that, 9/20 (45%) strongly agree, 6/20 (30%) agree that the above view whilst 2/20 (10%) were uncertain, 3/20 (15%) disagree and 0/20 (0%) strongly disagree with that view. In overall 75% (45% strongly agree and 30% agree)

agreed with the above perception. Hence 75% (15) being the mode of respondents who supports this view coincided with Hansen (2011) and Nwagbara (2012) who asserted that line budgeting reinforce departmental barriers instead of encouraging knowledge sharing and it also makes people undervalued.

However, a sum of 25% (10% who were uncertain and 15% disagree) respondents argued to the above view which was hand in hand with Abogun & Fagbemi (2011) and Foyeke (2013) who propounded that line budgeting fosters managers to set realist goals, promotes coordination, communication, aids performance evaluation, motivation of employees to strive for the best and attain set targets within an organization (De Waal et al, 2011). Drawing conclusion from the case of GZU, the researcher concluded that line budgeting encourages undesirable behaviours within an organization, thereby inducing lower performance of employees.

4.2.3 Line item budgeting lacks transparency and unsuitable for complex situations.

Table 4.3 lack of transparency and unsuitable for complex situations

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	5	11	2	2	0	20
Response (%)	25	55	10	10	0	100

The thrust here was to find out if line budgeting lacks transparency and unsuitable for complex situations at GZU. As shown in table 4.3 above, 5/20 (25%) and 11/20 (55%) strongly agree and agree respectively that line budgeting lacks transparency and unsuitable for difficult situations, whereas 2/20 (10%) were uncertain, 2/20 (10%) disagreed and 0/20 (0%) strongly disagreed to

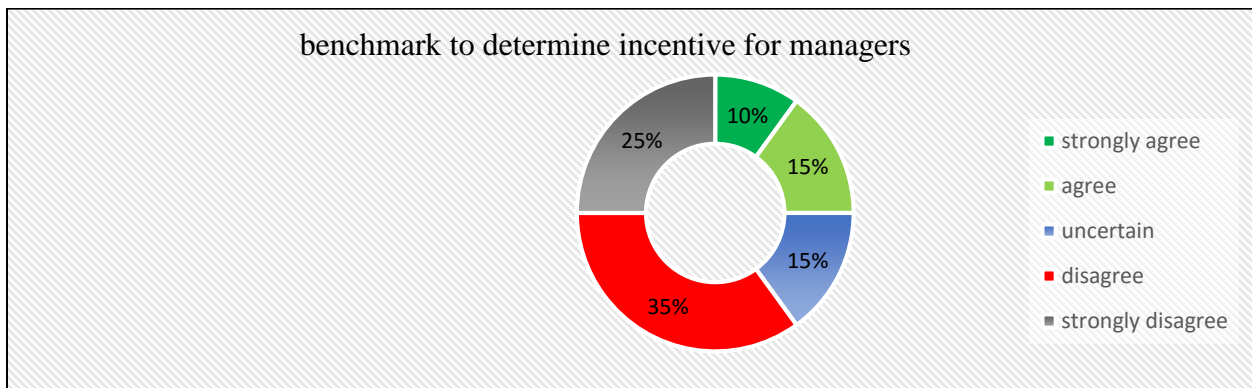
that notion. In aggregate 80% (25% strongly agree and 55% agree) being the mode of people who agreed to the above view as noted by Thompson et al (2013) who suggested that although line budgeting was a simple mechanism to use, it lacks transparency and failed to take into account changing circumstances (Abdullahi et al 2015). However, a total of 20% (10% were uncertain and 10% disagree) were argued to the above view as seconded by Tagwireyi (2012) who emphasized that line budgeting allows decentralization of authorization and responsibility as a way of encouraging smooth flow of information needed by management for regulation purposes. Therefore it can be concluded that line budgeting lacks transparency and not suit complex issues at GZU.

4.2.4 Line item budgeting used as a benchmark to determine incentive for managers

Raw data: Line item budgeting used as a benchmark to determine incentive for managers

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
respondents	2	3	3	7	5	20

Fig 4.2 – Results for benchmark to determine incentive for managers



The question sought to find out if line budgeting assist in benchmarking incentives for managers. The scores in fig 4.2 indicated that, 2/20 (10%) and 3/20(15%) strongly agreed and agree respectively whilst 3/20 (15%) were uncertain, 7/20 (35%) disagreed and 5/20 (25%) strongly disagreed that line budgeting can be used as a benchmark to determine incentive for managers. A sum of 25%(10% strongly agree and 15% agree) agreed to this view as underscored by Amato (2013) that traditional budgeting technique can be used as a benchmark in setting incentive for managers when they hit the budgets targets. Garrison et al (2012) also supplemented that since managers were rewarded according to fulfilment of budgets target, they set undemanding goals which were easily attainable as evidenced by Bamber and Parry (2014).

However, a mode of 75% (15% were uncertain, 35% disagree and 25% strongly agree) conflicted with the above notion and this was in line with Cardos (2014) and Barker et al (2011) who propounded that line budgeting technique demote department’s drive to innovation, since it does not provide incentives for departmental managers who tried managed to knock out the budget. It can be concluded that line budgeting cannot be used as a benchmark for determining rewards for managers who managed to knockout budget targets at GZU.

4.2.5 Line item budgeting was outdated and failed to match optimal resources to current needs.

Table 4.4- outdated and not matching resources to current needs

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	5	10	0	4	1	20
Response (%)	25	50	0	20	5	100

The main purpose here was to establish if line budgeting approach was outdated and unable to match optimal resources to current needs at GZU. As depicted in table 4.4 above, 5/20 (25%) strongly agreed and 10/20 (50%) agree that line item budgeting was outdated and unable to match optimal resources to current needs whilst 0/20 (0%) were uncertain, 4/20 (20%) disagree and 1/20 (5%) strongly disagree with this view. In total 75% (25% strongly agree and 50% agree) being the mode of respondents who agreed with that view and this concurs with Goode & Malik (2011) and Hansen (2011) who expressed that line budgeting approach considered to be outdated and historical object of the past and unable to match optimal resources to the demands of the competitive environment, as such it encourages budget games which will in turn reduces the performance of an organization as (Abdullah et al 2015; De Waal et al , 201; Tagwireyi, 2012).

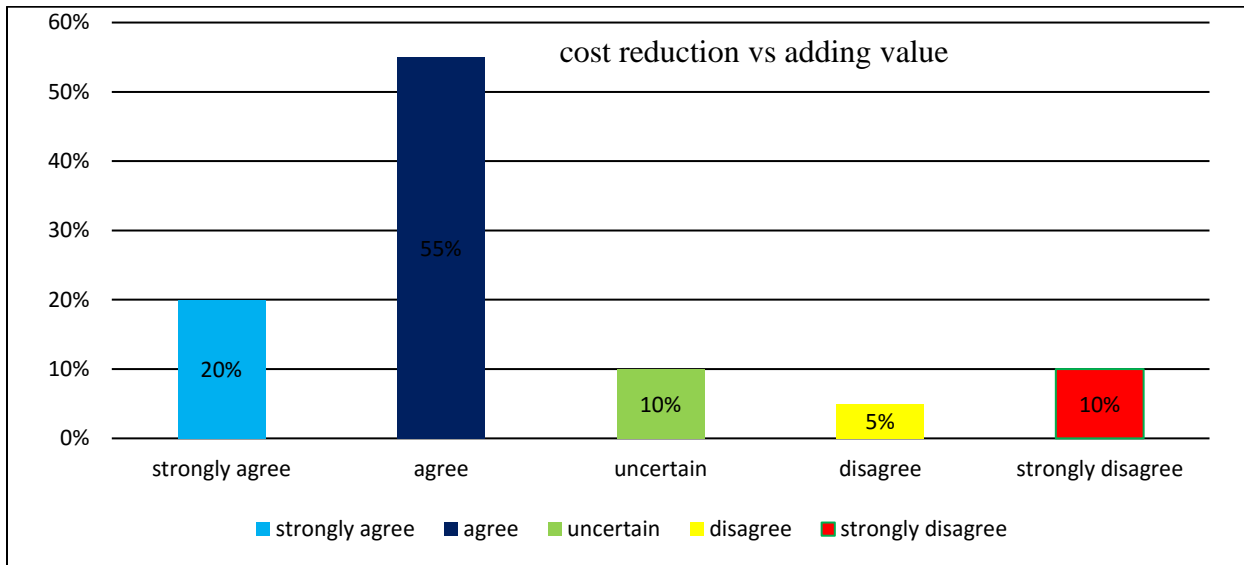
On the other side, 25% (0% were uncertain, 20% disagree and 5% strongly disagree) differed to the above view as endorsed by Foyeke (2013) who avers that line budgeting was not outdated but evolving and the fact that it increases management’s capability of distributing resources more efficiently, effectively and brings in modifications to the plans in a timely manner. Basing on the results obtained from the above opinion, the researcher deduced that line item budgeting was outdated and failed to tie optimal resources to current requirements at GZU.

