UGANDA MANAGEMENT INSTITUTE

BUDGETARY PLANNING AND FINANCIAL PERFORMANCE OF PUBLIC INSTITUTIONS IN UGANDA: A CASE OF UGANDA COMMUNICATIONS COMMISSION (UCC)

BY

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DECLARATION

I, Nicholas Kyaligonza, declare that the work presented in this book is my own and has never been submitted elsewhere for any other award.

Signed…………………………… Date……………………………..

APPROVAL

This is to certify that this study has been carried out under our supervision and has been submitted with our approval in partial fulfillment for the requirements for the award of the degree of Masters in Management Studies (Financial Management) of Uganda Management Institute.

Signature ………………………………………….. Date…………………

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DEDICATION

This work is dedicated to my family for their enormous contribution towards my whole academic life and success.

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ABSTRACT

The purpose of this study was to establish the effect of budgetary planning on financial performance of public organizations in Uganda using a case study of the Uganda Communications Commission (UCC). The study prompted by the poor financial performance of UCC. The objectives of the study were to examine the effect of budget information gathering on the financial performance of the UCC, to assess the effect of budget objectives setting on financial performance of the UCC and to find out how budget strategies formulation affect the financial performance of the UCC. A cross sectional case study research design, which was both quantitative and qualitative, was used. The sample for this study consisted of 115 respondents selected using stratified sampling, simple random sampling and purposive sampling techniques. The analysis involved descriptive statistics (frequencies and percentages) and inferential statistics (Spearman correlation, coefficient of determination and regressions). Findings revealed a positive moderate relationship between budget information gathering and financial performance of UCC, a moderate positive relationship between budget objectives setting and financial performance of UCC, and a strong positive relationship between budget strategies formulation and financial performance of UCC. It was concluded that budgetary planning significantly and positively affects financial performance of public organizations in Uganda. It was recommended that UCC should improve its budget information gathering, budget objectives setting and budget strategies formulation in order to improve its financial performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study sought to establish the relationship between budgetary planning and the financial performance of public organizations of Uganda using a case study of Uganda Communications Commission (UCC). Budgetary planning was the independent variable while financial performance was the dependent variable. This chapter presents the background to the study, statement of the problem, purpose of the study, research questions, hypothesis, scope of the study, the significance, justification and operational definition of the terms and concepts.

1.1 Background to the Study

1.1.1 Historical Background

Interest in budgetary planning to improve financial performance can be traced to accounting that dates back to ancient civilization, recording, classifying, and summarizing financial events (Boothe, 2003). At that time, there was a carefully developed and comprehensive accounting system as a way to keep track of cash flow (which relates to financial performance) through time in order to communicate financial information that was helpful to the process of budget planning.

Since the industrial revolution, the demand for management accounting, which supplies information about the transactions and thus financial performance of an organization that occur, has grown (Boothe, 2003). Most product costing and management accounting procedures used today were developed between 1880 and 1925 with a purpose of improving the financial performance of an organization. By 1925, the emphasis was on inventory costing. Financial reporting was the driving force for cost accounting systems.

In the 1950's and 1970's, efforts were made to make financial accounting information more useful to users in relation to the financial performance of an organization (Alexander, 1999). During this period, innovations without rigorous regard for financial costs were routine aiming at improving the financial performance of an organization. Emphasis was placed on the organizational benefits or effectiveness side of the equation, which measure the financial performance of an organization. During the 60's, planning, programming and budgeting systems (PPBS) evolved to further improve the financial performance of an organization. The PPBS model systematically linked the planning process to the allocation of resources including financial resources (Black, 1993). This process called for stronger central management and required agreement on goals and objectives. Organizations found it difficult to get support and agreement using this model. As a result, in the 80's, it was noted that traditional management accounting practices no longer met managerial needs and most organizations retreated to cost-cutting measures and conservative practices (Boothe, 2003). Top management in organizations sought more accurate product costing and more useful and detailed inputs to improve quality and productivity and to reduce costs (Quehl et al.., 1999). The accountability reports and subsequent requirements caused cost-benefit analysis to be scrutinized even more closely (Quehl et al., 1999).

Today, the budgetary planning for improved financial performance of an organization has evolved from simply forecasting expenses and income (which measure financial performance of an organization) into a more complex system of planning and tracking revenues and expenditures so that resources can be used most effectively to meet the organization's goals (Meisinger, Jr., 1994; Black, 1993; Henderson, 1997). Careful financial planning includes "an objective analysis of the institution's financial position and an exploration of all three of the goals of enhancing resources, improving cost effectiveness, and reducing expenditures" (Horner, 1997, p. 21). Activity based management, which is a system-wide integrated approach that focuses management's attention on activities with the objective of improving customer value and the resulting profit, and process value analysis, which emphasizes activity analysis and tries to determine why activities are performed and how well they are performed have become most common.

1.1.2 Theoretical Background

The study was guided by the rational choice theory. A pioneering figure in establishing rational choice theory in sociology was George Homans who in 1961 (as cited in Scott, 2000) argued that patterns of behavior in societies reflect the choices made by individuals as they try to maximize their benefits and minimize their costs. In other words, people make decisions about how they should act by comparing the costs and benefits of different courses of action.

The rational choice theory adopts a utilitarian belief that man is a reasoning actor who weighs means and ends, costs and benefits, and makes a rational choice (Green, 2002). In other words, the theory is built around the idea that all action is fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do. This theory was considered relevant to this study in that by emphasizing rational behavior, it captures the element of behaviors in budget planning that would enhance the financial performance of an organization. Rational choice theory was relevant to this study in that it entails choosing a "rational" action given one's preferences, the actions one could take, and expectations about the outcomes of those actions. Thus, this study investigated whether there was rational action in ICC's budget information gathering, budget objectives setting and budget strategies formulation and their impact on the financial performance of the UCC.

1.1.3 Conceptual Background

According to Black (1993), planning is a process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals. Horner (1997) defines planning as deciding in advance what is to be done, when where, how and by whom it is to be done. Horner (1997) adds that planning bridges the gap from where we are to where we want to go and it includes the selection of objectives, policies, procedures and programmes from among alternatives. A budget is a plan that outlines an organization's financial and operational goals (Beckett & King, 2002). So a budget may be thought of as an action plan. Planning a budget helps a business allocate resources, evaluate performance, and formulate plans. According to Beckett and King (2002), budgetary planning is the process by which a company or individuals evaluate their earnings and expenses and project their monetary intakes and outtakes for the future. The goal is to lay out all necessary components and brainstorm future goals. As for Ebdon (2000), budgetary planning is a systematic activity which determines when, how and who is going to perform a specific budgeting activity. Every planning process like budgetary planning goes through a series of stages, which include information gathering, defining the mission and goals plus objectives, formulating strategies, implementing the plan, monitoring performance and evaluating the plan. In this study, budgetary planning focused on budget information gathering, budget objectives setting, and budget strategies formulation.

Budget planning is the process by which a company or individuals evaluate their earnings and expenses and project their monetary intakes and outakes for the future (Beckett &

King, 2002). The goal is to lay out all necessary components and brainstorm future goals. Budget objectives setting is the process of deciding on something an organization or individual wants, planning how to get it, and then working towards the objective (Swezey, Meltzer & Salas, 1994). Budget strategies formulation is the process by which an organization chooses the most appropriate courses of action to achieve its defined goals (Williams, 2002). This process is essential to an organization's success, because it provides a framework for the actions that will lead to the anticipated results.

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues (Griffin & Mahon, 1997). This term is also used as a general measure of a firm's overall financial health over a given period of time. McWilliams and Siegel (2000) define financial performance as the level of performance of a business over a specified period of time, expressed in terms of overall profits and losses during that time. In this study, financial performance referred to expenditure and income to the organization.

1.1.4 Contextual Background

In Uganda, the importance of budgetary planning to the financial performance of public and private organization is acknowledged in that every year organizations have to conduct a budgetary planning. Among the Uganda's organizations is the Uganda Communications Commission (UCC). UCC is the regulator of the communications services in Uganda. It was established by the Uganda Communications Act (Cap 106 Laws of Uganda). Subsections 4 (b) and 4(i) of the Act mandate the Commission to monitor, inspect, license, regulate communication services and set national communication standards. To achieve its mandate, UCC financial performance must be sound. This was the reason that UCC had to conduct budgeting for its activities every year.

The budgeting process involves determining incomes and expenditures and allocation of funds. Normally, the budget process is composed of drafting, legislation and implementation. It also includes activity planning and schedule which normally precedes the above three stages (Chisholm, 2000).

UCC aims at preparing and realizing accurate budgets. In an effort to achieve this, different parties are involved, including heads of departments like human resource department, the budget committee, finance department, the UCC Board and the entire UCC staff. UCC budgeting process begins with the finance director issuing a budget call to heads of departments requesting them to produce their estimates for the income/revenue provided by the finance department. The budget committee then allocates finances according to expected income, which then presents it to the finance board for appropriate action and finally to the UCC for noting (UCC, 2009).

Although UCC often has budgets which put control in the hands of the heads of departments who initiate the budgets, there were concerns that have been raised about its financial performance, which might be due to poor budgetary planning in the institution. According to the UCC Annual Report of 2009, it had been shown that there were consistent variances between the actual and budgeted expenditure. For instance, library actually spent Ug. shs 45.1 million less than what was budgeted. Staff training and development spending was below the Ug. shs 926 million budgeted in 2004 while the difference between actual expenditure of 2003 and the one budgeted for 2004 was shillings 625.8 million (UCC, 2009). According to the UCC Annual Report of 2009, actual expenditure on meeting and conferences was 75% above budgeted, on foreign travel was 45% above budgeted and on annual levy licenses was 34% below budgeted.

Poor financial performance is detrimental to an organization. It can lead to closure of an organization's operations, which lead to unemployment among staff that has been working for that organization (Griffin & Mahon, 1997). This has a spiral effect in terms of workers losing their source of income and hence reduced spending in an economy. Based on this background, this study was conducted to avoid the negative consequences that would arise because of poor financial performance of UCC.

1.2 Statement of the Problem

The aim of UCC's budgeting planning is to ensure a sound financial performance throughout the course of the year. UCC aims at preparing and realizing accurate budgets to enhance its financial performance. To achieve this, different parties are involved in budgetary planning ranging from head of departments, human resource department, budget committee, the Commission's Board and the entire UCC staff. There are budgetary policies to guide each of these parties while executing budgetary activities in order to realize accurate budgets for better financial performance. Despite the existence of budgetary policies in place at the UCC, there continued to be concerns with the organization's financial performance, which suggested possible shortcomings in its budgetary planning. In the budget drafting stage, there were some departments and sections, which were hardily involved in the process since their views are not sought. At the budget approval (Board) level, there was barely a representative of the heads of departments and sections during review and ongoing discussion of the budget. At implementation level, each department followed a different budget format. No follow up or budget feedback on balances and usage were sought by departments and therefore not promptly given (UCC, 2008). The following table shows statistics relating to the budgetary planning problem at UCC, for the 2007/2008 financial period.

Table 1: Budgeted and actual expenditure for 2007/2008 financial Year

Budget Item	Budgeted (Ushs.)	Actual (Ushs.)	Percentage Variance
Expenditure on meetings and Conferences	480 Million	842 Million	75%
Expenditure on Foreign travel	920 Million	1,330 Million	45%
Revenue: Annual levy on licensees	4.7 Billion	3.1 Billion	-34%

Source: UCC Annual Report 2009.

Table 1 shows that there were lapses in the budgetary planning at UCC where at times what was budgeted was below or above what was actually spent. These lapses in the budgetary planning invariably culminated into rampant bargains for supplementary allocations to some activities before the end of the planned financial period, while surpluses of unused budgets have been common in some key programs, translating into non achievement of institutional objectives at the end of the financial year. However, there was no empirical evidence linking the budgetary planning problems to the poor financial performance of UCC. This research was carried to address this gap.

1.3 Purpose of the Study

The purpose of this study was to establish the effect of budgetary planning on the financial performance of public organizations in Uganda using a case study of UCC.

1.4 Objectives of the Study

The following objectives guided the study:

1) To examine the effect of budget information gathering on the financial performance of UCC
2) To assess the effect of budget objectives setting on financial performance of UCC
3) To find out how budget strategies formulation affect the financial performance of UCC

1.5 Research Questions

The study answered the following research question:

1) How does budget information gathering affected the financial performance of UCC?
2) How does budget objectives setting affect the financial performance of UCC?
3) How does budget strategies formulation affect the financial performance of UCC?

