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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

RESEARCH TOPIC

Analysing the impact of budgetary controls on capital projects to the operational performance.

BY

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**A dissertation submitted in partial fulfilment of the Bachelor of Commerce Honours
Degree in Accounting.2017**

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DEDICATION

This piece of work is dedicated to the Almighty and also my loving parents Mr and Mrs Munyenyiwa for their unwavering support in educating me since my elementary level. It is through their investment in my education that I have made it this far not forgetting my siblings Rutendo, Tanaka and Tinashe.

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ABSTRACT

This paper specifies the impact of budgetary control measures on capital projects to the operational performance of the Zimbabwean aviation industry. In this study, the major objective was to identify the impact of budgetary control measures on operational performance. Mixed research design was used in data collection incorporating both the qualitative and quantitative approaches so that they could accompany each other in investigating the impact of budgetary control on capital projects to the operational performance of the aviation industry. Primary data was collected through research instruments which were questionnaires and interview. The case study used was Civil Aviation Authority of Zimbabwe. The population samples were drawn from departments of Civil Aviation Authority of Zimbabwe and the judgemental sampling technique was used. Budgetary controls have a positive impact on the operational performance which was also reviewed by STATA 11 results that a single unit increase in budgetary controls has an impact of 88.12%. The researcher closed up the chapters by recommending that Civil Aviation Authority of Zimbabwe may develop more effective budgetary controls should be put in place and also employees should be equipped and trained on how effective budgetary controls can be achieved. The researcher also recommends that the organisation should consider contracting labour from within the borders of Zimbabwe. The organisation is recommended to make use of Airport Revenue Sustainable Tools (ARST) to lessen the burden on budgets and capital projects. The researcher recommends the issue of considering Public Private Partnerships and this is a suggestion for the further study.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

The chapter introduces the reader to the key purpose of this study which is to analyse the impacts of budgetary control on capital projects to the operational performance of the aviation industry in a developing country Zimbabwe. Significant components of this study are contained in this chapter and these include the background information statement of the problem. These are for enhanced comprehension of the problem and provides an ultimate guideline throughout the research. Research objectives and research questions have also been addressed.

1.1 Background Information

Faleti et al (2012) in a research carried out in Singapore specified that budgetary control on project cost and ensuring that the projects stays within the budget is a major function that leads to an increase in the operational performance of an industry. Newton (2015) suggested that budgetary control measures on capital projects can be converted into efficiency measure namely cost performance index (CPI) this is revealed by calculating cost variance analysis. To further, concur with this view Braggs (2012), Turner (2012) and Zolin (2013) suggest that at the end of a project success is judged by whether the scope is completed within the constraints of time and whether the project was completed within the budgetary control measures, and the project's output is delivered to specification. Mahommad (2015) detailed that capital budget controls in India set out the basis of judging whether actual performance

has conformed to the requirements of the project in question. Flyvberg et al (2013) stated that nine of ten projects fall victim of cost overrun which then affects the performance of an organisation when carrying out projects hence the need for budgetary controls arises. According to Nicholas and Steyn (2012) budgetary control without regard to the values of the work done has little value to the project and the performance of an organisation. Atkinson et al (2012), Jainendrakuma (2015) and Frey et al (2014) stated that budgetary control measures have a negative impact on the operational operations and quality of projects in China and the performance, these costs cutting procedures may bring about short-term benefits and they may not contribute much to the cost drivers. More studies have concentrated on budgetary controls on capital projects and how they impact operational performance in developed countries. This study will focus mainly on expanding literature on the impacts of budgetary controls on capital projects to the operational performance in a developing country Zimbabwe. Case of Civil Aviation Authority of Zimbabwe.

