THE EFFECT OF BUDGET MANAGEMENT ON THE PERFORMANCE OF PROFIT MAKING ORGANIZATIONS IN UGANDA.

CASE STUDY: BIDCO UGANDA LIMITED

NAMUKWABA JANAT

2011-B021-10286

A Dissertation submitted to the Faculty of Business Administration and Management in partial fulfillment of the Requirement for the award of a Degree in Bachelor of Business Administration and Management of

Uganda Martyrs University

APRIL 2014

DEDICATION

I dedicate this research to God the most high, Project Shalom Ministries (special thanks to Juliet, Tina Hammond, Granny Olive) for their support throughout this course, my brother Mukiibi Mark and family, my Uncle Jimmy Ntambi for being there for me and the continued support, my supervisor Mr. Mugisha Innocent for all the time he dedicated to my research and my friend Kitego Bryan God bless you all.

ACKNOWLEDGEMENT

I express my sincere gratitude to all the persons who contributed in any way to the completion of this research paper.

I truly and sincerely accord special thanks to my supervisor, Mr. Mugisha Innocent, whose wisdom, kind commitment, and developmental advice has made it possible for me to accomplish the study. I am also grateful to the staff of Uganda Martyrs University whose support morally has enabled me accomplish my mission especially Dr. Prisca Kobusingye.

Thanks to my brother who was there for me and all his prayers, all my lecturers who taught me from first year to third year Ms Tiragana Audes, Mrs Bisaso Ritah, Mr Magara Mugaga, Mr Mugisha Innocent, Sr Andiru Carol, Mr Segawa Edward.

I also express my gratitude to Bidco staff members especially those who work in the finance department.

The data you provided was very useful to the successful accomplishment of this study.

I also extend my sincere gratitude to my colleagues of Uganda Martyrs University (Accounting and Finance class of 2011-2014 especially Akite Winnie, Muhindi Jude, Mugarura Alfred and Nabunje Jill and to all BAM 3 members 2011-2014.

Thank you and May the almighty Lord bless you all abundantly.

TABLE OF CONTENT

LIST OF ABBREVIATIONS AND ACRONYMS

CEO Chief administrative officer**.**

MTN Mobile Telephone Network

OECD Organization for Economic Co-operation and Development

UK United Kingdom

USA United States of America

SPSS Statistical Package for Social Scientists

MSG Management study guide

UMU Uganda Martyrs University

LIMITED Limited

(U) Uganda

LIST OF FIGURES

LIST OF TABLES

DEFINITION OF KEY TERMS

Budgeting	This is a process that transforms information into decision.
A Budget	This is a tool used to manage resources in organizations; it outlines an organization's financial and operational goals.
Controlling	This is a process of ensuring that those activities set are producing the desired results.
Planning	This refers to selecting a course of action and specifying how it should be implemented.
Monitoring	This is a process of supervising activities in progress to ensure they are on-course and on-schedule in meeting the objectives and performance targets.
Coordination	This is a process of synchronization and integration of activities, responsibilities, and command and control structures to ensure that the resources of an organization are used most efficiently in pursuit of the specified objectives. Along with organizing, monitoring, and controlling, coordinating is one of the key functions of management.
Budget management	This is the financial analysis of the amount of money and recourses present in correspondence to the amount of money and resources allocated for the performance of various duties in various departments of the organization with the use of budget dimensions of planning, monitoring, controlling, coordination and communication.
Dimensions	This is the measurable extent or quantity (such as amplitude, brightness, hue, frequency, length, width, height, time, mass, volume, weight) that denotes the degree to, or range over, which something extends.
Performance	This is the degree of accomplishing the tasks that make an organizational activity.
Quality	This is the totality of features of the services that bears on its ability to satisfy given needs.

ABSTRACT

This study examined the effect of budget management on the performance of profit making organizations. The main purpose of the study was to investigate the effect of budget management on the performance of profit making organizations in Uganda. The study sought to achieve the following objectives; to examine budget management of a profit making organization, to assess the level of performance of profit making organizations and to establish the relationship between budget management and the performance of profit making organizations. The study was carried out at Bidco Uganda limited located in Jinja. The study employed a triangular research design and a sample size of 80 respondents who mainly comprised of managers at the top, middle and lower level. The respondents were selected using purposive sampling technique for top manager and simple random sampling technique for middle and lower managers. Data was collected using self administered questionnaires which involved the use of structured and unstructured questions that were designed according to the objectives and research questions of the study. The study revealed that budget management is effectively done. This was established by the positive correlation between budget management and the performance of Bidco Uganda limited.

Further research was suggested by the researcher on the effect of Auditing on the performance of organizations in Uganda.

CHAPTER ONE

1.1 INTRODUCTION.

This study presents critical issues concerning the performance of profit making organizations as explained by budget management. The study highlights the importance of budget management given the fact that resources are scarce amidst the need for organizations to sustaining continued development, growth and good performance in light of the growing stringent competition. The study hence explores how the dimensions of budget management such as planning, coordination, monitoring, controlling and communication as advanced by scholars like Sivabalan et al (2009), Jensen (2003), Burrow (1984), affect the performance of profit making organizations. To explore the gaps in literature, the study examines the budget management theories plus other studies on budget management from scholars such as Edmond et al (2003). Organizational profitability, utilization of allocated resources, organizational market position, investment levels, motivation; these are important issues that should be considered in order to have a continued or sustainable performance. The researcher's Chapter one covers the introduction of budget management, its background, problem statement, objectives of the study, Hypothesis of the sturdy, Scope of the study, Significance of the study and definition of key terms.

1.2 BACK GROUND OF THE STUDY

Profit making organizations are consequential to a country in such a way that they are taxed and hence improving the country's development and so when the performance of profit making organizations improve so does the development of the country because the tax charged will also increase, their main objective of these organizations is to make profits. Layne (1999) asserts that such organizations pay a wide range of taxes, worker's compensation and state unemployment insurance, and they pay property and sales taxes on purchases not resold. Profit making organizations are privately owned companies that ideally supply goods and services at a market determined price. Schick 1966 in his article notes that budgeting has evolved over time from an emphasis on controlling expenditures to management of government activities through the budget, to use the budget as a planning tool to forecast multiyear program expenditures.

Globally, since the early 1990s almost all Organization for Economic Co-operation and Development(OECD) Member countries like Australia, Austria, Belgium, Canada, Chile and Czech Republic have been working on improving the quality of their public expenditure by implementing a focus on results in their management and budgeting regimes for their indoor organizations to effect their performance, Laking (2005).

Internationally Barnes, A and Leith (2001) argue that Budget management in New Zealand altered substantially with the implementation of the Public Finance Act 1989 and the Fiscal Responsibility Act 1994 on the performance of organizations. The United Kingdom provided budget support in various forms of decades, principally as macroeconomic support to organizations to help partner countries through periods of economic crisis. Schick (2007) argues that Budget management emerged in its current form in the late 1990s. In conjunction with international debt relief, it was developed as a method of helping partner countries to finance the implementation of their poverty reduction strategies. Furthermore in America Shea (2008) asserts that the administrations in different organizations have continued to look for new ways of improving the performance by maximizing profits, He further notes that budget as a technique can improve co-ordination and communication by getting managers from multiple departments to agree to a common set of goals and by placing the focus on quantifiable results. In this case the study on budget management interfaces to fill the gaps and questions on how such organizations should improve their performance.

It is interesting to note that there has been a widespread use of budget as technique in organizations in developing countries such as Malaysia, Indonesia and the Philippines as well in the more developed economies such as the USA, Canada, UK and Australia. The overall conclusion is that for larger organizations the use of budgets to measure performance is now a dominant whilst and remains a popular method used in practice. Colander (2002) notes that in America one to start an organization would ask a question " can I make profits", he explains profit as what's left over from total revenues after all the appropriate costs have been subtracted. Organizations that guessed correctly what customers want makes profits out of their budgets.

Pickworth (2013) contends that South Africa's big organizations have taken a dramatic step forward in the past year as organizations focus more on profitability at the expense of other factors which motivates workers as well as stake holders of the organizations therefore the need to amalgamate Profitability and budgeting affect the performance of such organizations this is because out of the budget set for a particular period of time, costs are identified and the set goals accomplished at the same time hence affecting the performance of an organization.

Reinikka and Collier (2001) contends that the survey identified a number of cost factors to explain the observed low level of investments in Africa in general and lower profits in Uganda, first of all capital goods are more expensive largely due to high transport costs, inefficient utilization of the available resources in organizations. They further note that the key growth in performance is improvement in service deliveries and the government has committed in its most recent budgets not to raise tax rates. Okello (2007) advanced that Organizations such as National Water and Sewerage Corporation, Uganda Revenue Authority, Bidco Uganda limited (BAT), are Profit making organizations which came into existence during the 1990s in Uganda, including service delivery to the country they budget for things like corporate social responsibility management for the country to affect their image and out of managing their budgeted resources such organizations win customers and clients because they budget for corporate social responsibility as a competitive advantage with a target of winning customers hence the performance improving. Over years it has been disappointing, planned budget deficits have been exceeded because of some reasons such as Revenue projections have been optimistic and as a result, budgeted expenditure programs have been predicted on revenues that did not materialize, specific expenditures in the annual budget have been under budgeted for certain items, especially government purchases of utilities such as telephone, electricity and water, expenditure control has been poor, leading to domestic expenditure arrears and general lack of budget discipline hence affecting the performance of profit making organizations. Therefore Organizations in Uganda need to form efficient budget for their resources in order to utilize them and affect performance.

According to Dimaggio and Powell (1983), budgeting diffused via three mechanisms. Under mimetic diffusion, organizations adopt budgets because they observe that other groups become more financially confident and successful with a systematic budgeting process. As budgeting became more popular, there were coercive pressures to adopt budgets. Stockholders who demand sound financial management may expect yearly budgets for key activities. Philanthropic organizations will scrutinize budgets of charitable organizations to ensure future contributions are spent wisely. Employees expect formal budgets to remain confident that money is available for salaries and important projects. Finally, accountants and financial managers hired by firms bring normative pressures to adopt standardized budget practices. Budgeting is a logical extension of credit-debit accounting principles and is taught in every business school.

Therefore according to the above background, This research will intend to help such organizations realize how budget management is crucial since it is a great importance towards the success of an organization though it has not been effective through neglecting of some reasons in one way or the other thus leading to poor performance and failure of various profit making organizations the case study of Bidco Uganda Limited is the target profit making organization in Uganda developed by Indians.