1.6 Research Hypothesis

The study verified the following research hypotheses:

1) Budget information gathering significantly affects the financial performance of UCC.
2) There is a significant positive effect of budget objectives setting on the financial performance of UCC
3) There is a significant effect of budget strategies formulation on the financial performance of UCC

1.7 Significance of the Study

To policy makers, the study is expected to have generated information that may help them in formulating policies for public organizations in Uganda. This will encourage policy makers to come up with supportive policies for various public organizations to boost budget planning for better financial performance.

The government can benefit from the study's findings given that UCC is a government institution because recommendations that are made would enable government to realize more revenue from UCC's improved financial performance.

The study was expected to generally contribute regionally and nationally to new budgeting approaches/principles towards realization of better financial performance in the various public organizations of Uganda. It may also play a significant role in showing the budget planning weaknesses that have compromised financial performance in public organizations of Uganda.

Finally, the findings may be of great use to the academia, especially those who may wish to carry out further research on outsourcing and service quality. It may build on the existing body of literature and knowledge.

1.8 Justification of the Study

This study was conducted because the persistent poor financial performance of the UCC. Yet this has negative consequences such as closure of the UCC, loss of employment opportunities at UCC, failure of staff at UCC meeting their family and other obligation due to difficult of UCC paying their salary and wages, and reduced expenditure in the economy. This study findings of this may lead to recommendation that may address the poor financial performance of UCC and hence the consequences that may arise from it.

1.8 Scope of the Study

1.8.1 Geographical scope

The study was mainly confined to UCC. UCC is found in Kampala City, in Kampala District, which is in the central region of Uganda.

1.8.2 Time scope

The study was based on the information of the years 2008 to 2013 due to the fact this is the period in which concern about budgetary planning and financial performance was raised.

1.8.3 Content scope

In terms of content scope, the study was limited to budgetary planning related dimensions like budget information gathering, budget objectives setting and budget strategies formulation. It was also limited to financial performance related dimensions like expenditure and income to the organization.

1.9 Conceptual Framework

The conceptual framework shows the relationship between budgetary planning and financial performance. The independent variable is budget planning while the dependent variable is financial performance.

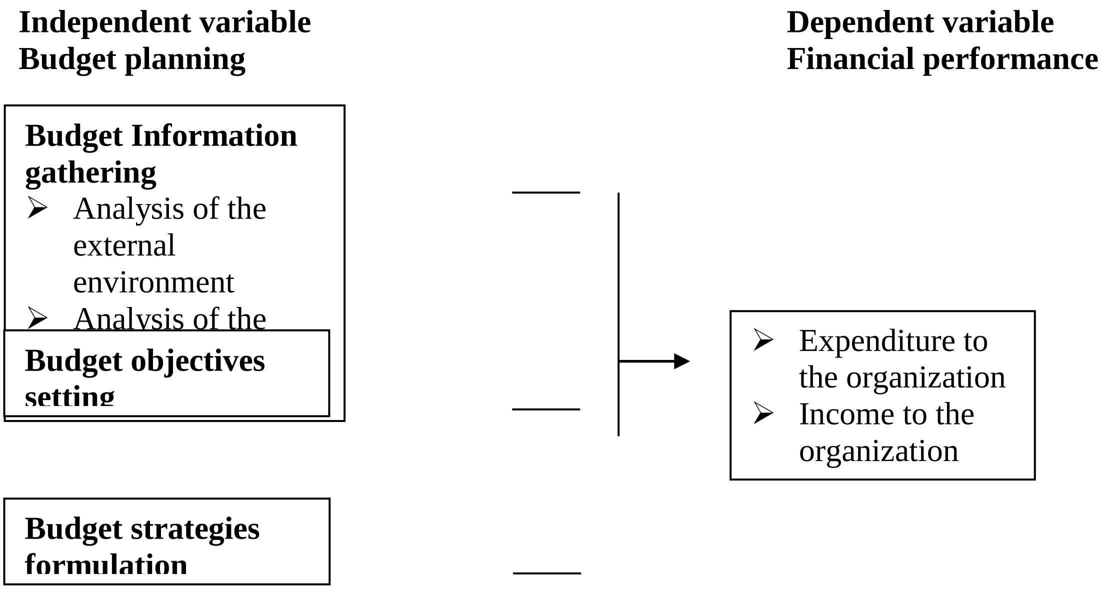

Figure 1: Effect of budgetary planning on financial performance
Source: Researcher conceptualization guided by Homans (1961) rational choice theory as cited in Scott (2000)

From the conceptual framework, the assumption is that budget planning affects financial performance. The conceptual framework adopts the rational choice theory to support this assumption. During the budgetary planning of the UCC, irrational behavior may arise and as such planning may not be as systematic as it should be leading to poor financial performance. On the other hand, if rational behavior is adhered to, budgetary planning may be systematic leading to better financial performance. Thus, based on this argument, the assumption from the conceptual framework is that poor budgetary planning is related to poor financial performance, and vice versa. In particular, poor budget information gathering (poor analysis of the external environment and internal environment), poor budget objectives setting (poor knowledge of goal setting and goal/objective review) and poor budget strategies formulation (poor choice of course of action and nature of action recommended) is related to poor financial performance (more expenditure and less income to the organization), and vice versa.

1.9 Operational Definitions

Budget planning refers to the process by which UCC and its staff evaluate their earnings and expenses and project their monetary intakes and outtakes for the future

Information gathering referred to consultation processes through which UCC departmental activities were identified for cost estimation

Goal and objectives setting referred to the way in which UCC makes a break-down of the overall mission into specific milestones for the achievement over certain period.

Strategy formulation referred to how UCC chooses the best from the available directions to be followed for the achievement of the set targets for revenue generation and expenditure optimization.

Financial performance referred to the subjective measure of how well UCC uses its assets from its primary mode of business and generate revenues.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of literature related to the study. It is divided into four sections. The first section presents the theoretical review. The second section presents a review of literature on budget information gathering and financial performance. The third section presents a review of literature on budget objectives setting and financial performance. The fourth section presents a review of literature on budget strategies formulation and financial performance.

2.1 Theoretical Review

In rational choice theory, individuals are seen as motivated by the wants or goals that express their 'preferences'. They act within specific, given constraints and on the basis of the information that they have about the conditions under which they are acting. At its simplest, the relationship between preferences and constraints can be seen in the purely technical terms of the relationship of a means to an end. As it is not possible for individuals to achieve all the various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals. Rational choice theories hold that individuals must anticipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Carling, 1992).

The fact that people act rationally has, of course, been recognized by many scholars and academicians, but they have seen rational actions alongside other forms of action, seeing human action as involving both rational and non-rational elements. Such views of action recognize traditional or habitual action, emotional or affectual action, and various forms of value-oriented action alongside the purely rational types of action. Max Weber (as cited in Scott, 2000), for example, built an influential typology of action around just such concepts. His ideas were taken up by Talcott Parsons and became a part of the sociological mainstream. In a similar way, the social anthropologists Malinowski (as cited in Scott, 2000) and Mauss (as cited in Scott, 2000) looked at how social exchange was embedded in structures of reciprocity and social obligation. What distinguishes rational choice theory from these other forms of theory is that it denies the existence of any kinds of action other than the purely rational and calculative. All social action, it is argued, can be seen as rationally motivated, as instrumental action, however much it may appear to be irrational or non-rational. In this study, it was hypothesized that budgetary planning affects the financial performance of public institutions in Uganda.

2.2 Budget Information Gathering and Financial Performance

Effective budgetary planning has to begin with an honest and realistic appraisal of the current financial position of the business by conducting a situational analysis (Waldron, Vsanthakumar & Arulraj cited in Natural Resources Management and Environment Department, 1997). The true purpose of situational analysis is to determine which opportunities to pursue. Similarly, Hrebiniak (2005) opined that the gathering of relevant and up-to-date information is a key business process. Information consists of organized facts and figures that have meaning within the context that the information is intended to be interpreted by people. Information is thus a valuable business commodity. The more up-to-date, accurate and complete is the information, the more valuable it will be in enhancing the financial performance of an organization. In this study, it was argued that Waldron, Vsanthakumar and Arulraj and Hrebiniak are correct in emphasizing information gathering for effective budget planning. This is because one cannot prepare any planning without adequate and correct information.

Bryant (1997) stated that effective planning requires, as a first step, the fairly rigorous collection of information, with analysis and development of issues if an organization is to achieve its goal and objectives. In this study, the goal and objectives capture the financial performance of an organization. This initial analysis allows the individuals involved in the organization's budgetary planning to understand the organization's present situation, its present ability to meet its future mission and goals and identify trends and needs of the organization's operation. When the individuals involved in the organization's budgetary planning are armed with information, they can build a proactive plan directed in meeting the mission and goals of the organization such as those related to its financial performance. If the individuals involved in the organization's budgetary planning do not have long-range vision, they tend to go off in many different directions and it takes longer to get things done (Sandler, 2002).

Kemp (2002) emphasized that before defining primary points, issues, and focus to be used in the creation of the budget plan, an assessment examining internal and external factors should be conducted. It is a process that would gather primary and secondary data about the internal organization and the external environment that the organization is part of and operates in. Primary data is data that is collected for the purpose that it is being used for. Primary data in this case would be any data or information gathered for the assessment (surveys, interviews, etc.). Secondary data is data that is created for other purposes but can be used in the assessment to gain valuable information in decision-making. Kemp (2002) argued that if the assessment examining internal and external factors is not well conducted, it compromises the achievement of an organization's goal and objectives (translated in this study to mean the financial performance of an organization).

Both primary and secondary data can be gathered internally within the organization and externally to the organization (Kintner et al.., 1994). It is important to consider multiple data sources, in order to get the most complete picture of the organization for better budget information gathering.

An example of internal secondary data would be past and present patterns of service utilization (Kintner et al.., 1994). Originally, this data was collected for purposes of tracking service activity or billing purposes. It can now be used to look at patterns in services over time and to look for trends that may require increase in resources. Internal primary data could be a survey assessing the present status and condition of all property and equipment used in providing services.

To only look internally is a costly mistake as external forces often are key factors in driving change within an organization (Kintner et al.., 1994). For an organization to wait to the point of crisis to implement change, due to an external force, is shortsightedness and it is often much more costly in the long run for the organization. To gain external information research should be conducted. This can include accessing journal publications and documents, discussing best practices, trends, as well as policy and political environmental changes. External primary data collection can be done in various ways. When gathering external information, all stakeholders should be consulted (Maxwell, 2000). Key stakeholder surveys and key stakeholder consensus workshops provide opportunities to understand factors that need to be considered, as well as issues and the level of priority key stakeholder place on each of those issues.

2.3 Budget Objectives Setting and Financial Performance

Having determined the current position, the next step in budgetary planning is to determine the direction of the business in terms of “where the organization is going” (Swezey, Meltzer & Salas, 1994). In other words, the budget business philosophy in terms of mission statement, goals and objectives are defined. Budget goals are usually general statements that project what is to be accomplished in the future. A budget objective is a concrete statement describing a specific budget action. Budget policies are predetermined guides to budget decision making; they establish boundaries or limits within which action may be taken. Managers are related to budget policy formation in two ways. First, they play a crucial role in implementing organizational budget policies that have been established by higher management (Anthony & Govindarajan, 2007). Second, they create budget policies within their departments as guides for their own work groups. Procedures outline the series of steps to be followed when carrying out a designed budget policy or taking a particular course of action. Rules are used to provide final and definite instruction (Anthony & Govindarajan, 2007).

Businesses and individuals have sought out many ways to improve performance. Goal setting is one way for groups or individuals to attempt to improve their success. Goal setting can be a way of improving motivation and helping organizations to enhance performance (Robson, 2007). However, despite this, some organizations and individuals lack knowledge of goal setting, especially of how to set goals systematically. Another barrier to effective goal setting can be the failure to appropriately review progress toward goals and revise goals, if necessary, based upon that progress.

According to Anthony and Govindarajan (2007), knowing how to set goals and objectives in the planning of the budget activities makes an organization much more effective in its financial performance. Setting budget goals and objectives creates several benefits. It lets people know what is expected of them and lets others know what is planned. It helps to quantify the resources that are needed and when and helps to improve communication between the participants, and finally, it creates measurable results.

McCann (2007) emphasized that goals allow individuals involved in budget planning to prioritize the needs of the targeted audience and develop relevant objectives. Once goals and objectives are identified, it is easier to plan the necessary activities and strategies of the budget. If well developed, objectives will specify outcomes, or expected results, and the ways they can be measured (the indicators). Objectives provide criteria for measuring the financial performance of an organization, and are useful for both the process and summative evaluation phases.