Civil Aviation Authority of Zimbabwe is a parastatal under the Ministry of Transport and Infrastructural Development. In 2013 up to 2016 the organisation undertook three capital projects in improving airport infrastructure. The projects included J.Nkomo airport, Victoria Falls Airport and Harare International Airport. All these projects were financed by appropriation funds released by the treasury as per budget. The actual expenditure of the projects deviated from the budgeted expenditure as substantiated by Table 1.1 below:

Table 1.1 Budgeted costs and actual costs incurred in the development of airports.

Project	2013	2014	2015	%change 2013-2014	%change 2014-2015
<u>J. NKOMO AIRPORT</u>					
Budgeted expenditure	\$ 4m	\$ 6m	\$ 9m	(25%)	(80%)
Actual expenditure	\$6.5m	\$9 m	\$12m	(38%)	(32%)
Expenditure Variance	\$(2.5)	\$(3)m	\$(4)m	(28%)	(30%)
<u>VIC – FALL AIRPORT</u>					
Budgeted expenditure	\$45m	\$40m	\$55m	11%	(37.5%)
Actual expenditure	\$46.5m	\$43.5m	\$60m	6.5%	38%
Expenditure Variance	\$2.5m	\$(3.5)m	\$5m	(40%)	(42%)
<u>HARARE AIRPORT</u>					
Budgeted expenditure	\$9m	\$11m	\$10m	(22%)	9.09%
Actual expenditure	\$11m	\$10m	\$12.5m	9.09%	(25%)
Expenditure Variance	\$1.5	\$(1)	\$(2.5)m	(33%)	(25%)

(Source)-CAAZ Cost Management Statements 2015)

Table 1.1 above demonstrates the expenditure variances from the major airport projects for Civil Aviation Authority of Zimbabwe which include J.Nkomo airport, Victoria Falls International airport and Harare International airport respectively. It is presented in Table 1.1 above that there has been an increase in the expenditure variances during the period CAAZ was restructuring its infrastructure for the major airport from 2013 -2015. Precisely J. Nkomo airport for years ending 2013, 2014 and 2015 Civil Aviation Authority of Zimbabwe made expenditure variances of \$2,5m, \$3m and \$4m respectively (Jongwe,2015). However expenditure incurred outweighed the budgeted expenditure and this contributed to a downturn in the organisation's operational performance. Smith (2012) stated that the variance for actual and budgeted expenditure could be a result of inefficient budgetary control measures on project costs and inadequate measures of ensuring that the project stays within the budget.

The Victoria Falls International Airport project recorded the highest variances of (42%) and (40%) as compared to the J. Nkomo airport that recorded (28%) and (30%) over the period 2013-2015. Juru (2015) stated that the increase could have been caused by the value that is placed on the projects by other sectors of the industry like tourism other than inefficient budgetary control measures, require the end product to be a state of the art so as to attract more tourists and this enhances the performance of the industry and of the country as a whole. The statement was supported by Nicholas (2012), who stated that budgetary controls implemented without regard to the value of the work done could have little value to the project and the performance of the industry. Harare International Airport also recorded negative variances on the budget expenditure of the infrastructural development project as indicated by Table 1.1 above.

According to CAAZ project and performance evaluation meeting 2015 which gave an insight of the state of infrastructural development and performance of the organisation. The organisation continually experienced a decline in its operational performance which was

characterised by a decrease in the number of airlines flying into the country. During and after the restructuring of the major airports the organisation was determined to cover execution expenses from the revenue and hence they pursued the option of increasing the aeronautical revenue. To cover for the negative variances on the expenditure budgets CAAZ introduced what are known as Airport Infrastructural Development Fund (AIDEF), \$5 for domestic flights and \$15 for international flights. The introduction of these airport taxes has led to a variance of 32% in the number of airlines flying into the country, extracted from the organisation's website www.caaz.co.zw. Moyo (2015) stated that the introduction of AIDEF as a measure to address the budget expenditure variances incurred on capital projects would have contributed to the dropping operational performance.