4.2.6 More concerned on cost reduction rather than adding value in an organization

Raw data: More concerned on cost reduction rather than adding value in an organization

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	4	11	2	1	2	20

Fig 4.3 cost reduction vs. Adding value



The question seeks to unearth if the use of line budgeting was more concerned on cost reduction rather than adding value at GZU. Fig. 4.3 above showed that, 4/20 (20%) and 11/20 (55%) strongly agree and agree respectively whilst 2/20 (10%) were uncertain, 1/20 (5%) disagree and 2/20 (10%) strongly disagree that line budgeting was more concerned on cost reduction instead of adding value within an organization. In total a mode of 75% (25% strongly agree and 50% agree) agreed to that view reinforced by Cardos (2014) and Henttu & Jarvinen (2013) who stressed that line budgeting approach was more concerned on cost reduction instead of adding value and this resulted in a limit of potential to achieve growth of an organization since this approach set upper limits of what to be spend during the financial year (Zeller and Metzger, 2013). However, a sum of 25% (10% were uncertain, 5% disagree and 10% strongly disagree)

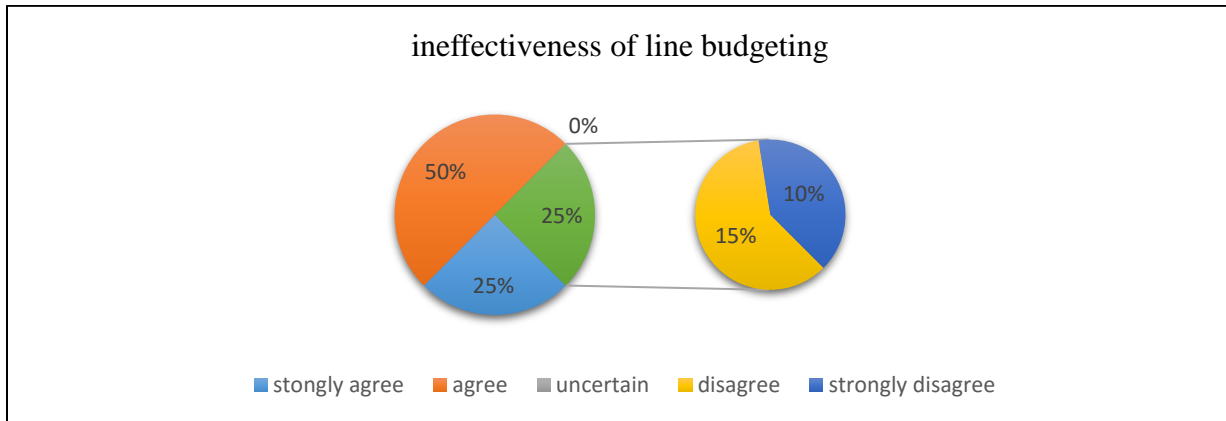
opposed to the above view as backed by Goode & Malik (2011) who asserted that line budgeting was there to add value in organization not only reducing cost. In this regard the research deduced that line budgeting was more concerned on reducing cost other than adding value to GZU as shown in the graph above.

4.2.7 Line budgeting is an ineffective resource management tool.

Raw data: Line budgeting is an ineffective resource management tool

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	5	10	0	3	2	20

Fig 4.4 Results for ineffective resource management tool



The thrust here was to establish if line budgeting was an ineffective resource management tool at GZU. As depicted in fig 4.4 that, 5/10 (25%) strongly agree and 10/20 (50%) agree that line budgeting was an ineffective resource management tool, whilst 0% were uncertain, 3/20 (15%) disagree and 2/20 (10%) strongly disagree to the above view. In aggregate a mode of 75% (25% strongly agree and 50% agree) agreed on the view that this line budgeting approach was an

ineffective control tool which does not aid in resource management (Chenxi, 2011; Hansen, 2011). However, a sum of 25% (0% were uncertain, 15% disagree and 10% strongly disagree) of respondents diverged to the above notion as upheld by Ostergren and Stensaker (2011) who stressed that line budgeting approach was used in organization as control tool in implementation of strategies and management of resources. In this regard, the researcher finalized that line budgeting was an ineffective resource management tool at GZU.

4.2.8 It lacks flexibility and justification of cost

Table 4.5 Results for inflexibility and justification of cost

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	8	11	0	1	0	20
Response (%)	40	55	0	5	0	100

The question aimed at establishing if line budgeting lacks flexibility and cost justification. The results on the table 4.5 above indicated that, 8/20 (40%) and 11/20 (55%) strongly agree and agree respectively to the perception that line budgeting lacks flexibility and justification of cost, whilst 0/20 (0%) were uncertain, 1/20(5%) disagree and 0/20 (0%) strongly disagree. Collectively, a mode of 95% (40% strongly agree and 55% agree) agreed to the above perception as stated in ACCA (2014) that traditional budgeting system unable to guarantee effective use of resources due to its rigidity planning and the fact that expenditures were presented in detail without justifying its occurrence, thus according to Chenxi (2011). Nevertheless, a total of 5% (0% were uncertain, 5% disagree and 0% strongly disagree) disagreed to above perception as supported by Palmer (2012) who proposed that proof for the

occurrence of certain cost like invoices, receipt of the payment or deposit slip can be used as aspects of justification of cost. It can be proved that line budgeting technique does not allow justification of costs except showing its occurrence as witnessed at GZU.

4.3 Problems associated with the use of budgets and budgetary control systems

From this question, the researcher hoped to be assured if the following problems associated with the use of budgets and budgetary controls systems had been witnessed at GZU.

4.3.1 The use of inaccurate figures / guess work

Table 4.6 -Inaccurate estimations in budgeting processes

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	8	10	0	1	1	20
Response (%)	40	50	0	5	5	100

As illustrated in table 4.6 above, 8/20 (40%) and 10/20 (50%) strongly agree and agree respectively on the perception that the use of budgets and budgetary control system were based on inaccurate estimates, whilst 0/20 (0%) were uncertain, 1/20 (5%) disagree and 1/20 (5%) strongly disagree with the above perception. In total a mode of 90% (40% strongly agree and 50% agree) agreed to the above perception as shared by Davis and Davis (2012) and ICSI (2013) when they suggested that a budget was a complicated guess of work in which to a larger extent the budgetary controls depends on the adequacy with which the estimates were made. Siyanbola (2013) also added that budgets were prepared to be future oriented but on historical events, therefore forecasting basing on past events at times became inaccurate in this world of

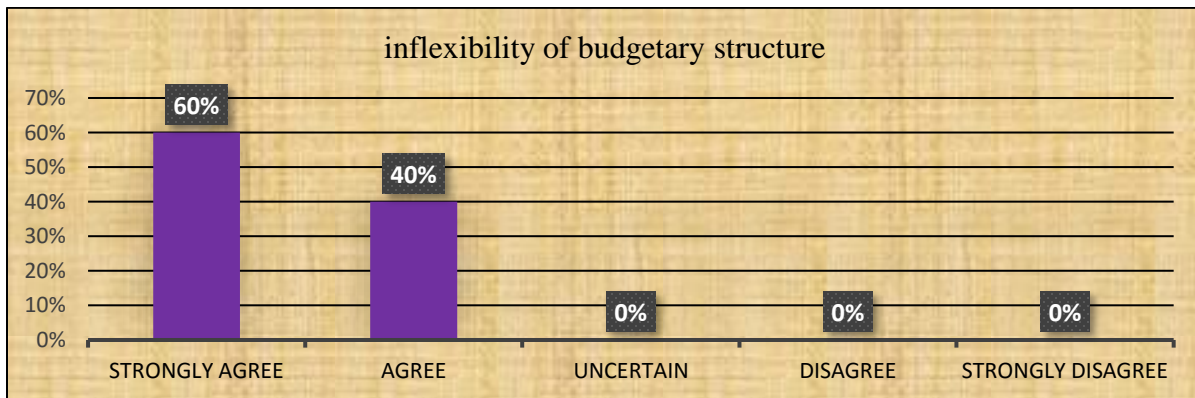
dynamic nature. However, an aggregate of 10% (0% were uncertain, 5% disagree and 5% strongly disagree) were indifferent to the above perception as highlighted by Isaac et al (2015) that though the use of guess work may be incorrect, yet it delivers a basis for appropriate adjustments when deviations arises. It can be concluded that the use of estimates in budgets and its control in the case of GZU have a strong negative impact on its performance, as witnessed with negative variances.