All goals and objectives must be SMART (Burton & Naylor, 2002). SMART is an acronym for Specific, Measurable, Achievable or attainable, Realistic or relevant, and Timely and trackable. If goals and objectives are not SMART, the organization will likely fail to achieve its goal and objectives. For example, the organization will perform financially poorly. Having a measurable goal; one that is quantifiable, allows both management and employees to understand whether they remain on track and are progressing toward the goal or indeed have met the goal (Bergin, 2005). Goals should be documented, in order to help track progress or regression. Such documentation can increase the level of commitment to goal achievement and, again, helps keep the organization and its employees on track, always pursuing the goal. Effective goal setting requires that each goal have a method of evaluation. Regular monitoring and evaluation of progress helps make sure that the organization and its employees remain on track toward both short- and long-term goals.

Work on the theory of goal-setting suggests that it is an effective tool for making progress by ensuring that participants in a group with a common goal are clearly aware of what is expected from them (Robson, 2007). Setting goals helps people in the organization work towards its objectives - most commonly with financial goals.

Evaluation of budget goals and objectives is a process that critically examines a budget program. It involves collecting and analyzing information about a budget program's activities, characteristics, and outcomes. Its purpose is to make judgments about a budget program, to improve its effectiveness, and/or to inform budget decisions (Patton, 1997).

It is important to periodically assess and adapt budget activities to ensure they are as effective as they can be (Rossi, Lipsey & Freeman, 2004). Evaluation can help identify areas for improvement and ultimately help realize budget goals more efficiently. Budget goal and objective evaluation/review should be integral to all aspects of budgetary planning (Thomson & Hoffman, 2003). It is best to design budget program with evaluation in mind, collect data on an ongoing basis and then use these data to improve budget programs. A good evaluation is tailored to the specific budget goals and objectives of a program. Thus, people involved in the evaluation should understand thoroughly how the budget programs works and that there is agreement about its purpose and goals.

A well-planned and carefully executed evaluation will reap more benefits for all stakeholders than an evaluation that is thrown together hastily and retrospectively (Rossi, Lipsey & Freeman, 2004). Though an organization may feel that it lacks the time, resources, and expertise to carry out an evaluation, learning about evaluation early-on and planning carefully will help the organization navigate the process.

Good evaluation is inclusive (Rossi, Lipsey & Freeman, 2004). It ensures that diverse viewpoints are taken into account and that results are as complete and unbiased as possible. Input should be sought from all of those involved and affected by the evaluation. One way to ensure evaluation is inclusive is by following the practice of participatory evaluation.

2.4 Budget Strategies Formulation and Financial Performance

Strategy is how an organization proposes to create value for its stakeholders - from the employees, shareholders and investors, and even prospective customers (Harrison, 1999). According to McCall and Kaplan (1990), strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives and thereby achieving the organizational vision. In the context of this study, it was taken as the process of choosing the most appropriate course of action for the realization of organizational budget goals and objectives to enhance the financial performance of an organization.

Budget strategy formulation produces a clear set of recommendations, with supporting justification, that revise as necessary the mission and objectives of budget planning of the organization, and supply the approach for accomplishing them (Williams, 2002). According to Williams (2002), in formulation, individuals involved in budget planning try to modify the current objectives and strategies in ways to make the organization more successful (read in this study as more financially successful).

A good recommendation (strategy) should be effective in solving the stated problem(s) (in this study, these are stated financial performance problems), practical (can be implemented in this situation, with the resources available), feasible within a reasonable time frame, cost-effective, not overly disruptive, and acceptable to key "stakeholders" in the organization (Bruce & Langdon, 2000). It is important to consider "fits" between resources plus competencies with opportunities, and fits between risks and expectations. According to Bruce and Langdon (2000), there are four primary steps in this phase:

1. Reviewing the current key objectives and strategies of the organization, which usually would have been identified and evaluated as part of the diagnosis (situational analysis);
2. Identifying a rich range of strategic alternatives to address the three levels of strategy formulation (Corporate Level Strategy, Competitive Strategy often called Business Level Strategy and Functional Strategy), including but not limited to dealing with the critical issues. Corporate Level Strategy concern with broad decisions about the total organization's scope and direction; that is, changes that should be made in an organization's growth objective and strategy for achieving it. Competitive Strategy involves deciding how the company will compete within each line of business. Functional Strategy: These more localized and shorter-horizon strategies deal with how each functional area and unit will carry out its functional activities to be effective and maximize resource productivity.
3. Doing a balanced evaluation of advantages and disadvantages of the alternatives relative to their feasibility plus expected effects on the issues and contributions to the success of the organization
4. Deciding on the alternatives that should be implemented or recommended.

Strategy formulation is of utmost importance, especially to the middle and senior line managers, who face numerous financial problems within the organization on a daily basis

(Dixit & Nalebuff, 2003). The success of an organization using a budget strategy depends on how well managers are able to execute it.

Bordean, Borza and Rus (2008) emphasized that effective strategy formulation is crucial, as it directs the attention and actions of an organization, even if in some cases actual implemented strategy can be very different from what was initially intended, planned or thought. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes. Today, firms need to cope with competitive challenges related to innovation, dynamic responses, knowledge sharing, etc. by means of effective and dynamic strategy formulation.

2.5 Summary of Literature

This chapter review literature related to the rational choice theory, budget information gathering and financial performance, budget objectives setting and financial performance, and budget strategies formulation and financial performance. Regarding rational choice theory, the literature explained that individuals are assumed to act rationally to achieve set objectives. Relating it to this study, those responsible for budgetary planning activities of an organization are expected to act rationally to achieve improved financial performance of the organization. If responsible for budgetary planning activities of an organization do not act rationally, the outcome is poor financial performance. Literature also presented views and evidence of other research works on the effect of budget information gathering on financial performance, the effect of budget objectives setting on financial performance, and the effect of budget strategies formulation on financial performance. However, throughout the literature review, the explanations, arguments and evidence were not contextualized to UCC. Thus, there was need to confirm whether what was reviewed could be applicable to UCC.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the approaches the researcher used to gain information on the research problem and includes the research design, study population, sample size, sampling selection, data collection methods and instruments, data quality control, procedure of data collection, data analysis, measurement of variables, ethical consideration and limitations.

3.1 Research design

In this study, a case study research design was used. This design was used because Amin (2005) asserts that since a case study focuses on one unit or a few units of study, it provides an in-depth study of the problem with limited time scale. A cross sectional approach was adopted in this study. The cross sectional approach to data collection was adopted because according to Sekaran (2003), with this approach, a researcher can target a large group of respondents to obtain information without making a follow up of the respondents once information from them is obtained. Therefore, this survey helped to save on time and resources during data collection. Both quantitative and qualitative methods were used in the study. This was because the quantitative approach allowed the researcher to solicit information that was expressed in numerical format while the qualitative approach allowed the researcher to solicit information that was expressed in textual format (Mugenda & Mugenda, 1999). Combining numerical and textual information helped the researcher enrich the interpretation of findings of the study.

3.2 Study Population

This study's population included 136 UCC staff (UCC Human Resource Department, 2012). These included two directors who constitute top management, three managers who constitute senior management, 45 specialists who constituted the supervisory team and 86 officers who were concerned with daily operations in the institutions (UCC Human Resource Department, 2012).

3.3 Sample Size and Sample Distribution

Using Krejcie and Morgan's (1970) table for determining sample size, the sample for this study consisted of 115 respondents as shown in the following table.

Table 2: Category of respondents, population size, sample size and sampling techniques

Category of population	Population size	Sample size	Sampling technique
Directors	2	2	Purposive
Managers	3	3	Purposive
Specialists	45	40	Stratified and Simple Random Sampling
Officers	86	70	Stratified and Simple Random Sampling
Total	136	115	

Source: UCC Human Resource Department (2012) and Krejcie and Morgan sample size table

From Table 2, the first column presents the various categories of people the study targeted. The second column shows the total population of the targeted categories of people. The third column shows the sample size of subjects that was selected from the targeted category of respondents. The last column shows how the various category of the samples were selected.

3.4 Sampling Techniques

Both probability and non-probability sampling techniques were used. According to Sekaran (2004), probability sampling techniques involve giving an opportunity of selecting subjects/elements from the population by chance and non-probability sampling techniques do not involve selecting subjects/elements from the population by chance. The probability sampling techniques that were used were stratified sampling and simple random sampling while the non-probability sampling technique that was used was purposive sampling. Stratified sampling and simple random sampling techniques were used to select the low cadre staff (specialists and officers) at UCC according to their categories. The specialists and officers at UCC were first categorized into their departments and then from each department simple random sampling was used to select those who participated. According to Amin (2005), stratified sampling is used to give every subject/element in strata an equal chance to participate in the study. Stratified sample is a probability sampling technique in which the researcher divides the entire target population into different subgroups, or strata, and then randomly selects the final subjects proportionally from the different strata. This type of sampling is used when the researcher wants to highlight specific subgroups within the population. Amin (2005) also emphasizes that simple random sampling helps the research to avoid bias during selection of subjects and provides subjects an equal basis of being selected. Purposive sampling technique was used to select staff holding high post (Directors and Managers) in the UCC who directly dealt with budgeting planning and financial issues. According to Sekaran (2004), purposive sampling is used when the research intends to select subjects/elements based on a reason and thus purposive sampling was used for these categories of participants because they are assumed to have more knowledge on budgetary planning and financial performance of UCC given the positions they hold.

3.5 Data Collection Methods

Three types of data collection methods were used in the study. These included questionnaire survey, face-to-face interview and documentary review.

3.5.1 Questionnaire survey

A questionnaire survey is a research method for collecting information from a selected group of respondents using standardized questionnaires. This method involved collecting information from a target sample of 115 UCC specialist and officers in a systematic way but 85 participated. Questionnaire survey was used for these category of respondents to save on time because their number was big to interview.

3.5.2 Face-to-face interview

Face-to-face interviews were used to collect data from the targeted five UCC directors and managers because they enabled the researcher to establish rapport with these categories of respondents and therefore gain their cooperation. However, three UCC directors and managers participated in the study. They also allowed the researcher to clarify ambiguous answers and obtain in-depth information through probing. Semi structured-interviews were designed to collect data for this study. Open-ended questions were used so that other valuable questions might emerge from the dialogue between interviewer and interviewee. Semi-structured interviews are the most widely used interviewing formats for qualitative research (DiCicco-Bloom & Crabtree, 2006). In this study, the probing interviewing tactic was used extensively to obtain a deeper explanation of the issue at hand from the respondents. This was largely due to the fact that the respondents often needed stimuli to expand or clarify their own answers and ideas more broadly, so that a broader understanding was more easily reached later on in the findings of this study.

3.5.3 Documentary review

Secondary data was obtained from UCC, Libraries and the internet sources like journals, articles, reports and books were used in gathering and compiling the information. These documents and reports helped to supplement and substantiate data obtained from other instruments.

3.6 Data Collection Instruments

Three types of data collection instruments were used in the study. These included questionnaires, interview guides and documentary analysis guide, which are briefly explained in the following subsection.

3.6.1 Questionnaires

Self-administered questionnaire s (SAQs) were used to collect quantitative data from the targeted 110 UCC specialist and officers. SAQs were used for this category of staff to save on time because their number was too big to interview and because they could read and write in English and thus fill in the questionnaires by themselves without any assistance.

3.6.2 Interview guide

Interview guides were used to collect qualitative data from the targeted five key informants who included UCC directors and managers who were in position to provide in-depth information through probing during the face-to-face interview. However, only three participated in the study. The researcher presented questions to the key informants and their views were written down by the researcher. Data obtained during the interview supplemented that obtained through the questionnaire.

3.6.3 Documentary analysis guide

This involved a list of expected articles, annual reports, journals publications, services brochures and magazines with information pertaining to this study. This list was presented to officials at the organizations that were visited to help search for the documents.

3.7 Data Quality Control

3.7.1 Validity

For the instruments to yield relevant and correct data, they were given to two experts conversant with the study area to comment on the ambiguity, difficult and relevancy of questions to ensure construct, content and face validity. A content validity ratio (CVR) was then computed in order to establish the validity of the research instrument. The researcher used the following formula to establish validity of the research instruments as seen below.

$$\text{Content validity Index (CVI)} = \frac{\text{Relevant items by all judges as suitable}}{\text{Total number of items judged.}}$$

Table 3: Validity of questionnaire

Raters	Items rated relevant	Items rated not relevant	Total
Rater 1	33	3	36
Rater 2	38	6	44
Total	71	9	90

Thus, applying the formula $CVI = \frac{71}{90} \approx .79$

The CVI (.79) was above 0.6, which is recommended by Nunnally (1967) cited by Kent (2001). Thus, the questionnaire was considered suitable for collecting data.

3.7.2 Reliability

In order to ensure the degree to which questionnaires could produce consistent results if used under the same conditions, they were pilot tested on 20 respondents and the results subjected to Cronbach alpha reliability test. Results of the reliability tests are presented in the following table.