1.3 Problem statement.

Budget management is the financial analysis of the amount of money and recourses present in correspondence to the amount of money and resources allocated for the performance of various duties in various departments of the organization with the use of budget dimensions of planning, monitoring, controlling, coordination and communication as advanced by Jensen (2003), Burrow (1984), Once the correspondence is made, then the money allocated is used for that particular operation. Despite of strategic planning, organizing, employing of expertise, book keeping, motivation and good governance in organizations of Uganda, it’s not yet been effective to the extent of the expectation of other countries like in United kingdom, Malaysia and United states of America as stated in the article of Bidco Uganda limited Nigeria,(2011), due to mismanagement, poor implementation, addressing wrong business requirements, swindling of money, inadequate book, motivation and record keeping and other issues , Okello (2007) asserts that Leading manufacturing organizations in Uganda, such as Coca-Cola, Pepsi, Mukwano, Uganda Breweries, Nile Breweries, Britannia, Rafiki, Bata Uganda Limited, Bidco Uganda limited, Royal Foam and Vita Foam, MTN Uganda Limited, National Water and Sewerage Corporation, Uganda Revenue Authority, Pride Africa and Private Sector Foundation are profit making organizations which have not yet performed according to the standards of developing countries' manufacturing organizations yet the country is endowed with significant natural resources, including ample fertile land, regular rainfall, and mineral deposits it appears that there is still lack of management tools, he further notes that Keats and Bracker (1988) proposed that entrepreneurs tend to use sophisticated strategic planning due to high task motivation and the belief about their ability to influence the performance of their organisations putting a side one of the motivation factor "the budget" in organisations which affects the performance. It has been realized that most organizations today, budget management is not effective and yet is crucial for better performance due to resource management and without any changes taken place with issues concerning budget management profit making organizations may face low output level and high cost of production. The performance of profit organizations is still relatively low, in terms of achieving the objectives, efficiency; output levels are not up to the required level. Therefore, the researcher set out to investigate the effect of Budget management and the performance of profit making organizations, particularly in Bidco Uganda Limited as the center of focus.

1.4 Objectives of the study

1.4.1 General objectives.

The study investigates the effect of budget management on the performance of profit making organizations in Uganda.

1.4.2 Specific objective.

To achieve the above general objective the study employed the following specific objectives.

a) To examine budget management of a profit making organization.
b) To assess the level of performance of profit making organizations.
c) To establish the relationship between budget management and the performance of profit making organizations.

1.5 Research questions.

To achieve the above objectives, the study sought to answer the following research questions.

a) What is the process of budget management of a profit making organization?
b) What is the level of performance of profit making organizations?
c) What is the relationship between budget management and the performance of profit making organizations?

1.6 Research Hypothesis.

To answer the above research questions the study employed the following research hypotheses.

H1: There is a significant relationship between budget planning and utilization of resources.

H2: Budget coordination positively affects the market position of profit making organizations

H3: Budget monitoring and control is positively related with profitability of a profit making organization.

1.7 Scope of the study.

This study of budget management and the performance of profit making organization like Bidco Uganda Limited in Uganda will be limited to finding out the role of budget management on the performance of such organizations; the study will therefore review the different aspects and dimensions of budgeting which are planning, coordination, control and monitoring of the set budget in the organisation. It will be carried out in Jinja were the case study is located, it will spread throughout various departments which includes Procurement, manufacturing and selling, Commercial, Billing, Technical, Engineering, Finance and Accounting as well the General Management of the branch. The study will cover company's information ranging within a period of six years to date that is to say from 2008 to 2014.

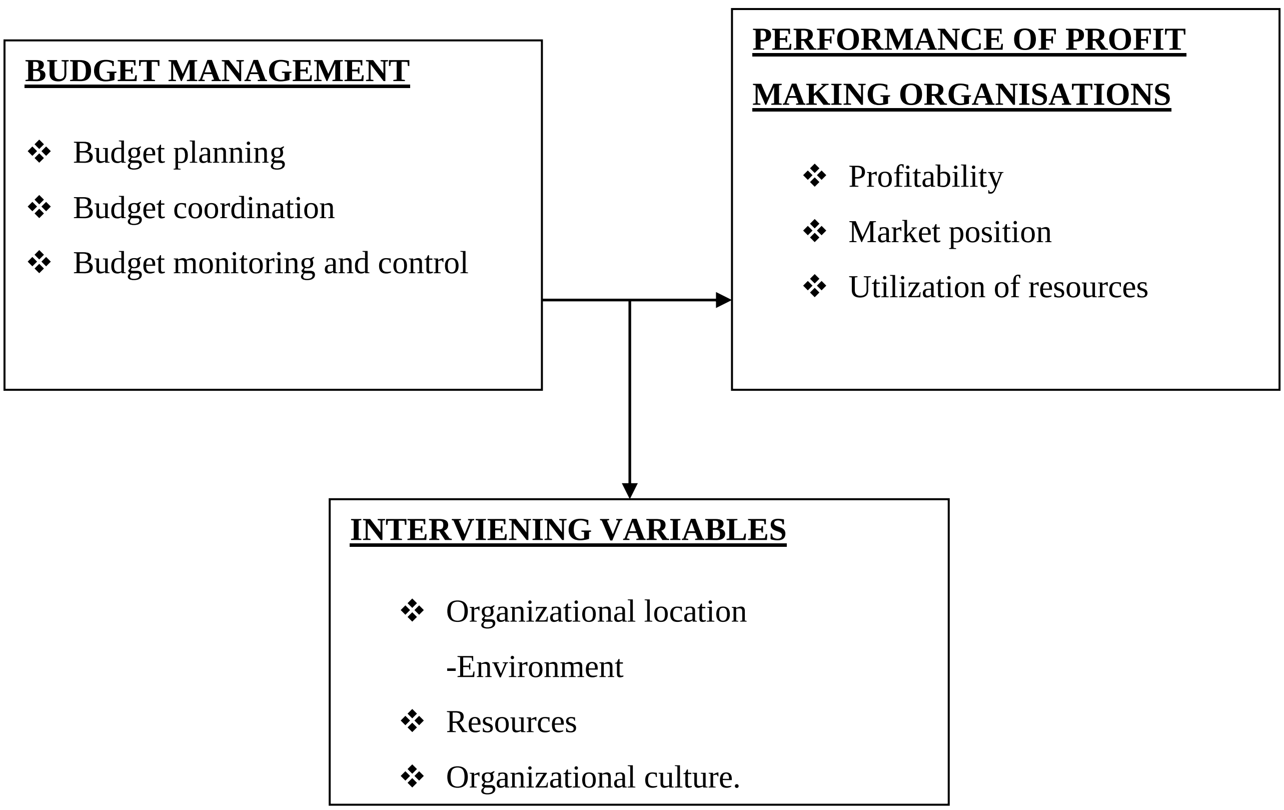
1.8 Significance of the study.

This research is to impact knowledge about budget management in organizations (profit). This is to also help other academicians and scholars put budget management in to consideration as a tool for managing their scarce resources. This includes the researcher as well as other researchers that will use the findings as literature, the leaders of the different organizations. It is to help leaders in department of the organizations such as CEOs and managers realize the importance of effective budgeting to the organization's performance in general. Profit making organizations have been found to perform poorly because of poor budget management and planning. The researcher hoped that information from the study will be utilized by profit organizations managers to improve budget management in order to achieve their set objectives. This study is to motivate profit making organizations improve their performance through budget management.

1.9 Justification of the Study

It is imperative that the study was carried out immediately because there is overwhelming needs for the management of profit making organisations to clearly understand the concept of budget management; a function that will enable them manage their organization more professionally. This study is intended to improve the quality of services offered and level of profits made in profit making organizations.

1.10 THE CONCEPTUAL FRAME WORK.



Source: Sivabalan et al (2009), Jensen (2003), Burrow et al (1984)

The conceptual frame work shows the relationship between budget management and organization performance of profit making organizations, budget management concerns its self with Budget planning, Budget coordinating, Budget monitoring**,** Budget control and budget communication as the independent variables, it also shows the dependent variables that is to say

Profitability, Service and product delivery, Market position/image, Investments level, Job satisfaction, Utilization of allocated resources, Staff turnover and Salary level and how the dependent variables affect the independent variables.

In addition, the conceptual frame work also indicates other factors that affect organizational performance that is the intervening variables.

1.11 Conclusion

In conclusion the concept of budget management has not just begun but started way back when organizations realized the need to manage their resources and profits as seen in the back ground of the study. Today the need for budget management is still crucial and according to the problem statement the study will be significant to be carried out in order for organizations to analyze the need for management of their budgets for a better performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher shows the summarized works of the past researchers, only those pertinent ideas relevant to this study will be highlighted. The parts and areas of others writers and researchers which were not exhaustively covered in the past studies about budget management are identified and only those in line with the objectives of the study are to be captured. It's conducted in accordance with the objectives and citations made in each objective indicating the research gaps that the study intends to fulfill.

2.2 Theoretical Framework

Dimaggio and Powell (1983) note that from a Marxist perspective, budgets are an insidious tool used by capitalists to rationally justify the subjugation of the working class. Budget limits are prepared after guaranteeing profits and surplus value for company owners. Management then uses a budget to mask this embezzlement and build consent and compliance from labor. Yearly budgets are management experiments to help capitalists set labor wages as low as possible without instilling labor unrest. Management involvement in budget preparation also diffuses responsibility for capitalistic action. Managers can lay off workers and absolve responsibility by "blaming it on the budget". Once again, budgets are not contracts, and can also be changed whenever profits are threatened. Finally, budgets exploit the "tyranny of numbers", hiding the domination of labor in statistics and graphs.

Hlalakuhle (2004) expound on the variables by giving their purposes as related to budget management and the performance of the organization. He notes that Co-ordination of the budget is Important for the achievement of organization goals for example coordinate inputs and outputs in order to ensure balance of efforts and effects, Coordinate budget lines within the organization to ensure effective implementation of plans and monitoring of results leading to profitability of the organization. Communicate plans and control information, once the budget is formulated the aspects of the plan having a bearing on a particular division of the organization are communicated to that division. The budget seeks to motivate managers to achieve objectives and thereby establish control within the organization. Good performance is associated with achieving better performance targets set on costs of operations and benefits to the organization hence once the variables are effectively applied the results are; good market position, increase in investment level, utilization of allocated resources and many other good outcomes related to performance evaluation.

2.3 Budget Management

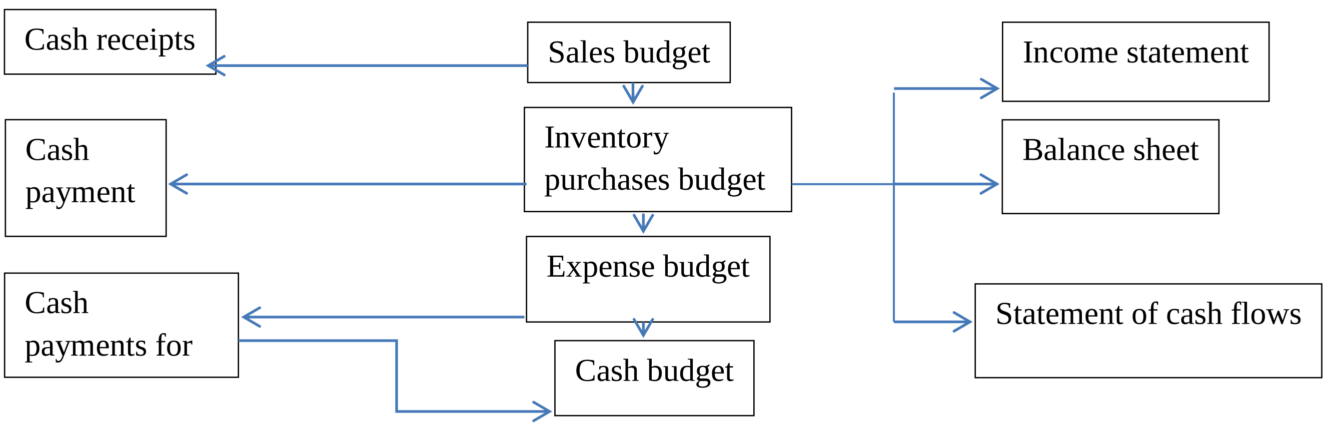
Barrile (2001) defines a budget as a key management tool for planning, monitoring, and controlling the finances of a project or organization. It estimates the income and expenditures for a set period of time for your project or organization. Gereth (2006) argues that management as the planning, monitoring and controlling of human and other resources to achieve organizational goals efficiently and effectively.