4.3.2 Inflexibility budgetary structures

Raw data: Inflexibility budgetary structures

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	12	8	0	0	0	20

Fig 4.5 Results for inflexibility budgetary structure



As depicted in fig 4.5 above 12/20 (60%) and 8/20 (40%) strongly agree and agree respectively that inflexibility budgetary structure was another problems faced in the execution of budgets and budgetary controls during a financial period, whilst 0/20 (0%) were uncertain, disagree and strongly disagree to the above perception. All in all, a mode of 100% (60% strongly agree and

40% agree) respondents was agreed with the above view as noted in the ICAP (2015) that budgets at times were designed to stay unchanging in response to the changing world or even if the output deviates from its standard by far due to changes in expenditures incurred, especially the line budgeting system. However, a 0% ((0% were uncertain, 0% disagree and 0% strongly disagree) of respondents indicates that no one was disagreeing that inflexibility is another challenge faced when using budgets and budgetary controls. In this regard, Hassan and Siraj (2015) encouraged management to adopt flexible budgets and controls which allows budget holders to swiftly respond to changing environmental complexities and changes during the year. Therefore, it was proved to be true that budgeting and budgetary controls system being used by GZU lacks flexibility.

4.3.3 Pressure device

Table 4.7 Pressure device

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
respondents	8	6	0	4	2	20
Response (%)	40	30	0	20	10	100

As indicated in the above (Table 4.7) 8/20 (40%) strongly agree and 6/20 (30%) agrees that budgets can be used as pressure device to employees whereas 0/20 (0%) were uncertain, 4/20 (20%) disagree and 2/20 (10%) strongly disagree. A mode of 70% (40% strongly agree and 30% agree) respondents revealed that , budgets were used as pressure tool as seconded by Drury (2013) that budget goals may be shown as pressure strategies which causes lower morale of employees. In addition, Noreen et al (2014) pointed out that budgets employed as pressure tool

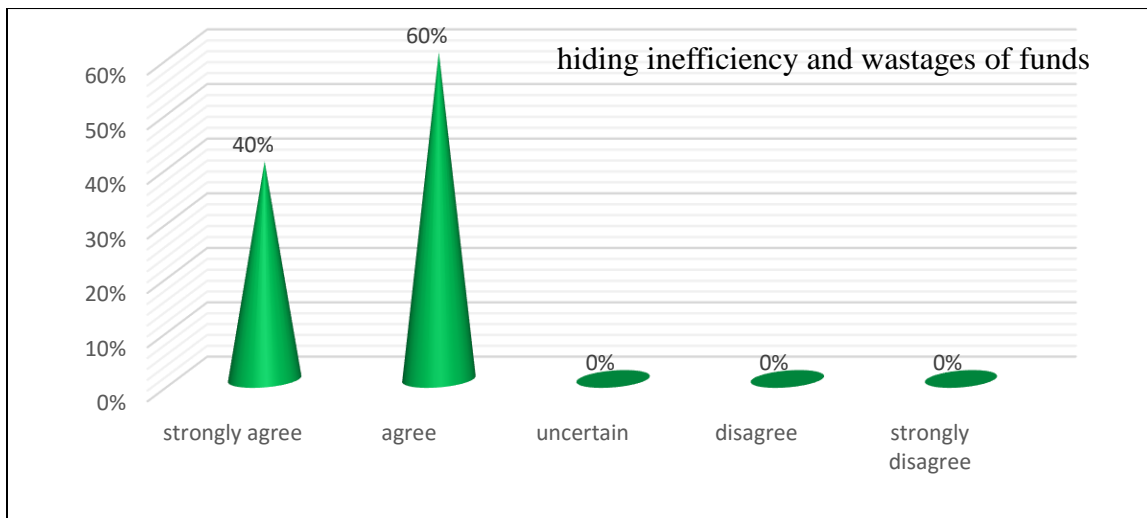
where emphasis was to knockout the budget in all circumstances. Contrary to the above view, a total of 30% (0% were uncertain, 20% disagree and 10% strongly disagree) disagreed that budgets and budgetary controls acts as pressure devices but as a positive instrument which assist the establishment of goals, measuring operating results and separating areas that requires more attention (Noreen et al, 2014). In conclusion, the researcher agreed to the notion that budgets and budgetary controls was being used as pressure device in the case of GZU.

4.3.4 Hiding inefficiency and wastages of funds

Raw data: Hiding inefficiency and wastages of funds

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	8	12	0	0	0	20

Fig 4.6 Results for hiding inefficiency and wastages of funds.



The outcomes presented in the above (Fig. 4.6) indicated that 8/12 (40%) strongly agree and 12/20 (60%) agree that budgets and budgetary controls hide inefficiency and wastages of funds whereas 0/20(0%) were uncertain, disagree and strongly disagree. A summation of 100% (40% strongly agree and 60% agree) respondents being the mode agreed to the perception under review and this concurs with Bragg (2011) who expressed that, budgets and its controls can hide inefficiencies and wastages of funds, since their preparation takes long and the time when they became completed they may no longer suit changes in the business environment and as result a department maybe inefficient though its expenses were within the budget limit (Noreen et al, 2014). Manso (2014) supported the above view as the author pronounced that the extensions of inefficiency and wastages was intentionally for consuming the budgeted amounts. In conclusion it can be noted that the type of budget and budgetary controls system in place caused GZU to hide inefficiencies and wastages of funds.

4.3.5 Time consuming and costly

Table 4.8- Responses for time consuming and costly

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
respondents	5	12	3	0	0	20
Response (%)	25	60	15	0	0	100

As shown in table 4.8 above, 5/20 (25%) strongly agree, 12/20 (60%) agree, 3/20 (15%) were uncertain and 0/20 (0%) disagreed to the perception that budgets were time consuming and costly in an organization. In total, a mode 85% (40% strongly agree and 60% agree) being the mode agreed to this perception that budgets were time consuming and costly and this was hand in hand with Lu (2011) and ICSI (2013) when they revealed that the installation cost of new

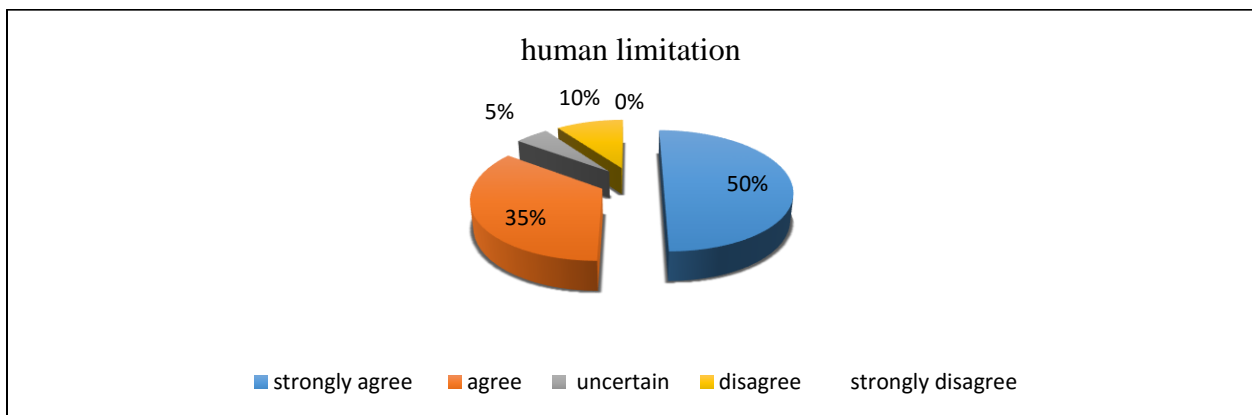
budgeting system and its controls may at times exceeds the benefits of the systems especially from the point of view of small concern. Manso (2014) further elaborated that budgets and budgetary controls involves a lot of paper work which the technical staff continuously reset, that is, it takes an average of 20% up to 30% managers' time as highlighted by Goode and Malik (2011). Drawing conclusions from the case of GZU, the researcher agreed with the results depicted above that to larger extend budgets and budgetary controls systems was time consuming and costly.