Table 4: Reliability of questionnaire

Variable	No. of items	Alpha
Budget information gathering	10	.754
Budget objectives setting	16	.742
Budget strategies formulation	13	.750
Financial performance	6	.746

The Cronbach's Alpha coefficient for the variables in the questionnaire were above 0.6, which is recommended by Nunnally (1967) cited by Kent (2001). Thus, the questionnaire was considered reliable for collecting data.

3.8 Procedure of data collection

A letter of authorization from the Uganda Management Institute was provided to authorities in UCC as a request for permission to conduct the study. A covering letter accompanied the data collection instruments explaining the purpose of the study. Once permission to conduct the study was given, the questionnaires were distributed directly to UCC specialists and officers for filling and were collected once they were completed. The data collected was for analysis. The cover letter was also used to provide access to the interview processes, which was done on appointment with UCC directors and managers. Upon collecting data, they were analyzed, interpreted and a report was compiled.

3.9 Data Analysis

Two types of analyses were conducted and these included quantitative and qualitative analyses. The following subsections explain the analyses in detail.

3.9.1 Quantitative Analysis

The analysis mainly consisted of descriptive statistics (frequencies and percentages) and inferential statistics (Spearman correlation, coefficient of determination and regressions). The frequencies and percentages were used to determine the respondents' views on budgetary planning and financial performance in UCC. Spearman correlation, coefficient of determination and regression were used to test the hypotheses. Spearman correlation was used because the scale accompanying the questionnaire was ordinal. The correlation coefficient (*rho*) was used to determine the strength of the relationship between the variables. The sign of the correlation coefficient (+ or -) was used to determine the nature of relationship. The coefficient of determination and regression were used to determine the magnitude of variance in financial performance accounted for by budgetary planning. The significance of the correlation was to determine whether to accept or reject the hypothesis.

3.9.2 Qualitative Analysis

Content analysis was used to edit qualitative data and reorganize it into meaningful shorter sentences. This was then presented as quotations to supplement the quantitative data in order to enhance interpretation of the results.

3.10 Measurement of variables

The questionnaire was accompanied with an ordinal measurement, which categorizes and ranks the variables. Thus, a Likert scale was used to collect opinion data on the study variables using the five scales: 5 = strongly agree; 4 = agree; 3 = undecided; 2 = disagree; 1 = strongly disagree.

3.11 Ethical Considerations

The principles of research ethics- informed consent, privacy and confidentiality, and accuracy were adhered to during the study. Participants received full disclosure of the nature of the study, the risks, benefits and alternatives, with an extended opportunity to ask pertinent questions regarding the research. The researcher treated all information provided by participants with maximum confidentiality. Honesty was maintained throughout the research process; in reporting data, results, methods and procedures in order to avoid fabrication, falsification, or misrepresentation of data. All quotations used and sources consulted were clearly distinguished and acknowledged by means of references

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents the analysis and interpretation of the data. It is divided into five major sections. The first section presents results about the response rate. The second section presents results on respondents' background. The third section presents results on budget information gathering and financial performance of UCC. The fourth section presents results on budget objectives setting and financial performance of UCC. The fifth section presents results on budget strategies formulation and financial performance of UCC.

4.1 Response Rate

Response rate (also known as completion rate or return rate) in survey research refers to the number of people who answered the survey divided by the number of people in the sample. It is usually expressed in the form of a percentage. A low response rate can give rise to sampling bias if the non-response is unequal among the participants regarding exposure and/or outcome. In this study, the target sample was 115 respondents but the study managed to get 88 respondents. The break down is shown in the following table.

Table 5: Response rate

Category of population	Sampled size	Responses received	Percentage %
Directors	2	1	50
Managers	3	2	67
Specialists	40	27	68
Officers	70	58	83
Total	115	88	77

Source: Data from field

Table 5 indicates that the response rate of 77% obtained. This was considered high enough for Amin (2005) and Mugenda and Mugenda (1999) recommends two-thirds

(67%) response rate. Therefore, the results were considered representative of what would have been obtained from the population.

4.1 UCC specialists and officers' Background

The UCC specialists and officers' background included their gender, education level, tenure and age. Findings are presented in the following sub sections.

4.1.1 Gender of UCC specialists and officers

UCC specialists and officers were asked about their gender. Findings are presented in Table 6.

Table 6: Gender of specialists and officers

Gender	Frequency	Percent
Male	48	56.5
Female	37	43.5
Total	85	100.0

Source: Data from field

Findings in Table 6 show that more UCC specialists and officers (56.5%) who participated in the study were males compared to the proportion of female UCC specialists and officers. This is attributed to the fact that male UCC specialists and officers are dominant as records show at UCC. Thus, a representative sample of male and female respondents participated in this study. The implication is that information obtained on budgetary planning and financial performance was not gender biased.

4.1.2 Level of education of UCC specialists and officers

UCC specialists and officers were asked about their educational background. Findings are presented in Table 7.

Table 7: Level of education of specialists and officers

Level of education	Frequency	Percent
University (degree or higher qualification)	81	4.7
Other tertiary institutions (certificates & diplomas)	4	95.3
Total	85	100.0

Source: Data from field

Findings in Table 7 show that most UCC specialists and officers (64%) who participated in the study had a university level of education. This reflects the distribution of specialists and officers by highest level of education at UCC. Thus, information obtained was not biased due to education distribution. In addition, most respondents who participated in the study were literate and understood issues that were asked. Thus, their responded to the question about budgetary planning and financial performance with a sense of maturity in reasoning

4.1.3 Tenure of UCC specialists and officers

UCC specialists and officers were asked about their tenure. Findings are presented in Table 8.

Table 8: Tenure of specialists and officers

Tenure	Frequency	Percent
Less than 1 year	1	1.2
1-2 years	17	20.0
3-5 years	27	31.8
5-10 years	37	43.5
Above 10 years	3	3.5
Total	85	100.0

Source: Data from field

Findings in Table 8 show that most UCC specialists and officers (79.8%) who participated in the study were at posts for at least three years. Thus, this implies that the UCC specialists and officers who participated in the study had been at UCC for some time and thus knew what happened including issues related to budgetary planning and financial performance. Thus, information obtained about budgetary planning and financial performance from them was dependable.

4.1.4 Age of UCC specialists and officers

UCC specialists and officers were asked about their age. Findings are presented in Table 9.

Table 9: Age of UCC specialists and officers

Age	Frequency	Percent
20-30 years	23	27.1
31-39 years	32	37.6
40-49 years	22	25.9
Above 50	8	9.4
Total	85	100.0

Source: Data from field

Findings in Table 9 show that most UCC specialists and officers (72.9%) who participated in the study were aged over 30 years. This is attributed to the fact that usually most employees at UCC fall within this age category. Thus, the implication of these findings is that information about budgetary planning and financial performance was obtained mature adult UCC specialists and officers who could have a sense mature reasoning in their responses.

4.2 Budget Information Gathering and Financial Performance of UCC

In APA style of presenting results of statistical test, it is recommended that before testing hypotheses, descriptive statistics should be first computed for each of the variables (Plonsky, 2007). Thus, this approach was adopted in this study and the descriptive statistics that were used were frequencies and percentages.

4.2.1 Descriptive results about budget information gathering by UCC

UCC specialists and officers were requested to respond to 10 items about budget information gathering by indicating their agreement using a five-point Likert scale as shown in Table 10. The items are presented in the first column of Table 10 and the proportion of UCC specialists and officers to the responses on each of the items is presented in form of frequencies and percentages in columns 2 to 6. The last column presents the total percentage of UCC specialists and officers on each of the items. The analysis and interpretation of the findings about budget information gathering follows the presentation of findings in Table 10.

Table 10: Findings about budget information gathering

Items about budget information gathering	SD	D	NS	A	SA
1. UCC always analyzes its internal financial environment	3 (4%)	20 (24%)	15 (18%)	27 (32%)	20 (24%)
2. UCC's internal financial environment analysis is an honest appraisal of the current financial position	5 (6%)	23 (27%)	11 (13%)	32 (38%)	14 (16%)
3. UCC's internal financial environment analysis is a realistic appraisal of the current financial position	4 (5%)	27 (32%)	17 (20%)	28 (33%)	9 (11%)
4. UCC gathers relevant information during its internal financial environment analysis	6 (7%)	18 (21%)	12 (14%)	33 (39%)	16 (19%)
5. UCC gathers up-to-date information during its internal financial environment analysis	13 (15%)	30 (35%)	11 (13%)	20 (24%)	11 (13%)
6. UCC always analyzes its external financial environment	9 (11%)	37 (44%)	18 (21%)	14 (16%)	7 (8%)
7. UCC's external financial environment analysis is an honest appraisal of the current financial position	11 (13%)	18 (21%)	31 (36%)	16 (19%)	9 (11%)
8. UCC's external financial environment analysis is a realistic appraisal of the current financial position	6 (7%)	25 (29%)	27 (32%)	14 (16%)	13 (15%)
9. UCC gathers relevant information during its external financial environment analysis	18 (21%)	28 (33%)	16 (19%)	15 (18%)	8 (9%)
10. UCC gathers up-to-date information during its external financial environment analysis	14 (16%)	36 (42%)	17 (20%)	12 (14%)	6 (7%)

Source: Data from field

Key: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, SA = Strongly Agree

To analyze the findings in Table 10, UCC specialists and officers who strongly disagreed and those who disagreed were combined into one category who “opposed” the items. In addition, UCC specialists and officers who strongly agreed and those who agreed were combined into another category who “concurred” with the items. Thus, three categories of

UCC specialists and officers were compared, which included “UCC specialists and officers who opposed the items”, “UCC specialists and officers not sure with the items” and “UCC specialists and officers who concurred with the items”. Interpretation was then drawn from the comparisons of the three categories as shown in the following paragraph.

Findings in Table 10 show that most UCC specialists and officers concurred to three items (that is items 1, 2 and 4) compared to UCC specialists and officers who opposed these items and UCC specialists and officers who were not sure with these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 28% to 33% while the percentage that was not sure ranged from 13% to 18% and the percentage who concurred ranged from 54% to 58%. From these comparisons, it can be seen that least percentage that opposed the items (28%) was lower compared to the least percentage that concurred (54%) while the least percentage that was not sure was small (13%). In addition, highest percentage that opposed the items (33%) was lower compared to the highest percentage that concurred (58%) and the highest percentage that was not sure was small (18%). Thus, findings show that most UCC specialists and officers were of the view that UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis.

However, findings in Table 10 show that most UCC specialists and officers opposed four items (that is items 5, 6, 9 and 10) compared to UCC specialists and officers who concurred with these items and UCC specialists and officers who were not sure with these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 50% to 58% while the percentage that was not sure ranged from 13% to 21% and the percentage of that concurred ranged from 21% to 37%. From these comparisons, it can be seen that least percentage that opposed the items (50%) was greater compared to the least percentage that concurred (21%) while the least percentage that was not sure was small (13%). In addition, highest percentage that opposed the items (58%) was greater compared to the highest percentage that concurred (37%) and the highest percentage that was not sure was small (21%). Thus, findings show that most UCC specialists and officers were of the view that UCC did not gather up-to-date information during its internal financial environment analysis, rarely analyzed its external financial environment and did not gather relevant and up-to-date information during its external financial environment analysis.

Lastly, findings in Table 10 also show that a more or less equal to the percentage of UCC specialists and officers that opposed, was not sure with and concurred with three items (that is items 3, 7 and 8). A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 34% to 37% while the percentage that was not sure ranged from 20% to 36% and the percentage of that concurred ranged from 30% to 44%. From this analysis, findings show that approximately a third of the UCC specialists and officers were of the view that UCC's internal financial environment analysis was not a realistic appraisal of the current financial position and UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position. However, approximately a third of UCC specialists and officers held views that were contrary while approximately a third of UCC specialists and officers were not sure.

The following is the interpretation drawn from findings about UCC’s budget information gathering obtained from UCC specialists and officers using questionnaires. The implications are that UCC’s analysis of internal environment was satisfactory. This is because UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis. The problem was that UCC did not gather up-to-date information during its internal financial environment analysis and sometimes UCC's internal financial environment analysis was not a realistic appraisal of the current financial position. However, UCC’s analysis of external environment was unsatisfactory. This is because UCC rarely analyzed its external financial environment and did not gather relevant and up-to-date information during its external financial environment analysis. In addition, sometimes UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position.

Interviews shed some light about UCC’s budget information gathering. For example, when key informants were asked their views about UCC’s budget information gathering, a director had this to say:

> Budget information usually gathered has been helpful to the financial personnel in carrying out its financial role. It has helped inform the financial personnel about how the commission has performed over the past years (Interview with UCC Director, December 10th 2012).