Smith (2007) agrees that Budget management is the financial analysis and planning of the amount of money present in correspondence to the amount of money allocated for the performance of various duties to achieve set goals. According to Morden (2004) budgets may be formulated for the profit organization as a whole or for any subunit. “The master budget” summarizes the objectives of all subunits of an organization-sales, production, research, marketing, customer service and finance. It quantifies management’s expectations regarding future income, cash flows, and financial position this especially applies to profit organizations. Schick (2007) argues that Budget management emerged in its current form in the late 1990s. In conjunction with international debt relief, it was developed as a method of helping partner countries to finance the implementation of their poverty reduction strategies.

In particular according to Nice (2002), since 1930s decision makers have tried to improve the accuracy of budgetary forecasts in order to reduce the risks of errors that may create later difficulties in the performance of organizations. He notes that budgets are pervasive in organizations because they help clarify internal resource dependencies. Often the hierarchy of budgets reveals organizational priorities and dependencies better than formal organizational charts. The approved budget can also represent a "rationalized" statement of purpose for the coming year understood by both employees and outsiders. More importantly, budgets are important tools of power (Pfeffer, 1992). Since departments are usually dependent on budgets for general operations, those who control budgeting control resources. Budget planners and approvers can exploit these asymmetric dependencies to accumulate power. External groups can also exert internal influence by reviewing and/or approving yearly budgets. The budget planning process at a given level is often a zero-sum game where politics and influence is most evident. Budgets are also useful control mechanisms because there are more flexible than contracts. Unlike contracts, you can quickly change a budget to affect a sub-group's activity, traditionally budgets were produced on a departmental basis with separate budgets for the purchasing department, the human resource department, the production department and so on, all of these individual budgets would be coordinated by a master budget, since different responsibility centers will contribute to a given set of production which is difficult to establish the costs of budget for specific service or product therefore managing budgets in organizations is crucial.

A profit making organization to manage a budget it should at least follow a certain process to accomplish a successful budget leading to budget management. Edmond et al (2003) gives a process that can be followed to accomplish a successful budget as given below.

figure 2; Cash receipts and payment. Schedule operating budgets. Financial statements



It begins with the preparation of the operating budgets, which consists the detailed schedules and budgets prepared by the organization’s department, the first operating budget to be prepared is the sales budget. The detailed operating budget for inventory purchases and expenses are based on the projected sales indicated in the sales budget. The information in the schedule of cash receipts and payments is used in preparing a cash budget. The cash budget subtracts cash receipts from cash payments. The budgeting process to accomplish a successful budget has to be considered because when tracking the performance of an organization using performance budgeting, a budgeting process has to interface. It involves cash receipts, repayments, cash budgets and financial statements as in accounts. Jensen (2003) asserts that long considered a necessary tool in managing a Company, the budgeting process frequently consumes six months of management time in negotiations, planning, and target-setting. Such systems are intended to coordinate the activities of the units and motivate managers. An implementation on that is that Budget management is based on the fact managers should be rewarded for every achievement in the budget target and punished for missing out the targets; this brings out the term motivation in organizations. He further notes that Budgets play a critical role in coordinating disparate parts of a company so that their actions lead to harmonious interactions, high output, low cost, high quality, low inventories and satisfied customers. The author concludes that once we do not establish a budget-targeting process that hides and destroys critical information regarding what various parts of the organization can do and how they will do it, the critical coordinating role of budgets is severely hampered, Uncoordinated, chaotic actions that lead to high cost, low quality, missed opportunities, and dissatisfied customers are the result.

Organization's superior are the decision makers in budget management systems, they are the ones to decide how to control subordinates who are responsible over the budget expectations. Laureen et al (2002) notes that using budgets to allocate resources as well as to evaluate performance provides complementary incentives that lead subordinates to reveal their private information more truthfully and increase their effort and task performance. The mutual discipline imposed by this dual use of budgets may help explain why firms often use a single budget for planning and performance evaluation and rarely use truth-inducing compensation schemes, they further notes that When the firm uses budgets to allocate scarce resources, subordinates have incentives to overstate their productivity to acquire a greater share of fixed resources, such motivations counterbalance subordinates' incentives to understate their productivity in budget-based evaluation plans therefore budget management and performance should have its foundation on good relationships in organizations between the managers(superiors) and subordinates under the operations of the budget.

Gilmour (2006) argues that the traditional approach is ‘top-down’, where budgets are initiated and initially drafted at head office level in the organization and then passed down the organization for comment, negotiation and agreement. The alternative, despite the title, still starts at the top of the organization – higher level management in the ‘bottom-up’ approach initially set key targets and direction and then managers at lower levels complete the first detailed draft of the budgets. Budgets then work up the organization. He notes that generally it is believed that the more managers have full involvement in preparing their own budgets the greater their commitment to achieving them the budget gives managers a target to strive towards which brings in the issue of motivation in profit making organizations. However there is also an argument that if set at an inappropriate level (too high or too low) it can have the reverse impact and can de-motivate.

In conclusion managing a budget in profit organization needs involvement of managers and employees, according to Gomez (2002) managers and employees should be asked to participate in a budget setting process. Involving them promotes better understanding of the tactical action plan by those who will be carrying it out; it can also improve decision and commitment to them.

2.3.1 Budget planning

According to Betsy (2013), Budget 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. Budget planning may be completed in one meeting or it may take weeks of evaluating available data to finalize. Terry (2002) agrees that Planning is the key to success in the organization and budgeting forces planning to take place. He notes that Budget planning is about organizational resources and profit planning, to realize profits a budget needs to be managed which according to Eugene (2006) is one of the most important functions in any organization. In any business profits just don't happen; careful planning is required to guide all the parts of the organization toward its strategic long and short-term goals. He further gives the purposes of profit planning as a result of budget planning as follows;

Facilitating communication and coordination, particularly in complex organizational structures, Budget planning provides the means for top management to make lower management levels aware of the organization's overall goals and profit objectives. Similarly it provides lower level managers the opportunity to participate in the budgeting process by providing input on what the profit and cost objectives should be. The communication and coordination process allows for the balancing of goals vertically form top management to lower management and horizontally by the balancing of balancing of goals across the various functions in an organization, such as production, sales distribution, and support functions.

Providing a mechanism to hold managers responsible for their performance, the various financial targets can be used as benchmarks to evaluate subsequent performance. This allows managers to evaluate the effectiveness and efficiency of managers and subunits in the organization.

He further notes that managers must support and in the budgeting planning process, this involves an aspect of being involved in setting the goals and negotiating the final profit plan, and holding lower-level managers responsible for achieving the adopted profit plan when it is finalized. If lower managers observe that top management shows little interest in the budgeting process, they will most likely consider it unimportant. This will severely weaken its usefulness in guiding the organization.

Cole (2004) contends that budget planning embraces a period of one year or less, and some budgets are of ‘rolling’ nature that is to say they are amended each month or quarter in the light of what has transpired during the previous monthly or quarterly period. He further notes that this ability to amend and adapt budgets, as well as to take other corrective action, is the essence of budgetary control. Organizations need to prepare and plan budgets to avoid circumstances like liquidity problems which lead to failure to pay creditors hence affecting credit worthiness of the organization. Pandey (2011) agrees with an example of Payal Plastics Company a profit making organization which has been facing liquidity problems for a couple of years. The company has defaulted in paying its obligations and has stretched payments to its creditors. This has affected the company’s credit worthiness. He says that the company management is worried that the frequent stretching of credit payments might cause suppliers to demand cash payments for purchases; therefore he notes that the managing Director wants the finance manager to prepare a cash budget and make a plan for meeting a deficit situation which makes budget planning an important aspect in any organization to avoid such circumstances.

According to the management study guide (2011), budget Planning is the process of estimating the capital required and determining its competition. It is the process of framing financial policies in relation to procurement, investment and administration of funds of an enterprise. Breary (2004) agree with the management study guide (2011) that budget financial planning involves analyzing investments and financing choices open to the firm, projecting the future consequences of current decisions, deciding which alternative to undertake, measuring subsequent performance against the goals set out in financial plan hence impacting on the performance of profit making organizations. Morden (2004) therefore contends that having a budget and a plan provide an organization with the opportunity to better management of the flow of money. Providing a forecast of revenues and expenditures allows an organization to construct a model of how its business might perform if certain strategies, events and plans are carried out hence improving performance as a result of budget management.

The above definitions and information agree that budget planning is about estimating and allocating finances, analyzing investments in an organization and deciding how suitable revenues and expenditures will be handled.

However Hilton (2009) gives a view on non profit making organizations though the study aims at profit making organizations, he notes that such organizations do begin their budgeting process with a budget that shows the level of services to be provided. He gives an example of the budget for the city of 'Houston' which shows the planned level of various public services such as the hours of operation for libraries and parks; they prepare budgets showing their anticipated funding. He further notes that all organizations begin the budgeting process with plans the goods or services to be provided and the revenue to be available, whether from sales or from other funding sources. Hilton goes ahead and put his argument on a product life cycle, he notes that a relatively recent focus of the budgeting process is to plan for all the costs that will be incurred throughout the product's life cycle, before a commitment is made to the product. In order to justify a product's introduction, the sale revenue it will generate over its life must be sufficient to cover all these costs. Thus planning these life cycles cost is a crucial step in making a decision about the introduction of a new product. This is particularly true for organization with very short product life cycles such as some products in the computer and electronics industries. He says that when the products life cycle is as short as for one year or two, the firm does not have time to adjust its pricing strategy or production methods to ensure that the product turns a profit therefore management must be fairly certain before a commitment is made to the product that its lifecycle cost be covered hence improving performance.

Peirce (1953) contends that although budgeting can be separately applied to any unit of the business, it is far more effective when it rests on a foundation of integrated planning for the entire operation. In the proper sense, it is only one phase of planning. When the planning concept has been adopted, budgets emerge of necessity budgets with a purpose as deep as the stream of ideas giving direction and drive to the business itself. The presence or absence of intelligent planning is reflected to a surprising degree in the effectiveness of the people who are asked to operate with a budget system. And this means all the people from top executives to production line workers. Individuals are usually more intuitive than we realize. When a budget is built on sound business planning, they respond to that fact without always knowing why hence affecting the performance of a profit making organization.