The operational performance of the aviation industry is measured by the number of airlines flying into the country and these airlines do not just land, they require a country's airport to be of international standard as according to the International Civil Aviation Organisation (CAAZ Management 2016). During the period 2010-2015 CAAZ experience a decline in the number of airlines into the country from an 23 airlines to 12 airlines hence this was an eye opener for to the need of restructuring the country's major airports but the situation has not been really ratified as the projects brought about a lot of debts from the negative budgetary variances encountered (Chaota, 2016). The research will focus mainly on expanding literature on the impacts of budgetary controls on capital projects to the operational performance in a developing country. Case of Civil Aviation Authority of Zimbabwe.

1.2 Problem Statement

Civil Aviation Authority of Zimbabwe (CAAZ) is visibly undergoing negative budgetary expenditure variances on its capital projects and generally, it is in operation with inefficient coffers that do not serve the project requirements. The organisation was left with no option

except implementing budgetary control measures as a way to improve in operational performance whose decline has been indicated by the number of airlines ceasing to fly into Zimbabwe. The main aim of this research is to explore on the impacts of budgetary control on capital projects to the operational performance of the aviation industry in a developing country, Zimbabwe: Case of Civil Aviation Authority of Zimbabwe (CAAZ).

1.3 Main Research Question

- What are the impacts of budgetary control techniques on capital projects to the operational performance?

1.4 Research Objectives

- To identify the relationship between budgetary control on capital projects and the operational performance of the aviation industry.
- To explore impacts of inefficient budgetary control on capital projects to the operational performance of the aviation industry.
- To identify factors affecting the budgetary control process within the industry.
- To identify the best practice of controlling the budget expenditure on capital projects so as to enhance the operational performance of the aviation industry.

1.5 Sub research questions

- What relationship exists between budgetary control on capital projects and the operational performance?
- What are the impacts of inefficient budgetary control techniques to the operational performance of the aviation industry?
- What factors affect the budgetary control process on capital projects?
- What are the best practices of controlling the budget expenditure on capital projects and how best can they be used to enhance the operational performance of the aviation industry?

1.6 Delimitations

- The study was confined to Civil Aviation Authority of Zimbabwe, Harare International Airport. For it to be manageable it focused on the stakeholders such as the government and the customers (airlines). It specifically analyses the impact of budgetary control on capital projects to the operational performance of the aviation industry. It covered the period 2010-2016.

1.7 Significance of the study

1.7.1 To the researcher

- This carrying out of this research helped the researcher to fulfil the requirements of the Bachelor of Commerce Honours Degree in Accounting. It also enabled the researcher to acquire more knowledge on the sampling methods. It improved the student's aptitude to solve real life problems by applying courses learnt at the university.

1.7.2 To CAAZ

- The outcomes of the research are projected to help the organisation in recognizing its predicaments and be in a position to effectively plan the way forward through the execution of some of the recommendations provided by the researcher to enhance budgetary cost controls and improve on the monitoring and service delivery, lobbying and luring back airlines, passengers, cargo handlers and other key customers that have relocated to other destinations or hubs.
- The organisation can be able to comply with the international standards (ICAO) and endorsed practices that permit it to be on international aviation chart and other written papers and publications in the aviation industry globally.
- The industry will grow by using better strategies and policies that the researcher will recommend.

- The aviation industry in Zimbabwe will be able to meet international standards and accredited as a safe and secure destination in the Southern region.
- The industry will accrue some of the benefits derived from CAAZ as the authority is the mother and regulatory body and it plays a major and critical role in the aviation industry and the success of the industry is centred on the success of the authority.

1.7.3 To Clients:

- To airlines as one of the major and key customers will benefit from improvements in viability, as the organisation and country will be an attractive destination coupled with business opportunities to exploit.
- This will help customers to make successful plans because the organisation will be in a position to live up to its vision, mission and core values.
- The public will enjoy the benefits of economic growth and development derived through the multiplier effect, such as decrease in poverty, unemployment and the overall improvement in the standards of living because of the major critical resources like foreign currency will flow through the increase in airlines and flights.