Thus, the findings show that budget information gathering was usually done at UCC and that information gathered was useful in carrying out financial roles at the commission. Thus, if this was the case, it would enhance financial performance of the commission. A UCC manager in response observed thus:

> UCC conducts audit inspections from which budget information is based. The inspections assess compliance with certain laws, rules, and

> professional standards as set nationally and for the UCC. The inspections examine how UCC has performed financially and certain elements of the commission's system of quality control over its financial processes. However, there are some deficiencies in the inspections. For example, adequacy of documentation of information gathered is questionable (Interview with UCC Manager, December 11th 2012).

These findings highlight another area of usefulness of budget information gathering at UCC. This was assessment of compliance with certain laws, rules, and professional standards. These assessments if well done would help UCC improve its financial performance. A second UCC manager had this to say:

> In carrying out its role, UCC collects and generates information that could be useful to financial committee in carrying out their role. This information includes, among other things, annual and special reports filed by audit firms under reporting requirements (Interview with UCC Manager, December 12th 2012).

The findings highlight sources of budget information gathering. These were mainly annual and special reports filed by audit firms. The next sub section presents descriptive results about financial performance of UCC

4.2.2 Descriptive results about financial performance of UCC

UCC specialists and officers responded to six items about financial performance of UCC by indicating their agreement using a five-point Likert scale as shown in Table 11. The items are presented in the first column of Table 11 and the proportion of UCC specialists and officers to the responses on each of the items is presented in form of percentages in columns 2 to 6. The last column presents the total percentage of UCC specialists and officers on each of the items. The analysis and interpretation of the findings follows the presentation of findings in Table 11.

Table 11: Findings about financial performance of UCC

Items about financial performance	SD	D	NS	A	SA
1. UCC's income has been increasing over the years	8 (9%)	26 (31%)	14 (16%)	21 (25%)	16 (19%)
2. UCC’s income is better than comparable organizations	7 (8%)	32 (38%)	12 (14%)	14 (16%)	20 (24%)
3. UCC management and staff are satisfied with the company's income	9 (11%)	28 (33%)	15 (18%)	24 (28%)	9 (11%)
4. UCC's expenditure has been decreasing over the years	28 (33%)	39 (46%)	11 (13%)	7 (8%)	0 (0%)
5. UCC's expenditure was lower than comparable organizations	19 (22%)	33 (39%)	23 (27%)	10 (12%)	0 (0%)
6. UCC management and staff are satisfied with the company's expenditure	14 (16%)	25 (29%)	27 (32%)	14 (16%)	5 (6%)

Source: Data from field

Key: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, SA = Strongly Agree

Findings in Table 11 show that most UCC specialists and officers opposed to two items (that is items 4 and 5) compared to UCC specialists and officers who concurred with these items and UCC specialists and officers who were not sure to these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 61% to 79% while the percentage that was not sure ranged from 13% to 27% and the percentage of that concurred ranged from 8% to 12%. From these comparisons, it can be seen that least percentage that opposed the items (61%) is higher compared to the least percentage that concurred (8%) while the least percentage that was not sure was also small (13%). In addition, the highest percentage that opposed the items (79%) is higher compared to the highest percentage that concurred (12%) and the highest percentage that was not sure was also small (27%). Thus, from this analysis it is shown that most UCC specialists and officers were of the view that UCC's expenditure had not been decreasing over the years and was higher than comparable organizations.

However, findings in Table 11 show that the percentage of UCC specialists and officers that opposed three items (that is item 1, 2 and 3) was almost equal to the percentage of UCC specialists and officers that concurred to while the percentage of UCC specialists and officers that was not sure with the items was small. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 40% to 46% while the percentage that was not sure ranged from 14% to 18% and the percentage of that concurred ranged from 39% to 44%. From this analysis, the findings show that approximately a half of the UCC specialists and officers were of the view that UCC's income had not been increasing over the years, hence, not better than comparable organizations and UCC management and staff were unsatisfied with the company's income.

Lastly, the findings in Table 11 also show that the percentage of UCC specialists and officers that opposed one item (that is item 6) was almost equal to the percentage of UCC specialists and officers that was not sure with item. A comparison on these items shows that the percentage of UCC specialists and officers that opposed was 45% while the percentage that was not sure ranged from 32% and the percentage of that concurred ranged 22%. From this analysis, the findings imply that for approximately a half of the UCC specialists and officers were of the view that UCC management and staff were unsatisfied with the company's expenditure while a third of UCC specialists and officers were not sure.

The following is the implications of the above findings. From the findings, it can be deduced that the financial performance of UCC was poor. This is because sometimes UCC's income had not been increasing over the years as it would be expected by all staff, was not better than comparable organizations and UCC management and thus, staff were unsatisfied with the company's income. In addition, that UCC's expenditure had not been decreasing over the years, was higher than comparable organizations and hence, UCC management and staff were unsatisfied with the company's expenditure.

Interview findings shed some light on the financial performance of UCC. For example, when asked their view about the financial performance of UCC, the UCC Director had this to say:

> The Commission experienced an improvement in the income reported in the year 2008/09. However, During the 2009/10 financial year interest income decreased compared to that recorded for the 2008/09 financial year (Interview with UCC Director, December 10^{th} 2012)

Thus, from the above findings, it is shown that there was an improvement in the financial performance of UCC but the improvement was on a decreasing rate given that interest income decreased in the following year. As for the UCC manager, the following was the response about the financial performance of UCC:

> I would say the financial performance of the Commission is fair because as much as income has increased, expenditure has also increased due to inflationary prices. For example, during the financial year 2009/10, more money was spent on operations of the Commission compared to the previous period. The expense items included in the operating expenditure are salaries and allowances, travelling, training, professional fees, subscriptions, universal access obligation, Corporate Affairs, printing and stationery, postage and telephone and other expenses incurred in the day to day running of the Commission (Interview with UCC Manager, December 11^{th} 2012).

The above findings show financial performance has not been very good in terms expenditure incurred by UCC. The second UCC manager also held a similar view as shown in the following:

> UCC's financial performance has not been as rosy as we expected. This is because the resultant surplus before tax for financial year 2009/10 was reflected a minimal decline of 2.17 percent compared to surplus of the year 2008/09. The total capital expenditure for the year 2009/2010 was higher compared to the year 2008/2009 expenditure (Interview with UCC Manager, December 12th 2012)

Thus, interview findings concur with findings obtained using questionnaires. After establishing key informants, UCC specialists and officers' views on each of the variables under the first objective, the next step was to test the first hypothesis using inferential statistics. Findings are presented in section 4.2.3.

4.2.3 Testing first hypothesis

The first hypothesis stated, "*Budget information gathering significantly affects the financial performance of the UCC*". Spearman rank order correlation coefficient (rho) was used to determine the strength of the relationship between budget information gathering and the financial performance of UCC. The coefficient of determination was used to determine the effect of budget information gathering on the financial performance of UCC. The significance of the coefficient (p) was used to test the hypothesis by comparing p obtained to the critical significance level at (0.05). Table 12 presents the test results for the first hypothesis.

Table 12: Correlation between budget information gathering and financial performance of UCC

	Budget information gathering
Financial performance of UCC	*rho* = .484 rho^2 = .235 p = .000 n =85

Source: Data from field

Findings in Table 12 show that there was a positive moderate correlation (*rho* = .484) between budget information gathering and financial performance of UCC. Since the correlation does imply causal-effect as stated in the first objective, the coefficient of determination, which is a square of the correlation coefficient (rho^2 = .235), was computed and expressed as a percentage to determine the variance in financial performance of UCC due to budget information gathering. The coefficient of determination shows that budget information gathering accounted for 23.5% variance in financial performance of UCC. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation (p = .000) is less than the recommended critical significance at 0.05. Thus, the relationship was significant. Because of this, the hypothesis "*Budget information gathering significantly affect the financial performance of the UCC*" was accepted. The implication of these findings is that the moderate correlation implied that a change in budget information gathering was related to a moderate change in financial performance of UCC. The positive nature of the correlation implied that the change in budget information gathering and financial performance of UCC was in the opposite direction whereby a better budget information gathering was related to better financial performance of UCC and vice versa.

A further analysis was computed using regression to find out the effect of the indicators of budget information gathering that include analysis of internal and external environment on indicators of financial performance, which included income and expenditure. Findings are presented in the following table.

Table 13: Regression of analysis of internal and external environment on income of UCC

Income regression Statistics	
Multiple R	.576
R Square	.332
Adjusted R Square	.316
Standard Error	2.766
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	312.1	156.1	2.4	.000
Residual	82	627.5	7.7		
Total	84	939.6			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	2.79	1.06	2.63	.010
Analysis of internal environment	.11	.09	1.22	.227
Analysis of external environment	.33	.10	3.14	.002

Findings in Table 13 show a moderate linear relationship (Multiple R = 0.576) between analysis of internal environment, external environment and income. The adjusted R Square shows that analysis of internal and external environment accounted for 31.6% variance in income. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio (F = 20.4) at degree of freedom (df = 2, 82) was less than the critical significance at .05. Hence, the findings of the internal and external environments had a significant effect on income of UCC were accepted. However, the coefficients statistics show that only analysis of external environment significantly affected income of UCC. This is because p-value for analysis of external environment (p-value = .002) was less than the critical significant value at .05. Analysis of internal environment did not significantly affect income of UCC. This is because p-value for analysis of internal environment (p-value = .227) was greater than the critical significant value at .05. The following is the regression of internal and external environment on expenditure of UCC.

Table 14: Regression of analysis of internal and external environment on expenditure of UCC

Expenditure regression Statistics	
Multiple R	.132
R Square	.017
Adjusted R Square	-.007
Standard Error	2.075
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	6.3	3.1	.7	.486
Residual	82	353.0	4.3		
Total	84	359.2			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	6.77	.80	8.50	.00
Analysis of internal environment	-.07	.07	-1.02	.31
Analysis of external environment	.09	.08	1.20	.24

Findings in Table 14 show a very weak linear relationship (Multiple R = 0.132) between analysis of internal environment, external environment and expenditure. The adjusted R Square shows that analysis of internal and external environment accounted for -0.7% variance in expenditure. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .486) of the Fishers ratio (F = 0.7) at degree freedom (df = 2, 82) was greater than the critical significance at .05. Hence, the hypothesis that the internal and external environment had a significant effect on expenditure of UCC was rejected. Thus, the implication is that internal and external environment did not significantly affect expenditure of UCC.

4.3 Budget objectives setting and Financial Performance of UCC

Before testing the second hypothesis, descriptive results relating to budget objectives setting were presented, analyzed and interpreted. Findings are presented in the following subsection.

4.3.1 Descriptive results about budget objectives setting

UCC specialists and officers were requested to respond to 16 items about budget objectives setting by indicating their agreement using a five-point Likert scale. Findings are presented in Table 15. The analysis and interpretation of the findings about budget objectives setting follows the presentation in Table 15.

Table 15: Findings about budget objectives setting

Items about budget objectives setting	SD	D	NS	A	SA
1. The staff at UCC have the knowledge of how to set budget goals	21 (25%)	30 (35%)	14 (16%)	11 (13%)	9 (11%)
2. UCC's budget goals always project what is to be accomplished in the future	15 (18%)	30 (35%)	6 (7%)	27 (32%)	7 (8%)
3. UCC's budget goals describe specific budget actions	17 (20%)	29 (34%)	9 (11%)	17 (20%)	13 (15%)
4. UCC's budget policies establish limits within which action is taken	18 (21%)	25 (29%)	13 (15%)	21 (25%)	8 (9%)
5. UCC sets budget goals that are always specific	8 (9%)	36 (42%)	15 (18%)	15 (18%)	11 (13%)
6. UCC sets budget goals that are always measurable	16 (19%)	30 (35%)	16 (19%)	16 (19%)	7 (8%)
7. UCC sets budget goals that are always relevant	11 (13%)	28 (33%)	20 (24%)	18 (21%)	8 (9%)
8. UCC sets budget goals that are always achievable	14 (16%)	35 (41%)	16 (19%)	14 (16%)	6 (7%)
9. UCC sets budget goals that are always realistic	11 (13%)	34 (40%)	14 (16%)	20 (24%)	6 (7%)
10. UCC always reviews its budget goals and objectives	8 (9%)	30 (35%)	24 (28%)	13 (15%)	10 (12%)
11. UCC's budget goals and objectives review are timely	12 (14%)	39 (46%)	13 (15%)	15 (18%)	6 (7%)
12. UCC's budget goals and objectives review are consistent (reliable)	14 (16%)	37 (44%)	10 (12%)	18 (21%)	6 (7%)
13. UCC's budget goals and objectives review are reliable	12 (14%)	38 (45%)	15 (18%)	16 (19%)	4 (5%)
14. UCC's budget goal and objectives reviews are well-planned	8 (9%)	24 (28%)	16 (19%)	26 (31%)	11 (13%)
15. UCC's budget goal and objectives reviews are carefully executed	5 (6%)	25 (29%)	22 (26%)	24 (28%)	9 (11%)
16. UCC's budget goal and objectives reviews ensure that diverse viewpoints are taken into account	16 (19%)	37 (44%)	11 (13%)	18 (21%)	3 (4%)

Source: Data from field

Key: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, SA = Strongly Agree

Findings in Table 15 show that the percentage of UCC specialists and officers that opposed 13 items (that is item 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13 and 16) was greater compared to the percentage of UCC specialists and officers that was not sure with and the percentage of UCC specialists and officers that concurred to these items. A comparison on this item shows that the percentage of UCC specialists and officers that opposed ranged from 44% to 63% while the percentage that was not sure ranged from 7% to 28% and the percentage of that concurred ranged from 23% to 40%. From these comparisons, it can be seen that least percentage that opposed the items (44%) is higher compared to the least percentage that concurred (23%) while the least percentage that was not sure was small (7%). In addition, the highest percentage that opposed the items (63%) is higher compared to the highest percentage that concurred (40%) and the highest percentage that was not sure was small (28%). From this analysis, the findings show that most UCC specialists and officers were of the view that the staff at UCC did not have the knowledge of how to set budget goals and its budget goals rarely projected what was to be accomplished in the future, did not described specific budget actions. In addition, most UCC specialists and officers were of the view that UCC's budget policies did not establish limits within which action was taken and it did not set budget goals that were always specific, measurable, achievable and realistic/relevant. Furthermore, most UCC specialists and officers were of the view that UCC rarely reviewed its budget goals and objectives and it budget goals and objectives review were not timely, consistent and reliable. Lastly, most UCC specialists and officers were of the view that UCC's budget goal and objectives reviews did not ensure that diverse viewpoints were taken into account.