Colin (2004) argues that the major planning decisions will already have been made as part of the long-term planning process. However the annual budgeting process leads to the refinement of those plans, since managers must produce detailed plans for the implementation of the long-range plan. He says, without the annual budgeting process, the pressures of the-day-to-day operating problems may attempt managers not to plan for future operations. The budgeting process ensures that managers do plan for future operations and that they consider how conditions in the next year might change and what stapes they should take now to respond to these changed conditions. This process encourages managers to anticipate problems before they arise which in the long run affects performance of the organization.

In conclusion Gilmour (2006) says that Budget planning give an organization direction. A budget takes the organizational plan (goal and objectives) and quantifies this into something tangible to aim for. Such forward planning aids anticipating future business conditions and helps avoid otherwise unforeseen problems, most of the authors relate the budgeting process to budget planning, this is because planning take a process and as a result of that when planning the budgeting process should be followed, therefore profit making organizations need budget planning in such a way that without planning for their finances the performance is affected, Edmond .T. et al (2003) gives an example that the production department cannot formulate its manufacturing plan until it knows how many units of production to produce and the amount of money to be consumed.

2.3.2 Budget coordination

Terry (2002) says that the budgeting process provides for coordination of the activities and departments of the organization so that each facet of the operations contributes towards the overall plan. This is expressed in a form of a master budget which summarizes all the supporting budgets. The budget process forces the managers to think of the relationship of their functions or department with others and how they contribute to the achievements of the organizational objectives. According to Colin (2004) the budget serves as a vehicle through which the actions of the different parts of the organization can be brought together and reconciled into one common plan hence the need for coordination. Coordination is an important aspect in budget management majorly to compel managers to examine the relationship between their own operations and those of the other departments and hence in that way identify and resolve any conflicts. This also helps in reconciling the objectives and thus without any guidance from the budgets, managers may end up making their own decisions thinking they are working in the organization's best interest.

He further gives an example that the purchasing manager may prefer to place large orders so as to obtain large discounts; the production manager will be concerned with avoiding high stock levels; the accountant on the other hand will be concerned with the impact of the decision on the cash resources of the business. He notes that the coordination and review of budgets is very important for it may indicate that some budgets are out of balance with others and hence need modification to be compatible with other conditions, constraints and plans that are beyond a manager's knowledge or control. According to Colin (2004), as the individual and departmental budgets moves up the organisational hierarchy in the negotiation process, they must be examined in relation to each other. This examination may indicate that some budgets are out of balance with other budgets and need modifying so that they will be compatible with other conditions, constraints and plans that are beyond the manager's knowledge or control. He gives an example of a plant manager who may include equipment replacement in his or her budget when funds are simply not available. The accountant must identify such inconsistencies and bring them to the attention of the appropriate manager, any changes in the budget should be made by the responsible managers and this may require that the budget be recycled from the bottom to the top for a second or even a third time until all the budgets are coordinated and are acceptable to all parties involved. During the coordination process, a budgeted profit and loss account, balance sheet and cash flow statement should be prepared to ensure that all parties combine to produce an accepted whole.

Contrary to the above Morden (2004) argues that the lack of direct communication between the finance department and operating units at the budget-setting and planning stage seems to exacerbate inter-departmental coordination problems. He goes ahead and notes that from a rationalistic perspective informed by contingency theory, a major cause of coordination problems at the operating level of complex organizations is the patterns of task interdependence between departments. However, while some authors (Brownell, 1982a; Shields and Shields, 1998) in Morden (2004) suggest that the use of budgetary participation for coordinative purposes is positively related to the complexity of task interdependence, we take a more fine-grained approach in arguing that our two dimensions of budgetary participation are not equally appropriate for coordinating all types of interdependence.

Modell (1998) suggests that a certain amount of participation in budget-setting by subordinate managers may be required even if a relatively centralized approach to planning and coordination is relied upon for managing sequential interdependencies. The reason for this is that senior management appears to have difficulties in devising comparable accounting-based performance standards due to the specialization of tasks and attempt to place greater emphasis on the budgetary dialogue with subordinate managers as an alternative means of exchanging financial information. Conversely, the initial findings from the present study indicate that lack of interaction between centrally positioned staff specialists and departmental heads contributed to the difficulties in planning and controlling more complex workflows across divisions. While accepting that coordination of sequential interdependencies is based on planning rather than more frequent interactions between superior and subordinate managers, it is reasonable to assume that some participation by subordinate managers in budget-setting is required to support the planning process. Hilton (2009) agrees with Modell (1998) that for any organization to be effective, each manager throughout the organization must be aware of the plans made by the other mangers. He gives an example that in order to plan reservations and ticket sales effectively, the reservations manager for Delta Air Lines must know the flight schedules developed by the airlines route manager. The budgeting process pulls together the plans of each manager in organizations which leads to coordination as a result of budget and improving performance in a profit making organization.

Jensen (2003) argues that Budgets play a critical role in coordinating disparate parts of a company so that their actions lead to harmonious interactions, high output, low cost, high quality, low inventories and satisfied customers. But, once we establish a budget-targeting process that hides and destroys critical information regarding what various parts of the organization can do and how they will do it, this critical coordinating role of budgets is severely hampered. Uncoordinated, chaotic actions that lead to high cost, low quality, missed opportunities, and dissatisfied customers are the result therefore profit making organization can improve their performance as a result budget coordination because it leads to an agreement in the organization.

In conclusion, for an organizational budget to be managed successful, when planning coordination must be considered among departments and departmental managers to bring together different ideas plus efficient allocation of resources in the whole organization basing on the requirements of each department. Coordination budget contributes to motivation in an organization and utilization of those resources allocated carefully hence making coordination budget dimension an important aspect in the organization.

2.3.3 Budget monitoring and control

During the process of managing a budget in an organization monitoring goes hand in hand with controlling that is to say controlling a budget needs monitoring for effective results. Morden (2004) agrees that controlling is a process of monitoring and comparing actual performance results with budgeted plans and targets, so that budgetary plans may be achieved, or amendments made to the objective and parameters upon which budgets were originally based. Terry (2002) agrees with Morden (2004) that controlling is a process of comparing actual results with planned results and reporting on the variations, which is the principle of budgetary control, set a control frame work which helps expenditure to be kept within agreed limits. Deviations are noted so that corrective action can be taken. Arikawe (2009) contends that budget monitoring is a continuous or periodic review of programmed/project implementation to assess delivery, identify difficulties, ascertain problem areas and recommend remedial actions in profit organizations. Brech (2004) asserts that "Controlling is a systematic exercise which is called a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs."Control can be defined narrowly as the process a manager takes to assure that actual performance conforms to the profit making organization's plan, or more broadly as anything that regulates the process or activity of an organization. Then Control is any process that guide activity towards some predetermined goals.

These definitions agree that budget monitoring and controlling is a continuous process which is responsible for goals achievement and effective performance, comparing set goals and actual results achieved.

However some authors ignore the above information of budget monitoring and controlling that is to say Nice (2002) argues that by monitoring, controlling, analyzing budgets and expenditures on an ongoing basis, problems can be detected early in an organization. This in turn may enable officials to begin corrective action early and prevent avoidable damage. Inadequate record keeping about records may be clear regarding when money was spent or received, whether specific procedures were followed, or why particular course of action were chosen rather than other options. Similarly Gomez (2002) says that monitoring in organizations is crucial, effectiveness should be evaluated periodically and continuously to determine whether the projected contribution of the activity financed to strategic objectives actually is realized. The impact of controlling on profit making organizations as given by Kalyan city life (2011), says that Quality control improves the quality of the products in an organization. Cost control decreases the cost of the products. Therefore, a profit making organization can supply good quality products at lower prices. This increases the goodwill of the organization. They continue that controlling a budget helps the superiors to evaluate the work of their subordinates. So, the superior can concentrate on the very important work, and they can delegate the less important work to their subordinates. Thus, it facilitates delegation. Controlling in profit organization is done basing on the budgets made in the first place; this brings us to budgetary control.

Drury (2004) notes that by comparing the actual results with the budgeted amount for different categories of expenses, managers can ascertain which cost do not conform to the original plan and thus require their attention. This process requires management to operate a system of management by exception which means that manager's attention and effort can e concentrated on significant deviations from the expected results.

Pierce (1953) says that control which is the eternal complement of planning, not one is useful without the other, and to budget even the smaller unit of a business implies the presence of planning. He furthers says that In particular this requires the manager of each department to establish his own budget, based on his understanding of the job to be done. Top management may not be able to approve as high a figure as he asks for, but it can reach agreement with him as to what he is expected to accomplish and what it will cost. Having done this, he is responsible for planned performance. If he finds it necessary to exceed the budget, he should discuss this action with his superior and ask for advance approval. A budget is neither to be considered sacred nor to be taken lightly. Managers will respond with better attitudes when they understand that the use of the budget is to permit them to control their own operations.

In conclusion monitoring and controlling budgets in organizations, the reason for a deviation is investigated thus managers may be able to identify inefficiencies such as the purchase of inferior quality materials. When the reason for inefficiencies has been found, appropriate control action should be taken to remedy the situation and monitor to make sure that the remedy is implemented.

2.4 Performance of Profit making organizations

2.4.1 Profitability

Hofstrand (2013) notes that Profitability is the primary goal of all business ventures. Without profitability the organization will not survive in the long run. So measuring current and past profitability and projecting future profitability is very important. Increasing profitability is one of the most important tasks of the business managers. Managers should constantly look for ways to change the business to improve profitability. These potential changes can be analyzed with a pro forma income statement or a Partial Budget. Partial budgeting allows you to assess the impact on profitability of a small or incremental change in the business before it is implemented. He further notes that Profitability is measured with income and expenses. Income is money generated from the activities of the business. For example, if crops and livestock are produced and sold, income is generated. However, money coming into the business from activities like borrowing money does not create income. This is simply a cash transaction between the business and the lender to generate cash for operating the business or buying assets.

Expenses are the cost of resources used up or consumed by the activities of the business. For example, seed corn is an expense of a farm business because it is used up in the production process. A resource such as a machine whose useful life is more than one year is used up over a period of years. Repayment of a loan is not an expense; it is merely a cash transfer between the business and the lender. Whether you are recording profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survive. Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. He says that when deciding how to price the goods or services to be sold, the owner must take into consideration the costs of all decisions made. Some decisions will result in higher sales which will more than make up for increased costs. It is thought that appropriate advertising will do this. Or if you pay your employees more they may be willing to work harder and increase sales. However, nothing is really sure about these decisions and their effect on profits.