4.3.6 Human limitation

Raw data: Human limitation

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Respondents	10	7	1	2	0	20

Fig 4.7 Results for human limitation



The results from Fig 4.7, indicated that 10/20 (50%) and 7/20 (35%) strongly agree and agree respectively to the view that human limitation was another problem encountered in the use of

budgets whereas, 1/20 (5%) was uncertain and 2/20 (10%) disagree and 0/20 (0%) strongly disagree to this perception. In aggregate 85% (50% strongly agree and 35% agree) approved that human limitation was a problem as seconded by Arnold (2011) who propounded that cooperation of employees was not always possible which may leads to unsuccessful budgetary controls. If the lower level management became aware that top management were taking budgets and budgetary controls as an imperative evil thing, consequently their attitudes tend to imitate similar lack of enthusiasm (Noreen et al, 2014; Perrin, 2012; Thuata, 2016).

However, a sum of 15% (5% were uncertain, 10% disagree and 0% strongly disagree) conflicted to that perception and this was reinforced by Foyeke (2013) who elucidated that the design of the organizational structure and the channel of communication affects the execution of budgets and budgetary controls. Basing on the findings presented above from, it can be concluded that human limitation was the main problem in achieving budget targets at GZU.

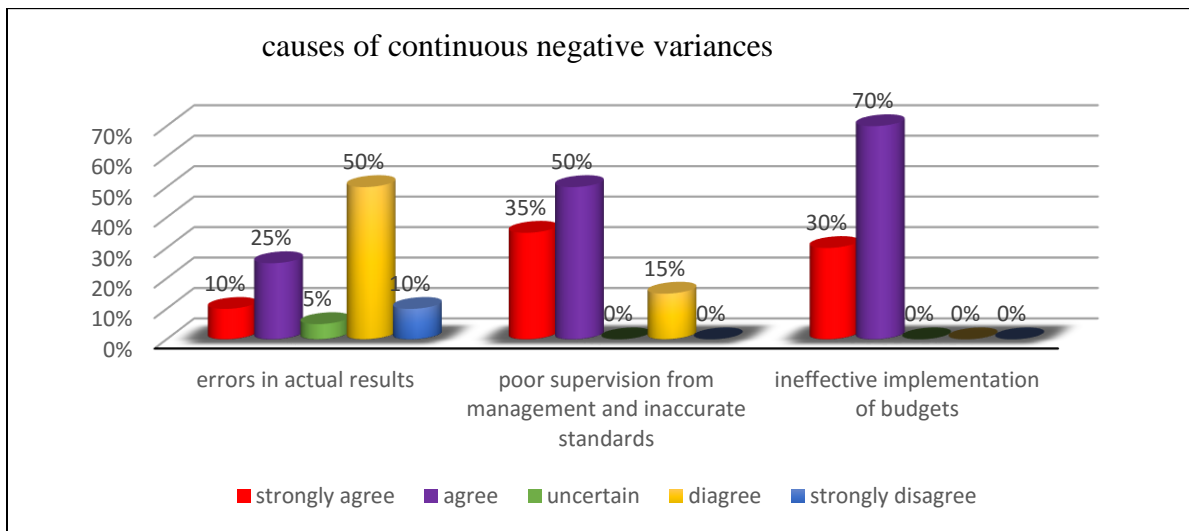
4.4 The causes of continuous negative variances in an organization

The researcher here wanted to find out if the following factors had caused persistent adverse variances at GZU.

Raw data: The causes of continuous negative variances in an organization

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total respondents
Errors in actual results	2	5	1	10	2	20
Poor supervision from management and inaccurate standards	7	10	0	3	0	20
Ineffective implementation of budgets	6	14	0	0	0	20

Fig 4.8- causes of continuous negative variances in an organization



4.4.1 Errors in actual results

From the graph shown in fig. 4.8 it was depicted that 2/20 (10%) and 5/20 (25%) strongly agree and agree respectively to the view that errors in actual results was the cause of persistent negative variances at GZU for the past three years, whilst 6/20 (30%) were uncertain, 5/20 (25%) disagree and 2/20 (10%) strongly disagree to that perception. A sum of 35% (10% strongly agree and 25% agree) agreed to that view as supported by Palmer (2012) who stated that many managers can present wrong results as a way to stay in the budget by charging invoices received from supplier to someone’s account code or throwing those invoices away.

However, a total of 65% (30% were uncertain, 25% disagree and 10% strongly disagree) being the mode of respondents who opposed the above perception as supported by Walther (2013) and Amato (2013) as they suggested that the use of estimations of expenditures without justifying its occurrence may lead to wrong estimates that do not lie within the historical trend, as such deviations from standard can leave the why and what causes questions unanswered and inappropriate decisions being made (Garrison et al, 2012; Murphy, 2014). Summing up, the results clearly indicated that actual errors was not the only causes of adverse variances at GZU.

4.4.2 Poor supervision from management and inaccurate standards

As depicted in fig 4.8 above, 4/20 (20%) and 8/20 (40%) strongly agree and agree respectively that management's poor supervision and inaccurate standards was the cause of negative variances at GZU, whereas 0/20 (0%) were uncertain, 3/20 (15%) disagree and 0/20 (0%) strongly disagree to that perception. In total 60% (20% strongly agree and 40% agree) being the mode of people who agreed to the above mentioned view and this was in line with the views of Crosson (2011) who avers that unfavourable labour efficiency variances can be caused by inaccurate standards and poor supervision from management or stricter supervision that specified, as well as discontentment of workers due to unsatisfactory personnel relationship and poor working conditions as noted by ACCA (2011), Hama et al (2015) and Noreen et al (2014). Conversely, a summation of 15% (15% were uncertain, 0% disagree and 0% strongly disagree) respondents were not sure to that notion as noted by Garrison et al (2013) who asserted that labour efficiency variances was as a result of managers failed to stop some workers if the demand from customers were very low.

Drawing conclusions from the case of GZU, the researcher agreed with the above results and perception that inaccurate standards and management’s poor supervision can cause adverse variances in an organization, thus a sign of deprived performance.

4.4.3 Ineffective implementation of budgets

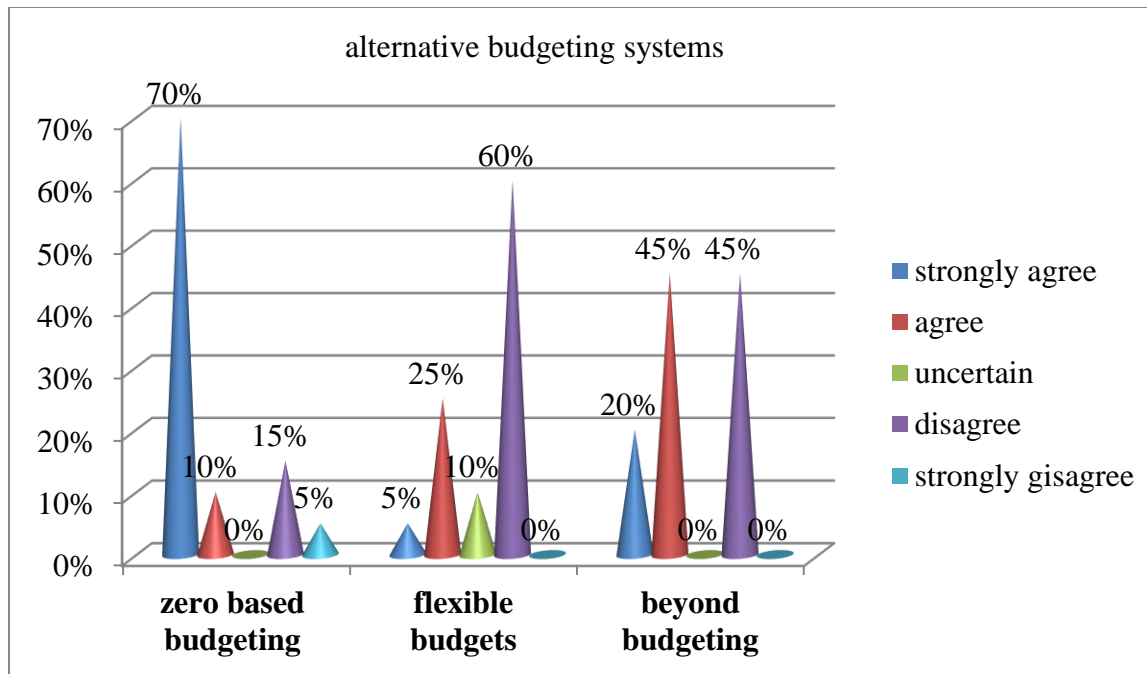
As shown in fig. 4.8, 6/20 (30%) strongly agree and 14/20 (70%) agree to the view that ineffective implementation of budgets triggered unfavourable variances at GZU, whereas 0/20 (0%) were uncertain, disagreed and strongly disagreed to the above perception. A summation of 100% (30% strongly agree and 70% agree) being the mode of respondents who agreed to the above view, concurs with Garrison et al (2012) who stated that failure of managers to lookout over labour rates originating from high rates of overtime can lead to unfavourable variances being witnessed every year. Taking into account of the mode of 100% responses agreed, it can be clearly concluded that ineffective implementation of budgets was a matter of concern which had caused unfavourable variances at GZU.