Furthermore, findings in Table 15 show that the percentage of UCC specialists and officers that opposed three items (that is item 7, 14 and 15) was almost equal to the percentage of UCC specialists and officers that concurred to while the percentage of UCC specialists and officers that was not sure with the items was small. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 35% to 46% while the percentage that was not sure ranged from 19% to 26% and the percentage of that concurred ranged from 30% to 44%. From this analysis, the findings show that approximately a half of the UCC specialists and officers were of the view that UCC did not set budget goals that were always relevant and its budget goal and objectives reviews were not well-planned and carefully executed. On the approximately a half of the UCC specialists and officers held a positive view on these issues. Thus, the following is deduced from the findings. Findings show that UCC's budget objectives setting was poor. This is because UCC did not have the knowledge of how to set budget goals and its budget goals rarely projected what was to be accomplished in the future, did not described specific budget actions. In addition, UCC's budget policies did not establish limits within which action was taken and it did not set budget goals that were always specific, measurable, achievable and realistic/relevant. Furthermore, UCC rarely reviewed its budget goals and objectives and it budget goals and objectives review were not timely, consistent and reliable and its budget goal and objectives reviews did not ensure that diverse viewpoints were taken into account. Lastly, sometimes, UCC did not set budget goals that were relevant and its budget goal and objectives reviews were not well-planned and carefully executed.

Interview findings from key informants shed some light on UCC's goal/objective setting. When asked their views about UCC's goal/objective setting findings indicated shortcoming in the process. For example, the UCC director responded thus;

Setting of goals and objectives has not been a continuous process at UCC. It is only thought about when change takes place like under restructuring. This is the time goals and objectives are set. Thereafter, nothing more is done. However, when it is done, a lot of consultation is done involving most of the employees (Interview with UCC Director, December 10th 2012).

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After establishing key informants, UCC specialists and officers' views on budget objectives setting, the next step was to test the second hypothesis using inferential statistics. Findings are presented in section 4.3.2.

4.3.2 Testing second hypothesis

The second hypothesis stated, "*There is a significant positive effect of budget goal and objective setting on the financial performance of the UCC*". Table 16 presents the test results.

Table 16: Correlation between budget objectives setting and financial performance of UCC

	Budget objectives setting
Financial performance of UCC	rho = .469 rho^2 = .220 p = .000 n = 85

Source: Data from field

Findings in Table 16 show that there was a moderate positive correlation (r = .469) between budget objectives setting and financial performance of UCC. The coefficient of determination (rho^2 = .220) shows that budget objectives setting accounted for 22.0% variance in financial performance of UCC. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation (p = .000) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the hypothesis "*There is a significant positive effect of budget goal and objective setting on the financial performance of the UCC*" was accepted. Thus, the implication of the findings was that the moderate correlation implied that a change in budget objectives setting was related to a moderate change in financial performance of UCC. The positive nature of the correlation implied that the change in budget objectives setting and financial performance of UCC was in the same direction whereby better budget objectives setting was related to better financial performance of UCC and vice versa. A further analysis was computed using regression to find out the effect of the indicators of budget objectives setting that include knowledge of goal setting and goal/objective review on indicators of financial performance, which included income and expenditure. Findings are presented in the following table.

Table 17: Regression of knowledge of goal setting and goal/objective review on income of UCC

Income regression Statistics	
Multiple R	.636
R Square	.404
Adjusted R Square	.389
Standard Error	2.613
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	379.5	189.7	27.8	.000
Residual	82	56.1	6.8		
Total	84	939.6			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	3.30	1.00	3.31	.001
Knowledge of goal setting	.20	.05	4.35	.000
Goal/objective review	.05	.08	.69	.490

Findings in Table 17 show a strong linear relationship (Multiple R = 0.636) between knowledge of goal setting, goal/objective review and income. The adjusted R Square shows that knowledge of goal setting and goal/objective review accounted for 38.9% variance in income. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio (F = 27.8) at degree of freedom (df = 2, 82) was less than the critical significance at .05. Hence, the findings that goal setting and goal/objective review had a significant effect on income of UCC were accepted. However, the coefficients statistics show that only knowledge of goal setting significantly affected income of UCC. This is because p-value for knowledge of goal setting (p-value = .000) was less than the critical significant value at .05. Goal/objective review did not significantly affect income of UCC. This is because p-value for analysis of internal environment (p-value = .490) was greater than the critical significant value at .05. The following is the regression of knowledge of goal setting and goal/objective review on expenditure of UCC.

Table 18: Regression of knowledge of goal setting and goal/objective review on expenditure of UCC

Expenditure regression Statistics	
Multiple R	.103
R Square	.011
Adjusted R Square	-.014
Standard Error	2.082
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	3.8	1.9	.4	.646
Residual	82	355.4	4.3		
Total	84	359.2			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	7.57	.79	9.54	.000
Knowledge of goal setting	-.01	.04	-.35	.730
Goal/objective review	-.02	.06	-.31	.757

Findings in Table 18 show a very weak linear relationship (Multiple R = 0.103) between knowledge of goal setting, goal/objective review and expenditure. The adjusted R Square shows that knowledge of goal setting and goal/objective accounted for -1.4% variance in expenditure. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .646) of the Fishers ratio (F = 0.4) at degree freedom (df = 2, 82) was greater than the critical significance at .05. Hence, the findings that goal setting and goal/objective review had a significant effect on expenditure of UCC were rejected. Thus, the implication is that knowledge of goal setting and goal/objective review did not significantly affect expenditure of UCC.

4.4 Budget Strategies Formulation and Financial Performance of UCC

Before testing the second hypothesis, descriptive results relating to budget strategies formulation were presented, analyzed and interpreted. Findings are presented in the following subsection.

4.4.1 Descriptive results about budget strategies formulation

UCC specialists and officers were requested to respond to 13 items about budget strategies formulation by indicating their agreement using a five-point Likert scale. Findings are presented in Table 19. The analysis and interpretation of the findings about budget strategies formulation follows the presentation in Table 19.

Table 19: Findings about budget strategies formulation

Items about budget strategies formulation	SD	D	NS	A	SA
1. UCC always chooses the most appropriate course of action for the realization of budget goals and objectives	8 (9%)	20 (24%)	20 (24%)	26 (31%)	11 (13%)
2. UCC's budget strategy formulation produces a clear set of recommendations	6 (7%)	21 (25%)	15 (18%)	32 (38%)	11 (13%)
3. UCC's budget strategies formulation involves modifying budget activities to make the UCC more financially successful	8 (9%)	17 (20%)	16 (19%)	30 (35%)	14 (16%)
4. UCC's budget strategies formulation is effective at solving its financial performance problems	8 (9%)	33 (39%)	17 (20%)	20 (24%)	7 (8%)
5. UCC's budget strategies formulation can be implemented with the resources available	4 (5%)	15 (18%)	16 (19%)	31 (36%)	19 (22%)
6. UCC's budget strategies formulation is feasible within a reasonable time frame	7 (8%)	13 (15%)	16 (19%)	34 (40%)	15 (18%)
7. UCC's budget strategies formulation is cost effective	5 (6%)	24 (28%)	20 (24%)	24 (28%)	12 (14%)
8. UCC's budget strategies formulation is acceptable to key "stakeholders" in the organization	2 (2%)	14 (16%)	17 (20%)	41 (48%)	11 (13%)
9. UCC always communicates its budget strategies formulation	1 (1%)	27 (32%)	11 (13%)	32 (38%)	14 (16%)
10. UCC's communication during budget strategies formulation is timely	4 (5%)	25 (29%)	12 (14%)	31 (36%)	13 (15%)
11. UCC's communication during budget strategies formulation is reliable	4 (5%)	28 (33%)	17 (20%)	27 (32%)	9 (11%)
12. UCC’s communication during budget strategies formulation is realistic	5 (6%)	22 (26%)	13 (15%)	37 (44%)	8 (9%)
13. UCC’s communication during budget strategies formulation is effective	11 (13%)	32 (38%)	12 (14%)	23 (27%)	7 (8%)

Source: Data from field

Key: SD = Strongly disagree, D = Disagree, NS = Not sure, A = Agree, SA = Strongly agree

Findings in Table 19 show that most UCC specialists and officers concurred with eight items (that is items 2, 3, 5, 6, 8, 9, 10 and 12) compared to UCC specialists and officers who opposed these items and UCC specialists and officers who were not sure with these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 18% to 34% while the percentage that was not sure ranged from 13% to 20% and the percentage of that concurred ranged from 51% to 61%. From these comparisons, it can be seen that least percentage that opposed the items (18%) was lower compared to the least percentage that concurred (51%) while the least percentage that was not sure was 13%. In addition, highest percentage that opposed the items (34%) was lower compared to the highest percentage that concurred (61%) while the highest percentage that was not sure was 20%. Thus, these findings show that most UCC specialists and officers were of the view that UCC's budget strategies formulation produced a clear set of recommendations, involved modifying budget activities to make the UCC more financially successful and could be implemented with the resources available. In addition, most UCC specialists and officers were of the view that UCC's budget strategies formulation was feasible within a reasonable time frame and acceptable to key stakeholders in the organization. Lastly, most UCC specialists and officers were of the view that UCC always communicated its budget strategies formulation and its communication during budget strategies formulation was timely realistic.

However, findings in Table 19 show that most UCC specialists and officers opposed one item (that is item 13) compared to UCC specialists and officers who concurred with this item and UCC specialists and officers who were not sure with this item. A comparison on these items shows that the percentage of UCC specialists and officers that opposed was 51% while the percentage that was not sure was 14% and the percentage of that concurred was 35%. From these comparisons, findings show that most UCC specialists and officers were of the view that UCC’s communication during budget strategies formulation was ineffective.

Lastly, findings in Table 19 show that the percentage of UCC specialists and officers that opposed four items (that is items 1, 4, 7 and 11) was almost equal to the percentage of UCC specialists and officers that opposed these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 33% to 48% while the percentage that was not sure ranged from 20% to 24% and the percentage of that concurred ranged from 32% to 44%. From this analysis, the findings imply that approximately a third of the UCC specialists and officers were of the view that

UCC rarely chooses the most appropriate course of action for the realization of budget goals and objectives and its budget strategies formulation was ineffective at solving its financial performance problems and cost ineffective. Lastly, approximately a third of the UCC specialists and officers were of the view that UCC's communication during budget strategies formulation was unreliable.

Generally, findings from UCC specialists and officers obtained using questionnaires show that UCC’s budget strategies formulation was good. This is because UCC’s budget strategies formulation produced a clear set of recommendations, involved modifying budget activities to make the UCC more financially successful and could be implemented with the resources available. In addition, UCC's budget strategies formulation was feasible within a reasonable time frame and acceptable to key stakeholders in the organization. Furthermore, UCC always communicated its budget strategies formulation and its communication during budget strategies formulation was timely realistic. Despite this, UCC rarely chooses the most appropriate course of action for the realization of budget goals and objectives and its budget strategies formulation was ineffective at solving its financial performance problems and cost ineffective. In addition, UCC's communication during budget strategies formulation was unreliable.