2.4.2 Market position

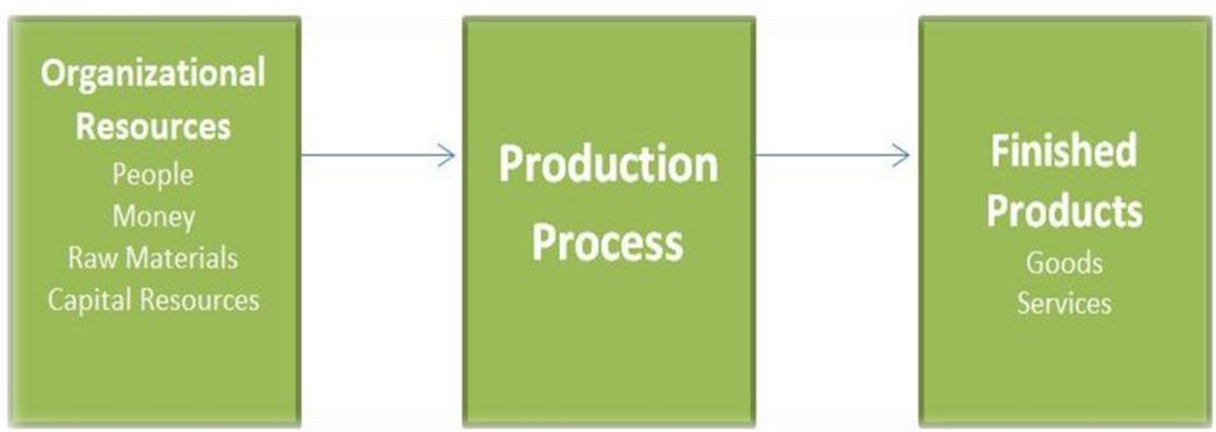
Hlalakuhle (2004) defines Market position as the relative ranking or positioning of a certain product or a company to that of competing products or companies within the same market. It is determined by the computation and comparison of sale volumes of the competing products or firms. It may also refer to the niche or the identity that a product or a company acquires in the minds of the target market. The organization differentiates its product or service from that of its competitors and then determines which market niche to fill.

He further notes that Positioning is a perceptual location. It's where the product or service fits into the marketplace. Effective positioning puts the organization first in line in the minds of potential customers. Positioning is a powerful tool that allows the organization to create an image. And image is the outward representation of being what the organization wants to be, doing what it wants to do, and having what it wants to have. A market position will happen whether or not the organization is proactive, reactive or passive about the on-going process of developing and sustaining a market position. However, one can positively influence these perceptions by developing and implementing deliberate market positioning strategies, when developing a market position the organization needs to select the most persuasive, meaningful and unique points of difference that will allow it to compete for the largest number of potential customers in the market therefore for a profit making organization to perform well it has to position itself in the market for better performance.

2.4.3 Utilization of resources

Gomez (2002) defines Resource utilization as the use of a resource in such a way that increases through output. The aim is to use these assets efficiently so as to maximize customer service levels. Resource utilization is the efficient and effective deployment of an organization's resources when they are needed. Such resources may include financial resources, inventory, human skills, production resources, or information technology. He goes ahead and notes that organizational resources are all assets that are available to a firm for use during the production process. The four basic types of organizational resources are human, monetary, raw materials and Capital. Organizational resources are combined, used, and transformed into finished products during the production process as illustrated below;

Figure 3: production process



Human resources are the people who work for an organization. Their skills and knowledge are invaluable to the managers. Monetary resources are amounts of money used by managers to pay for goods and services for the organization. Raw materials are the elements used directly to manufacture products. Examples of raw materials would be the wood, rubber, metal and lead used to make a pencil. Capital resources are the machines used during the manufacturing process. Modern machines can greatly improve the efficiency of the manufacturing process. If an organization uses old obsolete machinery it may not be able to compete with an organization using more efficient machinery.

Terry (2002) agrees that Managing and utilizing Organizational Resources is the ability to Managing Organizational Resources is the ability to creatively think about allocation of organizational resources. Organizations need resources in order to achieve objectives. This helps to identify just what, and how many of which resources the organization needs. It helps to decide whether resources can be afforded and plan for their use. There is an opportunity to practice negotiating for those resources and agreeing budgets which make sense for the organization's sections and departments.

Organizations to perform well, there's need to consider the above variables that is to say profitability of the organization, the position in the market and how resources are utilized in the organization of which to be able to do that managers need to coordinate, plan, monitor and control resources as budgeted for.

2.5 Summary

From the above information, Budget planning, Budget coordination and Budget monitoring and control as the independent variables under budget management and profitability, market position and utilization of resources are seen to be significant in profit making organizations and without them such organizations are most likely not to perform effectively and efficiently, the budget to be managed should be planned, coordinated, monitored, controlled and communicated. The involvement of managers and employees is crucial and to manage a budget there is need to follow a certain process.

It is known today from the origin of budget and taught in schools that before any action takes place in an organization, a budget is planned, coordinated, monitored, controlled and communicated finally in profit organizations. However it is seen that scholars and authors contends each other on different issues concerning the performance of profit making organizations though others ignore some information concerning the performance of profit making organizations. The need to employ expertise to control and consulting other profit organization is however ignored by the authors.

Finally the specific steps to be taken to improve budgeting practice depend, of course, on the mistakes an organization has been making. A searching self-examination in the light of the known principles of budgeting would seem to be the first move. Having identified the practices in an organization which most clearly abuse these principles, management will find that the corrective steps will present themselves. Courage and patience are needed to follow them.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.

In this chapter the researcher focused on the methodology that was used when conducting the study. It explains the research designs used and the various methods used to carry out the research which include the study population, sampling (size and selection), data collection methods, data collection instruments, validity and reliability. The chapter further shows the data management and analysis, ethical considerations and the limitations to the study.

3.2 Research design

This research was conducted among top managers, middle managers and employees of Bidco Uganda limited about Budget management and their performance. The researcher preferred to use the triangulation method which is more than one method, it consist of both qualitative and quantitative methods of data collection and analysis. Qualitative was used because its strategies are flexible and interactive, this enabled the researcher to interact with the managers and other workers of Bidco Uganda limited face to face, and the quantitative method, the researcher used cross sectional survey where data was collected on some variables of interest from the selected sample. With the above research design, the researcher was able to find out whether the budgets that Bidco Uganda Limited draws and manages actually have an impact on its performance.

3.3 Area of the study

The study was carried out at Bidco Uganda Limited in Jinja district the second largest district following Kampala district in Uganda, located in Bugembe Plot No-152/M, masese, Jinja-uganda, Bidco is found in bugembe town council sub-county, Butembe county, nakanyonyi parish in Busoga diocese. This is because Jinja branch is the main branch in Uganda.

3.4 Study Population and size

The study population mainly constitutes the respondents at Bidco Uganda Limited Jinja. Jinja is populated with 93061 people according to the Geo Names geographical database of which 304 are employees including managers at all levels and casual workers. The researcher's target population was 100 respondents of which it was a good population for the study. The researcher targeted the top managers, middle managers and lower managers.

The reason for the selection of the above categories was that they had sufficient knowledge about budgets as it was needed. Managers are responsible over budgets of their respective departments, employees have information about the budget because it's communicated in the organization and some members of the budgeting committee constituting managers and others were helpful for the study.

3.5 Sample size and Selection

Saunders et al (2007) emphasize that collecting data from a sample which represents the entire population is a valid alternative when there are constraints on time, the budget and it is impracticable to survey the entire population for the research. Considering the research target population of 100 respondents, a sample size of 80 respondents was established. The sample size was determined using the Kreshie and Morgan sample determination table.

The sample size was categorized as follows;

Table 3. 1 sample size

No	Category	Sample size
1	Top management	12
2	Middle managers	22
3	Lower managers	46
	Total	**80**

Source: ***Primary data 2014***

3.6 Sampling techniques

The researcher used purposive sampling technique to select members of top management. On the other hand, when selecting the other employees, the researcher adopted the simple random sampling technique which was convenient to collect data needed for the study.

3.7 Data collection instruments

Questionnaires: Nice (2002) defines a questionnaire as simply a ‘tool’ for collecting and recording information about a particular issue of interest. It was the main collection mode which consisted if a list of questions that were made for the respondents to fill in. Items in a questionnaire were arranged in a logical sequence for purposes of easy coding and follow up by the respondent and they were made attractive using good quality papers. Items in the questionnaire were numbered hence making the questionnaire easy to follow.

It was used because it's cheap to administer to respondents scattered over a larger area, the respondents feel free to answer sensitive questions and the researcher acquired firsthand information. It involved the use of structured and unstructured questions that were designed according to the objectives and research questions of the study. Structured questions according to Saunders et al (2007) refers to questions which are accompanied by a list of possible alternatives from which respondents select the answer that best describes their situation. One structured question included in the questionnaires was meant to give respondents freedom to express themselves. This instrument helped the researcher to collect data from busy respondents.

3.8 Data Management and analysis

The Collected data was coded, edited and analyzed using the Statistical Package for Social Scientists (SPSS). The results were presented in tables for interpretation.

A correlation analysis was carried out to ascertain the relationship between the variables which was estimated using the Pearson's correlation test hypothesis and regression analysis. The regression model was also used to establish the extent to which the independent variables influenced the dependent variable. The use of Data Summarizing, data was summarized during the process; answers were clarified into meaningful categories so as to bring out essential and sorted patterns. Data processing was used where data was converted into information. The information that was attained from the respondents was then presented and discussed.

3.9 Reliability and Validity

The validity of the questionnaires was established using the content validity test. Using the ratings the content validity indices were computed. The Cronbach Alpha method of internal consistency was used to compute the reliability of the measures of the variables of the study using various questionnaire items administered to respondents (Kothari, 1990). The researcher looked for scale reliability. The degree of truthfulness was measured by the use of face validity and reliability of SPSS where by the researcher found out that it was 83% reliability and made a conclusion that, the effect of budget management on the performance of Bidco Uganda limited had been measured successfully.

3.10 Ethical consideration

Ethical considerations refer to the ethical principles that are used when tackling a particular issue. The researcher informed the respondents of the intentions and purpose of the research study being carried out so as to enable the respondents understand exactly what the information being collected and what was to be used for. The researcher also ensured that the respondents were not coerced into giving the information needed but were free to either agree or to decline participation in the research. The researcher also asked for permission to carry out research for the organization and followed all the rules which were given.

The researcher ensured that right information about the study was provided to enable potential participants to decide for or against their participation. The researcher ensured that individual's consent to participate were truly voluntary. The following information was provided to all potential research participants: Proper identity of the researcher, the purpose of the research study, the procedures that were followed to ensure confidentiality of information given by the participants, methods that were used to record responses.

The researcher ensured to observe ethical standards in professional practice during the research study by ensuring accuracy in data collection and processing, using systematic procedures to ensure that data collected and information processed is accurate.

The researcher ensured that the key findings were agreed accurately reporting without any bias and also explaining the methods that were used in the collection and analysis of data. The research problems, errors or any distortions known to the researcher were stated in the report.

3.11 Limitations of the Study

The researcher faced limitations like negative response from respondents, non-responses and lack valid information. Financial constraint was another limitation; however the researcher tried as much as possible to raise what was appropriate to run the whole process of research. Accessibility to information was hard since financial information was considered confidential. It also required sufficient time, a lot of costs in terms of transport expenses.

3.21 Conclusion

The above chapter of research methodology basically explains the design of the study, methods used and the data collection instruments. It also describes the site, the participants and the sampling techniques used.

CHAPTER FOUR

PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents results from the analysis of the findings about the back ground information of respondents and the specific objectives or study variables set out in chapter one to include; examining budget management, assessing the level of performance and establishing the relationship between budget management and the performance of profit making organizations. The researcher designed questionnaires and supplied them to the various respondent including employees of Bidco Uganda Limited that is lower managers, middle manager and top managers.