4.5 The alternative budgeting systems that are applicable at GZU.

Raw data: Alternative budgeting systems that are applicable at GZU.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total respondents
Zero-Based budgeting	14	2	0	3	1	20
Flexible budgets	1	5	2	12	0	20
Beyond Budgeting	2	9	0	9	0	20

Fig 4.9- Alternative budgeting systems that are applicable at GZU.



4.5.1 Zero Based Budgeting (ZBB)

The question sought the opinions of GZU staff on the applicability of ZBB at their organization in order to counteract the inefficiencies of the line budgeting system which was in place. The results shown in the graph fig 4.9 indicated that 14/20 (70%) strongly agree, 2/20 (10%) agree that ZBB system was another leeway to eradicate the problem of persistent unfavourable variances at GZU, whilst 0/20 (0%) were uncertain, 3/20 (15%) disagree and 1/20 (5%) strongly disagree to this notion. In total 80% (70% strongly agree and 10% agree) of respondents was of opinion that ZBB approach is applicable to their organisation as supported by Ekanem (2014) and Idio (2011) who stressed that zero based budgeting compels managers to take a fresh look at all activities and programs each year unlike the use of last year budget estimates as in line budgeting system, thus avoiding the transfer of previous problems to the next coming year as evidenced by Adeleye (2016) and Siyanbola (2013).

On the other hand, an aggregate of 20% (15% were uncertain, 0% disagree and 0% strongly disagree) was not sure about the applicability of ZBB at their organization which concurs with

ICAP (2015) which illustrated that the installation of ZBB in an organization is costly and time consuming, amplified stress for management and that continuity of short term planning and action may be lost. Taking into consideration of 80% agreed response, it can be concluded that GZU staff were very interested in changing its current budget system to ZBB system.

4.5.2 Flexible Budgets

The question was aimed at ascertaining if the respondents were willing to use flexible budgets in replacement of line budgeting system being employed at GZU. As depicted in the graph above (fig. 4.9), 1/20 (5%) strongly agree and 5/20 (25%) agreed to the applicability of flexible budgets at GZU, whereas 2/2(10%) were uncertain, 12/20 (60%) disagreed and 0/20 (0%) strongly disagreed about that idea. A sum of 30% (5% strongly agree and 25% agree) wanted to change the line budgeting system to a flexible one as it makes managers to bring more concentration on value generating activities and good flexibility rather than gaming for an individual's benefits on given lump of resources as evidenced in line budgeting (Chenxi, 2011). According to Garrison et al (2012) flexible budgets managers enhance their performance evaluations and allows adjustment of funds during the period and it yields managerial control grades through recognition of variable, fixed and semi-variable costs (Horngren et al, 2012; Wiley, 2012).

However, a summation of 70% (10% were uncertain, 60% disagree and 0% strongly disagree) respondents indicated that they are not willing to move from line budgeting to flexible budgets and this was in conjunction with ICAP (2015) which mentioned that flexible budgets may be complicated to prepare when scenarios being considered were complex in nature and numerous in number. From the outcomes presented in fig.4.9 above, the researcher concluded that GZU employees were not willing to move from line budgeting to flexible budgets.

4.5.3 Beyond Budgeting (BB)

The motive of the question was to determine if beyond budgeting was considered to be worth other than line budgeting technique. As shown in the graph fig.4.9, 2/20 (20%) strongly agree and 9/20 (45%) agree with the perception of moving from line budgeting to beyond budgeting whilst 0/20 (0%) were uncertain about it, 9/20 (45%) disagree and 0/20 (0%) strongly disagreed with that view. In total 55% (5% strongly agree and 25% agree) being the mode of respondents who were willing to move to BB system .The mode was in line with Horngren et al (2012), Cardos (2014) and Hansen (2011) who elucidated that beyond budgeting enables organisation to manage its performance, allow efficient allocation of resources, decentralization of decision making and regular reviews of budget. In addition, BB can be seen as a more adaptive approach to management with more frequent performance review as compared to line budgeting technique (Ostergren and Stensaker, 2011).

However, a sum of 45% (0% were uncertain, 45% disagree and 0% strongly disagree) differed to the above perception as seconded by Cardos (2014) and Goode & Malik (2011) who pointed out that beyond budgeting is difficult to implement since it involves various complicated systems, decentralized structure became impractical for some companies and drastic culture changes causes subordinates feelings of disillusion. Therefore basing on the findings presented above, the researcher to a lesser extend concluded that beyond budgeting can be applicable at GZU.

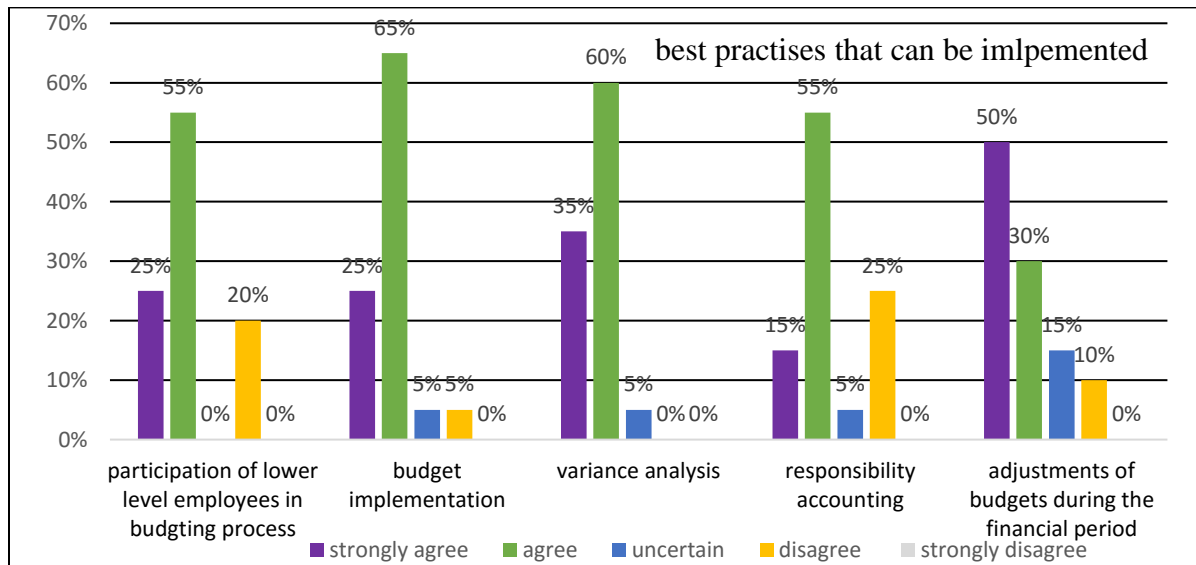
4.6 The best practices that can be implemented at GZU

Raw data: The best practices that can be implemented at GZU

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total responden

						ts
Participation of low level employees in budgeting process	5	11	0	4	0	20
Budget implementation	5	13	1	1	0	20
Variance analysis	7	12	1	0	0	20
Responsibility accounting	3	11	1	5	0	20

Fig 4.10- Responses on the best practices that can be implemented at GZU



4.6.1 Budgetary participation

The thrust here was to find out if the involvement of lower level employees in budgeting process may help to curb unfavourable variances being witnessed at GZU. The results portrayed in fig.

4.10 shows that 5/20 (25%) strongly agree and 11/20 (55%) agree that lower level participation of employees is very crucial, whereas 0/20 (0%) were uncertain, 4/20 (20%) disagreed to that view. An overall of 80% (25% strongly agree and 55% agree) being the mode agreed to the above perception. This was in line with the opinion of Mitchel et al (2013), Wagh and Gadade (2013) who asserted that participation of employees in budgeting process may enhance budgetary settings, creation of democratic environment in which subordinates had an impact on decisions and actions that affect their jobs. This notion was supported by Epstein and Lee (2012) who pronounced that participation in budgeting enhance information sharing among top managers and unit manager and it improves accuracy of budgets estimates.

However, a total of 20 % (0% were uncertain, 20% disagree and 0% strongly disagree) of the respondents disagreed to this view as employee participation found impracticable in some other organization due to its chain of command and reporting (Tanase, 2013). Therefore, it can be concluded that participation of lower level employees was the best solution to remedy prevailing problems at GZU as well as increasing motivation of employees for being recognized to be part of the organization.