Interview findings from key informants were supportive of the findings obtained from UCC specialists and officers using questionnaire that showed that UCC’s budget strategies formulation was good. For example, when asked their view about UCC’s budget strategies formulation, the UCC Director responded as follows:

> Management always develops budget strategies to guide how the organization conducts its budgeting and how it will achieve its target budget objectives. This is because without a strategy, there is no solid

> action plan for the organization to produce the intended results. Care is taken into consideration to avoid formulating budget strategies that will end up disastrous to the organization (Interview with UCC director, December 10th 2012).

The UCC director emphasized that budget strategies formulation that is part and partial of the budgeting process and the achievement of budget goals. This way if conducted well to contributes to improvement in UCC's financial performance. He also observed that careless is avoided during budget strategies formulation but failed to elaborate how this was achieved. However, this was captured in an interview with one of the UCC managers as shown in the following:

> I am somehow satisfied with the formulation of strategies during UCC's budgeting processes. We consider what the organization's business make up should be and develop a clearer mission of where the organization needs to be headed over the next years. We always begin with the organization's mission and this helps to establish the organization's future course and outlines what want and how go about achieving what we want (Interview with UCC Manager, December 11th 2012).

Thus, the findings from this key informant suggest that budget strategies formulation at UCC is a systematic process. It has to be guided with a mission and thus, not a process that is done haphazardly. The second UCC manager had this to say about budget strategies formulation at UCC:

> The Director Finance has full responsibility for leading the tasks of formulating and implementing the budget strategic plans of the organization but Departmental Heads have a hand in the process. The Director Finance sets the direction and pace in strategy formulation for the

> organization. What the Director Finance views as important usually moves to the top of every Departmental Heads' priority list and the Director Finance has the final word on major budget decisions. Departmental Heads have strategy making responsibilities. Normally, these oversee inputs of their departments being taken into consideration during formulation of strategies (Interview with UCC Manager, December 12th 2012).

From the findings, it can be observed that various UCC officials are tasked to contribute to budget strategy formulation of the whole organization. This is because if various department do not do so, budget strategies formulation will be ineffective in achieving the organization's goals and this negatively affects the financial performance of UCC.

After establishing key informants, UCC specialists and officers' views on budget strategies formulation, the next step was to test the third hypothesis using inferential statistics. Findings are presented in section 4.4.2.

4.4.2 Testing third hypothesis

The third hypothesis stated, "*There is a significant effect of budget strategies formulation on the financial performance of the UCC*". Table 20 presents the test results.

Table 20: Correlation between budget strategies formulation and financial performance of UCC

	Budget strategies formulation
Financial performance of UCC	*rho* = .519 rho^2 = .269 p = .000 n = 85

Source: Data from field

Findings in Table 20 show that there was a strong positive correlation (r = .519) between budget strategies formulation and financial performance of UCC. The coefficient of determination (rho^2 = .269) shows that budget strategies formulation accounted for 26.9% variance in financial performance of UCC. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation (p = .000) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the hypothesis "*There is a significant effect of budget strategies formulation on the financial performance of the UCC*" was accepted. Thus, the implication of the findings was that the strong correlation implied that a change in budget strategies formulation was related to a big change in financial performance of UCC. The positive nature of the correlation implied that the change in budget strategies formulation and financial performance of UCC was in the same direction whereby better budget strategies formulation was related to better financial performance of UCC and vice versa.

A further analysis was computed using regression to find out the effect of the indicators of budget strategies formulation that include choice of course of action and communication on indicators of financial performance, which included income and expenditure. Findings are presented in the following table.

Table 21: Regression of choice of course of action and communication on income of UCC

Income regression Statistics	
Multiple R	.589
R Square	.347
Adjusted R Square	.331
Standard Error	2.735
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	326.2	163.1	21.8	.000
Residual	82	613.4	7.5		
Total	84	939.6			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	.63	1.46	.43	.666
Choice of course of action	.13	.06	2.06	.042
Communication	.32	.08	4.11	.000

Findings in Table 21 show a moderate linear relationship (Multiple R = 0.589) between choice of course of action, communication and income. The adjusted R Square shows that choice of course of action and communication accounted for 33.1% variance in income. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio (F = 21.8) at degree of freedom (df = 2, 82) was less than the critical significance at .05. Hence, the findings that choice of course of action and communication had a significant effect on income of UCC were accepted. The coefficients statistics show that both choice of course of action and communication significantly affected income of UCC. This is because p-value for choice of course of action and communication (p-value = .042, p-value = .000) were less than the critical significant value at .05.

Table 22: Regression of knowledge of choice of course of action and communication on expenditure of UCC

Expenditure regression Statistics	
Multiple R	.080
R Square	.006
Adjusted R Square	-.018
Standard Error	2.086
Observations	85

ANOVA

	df	*SS*	*MS*	*F*	*Sig. F*
Regression	2	2.3	1.2	.3	.766
Residual	82	356.9	4.4		
Total	84	359.2			

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	6.22	1.12	5.56	.000
Choice of course of action	.01	.05	.18	.858
Communication	.03	.06	.49	.623

Findings in Table 22 show a very weak linear relationship (Multiple R = 0.080) between choice of course of action, communication and expenditure. The adjusted R Square shows that analysis of choice of course of action and communication accounted for -1.8% variance in expenditure. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .646) of the Fishers ratio (F = 0.3) at degree freedom (df = 2, 82) was greater than the critical significance at .05. Hence, the findings that choice of course of action and communication had a significant effect on expenditure of UCC were rejected. Thus, the implication is that choice of course of action and communication did not significantly affect expenditure of UCC.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

4.0 Introduction

This chapter presents the summary, discussion, conclusions and recommendations min the studyade . It is divided into four major sections. The first section presents results about the summary. The second section presents the discussion. The third section presents the conclusions. The fifth section presents the recommendations.

5.1 Summary

5.1.1 Budget information gathering and financial performance of UCC

There was a positive moderate relationship between budget information gathering and financial performance of UCC, whereby a better budget information gathering was related to better financial performance of UCC and vice versa. Budget information gathering accounted for 23.5% variance in financial performance of UCC. In addition, there was a moderate linear relationship between indicators of budget information gathering (that is analysis of internal environment and external environment) and one indicator of financial performance of UCC (that is income), whereby analysis of internal and external environment accounted for 31.6% variance in income. However, only analysis of external environment significantly affected income of UCC while analysis of internal environment did not significantly affect income of UCC. On the other hand, analysis of indicators of budget information gathering (that is analysis of internal environment and external environment) did not significantly affect one indicator of financial performance of UCC (that is expenditure).

5.1.2 Budget objectives setting and Financial Performance of UCC

There was a moderate positive relationship between budget objectives setting and financial performance of UCC, whereby better budget objectives setting was related to better financial performance of UCC and vice versa. Budget objectives setting accounted for 22.0% variance in financial performance of UCC. Furthermore, there was a strong linear relationship between indicators of budget objectives setting (that is knowledge of goal setting and goal/objective review) and one indicator of financial performance of UCC (that is income), whereby knowledge of goal setting and goal/objective review accounted for 38.9% variance in income. However, only knowledge of goal setting significantly affected income of UCC while goal/objective review did not significantly affect income of UCC. On the other hand, indicators of budget objectives setting (that is knowledge of goal setting and goal/objective review did not significantly affect one indicator of financial performance of UCC (that is expenditure).

5.1.3 Budget strategies formulation and Financial Performance of UCC

There was a strong positive relationship between budget strategies formulation and financial performance of UCC, whereby better budget strategies formulation was related to better financial performance of UCC and vice versa. Budget strategies formulation accounted for 26.9% variance in financial performance of UCC. Additionally, there was a moderate linear relationship between indicators of budget strategies formulation (that is choice of course of action and communication) and one indicator of financial performance of UCC (that is income), whereby choice of course of action and communication accounted for 33.1% variance in income. However, between indicators of budget strategies formulation (that is choice of course of action and communication) did not significantly affect one indicator of financial performance of UCC (that is expenditure).

5.2 Discussion of Findings

5.2.1 Budget information gathering and financial performance of UCC

The finding relating to the positive relationship between budget information gathering and financial performance of UCC support researchers (Macintosh 1994; Walsh, 1995) whose have extensively documented and demonstrated the importance of information for managers. Tiamiyu (1991) provides one of the reasons that why in this study budget information gathering positively influenced financial performance of UCC. They argued that budget information gathering acts as a reminder to financial personnel that they are being monitored and as such this influences the behavior of the personnel. If subordinates realize that they are monitored by supervisors they will usually put more effort into achieving planned results (Schäffer, 2003). In this study, the planned results means budget planned results, which are intended improve financial performance of UCC.

Findings revealed that UCC's analysis of internal environment was satisfactory. Thus, taking into consideration the positive relation that this study established, this implies that UCC's good analysis of internal environment contributed positively to the financial performance of UCC. One of the reasons why the UCC's analysis of internal environment was good was because UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis. This shows that UCC's internal information gathering was in line with Waldron, Vsanthakumar and Arulraj (as cited in Natural Resources Management and Environment Department, 1997) who observed that effective budgetary planning has to begin with an honest and realistic appraisal of the current financial position of the business by conducting a situational analysis. According to Jean-François (2000), honest appraisal and relevant information enhance an organization’s performance. According to Opera (2003), budget planning begins with the gathering of relevant data. If this is not achieved, the outcomes tend to be poor.

The problem was that UCC did not gather up-to-date information during its internal financial environment analysis and sometimes UCC's internal financial environment analysis was not a realistic appraisal of the current financial position. Thus, these negative budget information gathering practices compromised UCC’s financial performance. Rabinowitz (2009) observed that it is important for organizations to create accurate and up-to-date annual budgets in order to maintain control over their finances.

Despite that UCC’s analysis of internal environment was good, its analysis of external environment was unsatisfactory. Thus, this affected negatively its financial performance. UCC’s analysis of external environment was unsatisfactory because UCC rarely analyzed its external financial environment and did not gather relevant and up-to-date information. In addition, sometimes UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position. Some of these issues has been already discussed in relation to how they affect financial performance of an organization.

5.2.2 Budget objectives setting and Financial Performance of UCC

The findings of this study about the positive relationship between budget objectives setting and financial performance of UCC support people who have emphasized the importance of goal setting. For example, the findings support Birge (2009) who opined that setting goals will greatly increase the likelihood of organization effectiveness and argued that simply doing it - no matter how well or how poorly - will be beneficial to the organization and that the absence of goals will likely result in lower organization performance.

This established that UCC’s budget objectives setting was poor. This is because UCC did not have the knowledge of how to set budget goals and its budget goals rarely projected what was to be accomplished in the future and did not describe specific budget actions.

In addition, UCC's budget policies did not establish limits within which action was taken, which also compromised financial performance of UCC. This is contrary to Tubbs, Boehme and Dahl (1993) because they argued that goals need to be time bounded. Work that is much more productive can be accomplished when target completion dates are set. Indeed, "we don't have enough time" can be an asset if a manager requires shorter time limits than are often requested or assumed. Tubbs, Boehme and Dahl (1993) emphasized that it may be uncomfortable to demand difficult goals which are so specific that accomplishment (or lack of it) is clearly visible and to truncate time frames, but remember that these actions are sometimes known to facilitate achievement.

Poor financial performance of UCC was because UCC did not set budget goals that were always specific, measurable, achievable and realistic/relevant. Failure of UCC to set budget goals that are always specific, measurable, achievable and realistic/relevant is contrary to Gallatly and Meyer (1992) who argued that establishing hard, measurable, achievable and specific goals will result in better performance than establishing easy and vague goals. They argued that there is almost an 80% chance that hard, measurable, achievable and specific goals will increase organization effectiveness more than easier, non-measurable, non-achievable and less specific goals. This principle is of sufficient importance to suggest that managers have a responsibility to require their organizations to stretch toward ends that are more difficult and specify those ends in enough detail to make measurement and accountability more achievable. Of course, goals which are set too high will discourage performance, and particular situations in organizations must be taken into account when setting goals.

Furthermore, findings of this study revealed that UCC rarely reviewed its budget objectives and its budget objectives reviews were not timely, consistent and reliable. UCC's un-timeliness and inconsistency in its budget objectives reviews shows a low level of commitment to its goals, yet studies by Weingart (1992); Klein and Mulvey (1995); Weldon, Jehn and Pradham (1994) and Crown and Rosse (1995) report positive effects of performance with goal commitment. Thus, it is deduced in this study that UCC's un-timeliness and inconsistency in its budget objectives reviews negatively affected its financial performance. The study by Wright (1999) shows both the direct and indirect effects of commitment on performance. Thus, goal commitment is a key factor in producing positive performance.