4.1 QUANTITATIVE PRESENTATION AND DISCUSSION

The respondents were given questionnaires about budget management of Bidco Uganda limited and the performance was examined well by use of the questionnaires. The researcher distributed 80 questionnaires of which 74 were effectively returned and 4 not received, the percentage of those not received was 5.4% though the remaining were not received, it did not affect the research which was effectively completed.

4.1.1 Background information of respondents

The background information was collected in accordance to age, gender, category of respondents, education, number of years worked and level of management. The questionnaire was designed in such a way that it could capture the above information. Male respondents were 29 at 39.2% as shown by the frequency and female respondents were 45 at 60.8%, employees who were sampled were 69 and 5 clients. Most of the respondents 39 were in the age bracket of 21-30 years followed by 31-40 years and most of the respondents who had worked for Bidco for 5-10 years were of the above age bracket. It was revealed that the organization mostly employees people who are degree holders who were 3o followed by post graduates 19 of them and 15 with diploma, 4 with certificates and 6 who had professional courses and most of the respondents were lower managers followed by middle and top managers who were only 10 as established in the tables below.

Table 4.1 Frequency and distribution of gender of respondents

Source: *Primary data 2014*

Gender	***Frequency***	***Percent***
Male	29	39.2
Female	45	60.8
Total	***74***	***100.0***

Table 4.1 reveals that that out of the total number of respondents from Bidco Uganda Limited, 39.2% were male and 60.8% were female as shown in the table above. The study received gender balance which was effective for the study and the researcher was able to get information the above gender.

Table 4.2 1 Frequency and distribution of category of respondents

Category	***Frequency***	***percentage***
Employees	69	93.2
Clients	5	6.8
Total	***74***	***100.0***

Source: *Primary data 2014*

The table above shows the category that is to say employees and clients in Bidco Uganda limited, the biggest number of respondents were employees with 93.2% because they were the main target for the study and some clients who helped to evaluate the performance of the organization by answering performance variables like market position because they were the consumers of the products so they had good information which was used to rate Bidco's products in terms of quality, product differentiation as noted by Hlalakuhle (2004) in the literature review under market position performance variable.

Table 4.3 Frequency and distribution of Age of respondents

Age	***Frequency***	***Percent***
Below 20 years	3	4.1
Between 21 and 30 years	36	48.6
Between 31 and 40 years	25	33.8
Between 41 and 50	10	13.5
Total	***74***	***100.0***

Source: Primary data 2014

the table above reveals that most of Bidco Uganda Limited Jinja's employees are in the range of 21 to 30 which is good because that age bracket is comprised of knowledgeable people followed by the age bracket of 31-40 of which these are good with enough experience in that according to the results about years worked, it was showing that they had worked in Bidco for a period of 5 years and above. 41-50 most of them are top managers including board members and one advocate of the organization who had valid information as was needed by the researcher for the study plus, some of them were consultants which is good because employees below that age get to acquire valid information needed hence affecting the organization's performance in the long run and below 20 years were only 3 employees who were newly recruited to supervise work in the factory for a short period time and the valid percentages as shown in the table.

Table 4.4 Frequency and distribution of education of respondents

Education	***Frequency***	***Percentage***
Certificate	4	5.4
Diploma	15	20.3
Degree	30	40.5
Postgraduate	19	25.7
Professional course	6	8.1
Total	***74***	***100.0***

Source: Primary data 2014

Table 4.4 reveals that Bidco Uganda limited mostly employs graduates with a degree of which out of the 74 sample 30 were degree holders at a percentage of 40.5 and most of the degree holders according to the analysis of level of management were middle managers of the organization. This education level was followed by postgraduates who were 19 at a 25.7%, this shows that Bidco employs people with enough knowledge which is good for the organization's performance because they have management knowledge and skills. 16 diplomas, only 5 certificate holders and 7 with professional courses that is to say certified professional accountants who help the organization to maintain the accounts basing on the principles and had information on budget management which was helpful for the study, this made data collection and results a success.

Table 4.5: Frequency and distribution of years worked of respondents.

Years worked	***Frequency***	***Percent***
Less than 5	13	17.6
Between 5-10	35	47.3
More than 10	26	35.1
Total	***74***	***100.0***

Source: Primary data 2014

From the research carried out at Bidco Uganda limited, the researcher found that the greatest number of the employees had worked for a period of 5 to 10 year that is 47.3%, followed by 26 employees that is 35.1% who had worked for more than 5 years, the above respondents were helpful to the study because they had worked in Bidco for a long and enough time with knowledge about budget management which was needed and acquired. 17.6% comprised of those who had worked for less than 5 years.

The rate of turnover is low because majority of the employees that is 47.3% had worked for 5-10 years implying that Bidco maintains its workers showing effectiveness in budget management and good working condition which maintains employees in the organization. The smallest percentage (17.6%) implies that there are few employees without enough experience in the organization that is to say those who had worked less than 5 years were very few which implies success of the study

Table 4.6 Frequency and distribution of level of management of respondents

Level of management	***Frequency***	***Percentage***
Lower management	39	52.7
Middle management	25	33.8
Top management	10	13.5
Total	***74***	***100.0***

Source: Primary data 2014

The table above reveals that Bidco Uganda limited's highest number of management is the lower management 52.7% with frequency of 39 which is good for the organization because it monitors the daily operations of the organization that is to say monitoring and controlling the budget in terms of ensuring utilization of resources and maintaining the market position of Bidco Uganda limited. The middle management respondents were 25 at 33.8% and the top management of 10 at 13.5%. The middle managers were helpful for the study because they were approachable and information was acquired as was needed. Top managers who make strategic decisions for the organization and approve the organization's budget annually contributed to the success of the study.

4.2 EXAMINING BUDGET MANAGEMENT

Max= maximum, mini= minimum, N= total number of sample, B.P= budget planning, Std Dev

4.2.1 Descriptive statistics on Budget Management

The descriptive was examined by computing mean and standard deviation from budget planning, budget coordination and budget monitoring and control. The analysis is provided, established and elaborated in the tables below;

Table 4.7 Mean and standard deviation of Budget planning

Budget planning	***N***	***Mini***	***Max***	***Mean***	***Std. Dev***
Organization evaluates earnings and expenses	74	2	5	4.41	.639
Organization projects its incomes and expenses	74	3	5	4.27	.604
Organization rests it's foundation on integrated planning	74	1	5	3.70	1.258
Organization analyzes investments and finances choices open to the firm.	74	4	5	4.64	.485
B.P provides organization with the opportunity to better management	74	4	5	4.66	.476

Source: Primary data 2014

Table 4.7 reveals that Bidco (U) limited's respondents agree that budget planning is effectively done well in the organization in terms of evaluating earnings and expenditure, projecting incomes and expenditures, analyzing investments and financing choices open to the firm, however they disagree that Bidco rests it's foundation on integrated planning as shown by the least mean of 3.70 and standard deviation of 1.258. The study analyzed budget management of Bidco and achieved Betsy (2013)'s argument about budget management that the organization annually evaluates its earnings and expenses, projects its incomes and expenses for the future, analyzes investments and finances choices open to the firm and that Budget planning provides the organization with the opportunity to better management of the flow of money.

Table 4.8 Mean and standard deviation of budget coordination

Budget coordination	***N***	***Mini***	***Max***	***Mean***	***Std. Dev***
Our organization has a master budget	74	1	5	4.19	.530
The master budget is drawn after coordinating all activities of other departments	74	3	5	4.30	.635
Departmental budgets are examined in relation to each other.	74	3	5	4.80	.468
The budget is modified to balance with other budgets	74	3	5	2.41	1.467
Subordinate managers participate in budget-setting.	74	2	5	3.26	1.099

Source: Primary data 2014

Table 4.8 discloses that Subordinate managers do not participate in budget-setting as seen in the table with a mean of 3.26 and standard deviation of 1.099 which is lower than the others meaning that respondents disagreed, respondents also strongly disagreed that the budget is modified to balance with other budgets shown with the mean which is the lowest 2.41 and standard deviation of 1.467. However respondents of Bidco agreed that the organization has a master budget, which is drawn after coordinating all activities of other departments and departmental budgets are examined in relation to each other which means that study assessed budget management and achieved part of Terry (2002) and Colin (2004)'s arguments on budge management that a master budget summarizes all the supporting budgets in other wards organizations should have a master budget that brings together all departmental budgets which is drawn after coordinating all activities of other departments. Bidco (U) limited coordinates its budget as shown in the table's results which improves performance because it leads to resource utilization in the organization.

Table 4.9 Mean and standard deviation of budget monitoring and control

Budget monitoring and control	***N***	***Mini***	***Max***	***Mean***	***Std. Dev***
Budget control and monitoring achieves effective results	74	1	5	4.57	.526
Planned results are compared with actual results to assess performance by managers.	74	3	5	4.39	.519
Organization identifies difficulties, ascertain problems areas and recommend remedial actions.	74	1	5	3.86	.970
Organization's superiors evaluate the work of subordinates	74	3	5	3.47	1.285
Problems are detected early in our organization	74	3	5	4.47	.555

Source: Primary data 2014

The table 4.9 shows that respondents agreed that budget monitoring and control achieves effective results, planned results are compared with actual results to assess performance by managers and problems are detected early meaning managers play a great role in budget management of Bidco. This shows that at Bidco Uganda limited's management attribute the performance to budget monitoring and control. However respondents disagree as a whole that Bidco identifies difficulties, ascertain problems areas and recommend remedial actions and superiors do not evaluate the work of subordinates just as it was disagreed that Subordinate managers participate in budget-setting under budget coordination meaning subordinate managers are not effectively involved in the management of the organization's budget. Nevertheless the study achieved it's intend point about budget management and Morden (2004) and Terry (2003)'s argument that controlling is a process of monitoring and comparing actual performance results with budgeted plans and targets, so that budgetary plans may be achieved, or amendments made to the objective and parameters upon which budgets were originally based. Basing on Nice (2002) argument that problems can be detected early in an organization through monitoring and control of the budget, Bidco's budget achieves success in its management.

4.2 ASSESSMENT OF THE PERFORMANCE

Table 4.10 Mean and standard deviation of Profitability

Profitability	***N***	***Min***	***Max***	***Mean***	***Std. Dev***
The organization survives on profit in a long run	74	3	5	4.57	.526
Managers look for ways to change and improve profitability	74	2	5	4.04	.766
organization's primary goal is Profit maximization	74	3	5	4.85	.395
measuring profitability is the most important measure for the success of the organization	74	3	5	4.31	.595
Organization's Profitability is measured with income and expenses	74	2	5	4.32	.599

Source: Primary data 2014

Table 4.10 revealed that profitability is the main goal and aim of Bidco Uganda limited as it's a profit making organization as the study states and the mean shows that respondents strongly agreed with 4.85, Bidco survives on profits in the long run and motivates employees and ultimately improving performance, respondents agreed that managers look for ways to change and improve profitability, and strongly agreed that measuring profitability is the most important measure for the success of the organization as 4.31 mean and 0.595 standard deviation shows, they also agreed that profitability is measured with income and expenditures. The study strongly achieved its intentions on profitability as argued by Hofstrand (2013) that Profitability is the primary goal of all business ventures, without profitability the organization will not survive in the long run. He continuously notes that managers should constantly look for ways to change the business to improve profitability. He further notes that Profitability is measured with income and expenses. Respondents from the organization agree with Hofstrand as seen in the table above by the mean which is in the same range and standard deviation which concludes that Bidco's performance is good in terms of profitability and its measurement.