4.6.2 Budget implementation

The question intended to find out if budget implementation can assist in solving problems of continuously unfavourable variances at GZU. As depicted in fig. 4.10 above, 5/20 (25%) and 13/20 (65%) strongly agreed and agreed respectively to the fact that budget implementation plays a vital role in an organization, whilst 1/20 (5%) was uncertain, 1/20 (5%) disagreed and 0/20 (0%) strongly disagreed to that perception. In aggregate 80% (25% strongly agree and 65% agree) being the mode of people who agreed to above opinion. This mode was in consistent with the opinion of Abata (2014) who avers that budget implementation helps bottom management

team to know duties to be delivered, performance expectations and gave room for the top management to support and encourage the implementation (Warren , 2013).

However, a total of 10% (5% were uncertain, 5% disagree and 0% strongly) respondents differed to the above opinion as indicated by Lu (2011) who expressed that managers failed to implement well set budget because they are unattainable at all. Drawing conclusions from the above collected data, it can be concluded that budget implementation was very crucial in solving problems at GZU and as well as improving its performance.

4.6.3 Variance analysis

The question seeks to find out if GZU can perform variance analysis to spotlight the deviations from standards and take appropriate action as the best way to improve its performance. From the graph shown in fig 4.10 above, 7/20 (35%) strongly agree, 12/20 (60%) agree, 1/20 (5%) were uncertain, 0/20 (0%) disagree and 0/20 (0%) strongly disagree that variance analysis act as the best way of reducing unfavourable variances experienced at GZU. A summation of 95% (35% strongly agree and 60% agree) respondents agreed to the notion of adopting frequent reviews (variance analysis) of budgets as a key control cost, which assist in detection of variances and to what extend does the standards have been achieved in order to deploy corrective measures to seal gaps arises (Bruce, 2013). Taking into account of 95% responses from GZU about this idea, it can be concluded that monthly variance analysis must be adopted in order to curb deviations from set standard to ensure quick corrective measures to be taken once detected.

4.6.4 Responsibility accounting

The question aimed to ascertain if responsibility accounting can be implemented at GZU so as to improve its performance. The graph in the fig. 4.10 shows that, 3/20 (15%) strongly agree, 11/20 (55%) agree, 1/20 (5%) was uncertain, 5/20 (25%) disagree and 0/20 (0%) strongly disagreed to

the perception that adoption of responsibility accounting can assist heads department held accountable for the occurrence of expenditures under their control. In overall 70% (15% strongly agree and 55% agree) agreed to this perception. This was seconded by Garrison et al (2012) and Mohamed et al (2015) who asserted that responsibility accounting can create profit centers, cost centers and investment centers in which employees work on the basis of their departments with specified targeted performance. Budgets can be separated into divisions for them to be regularly monitored (Walther, 2013) and the fact that in each line item of expenditures managers must be held accountable as sighted by Garrison et al (2012). Therefore, the researcher concluded that responsibility accounting can help GZU to move to a sustainable performance.

4.7 Interview data analysis

Question 1: What is the nature of budgeting system employed at GZU?

This question was proposed to establish the interviewee's perception on the impact the budgeting system employed has on performance of GZU.

Respondent 1

The Buyer/ Procurement Manager (PM) mentioned that line item budgeting was the one being used at GZU. The Procurement Manager also shared that this budgeting system was the most suitable in public institution like GZU and the fact that it was simple to use and the current budget estimates of expenditures and incomes can be used as the foundation for the preparation of the forthcoming year. This was also supported by Hansen (2011) and Siyanbola (2013) who stated that line item budgeting was a traditional approach which provides managers with basis of

planning for the succeeding year using previous years estimates of income and expenditures. The outcomes of the questionnaires administered by the researcher showed that 80% majority was arguing that line budgeting was not simple to use since historical figures were only adjusted for known changes and inflationary, this may not always appropriate. It can be concluded that though the budgeting system proved to be simple to use at times it may not able to meet the demands of this world of dynamic nature.

Respondent 2

The Human Resource Manager (HRM) supported the same view shared by the PM that line item budgeting was one being adopted at GZU. The HRM suggested that this budgeting system was used because of its simple to prepare, easily understandable to employees since historical figures only adjusted for future uncertainties. The interviewee also unleashed that this budgeting technique brings together leaders from different departments and hierarchical levels together, thus enhancing interaction and coordination of employees within the organization. This was in conjunction with the idea of Abogun & Fagbemi (2011) and Foyeke (2013) who avers that traditional budgeting allows setting of realistic goals by managers, promotes coordination and communication within an organization as highlighted by Nwagbara (2012). A highest frequency of 75% was obtained from questionnaires distributed to the respondents agreeing that the line budgeting causes dysfunctional behaviours within an organization. Therefore to a larger extend line budgeting causes dysfunctional behavior as evidenced by 75% response rate from questionnaires dispensed versus a single interviewee's opinion.

Respondent 3

The Deputy bursar (DB) concurs to some of the opinions shared by the other two interviewees above that GZU uses line item budgeting approach which uses previous performances or estimates to prepare budgets for the following period. Then the DB clearly stated that though the system was simple to use, the following challenges were being faced with the use of their budgeting system; transfer of the same problem to the next year, lack of flexibility, causes conflicts of interests between departments in terms of allocation of resources, no justification of costs on occurrence of expenses, no incentives can be rewarded for the personnel who managed to knockout budget targets and delays in releasing of funds from the government. This was supported by Chenxi (2011), De Waal et al (2011) and Hansen (2011) who proclaimed that line item budgeting may lead to dysfunctional behaviour such as negotiating for lower targets that can be easily achievable, thus allowing budget games by budget holders, since there was a lot of delays and bureaucracy in approving and release of funds by the government (Tagwirey, 2012). ACCA (2014) also revealed the fact that this system impede company to be adaptive to the changing environment due to its rigidity of planning.

With reference to information gathered from questionnaires, it shows that the line item budgeting system was an ineffective resources management tool which causes dysfunctional behaviour between employees, it lacks transparency and flexibility, unsuitable for complex situations, more concerned on cost reduction and it does not guarantee incentives for managers for achieving budget targets as supported by the above interviewees. Therefore, it can be concluded that this system was found to be useless for GZU as evidenced in the above responses.

Question 2: What are the problems likely to be associated with the use of budgeting and budgetary control systems?

The question sought to find out the interviewees' response on the problems that can be encountered in using budgets and budget controls within an organization

Respondent 1

The PM iterated that the use of estimation at times may not be true when the organization wants to buy new equipment. The respondent went on to say that depending on the quantity and quality of the goods to be purchased in most cases prices may be higher than the estimated ones, as such the organization can end up acquire little equipment than what was stated in the budget that is when using rigidity budgetary control structures. According to ICAP (2015) budgets estimates lose their usefulness under changing world because of its inflexibility or rigidity structure in nature. With reference to the data gathered through questionnaires there was 90% and 100% respondents respectively who agreed that the use of budgets and budgetary controls can be affected by inaccurate estimates and its inflexibility structure. Therefore, it can be concluded that the inaccurate estimates and budgetary inflexibility structures had affected the performance of organizations like GZU.

Respondent 2

The HRM stated that budgets and budgetary controls may be affected by human behaviour in such a way that managers or head departments may end up setting undemanding targets that are easy to accomplish as noted by Bamper and Parry (2014). In addition Hofstede (2012) said that employees create negative attitudes towards budgets and budget controls because they were imposed to them without consultations. Drury (2013) also submitted that there are high chances that departmental supervisors may self-justify themselves when unfavorable variances were brought to their awareness and blame other departments or inaccuracy of standards. From the

questionnaires administered to respondents, it had been proved that 17/20 (85%) agreed the perception that human limitation may affect the use of budgets and budgetary controls as noted from the above interviewees' opinions. It can be said human limitation can affect the use of budgets and budgetary controls in an organization.

Respondent 3

The DB was also of opinion that at times budgeting process may also took almost 3 or more months to be prepared and approved by the government. This concurs with Goode and Malik (2011) who mentioned that budget preparations were time consuming since it compels almost 20 up to 30% managers time. Thompson et al (2013) also added that budgetary controls can be time consuming because too much time may be lost budgets evaluations and reviews. The respondent further elaborated that the use of budgets can sometimes hide inefficiency and wastages of funds in large organization like GZU. This was reinforced by Bragg (2011) who affirmed budgets takes much time to prepare and the time when it is completed it becomes slightly applicable as business environment changes. Tagwireyi (2012) proclaimed that budgeting systems in public institutions caused budget holders to allocate scarce resources to areas of minimal needs instead of the core functions of the organization.