1.7.4 To Midlands State University

- The research if successful will enhance the image of the university.
- The study is expected to provide information to other students who may want to carry out further studies.

1.8 Limitations of the study

The researcher encountered some problems during the course of conducting the research study; the following are some of the problems

- **Organisational privacy policy**

The researcher had a challenge in obtaining confidential material from the organisation due to the fear of the practice of secrets and confidentiality. The authority does not publish its financial statements since it is not a listed company. To overcome such a constraint the researcher will sought statistics from other official bodies.

1.9 Assumptions of the study

The succeeding assumptions were made in quest of this study:

- Research partakers will issue accurate and truthful information.
- Instruments to be used will have adequate reliability and validity and will be determining the projected constructions.
- The sample will be a demonstrative of the population.
- Respondents will be free from bias of politics and the issues of CAAZ as a protected area.

1.10 Definitions of key terms

- **Civil** -According to the Civil Aviation Act [Chapter 13:16] civil refers to law but not criminal, pertaining to rules and regulations that govern, control and orderly develop the operations of the aviation industry.
- **Aviation** – Smith (2016) defined aviation as the science of flying in powered aircraft.
- **International Civil Aviation Organisation (ICAO)**- means the International Civil Aviation Organisation formed by the Chicago Convention according to the International Aviation Publication (2016).

- **Infrastructure** -Jackson (2015) referred infrastructure to communication networks, radar control systems, sophisticated technology, aeronautical information equipment, aviation grounds and runways and the general facilities at the airport.
- **Budgetary control** – Smith (2016) stated that budgetary controls are measures implemented by an organisation to reduce its expenditure variance on the budgeted amount and the actual incurred amounts.

1.11 Summary

The chapter presented the research with the background of the study which outlined the views of the authors on the impacts of budgetary control on capital projects to the performance of the aviation industry also highlighted is the research gap. Objectives and the questions to be discussed on were also a part of this chapter. This research will be of use to various stakeholders in the aviation industry. The following chapter will concentrate on the literature review of the research objectives area.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to introduce the reader to the literature review. The chapter mainly focuses on the views of different scholars who have carried out researches on similar study. This will be an eye opener to the researcher and will help the researcher with facts when carrying out the research within Civil Aviation Authority of Zimbabwe (CAAZ).

2.1 Relationship between budgetary control on capital projects and the operational performance.

In a research, Smith (2012) observed that the relationship between budgetary control on projects and the operational performance of an organisation is well explained using the benefits associated with budgetary controls that enhance the performance and these include budgetary control as an aid of monitoring performance of workers, enhancement of profitability, increasing commitments and competence of workers, cost savings and improved allocation of resources. These are discussed in the following paragraphs.

2.1.1 Monitoring performance of workers

Abokun and Fagbemi (2012) explained that monitoring performance of workers has a constructive impact to the operational performance of an organisation. Merchant and Van der Stede (2013) agreed to the same sentiment by stating that organisations should monitor the performance of workers to its budgetary control systems so as to enhance the operational performance of the organisation. Carlos (2013) stated that the that Internal Audit team should carry out audits regularly as a way of monitoring the performance of workers to ensure the

improvement of the operational performance of an organisation. Hamar and Romle (2015) noted that lack of monitoring of workers has an adverse bearing on the operational performance of an organisation. Margah (2015) stated that as an instrument for monitoring performance, budgetary control offers assessments amongst the budgeted targets and the actual results and the nonconformity determined performance of each department, this leads towards enhanced operational performance if carried out well. Adongo and Jagongo (2013) indicated that a positive significant relationship between monitoring performance of workers and operational performance of State corporations. Milani (2014) discovered that budgetary control and operational performance have a constructive relationship if the organisation monitors the performance of workers with the view to check compliance with set goals.