Table 4.11 Mean and standard deviation of Market position

Market position	*N*	*Mini*	*Max*	*Mean*	*Std. Deviation*
Our organization selects the most persuasive, meaningful and unique points of difference that allows it to compete	74	3	5	2.30	1.489
Our products are ranked and positioned to those of our competitors' products.	74	3	5	4.58	.524
Our organization differentiates its product or service from that of its competitors	74	2	5	4.41	.701
Our organization develops implements and maintains deliberate market positioning strategies.	74	4	5	4.59	.494
Market Positioning allows our organization to create an image in the market	74	3	5	4.43	.526

Source: Primary data 2014

Referring to table 4.11 above, Bidco (U) limited's respondent agree that market position allows the organization to create an image in the market, products are ranked and positioned to those of their competitors' products, differentiates its product or service from that of its competitors and the organization develops implements and maintains deliberate market positioning strategies. This is seen in the table above where the mean correlates, however respondents strongly disagreed that the organization selects the most persuasive, meaningful and unique points of difference that allows it to compete, meaning Bidco does not have strategies of forming unique points of difference to compete of which it puts the organization at a risk on its future performance. The findings shows that the study attained how the organization performs in terms of market position as advanced by Hlalakuhle (2004)'s argument that Market position is the relative ranking or positioning of a certain product or a company to that of competing products or companies within the same market, he notes that the organization differentiates its product or service from that of its competitors and then determines which market niche to fill. Therefore the findings complied with the scholars' views on market position since it's effective in the organization's setting.

Table 4.12 Mean and standard deviation of Utilization of resources

Utilization of resources	*N*	*Min*	*Maxi*	*Mean*	*Std. Deviation*
Resource utilization increases output in this organization.	74	3	5	4.34	.504
Organization efficiently and effectively deploys resources when they are needed.	74	3	5	3.38	1.516
Organization's assets (resources) are available during the production process.	74	4	5	4.64	.485
Resources are creatively and effectively allocated.	74	2	5	4.36	.674
Managers monitor and control the operation of resources.	74	4	5	4.54	.502

Source: Primary data 2014

The findings conducted at Bidco Uganda Limited in table 4.12 shows that resource utilization at Bidco increases output, as respondents agreed revealed by the mean of 4.34 and standard deviation of 0.504. Respondents also agree that assets (resources) are available during the production process, resources are creatively and effectively allocated and that managers monitor and control the operation of resources, however respondents disagree that the organization efficiently and effectively deploys resources when they are needed shown by the mean of 3.38 and the standard deviation of 1.516. The organization needs to deploy resources when they are need to ease production process which would increase output hence its performance. Nevertheless the study achieved the objective of budget management of resource utilization which evaluated Bidco (U) limited's performance and the assertion of Gomez (2002) that organizational resources are all assets that are available to a firm for use during the production process. Organizations should efficiently and effectively deploy resources when they are needed for effective performance. This brings emphasis that this variable of utilizing resources in Bidco Uganda Limited is considered as a performance improving device as seen in the findings of how managers at all levels agreed that resources are available and fully utilized to meet the goals and objectives of the organization.

4.3 THE RELATIONSHIP BETWEEN BUDGET MANAGEMENT AND THE PERFORMANCE.

This section answers objective three of the study. This was done by examining data collected under the dimensions of budget management and those of performance of profit making organizations.

To establish the relationship between the two study variables, the three hypotheses established from the literature review have been tested and the relationship established as indicated below.

Table 4.13: Pearson's correlation analysis

	1	**2**	**3**	**4**	**5**	**6**
1-Budget Planning	1					
2-Budget Coordination	0.632^{**}	1				
3-Budget monitoring & control	0.552^{**}	0.215^{**}	1			
4-Profitability	0.562^{**}	0.503^{**}	0.511^{**}	1		
5-Market position	0.618^{**}	0.525^{**}	0.857^{**}	0.314^{**}	1	
6-Utilisatio of resources	0.614^{**}	0.466^{**}	0.422^{**}	0.421^{**}	0.341^{**}	1

**Correlation is significant at 0.01 level (2-tailed)
*Correlation is significant at 0.05 level (2-tailed)

Source: Primary Data

The correlation table 4.13 above presents the relationship between dimensions of budget management measured by budget planning, budget coordination, budget monitoring and control against the dimensions of performance of profit making organizations which include profitability, market position and utilization of resources. The results show that all the dimensions relate positively.

4.3.1 The effect of budget planning on utilization of resources in profit making organizations.

The results in table 4.3.1 reveal that there is a positive relationship between budget planning and utilization of resources. This result gave a positive correlation coefficient r = 0.614 at 0.01 level of significance.

These findings are in agreements with Betsy (2013) who argued that budget planning is where companies 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 and Gomez (2002) who argued that Resource utilization is the use of a resource in such a way that increases through output, therefore planning relates positively with resource utilization.

The positive relationship established above by this study therefore affirms the validity of hypothesis one; hence the hypothesis that "*There is a significant positive relationship between budget planning and utilization of resources*" **is accepted.**

4.3.2. The Effect of budget coordination on market position of profit making organizations.

The results in table 4.3.1 reveal that Budget coordination positively affects the market position of profit making organizations

This result gave a positive correlation coefficient r = 0.618 at 0.01 level of significance.

These findings are in agreements with Terry (2002) who notes that the budgeting process provides for coordination of the activities and departments of the organization so that each facet of the operations contributes towards the overall plan of which it relates to market position in such a way that market positioning according to Hlalakuhle (2004) is a relative ranking or positioning of a certain product or a company to that of competing products or companies within the same market as the overall plan of profit making organizations.

The positive relationship established above by this study therefore affirms the validity of hypothesis two; hence the hypothesis that "*Budget coordination positively affects the market position of profit making organizations*" **is accepted.**

4.3.3 The effect of budget monitoring and control on the profitability of profit making organizations.

The results in table 4.3.1 reveal that Budget monitoring and control is positively related with profitability of a profit making organization.

This result gave a positive correlation coefficient r = 0.562 at 0.01 level of confidence.

These findings are in agreements with Morden (2004) who asserts that controlling is a process of monitoring and comparing actual performance results with budgeted plans and targets, so that budgetary plans may be achieved, or amendments made to the objective and parameters upon which budgets were originally based, in this case monitoring and control relates in such a way that the main budgetary plan of profit making organizations is profitability as argued by Hofstrand (2013) that Profitability is the primary goal of all business ventures. Without profitability the organization cannot survive in the long run, he further note that increasing profitability is one of the most important tasks of the business managers.

The positive relationship established above by this study therefore affirms the validity of hypothesis three; hence the hypothesis that "*Budget monitoring and control is positively related with profitability of a profit making organization*" **is accepted.**

4.4 Conclusion

In conclusion the study revealed that budget management of Bidco Uganda limited is effectively done as the examination of budget management shows as well as the assessment of the performance of the organization and finally the performance which shows a positive correlation between budget management and the performance of Bidco Uganda limited as established above.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the conclusions and recommendations that can be implemented to improve the budget management of Bidco Uganda limited and other organizations. Management of the organizational budget is so important and managers need to take time on it. Managing a budget after the process of setting it as the study states requires skills, dedication, time and the necessary tools (Howard et al, 1994). In this study, Budget management in Bidco Uganda limited was assessed by looking at the tools for accounting and how they are utilized, amount of resources available, control and monitoring mechanisms in place. It was also done by assessing the performance through questionnaires. This chapter presets the summary, conclusions, Recommendations logically generated explained as to their feasibility and applicability and Suggestions for further research.

5.1 Summary

The summary and conclusions are presented basing on the variables under objectives and performance as analyzed in the study, that is to say; to examine budget management of a profit making organization, to assess the performance of profit making organizations, to establish the relationship between budget management and the performance of profit making organizations.

5.1.1 Budget planning

The study revealed that budget planning is effectively and adequately done at Bidco as shown by the results on performance of the organization. This is evidenced by the annual plans and budgets, approval of work plans and expenditure, annual evaluation of earnings and expenses, financing choices open to the firm and better management of the flow of money. All revenues and expenses are recorded and filed properly, which means the budget planning of Bidco Uganda Limited is effective however there is no integrated planning and this might affect its performance.

5.1.2 Budget coordination

It was found out that at Bidco (U) limited's Budget coordination is done through master budget of the organization which is drawn after coordinating all activities of other departments. Departmental budgets are examined in relation to each other this is all done through coordinating, however Subordinate managers do not participate in budget-setting which limits their ideas for better performance, nevertheless organisation's budget is modified to balance with other budgets.

5.1.3 Budget monitoring and control

Bidco embraces both monitoring and control at all levels, the study revealed that the budget is monitored and controlled where planned results are compared with actual results to assess performance by managers. Problem areas are not ascertained in time which makes remedial actions not to be recommended in time however problems are detected early in the organization but the challenge is that organization's superiors do not effectively evaluate the work of subordinates as planned.

5.1.4 Profitability

It was found out that the Bidco survives on profit hence working hard to achieve profit since it's a profit making organization and its main objective. The organization is the biggest supplier of detergents, cooking oil, plastic shoes and other products in Jinja and across the Nile hence it has achieved its main aim. The organizational managers constantly look for ways to change the organization to improve profitability of the organization as one of their assignment and profitability is measured with income and expenses hence the performance or Bidco (U) limited being good in terms of profit making and achieving the aim of the study.

5.1.5 Market position

The study revealed that Bidco's products are ranked and positioned to those of their competitors' like Mukwano company's products and according to respondents its strongly done, maintaining a deliberate market position allows the organization to create an image in the market. The organization has however not put enough effort in selecting the most persuasive, meaningful and unique points of difference that allows it to compete for the largest number of potential customers in the market like nice branding and packaging.

5.1.6 Utilization of resources

Utilizing resources at Bidco has increased output because assets (resources) are available during the production process, and resources are creatively and effectively allocated efficiently, this is done by managers who monitor and control the operation of resources which has led to the utilization their resources effectively, however respondents argued that resources are not deployed when they are needed which is not a good sign of performance because resources should be available when ever needed for production and use and that is budget management.

5.2 Conclusions

Objective one of this study which aimed at examining budget management of a profit making organization was found to be very significant in conducting research since it is a basis for finding out how profit making organizations perform when budgets are managed efficiently for better performance and study achieved its objective using Bidco (U) limited.

The second objective which aimed at assessing the performance of profit making was also found to be significant and achieved at Bidco. The study looked at profitability, market position and resource utilization of the organization.

Objective three of the study which aimed at establishing the relationship between budget management and the performance of profit making organization showed a positive correlation between budget management and the performance of Bidco Uganda limited meaning that the management of the organization has worked hard to improve the performance.