From the data gathered through questionnaires, there was an 85% and 100% respondents respectively who agreed that the use of budgets and its controls was time consuming, hide inefficiency and wastage of funds as revealed by the deputy bursar. To a larger extend, it can be deduced that budgets and its controls is time consuming since it takes more than 3 months to be prepared, approved and releasing of funds.

Question 3: What are the causes of persistent negative variances at GZU?

The motive here was to get an understanding on the causes of adverse variances in an organization.

Respondent 1

The PM mentioned that variations or changes in market price during the financial period was one of the factors which may lead to adverse variances in an organization. The PM further explained that when the price of purchasing let's say a new learning equipment became higher than what was on the budget, they used to take funds from other expenditures of minimal needs by that time and utilize it to acquire that equipment or else to quit since they stick on what was laid down on the budget. This was in line with Garrison et al (2012) and Warren (2013) who revealed that unfavourable price variances can be caused by paying for higher price than what was budgeted for. It can be concluded that market price changes during the financial period also attributed to persistent adverse variances which was experienced at GZU for the past three years.

Respondent 2

The HRM was of opinion that the use of demotivated workers may at times leads to unfavourable variances as a result of either delays in receiving their salaries and working conditions or environments. This view concurs with Crosson (2011) and Noreen (2014) who clearly illustrated that labour efficiency variance can be due to the use of poorly motivated workers due to unsatisfactory personnel relationships lack of proper supervision than specified from management as noted by Hama et al (2015). This was also in line with a 60% response rate from the questionnaires which were distributed to GZU staff who agreed that labour efficiency

variance can cause persistent adverse variances. Taking into consideration of results from both questionnaires and interviewees' response, the researcher can strongly concludes that labour efficiency variance attributed to GZU adverse variances for the past three years.

Respondent 3

On this question the DB mentioned that failure of most students to pay their full fees in time and ineffective implementation of budgets are factors attributed to unfavourable variance witnessed at GZU. The respondent also went on to say that budgets may not be effectively implemented without adequate labour force in place. That is, since GZU is expanding at an accelerating rate in terms of activities there is need for it to employ more workforce in order to have a betterment performance in terms of segregation of duties especially in the preparation of budgets. Crosson (2012) avers that failure of the top management to support the lower level management on the effective implementation of budgets will results in undesirable results by the end of the day. This was in conjunction with a 100% response rate achieved from the questionnaires administered at GZU staff, showing that they were all agreed to the notion that poor implementation of budget had caused unfavourable results. Therefore, it can be concluded that ineffective implementation of budgets had attributed to adverse variances in the past three years.

Question 4: What are the alternative budgeting approaches applicable at GZU?

The question sought to find out if there was other alternative budgeting system that can be adopted by GZU in trying to cover up inefficiencies of the current line item budgeting system.

Respondent 1

The Procurement Manager bring into light that although the current budgeting system was simple to use, it floated with lot of problems such as lack of flexibility and more concerned on limiting cost rather than improving the value of an organization through acquiring better equipment suit to new technology. The PM went on to mention the applicability of flexible budgets, zero based budgeting and the result based budgeting. In accordance to Wiley (2012) flexible budgets yields enhanced managerial control grades. Poston (2011) and Kalz (2014) proclaimed that the adoption of zero based budgeting assist management in creating cost effective techniques and allows justification of all budgeted expenditure. The depicted results from questionnaires indicated that 80% majority of respondents was of opinion to move to zero based budgeting whereas 30% respondents willing to move to flexible budgets. Conclusively, the researcher also found out zero based budgeting to be the most suitable approach at GZU as compared to flexible budget.

Respondent 2

On this question the HRM clearly stated that he was not certain about which best budgeting technique GZU can adopt in order to counteract the inefficiencies of line item budgeting.

Respondent 3

The Deputy Bursar concurs with the views of the Procurement Manger, by suggesting that the only way out to eradicate adverse variances was through the removal of line item budgeting technique in the organisation and move to better budgeting systems such as beyond budgeting, flexible budgets, and zero based budgeting. According to Hansen (2011) beyond budgeting was seen as a more adaptive means of managing budgets aims since they are reviewed regularly, creation of self-managed working environment and a personal responsibility which enhance

employee motivation (Rickards, 2013). With reference to the outcomes from questionnaires the 80 % of respondents or the majority were willing to move to zero based budgeting, followed by a 45 % on beyond budgeting and lastly 30 % flexible budgets. Drawing conclusions from the case of GZU, the researcher was also assured to move to zero based budgeting.

Question 5: What are the ways which GZU can take to immediately move to a viable performance?

The question ought to unveil the opinions of the interviewees on the best practices to be taken at GZU to create a better sustenance.

Respondent 1

On this question the PM stressed on the adjustments of funds during the financial period in order to quickly respond to new competitive environment like market change prices. This notion was supported by Palmer (2012) who opined that for a budget to be effective it must be adjustable at any period of time when changes arises. The results shown from questionnaire reflected that 80% majority was in support of this opinion as stressed by the Procurement Manager. Therefore, the researcher also concludes that adjustment of funds can be a suitable solution in order to meet the demands of the environment in which GZU is operating.

Respondent 2

The HRM shared a concern about participation of lower level employees in the budgeting processes, since they were also plays part in utilization of allocated funds to their departments and to create decentralization of authority and responsibilities. This view was supported by Wagh and Gadade (2013) who illustrated that employee involvement was seen as a management

and leadership philosophy about how employees were enabled to offer continuous improvement and the ongoing success of their educational institution. In that same impression, Sholihin et al (2011) and Tanase (2013) assumed that motivation of employees can only derived through actively participate in budgets development and any other decision making processes. The results from questionnaires portrays that 80% of the respondents was agreed to this perception. Therefore, the researcher also concludes that lower level employee participation in budgeting processes especially those whose jobs involves spending funds, seem to be a more practical asset to GZU to move to a viable sustainability.

Respondent 3

The Deputy Bursar emphasized the preparation of monthly reports on actual budget results versus budgeted standards in order to take corrective actions on deviations, thus variance analysis reports. This view was in line with Bruce (2013) who advocated that variance analysis promotes in identifying and to what extend does the set standards have been achieved , then corrective action measures should step in to fill gaps arises and at the same breath it can work as a device for benchmarking performance of departments or organization as a whole. The interviewee further clarified responsibility accounting as another measure which enhances accountability on every transaction spent. According to Noreen (2014) responsibility accounting compels managers held accountable the items of income and expenditures and only for those over which they can exert significant control. As evidenced in the survey conducted through questionnaires 95% agreed that variance analysis ,as well as 70 % also agreed that responsibility accounting were the best solutions to eliminate problems of unfavourable variances at GZU. It can be concluded with reasonable assurance that the adoption of variance analysis on a monthly basis and responsibility accounting will promote a more favourable results at GZU.

4. 8 Chapter summary

This chapter was centered on the data presentation and analysis of research discoveries about the budgeting and budgetary control systems applied at Great Zimbabwe University. The information presented was acquired mainly from questionnaires and face to face interviews conducted. The analysis and presentation was completed using bar graphs, pie charts, tables and descriptive summaries. This chapter has delivered the base on which recommendations, conclusions and major findings as exposed in the following chapter.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter focused on summarizing the study, penciling conclusions from the data findings and formulating recommendations as well as suggestions for further researches.

5.1 Executive summary

Chapter one established the research, where the researcher presented the background of the study on the adverse variances being faced during the research period at GZU. That gave rise to the

formulation of a study on the impact of budgeting and budgetary controls system on performance of GZU. In addition, the chapter presented the main research question, sub research question and as well as research objectives. The chapter went on to provide justifications of the study, limitations of the study, delimitations of the study, defined terms and a chapter summary at the end.

Chapter two bestowed the literature review on the impact of budgeting and budgetary control systems on performance of public institutions with particular reference to Great Zimbabwe University. Siyanbola (2013) highlighted on the nature of line item budgeting system and its impact on the performance of an organization as underscored by De Waal et al (2011). Crosson (2011) and Garrison et al (2012) also contributed a lot on highlighting the causes of persistence unfavourable variances. Then Foyeke (2013) played a major role in emphasizing the best practices that can be adopted by an organization to move to a viable performance. That information form the foundation towards the reasons which steers to an effective investigation.

Chapter three concentrated on the research methodology being used to collect data. The chapter underscored the research design, in which it was descriptive in nature since the study focused on answering the questions on the influence of budgeting and budgetary controls systems at GZU. A sample of 20 respondents from GZU was used in collection of data and the respondents were chosen using a non-probability sampling approach. Primary data collection used was questionnaires and personal interviews and this was supported by secondary sources such as annual reports and management accounts reports obtained from the organization.