Interview findings highlight some management issues in UCC's goal and objectives setting. The findings showed that the process involved employees of the organization but it was not a continuous process. Mitchell (1997) opined that goal setting requires lots of work to implement successfully. He explained that there has to be co-ordination across people and organizational units, which was the case at UCC and that monitoring has to take place to assess goal progress, which was not the case at UCC.

5.2.3 Budget strategies formulation and Financial Performance of UCC

The findings of this study about that budget strategies formulation positively affected the financial performance of UCC support studies that came with similar findings. For example, the findings of this study are similar to early studies that suggested that budget strategies formulation enhanced performance (Herold and Thune and House, as cited in Falshaw & Glaister, 2006). In addition, the findings of this study are similar to empirical research in strategic planning systems cited in Grant's (2003) work in which he emphasized that strategic planning systems had focused on two areas and one of the areas of interest to this study was the role of strategic planning in performance of organizations. This area of research explored the organizational processes of strategy formulation, which were found to significantly affect organizational performance. However, the findings of this study are contrary to other studies that concluded that there was no clear systematic relationship between budget strategies formulation and firm performance (e.g. Shrader et al. and Scott et al.., as cited in Falshaw & Glaister, 2006).

Findings revealed that UCC's budget strategies formulation was good and going by the positive relationship that was established in this study, then this enhanced the financial performance of UCC. Literature on strategy identifies budget strategies formulation as the ends (Snow & Hambrick, 1980). The management accounting literature on strategic control systems links this concept of strategy formulation with performance measures. According to Kaplan and Norton (2004), improvements in measures of organizational strategy formulations are expected to drive improvements in the execution of internal processes, which in turn lead to improved financial outcomes. Campbell, Datar, Kulp and Narayanan (2006) conceptualized the quality of strategy formulation as the marginal effect of increases in strategy specific outcome measures on the firm's financial objectives. Fitzsimmons and Fitzsimmons (2001) further argues that a performance measure related to internal processes may not be a leading indicator of financial performance if the formulated strategy improves organizational outcomes, but does not deliver expected financial outcomes (poor strategy formulation).

Some of the approaches in which UCC’s budget strategies formulation was good included its budget strategies formulation producing a clear set of recommendations, involving budget activities modification to make the UCC more financially successful and implemented with the resources available. These are in line with Campbell, Datar, Kulp and Narayanan (2006) who opined that managers should formulate specific strategies based on expectations about how the strategy will translate into organizational objectives (e.g., increased profitability). Thus, in this respect, these UCC good budget outlined in this paragraph formulation approaches enhanced its financial performance.

In addition, it was established UCC's budget strategies formulation was feasible within a reasonable time frame and acceptable to key stakeholders in the organization. This is in line with Bruce and Langdon (2000) who argued that a good recommendation (strategy) should be effective in solving the problem of feasibility within a reasonable time frame and acceptance to key stakeholders in the organization if it is to achieve better financial outcomes.

Furthermore, UCC always communicated its budget strategies formulation and its communication during budget strategies formulation was timely realistic. According to Adedokun, Adeyemo and Olorunsola (2010), the outcomes of a strategy that has been formulated effective when the strategy is communicated to employees. In respect to this study, the outcomes are financial performance related. Adedokun, Adeyemo and Olorunsola (2010) argued that adequate communication leads to effective collaborative efforts in implementing formulated strategies.

Despite this, UCC rarely chooses the most appropriate course of action for the realization of budget goals and objectives and its budget strategies formulation was ineffective at solving its financial performance problems and cost ineffective. In addition, UCC's communication during budget strategies formulation was unreliable. Thus, basing on the positive nature of the relationship between budget strategies formulation positively affected the financial performance of UCC, it is argued in this study that failure by UCC to choose the most appropriate course of action for the realization of budget goals and objectives compromised it financial performance. This explains why UCC's budget strategies formulation was ineffective at solving its financial performance problems and cost ineffective. This deductions made in this study are in line with Adedokun, Adeyemo and Olorunsola (2010) who emphasized explained how communication of an organization's strategy formulation enhances its performance.

5.3 Conclusions

5.3.1 Budget information gathering and financial performance of UCC

Findings of this study show that the gathering of relevant and up-to-date budget information is a key to improvement of organizational financial performance. The more up-to-date, accurate and complete the budget information is, the more valuable it will be in improving the financial performance of an organization.

5.3.2 Budget objectives setting and Financial Performance of UCC

This study's findings, like other studies, demonstrate that budget objectives setting plays an important role in the financial performance of organizations. If budget objectives setting is poor, financial performance is likely to be poor. On the other hand, if budget objectives setting is good, financial performance is also likely to be good.

5.3.3 Budget strategies formulation and Financial Performance of UCC

The findings of this study showed that budget strategies formulation should be systematic for organizations to be able to improve their financial performance. Budget strategies formulation should not be done haphazardly in organizations because strategy formulation is vital to the well-being of a company or organization. The formulation of a sound strategy facilitates a number of actions and desired results that would be difficult otherwise.

5.4 Recommendations

5.4.1 Budget information gathering and financial performance of UCC

UCC should improve its budget information gathering to improve its financial performance. This can be achieved especially by addressing the shortcomings in its analysis of the external environment during budget information gathering. It should always endeavor to conduct an analysis of its external environment, gather relevant and up-to-date information and the analysis should be honest and a realistic of the current financial position.

5.4.2 Budget objectives setting and Financial Performance of UCC

UCC’s budget objectives setting should be improved to improve its financial performance. This can be achieved by conducting training and workshops to increase knowledge among its staff on how to set budget goals, budget goals should projected what was to be accomplished and should described specific budget actions and UCC's budget policies should state action time limits. In addition, budget goals should always be specific, measurable, achievable and realistic/relevant and should be constantly reviewed.

5.4.3 Budget strategies formulation and Financial Performance of UCC

UCC's budget strategies formulation should be improved in one area related to the course of action chosen to improve its financial performance. UCC always choose the most appropriate course of action for the realization of budget objectives. This together the already better budget strategies formulation practices in place at UCC will further improve its financial performance.

5.5 Area for Further Studies

This study focused on budgetary planning and financial performance. However, other studies should be conducted to establish the effect of budgetary control on financial performance. A study should also be conducted to establish the effect of budgetary monitoring on financial performance.

5.6 Limitations

The major limitation of this study was reluctance by some of the concerned participants to avail data to facilitate obtaining primary data about budget planning and financial performance.

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APPEDINCES

Appendix 1: Questionnaire for UCC Staff

Dear Respondent,

Please kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes and will be kept confidential. You will not be victimized for whatever answer you have given and to ensure this, you are not required to identify yourself anywhere on the questionnaire.

Section A: Background

1. Gender: □ Male □ Female (Please tick)
2. Education level (indicate highest)

   □ Primary □ O-Level □ A-Level □ Institution □ University □ Other (specify) _
3. Years you working with the organization : □ (Less than 1 year) □ (1-2 years) □ (3-5 years) □ (5-10 years) □ (Above 10 years)
4. Age □ (20-30) □ (31-39) □ (40-49) □ (Above 50)

Section B: Budget information gathering

How strongly do you agree or disagree with the following statements about advertising by UCC? Tick or circle the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree
SA = Strongly Agree

Items about budget information gathering	SD	D	NS	A	SA
Analysis of internal environment					
1. UCC always analyzes its internal financial environment	1	2	3	4	5
2. UCC's internal financial environment analysis is an honest appraisal of the current financial position	1	2	3	4	5
3. UCC's internal financial environment analysis is a realistic appraisal of the current financial position	1	2	3	4	5
4. UCC gathers relevant information during its internal financial environment analysis	1	2	3	4	5
5. UCC gathers up-to-date information during its internal financial environment analysis	1	2	3	4	5
Analysis of internal environment					
6. UCC always analyzes its external financial environment	1	2	3	4	5
7. UCC's external financial environment analysis is an honest	1	2	3	4	5

appraisal of the current financial position					
8. UCC's external financial environment analysis is a realistic appraisal of the current financial position	**1**	**2**	**3**	**4**	**5**
9. UCC gathers relevant information during its external financial environment analysis	**1**	**2**	**3**	**4**	**5**
10. UCC gathers up-to-date information during its external financial environment analysis	**1**	**2**	**3**	**4**	**5**

Section C: Budget objectives setting

How strongly do you agree or disagree with the following statements about budget objectives setting by UCC? Tick or circle the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree

SA = Strongly agree

Items about budget objectives setting	**SD**	**D**	**NS**	**A**	**SA**
Knowledge of goal setting					
1. The staff at UCC have the knowledge of how to set budget goals	**1**	**2**	**3**	**4**	**5**
2. UCC's budget goals always project what is to be accomplished in the future	**1**	**2**	**3**	**4**	**5**
3. UCC's budget goals describe specific budget actions	**1**	**2**	**3**	**4**	**5**
4. UCC's budget policies establish limits within which action is taken	**1**	**2**	**3**	**4**	**5**
5. UCC sets budget goals that are always specific	**1**	**2**	**3**	**4**	**5**
6. UCC sets budget goals that are always measurable	**1**	**2**	**3**	**4**	**5**
7. UCC sets budget goals that are always relevant	**1**	**2**	**3**	**4**	**5**
8. UCC sets budget goals that are always achievable					
9. UCC sets budget goals that are always realistic					
Goal/objective review					
10. UCC always reviews its budget goals and objectives	**1**	**2**	**3**	**4**	**5**
11. UCC's budget goals and objectives review are timely	**1**	**2**	**3**	**4**	**5**
12. UCC's budget goals and objectives review are consistent (reliable)	**1**	**2**	**3**	**4**	**5**
13. UCC's budget goals and objectives review are reliable	**1**	**2**	**3**	**4**	**5**
14. UCC's budget goal and objectives reviews are well-planned	**1**	**2**	**3**	**4**	**5**
15. UCC's budget goal and objectives reviews are carefully executed	**1**	**2**	**3**	**4**	**5**
16. UCC's budget goal and objectives reviews ensure that diverse viewpoints are taken into account	**1**	**2**	**3**	**4**	**5**

Section D: Budget strategies formulation

How strongly do you agree or disagree with the following statements about budget strategies formulation by UCC? Tick or circle the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree

SA = Strongly agree

Items about budget strategies formulation	SD	D	NS	A	SA
Choice of course of action					
1. UCC always chooses the most appropriate course of action for the realization of budget goals and objectives	**1**	**2**	**3**	**4**	**5**
2. UCC's budget strategy formulation produces a clear set of recommendations	**1**	**2**	**3**	**4**	**5**
3. UCC's budget strategies formulation involves modifying budget activities to make the UCC more financially successful	**1**	**2**	**3**	**4**	**5**
4. UCC's budget strategies formulation is effective at solving its financial performance problems	**1**	**2**	**3**	**4**	**5**
5. UCC's budget strategies formulation can be implemented with the resources available	**1**	**2**	**3**	**4**	**5**
6. UCC's budget strategies formulation is feasible within a reasonable time frame	**1**	**2**	**3**	**4**	**5**
7. UCC's budget strategies formulation is cost effective	**1**	**2**	**3**	**4**	**5**
8. UCC's budget strategies formulation is acceptable to key "stakeholders" in the organization					
Communication					
9. UCC always communicates its budget strategies formulation					
10. UCC's communication during budget strategies formulation is timely					
11. UCC's communication during budget strategies formulation is reliable					
12. UCC's communication during budget strategies formulation is realistic					
13. UCC's communication during budget strategies formulation is effective					

Section E: Financial performance

How strongly do you agree or disagree with the following statements about financial performance by UCC? Tick or circle the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree

SA = Strongly agree

Items about sales performance	SD	D	NS	A	SA
Income					
1. UCC's income has been increasing over the years					
2. UCC's income is better than comparable organizations					
3. UCC management and staff are satisfied with the company's income					

Expenditure					
4. UCC's expenditure has been decreasing over the years					
5. UCC's expenditure was lower than comparable organizations					
6. UCC management and staff are satisfied with the company's expenditure					

Thank you for cooperation

Appendix 2: Interview Guide for UCC management

Dear Respondent,

Please kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes and will be kept confidential. You will not be victimized for whatever answer you have given and to ensure this, you are not required to identify yourself anywhere on the questionnaire.

1. What is your view about UCC's budget information gathering?
2. What is your view about the financial performance of UCC?
3. How has UCC's budget information gathering affected its financial performance?
4. How does UCC conduct its budget objectives setting?
5. How effective has been UCC's budget objectives setting?
6. How has UCC's budget objectives setting affected its financial performance?
7. How does UCC conduct its budget strategies formulation?
8. How effective has been UCC's budget strategies formulation?
9. How have UCC's budget strategies formulation affected its financial performance?

Thank you for cooperation