5.3 Recommendations

Basing on the above findings, the following recommendations have been proposed;

Bidco (U) limited should rest it's foundation on integrated planning, as it was found out that respondents disagreed that the organization does integrated planning which is crucial for every organization to plan before commencing or acting to avoid mistakes and circumstances unseen.

The budget should be modified to balance with other budgets in the organization, when the budget is made it has to be coordinated with other departmental budgets so that one conclusion is made for better management of resources and better performance.

Subordinate managers should participate in budget-setting for proper planning, managers should be involved in meetings concerning budget management in order to come up with ideas and plans of how the budget will be managed.

Problem areas should be ascertained in time which makes remedial actions to be recommended early in the organization because then problems will be solved in time and actions made before they occur.

Organization’s superiors should effectively evaluate the work of subordinates as planned in the budget. This creates efficiency and motivation of employees because they will work to meet their goals and shows that the organization cares about the performance.

Resources should be deployed when they are needed which is a good sign for performance because however much they are effectively utilized they should be available when ever needed for production.

Enough effort should be put in selecting the most persuasive, meaningful and unique points of difference that allows it to compete for the largest number of potential customers in the market like nice branding and packaging.

They should analyze essential accounting tools like vote books, goods received note, ledger books, cash analysis book and others which must never miss in a profit making organization like Bidco (U) limited.

Because of the fact that accounting or financial principles and policies can change, the staff and management of Bidco especially in the finance department need to keep a braced with current practices, policies and procedures. Therefore, they should organize short training courses in financial management for the officers in charge of finances to widen their knowledge

The organization could probably take on methods like apprenticeship and sensitivity training that is very essential about the employees' treatment of one another which is coordination in a short run and budget management in a long run.

5.4 Suggestion for further research

The research conducted on the effect of budget management and the performance of profit making organization at Bidco (U) limited Jinja was found to be an activity supposed to be carried out by most organizations in order to improve on the performance and so the researcher suggests that further research be carried on different organizations on this topic so as to enable them identify the effect of budget management on the performance.

Furthermore researchers should carryout research on auditing and the performance of organization to establish the effect of auditing on organizations.

REFERENCES

Barnes, A and Leith, S. 2001.*Budget Management That Counts: Recent Approaches to Budget and Fiscal Management in New Zealand*. Wellington 6011: New Zealand. The Terrace.

Betsy. G.2013. *Budget Planning.* Available at {http://www.ehow.com/about_6646426_budget-planning-definition.html} accessed on [1-13-2014].

Colander.R.2002.*Macroeconomics*.NewYork:USA.McGraw Hill Companies.

Cole.G.A.2004.Management Theory and Practice.6 ed .London:British Libray Cataloging.

Dimaggio.E and Powell.A(1983). *Theories of Budgeting.* Available at[http://faculty.babson.edu/krollag/org_site/encyclop/ot_budgets.html] accessed on {20-02-2014}.

Edmond.T.etal.2003.*Fundamental Managerial Accounting concepts.*2nd ed.Newyork:USA.McGraw Hill company.

Eugene .L.B.2006. *Management Accounting.*USA.NewYork: McGraw Hill Company.

Gilmour,B.,2006.An Examination of the Office of Management and Budget's part Scores.*Journal of Public Administration.*7(2).Pp 23-32.

Gomez.B.B.2002.*Management*.Newyork:USA.McGraw Hill company.

Hiloton.2009.*Managerial Accounting.*8ed.USA.NewYork:McGraw Hill Company.

Hlalakuhle.G.K.(2004) *Theory of Budgets.* available at [http://www.pasadenaisd.org/finance/Theory_of_Budgets.htm]accessed on 5th 02 2014.

Hofstrand.D.2013. *Understanding Profitability.* available at[https://www.extension.iastate.edu/agdm/wholefarm/html/c3-24.html] accessed on 9th 3 2013.

Laking.R.2005.budgeting in organisations.*Journal on Performance Budgeting.*Vol.(8).no 4.Pp.56.

Laureen Aet al.,2002.using budgets for performance evaluation. *The accounting review.* 77(4) Pp 847-865.

Management study guide *(online)*, (citied on 29 august 2012).*financial planning*. Available from [*http*://www.managementstudyguide.com/financial-planning.htm]

Mogabay.(2012).*Population of Jinja, Uganda. avaialble at.* {http://population.mongabay.com/population/uganda/233114/jinja} accessed on[5th-03-2014]

Nice .D.2002.*Management Accounting*. 5th Edition. New York: Continuum publishing company.

Nigeria.2011.Bidco Uganada limited. Available at{*http*://www.managementstudyguide.com/financial-planning.htm}accessed on[23rd-Jan-2014]

Pandey.M.I.2011.Financial Management.10 ed .Janpura:Vikas publishing house.

Peirce, J. L., 1953. The Budget Comes of Age. *Harvard Business Review*. 32 (3). Pp 58-59.

Pickworth.E.2013. *Companies 'Focus on Profit at expense of broader values.* Available at [http://www.bdlive.co.za/business/management/2013/07/04/south-african-companies-focus-on-profit-at-expense-of-broader-values] accessed on{ 04 November 2013 }.

Saunders, M. et. al. 2007.*Research methods for business students*. 4th ed., London: **Prentice** Hall.

Schick.A. (2007).*Performance Budgeting and Accrual Budgeting: Decision Rules or Analytic Tools?*OECD journal on budgeting. Vol(7).no. 2 – issn 1608-7143.

Reinikka.R and Collier.P.2001.*Uganda's Recovery: the Role of Organizations, Firms and Government.*Kampala.Uganda: fountain publishers

Schick.A. (2007).*Performance Budgeting and Accrual Budgeting: Decision Rules or Analytic Tools?*OECD journal on budgeting. Vol(7).no. 2 – issn 1608-7143.

Shea.J.R.2008. Performance Budgeting in the United States: *OECD Journal on Budgeting*.Vol (1).Pp 23-27.

Sivabalan.P et al., 2009. An exploratory study of operational reasons to budget. *Accounting and Finance*.49(1).Pp 849–871.

Smith,M.(2007).*Fundamental Of Management. New York:*USA. McGraw hill company.

Terry.L.2002.*Costing.*7ed.london:British Library cataloging.

Okello.O.2007. *Assessment of Business Information Access Problems in Uganda*. Available at[https://journal.lib.uoguelph.ca/index.php/perj/article/view/306/579#.Uo78lCf9oYg] Accessed on{04 November 2013}.

APPENDICES

APPENDIX i: QUESTIONNAIRE

Dear respondents,

I am a Bachelor of Business Administration and Management student of Uganda Martyrs University, Nkozi. This instrument has been designed to collect data on *"**The effect of budget management on the performance of profit making organizations**"*. You have been specifically selected as one of the stakeholders that this topic affects. The data sought is generic, non-proprietary and purely scholarly. Your responses will be treated with utmost confidentiality. Please try and answer all the questions following the directions provided. Despite your tight schedule, you have spared time to participate in this exercise and that is greatly appreciated.

Thank you for your cooperation.

SECTION A: RESPONDENTS BIO DATA

Instructions

A1: Gender of Respondents

1. Male ☐ 2. Female ☐

A2: Category of Respondent

1. Employee ☐ 2. Client ☐. Other (specify) ....

A3: Age bracket of respondents (Specify)

1. Below 20 years ☐ 2. Between 21 and 30 years ☐
3. Between 31 and 40 years ☐ 4. Between 41 and 50 years ☐
5. Above 50 years ☐

A4: Education Level attained

1. Certificate ☐ 3. Degree ☐ 5. Professional Course
2. Diploma ☐ 4. Postgraduate ☐ (Specify) ☐

A5: Please indicate the number of years you have worked with this organization

1. Less than 5years ☐
2. Between 5 – 10 years ☐

 ☐

3. More than 10 years

A6: Please indicate your level of managem

1. Lower level
2. Middle level
3. Top level

SECTION B: BUDGET MANAGEMENT

Instructions

Please state your position on the following statements on budget management in your organization (from strongly disagree to strongly agree) as provided in the table below

No.	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
B1	Our organization annually evaluates its earnings and expenses					
B2	Our organization annually projects its incomes and expenses for the future					
B3	Our organization annually rests it’s foundation on integrated planning for the entire operation.					
B4	Our organization analyzes investments and finances choices open to the firm.					
B5	Budget planning provides our organization with the opportunity to better management of the flow of money.					
B6	Our organization has a master budget					
B7	The master budget is drawn after coordinating all activities of other departments					
B8	Our organization’s departmental budgets are examined in relation to each other.					
B9	The organisation’s budget is modified to balance with other conditions, constraints and plans beyond management control.					
B10	Subordinate managers participate in budget-setting.					

B11	Budget controlling and monitoring achieves effective results					
B12	Planned results are compared with actual results to assess performance by managers.					
B13	Our organization identifies difficulties, ascertain problems areas and recommend remedial actions.					
B14	Our organization's superiors evaluate the work of subordinates as planned in the budget					
B15	Problems are detected early in our organization because of Budget monitoring and control.					

SECTION C: ORGANSAITIONAL PERFORMANCE

Please state your position on the following statements on organizational performance (from strongly disagree to strongly agree) as provided in the table below

No.	**Statement**	**Strongly Disagree**	**Disagree**	**Uncertain**	**Agree**	**Strongly Agree**
C1	The organization survives on profit in a long run					
C2	Managers constantly look for ways to change the organization to improve profitability of the organization					
C3	Our organization's primary goal is Profit maximization					
C4	Measuring profitability is the most important measure for the success of our organization					
C5	Our organization's Profitability is measured with income and expenses					
C6	Our organization selects the most persuasive, meaningful and unique points of difference that allows it to compete for the largest number of potential customers in the market.					
C7	Our products are highly ranked and positioned to those of our competitors' products.					
C8	Our organization differentiates its products and services from that of its competitors					
C9	Our organization develops implements and maintains deliberate					

No.	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
	market positioning strategies.					
C10	Market Positioning allows our organization to create an image in the market					
C11	Resource utilization increases output in this organization.					
C12	Our organization efficiently and effectively deploys resources when they are needed.					
C13	Our organization's assets (resources) are available during the production process.					
C14	Resources are creatively and effectively allocated in our organization					
C15	Managers monitor and control the operation or resources in our organization.					

Please propose other approaches that you consider relevant in ensuring effective budget management in your organisation

....

....

....

The End

Thank you for your time and responses

APPENDIX ii: PROPOSED BUDGET

S/N	ITEMS	AMOUNT
1	Stationery	8000
2	Data Processing	9000
3	Printing and binding	45000
4	Food and Transport	60000
5	Communication	15000
	Grant total	137,000

APPENDIX III: WORK PLAN

ACTIVITIES	DATE	PERSON	PLACE
Consultation of supervisor	Jan- April 2014	Researcher/Supervisor	UMU
Writing proposal	25th Nov 2013	Researcher	UMU
Pre – testing of instruments	March 2014	Researcher	UMU
Data collection	March 2012	Researcher	Bidco (U) limited Jinja
Data organization and analysis	April 2014	Researcher	UMU
Typing and editing of report	Jan-April 2014	Researcher/Supervisor	UMU
Submission of the dissertation	April 22nd 2014	Researcher/Supervisor	UMU