Chapter four presented, analysed and then interpreted the findings from the data from the 20 out of 20 questionnaires responded to and three interviews conducted. All the data findings was

presented using graphs, tables and pie charts. The results from the interviews was descriptively summarised.

5.2 Major Findings

- **To evaluate the nature of the budgeting system employed at GZU.**

The line item budgeting system was the one which was used being at Great Zimbabwe University. According to the investigation, the line item budgeting system was not producing favourable results since it transfers previous inefficiencies from previous year to the next period, causes dysfunctional behaviours among employees, lacks transparency and flexibility, more concerned on cost reduction than adding value, failed to match optimal resources to current needs as well as being an ineffective resource management tool in an organization (Adeleye, 2016; Goode & Malik, 2011; Cardos, 2014).

- **To identify problems associated with the use of budgets and budgetary controls in an organisation.**

The researcher found out that the use of budgets and budgetary control systems for planning and allocation of resources faced challenges such as inaccurate or guess work estimates and as such absolute accuracy may at times very impossible in budgeting. Davis and Davis (2014) noted that a budget are just mere estimates in which budgetary controls accuracy depend on those estimates. In addition, inflexibility budgetary structures, human limitations, hiding inefficiencies and wastage of funds was other problems which was observed under this study, a case of GZU.

- **To identify causes of persistent adverse variance in an organisation.**

For the past three years Great Zimbabwe University experienced adverse variances on its budgets. According to the analysis, the researcher found out that unfavourable variances was stemming from ineffective implementation of budgets, debtors (students), reduced supervision from management and inaccurate standards which was employed at place, errors in actual results and also the variations in the market prices during the financial period as mentioned by the Procurement Manager during the interview session.

- **To highlight alternative budgeting techniques that are relevant at GZU.**

The researcher found out that the majority of the GZU staff was very willing to move to zero based budgeting other than moving to flexible budgets and beyond budgeting in order to eradicate the inefficiencies of line item budgeting system that was currently used.

- **To determine the best practices that can be adopted by GZU in order to move to a viable performance**

The researcher identified that lower level employee participation in budgeting process, effective implementation of budgets as planned, preparations of variance reports and responsibility accounting can assist GZU to create a more sustainable achievement.

5.3 Conclusion to findings

The research was successful as it managed to analyse the impact of budgeting and budgetary control systems on performance of GZU. As revealed by the data findings, failure of an organisation on the adoption and implementation of the best budgetary systems and its control respectively results in adverse variances being attained almost every year. The line item budgeting system used at Great Zimbabwe University proved itself that it hide inefficiencies and wastage of funds, lack transparency, not adjusted during the period to meet the changes in

demands. As a result resources was not effectively and efficiently distributed to all the departments which in turn causes undesirable behaviours between departmental heads fighting for those scarce resources available.

5.4 Recommendations

Correlating to the research findings the writer suggested the following recommendations to Great Zimbabwe University on exactly how to remedy adverse variances and ways on how to come up with an effective budget system.

- **Adoption of budget systems which are more flexible and allows justification of cost incurred**

In order to match optimal resources to the demands of the competitive environment, the management of GZU must move from the line item budgeting to another budgeting system which allows managers to quickly respond to new changes and yields favourable results. Due to this view zero based budgeting was seen more applicable due to its flexibility, realistic and it provided useful control especially where unexpected variances occupied (Ekanem, 2014). Zero based budgeting allows justification of cost as noted by Poston (2011) and Garrison et al (2012) where they propounded that for all the budgeted expenditure or individual item, managers are required to justify them all.

- **Participation of lower level employees in the budgeting process**

The researcher recommends management to involve lower level employees in the budgeting process. This increase employees' moral and democratic environment in which people have an impact on decisions and actions that affect their jobs. According to Idio (2011), the effectiveness application of zero based budgeting was that which shift staff aggression in forecast and

standards since they were not imposed to them without being consulted, that is the responsibility had been shifted from top managers to decision unit manager and this may reduce wasteful spending and budget games. (ACCA, 2011).

- **Implementation of budget**

Top management should always give support and encourage budget implementation to the lower staff members. Implementation of budget can only be successful when employees understand the budgetary process very well (Manso, 2014). In this case training can help those charged in preparations of budgets more equipped with the idea on how to implement them. As suggested by Abata (2014) that budgets can only be well implemented if management have knowledge on the duties to deliver and they are equipped with the motive of achieving the stipulated goal.

5.5 Areas of further research

A further study is recommended in this area that should analyse the impact of result based budgeting. The researcher proposed that attention by future researchers be focused on analysing the result based budgeting in State Owned Institutions.

5.6 Chapter Summary

The conclusions of the study showed that GZU's budgeting system is ineffective. The results indicated that an effective budgeting system can reduce the occurrence of negative variances in the organization and it promotes the degree of motivation to employees.

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APPENDIX I

COVER LETTER



Midlands State University
Established 2000

Our Hands, Our Minds, Our Destiny

P. Bag 9055

Senga Road

Gweru.

31 August 2016

The Human Resource and Administration

Great Zimbabwe University

P. O Box 1235

Masvingo.

Dear Sir/Madam

RE: AUTHORIZATION TO CONDUCT A RESEARCH AT YOUR ORGANIZATION

I am a fourth year student at Midlands State University studying Bachelor of Commerce Accounting Honours Degree and a former trainee at your organization in the year 2015. I am applying for permission to carry out a research entitled: *“The impact of budgeting and budgetary control on performance of Great Zimbabwe University”*. With your permission I would like to collect data through questionnaires and interviews from selected personnel in your organization. Be guaranteed that all information will be treated with confidentiality as the research is strictly for academic purposes only.

Your assistance will be greatly appreciated.

Yours Faithfully

Anockstage Makamanzi.

R124503J.

APPENDIX II

REQUEST LETTER



Midlands State University
Established 2000

Our Hands, Our Minds, Our Destiny

P. Bag 9055

Senga Road,

Gweru.

31 August 2016

Dear respondent

RE: ASSISTANCE WITH FILLING OF QUESTIONNAIERS

May you kindly complete the attached questionnaires by ticking an answer of your choice in the boxes provided on each question. The provided information will assist in the achievement of the research entitled: “*The impact of budgeting and budgetary controls on performance of Great Zimbabwe University*”. The research is compulsory for the partial fulfilment of Bachelor of Commerce Accounting Honours Degree T Midlands State University. Provided data will be treated with confidentiality and used for academic purposes only.

Your cooperation will be greatly appreciated

Yours faithfully

Anockstage Makamanzi.

R124503J.

APPENDIX III

QUESTIONNAIRE

This questionnaire designed to petition your opinions with regard to the topic under study and your attribution in this questionnaires will play a major role for the success of this research. May you kindly assist me by reading and answering carefully the questions that follow and tick in the box an answer of your choice.

NB: For the sake of confidentiality please do not write your name on this form

1. The following are the impact of line item budgeting technique.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
It is simple to use and effective in planning for future periods estimates.					
It causes dysfunctional behaviours between employees					
Lacks transparency and not suit complex situations					
It can be used as a benchmark to determine incentive for managers					
Outdated and fail to matches optimal resources to current needs					
More concerned on cost reduction rather than adding value in an organization					
It is an ineffective resource management tool					
It lacks flexibility and justification of cost					

2. The following are the problems likely associated with the use of budgets and budgetary control systems.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Use of inaccurate figures/ guess work					
Inflexibility budgetary structures					
Pressure device					
Hide inefficiency and wastages					
Time consuming and costly					
Human limitation					

3. The following are the causes of unfavourable variances in an organization.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Errors in actual results					
Poor supervision from management and inaccurate standards					
Ineffective implementation of budgets					

4. The following alternative budgeting systems are applicable to your organization.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Zero Based Budgeting					
Flexible Budgets					
Beyond Budgeting					

5. The following practices can be implemented at GZU in order to move to a viable performance.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Participation of lower level employees in budgeting process					
Budget implementation					
Variance analysis (Frequent budget management review)					
Responsibility accounting					

Company Stamp



Thank you for your cooperation

APPENDIX IV

INTERVIEW GUIDE QUESTIONS

1. What is the nature of budgeting system employed at GZU?
2. What are the problems likely to be associated with the use of budgeting and budgetary controls systems?
3. What are the causes of persistent negative variance at your organization?
4. What are the alternative budgeting approaches applicable at GZU?
5. What are the ways which GZU can take to immediately move to a viable performance?