According to Drury (2012) monitoring and controlling the performance of workers is a methodical system which is categorised by the following up stages that include, coming up with the desired performance for each department of the organisation by means of coming up with objectives which will have to be achieved by all. This helps on observing the levels of the organisation's operational performance. Khan (2012) stated that monitoring actual earnings or expenses data prepared through continuous difference and evaluation of budget performance and actual performance often report aberrations to responsible managers as well as enhancing operational performance. This aids in obtaining knowledge on the reasons for the variances between budgeted and actual performance and taking the suitable corrective actions (Olayinka and Osundia,2012). According to Smith (2012) monitoring performance of workers increases the organisation's activities assessment and it enhances the operational performance of that organisation.

Shaw (2013) was of the notion that no relationship exist between monitoring the performance of workers and operational performance, by stating that continuous monitoring of workers may be efforts being channelled towards one side of the operational determinant of the

organisation for example the organisation could just focus on budgetary controls yet there are factors within the organisation that may need special attention for enhanced operational performance. Browell (2012) indicated that monitoring the performance of workers has many times proved to be totally inappropriate in establishing and controlling levels of operational performance as it has turned out not to be favoured by many. The monitoring process may lead to management abandoning some duties that contribute to some favourable operational performance. Browell (2012) further stated that when an organisation is to implement monitoring techniques it should implement ones suitable to its operations so that every department is left on a bearable position and that enhances operational performance.

Wong (2012) stipulated that the motivational aspect of monitoring the performance of workers may be misjudged for example, managers may be very strict that workers may seem to indicate complexity of the objectives of the organisation and this has a negative impact on operational performance of the organisation. The researcher will look into the issue of monitoring the performance of workers for Civil Aviation Authority of Zimbabwe (CAAZ) and investigate on whether monitoring performance of workers enhances the organisation's operational performance

2.1.2 Enhancement of profits.

Ogbadu (2012) was of the notion that enhancement of profits indicates improved operational performance of an organisation therefore a direct relationship exist between the enhancement of profits and operational performance of an organisation. Brown and Howard (2013) observed enhancement of profits as a scheme of measuring the operational performance of an organisation. Kaguri (2015) stated that an organisation that practices budgetary controls will observe enhancement of profits accordingly enhancing the operational performance of that organisation. Dahan (2012) supported that by stating that the existence of high operational

performance of organisations at present can only be justified in terms of their profitability, many sectors in the industry and, anything which improves their profitability is worthwhile. Thompson (2013) came in with an opinion that there is unnecessary expenditure that organisations encounter which include hiring labour from outside the country's borders, this compromises the profitability of the organisation but rather this is a quality issue and any necessary action can then be quickly taken to minimize losses in case budgetary control can be viewed as a tool of enhancing the profitability of the organisation which results in improved financial and operational performance.

James (2012) in a research stated that some businesses can be very profitable whilst the operating performance is competitively low. Khan (2012) observed that there was no direct relationship between the enhancement of profits and the operational performance. Adongo (2012) suggested that many organisations may focus mainly on enhancing their profits whilst compromising their operational performance. This study however seeks to establish the relationship between profitability and the operational performance of CAAZ.

2.1.3 Competence and commitment of employees

Ahmed (2012) stated that competence and commitment of employees positively affects the operational performance of an organisation as commitment makes the person preparing the budget to a greater extent feel responsible for the organisation goals and this enhances the operational performance of that organisation. Hansen et al (2013) advocates for full commitment and competence, it was emphasised that all those in charge of attaining results ought to be committed and competent in the establishment of budgetary control techniques as it enhances operational performance. Gatti (2014) suggested that no system of operational performance can work perfectly without the shared understanding of the organisation's objectives by the managers and juniors, all have to be competent and committed. Muller

(2013) stated that involvement guarantees full co-operation and commitment for ensuring that budgetary control measures are carried out successfully with the organisation. According to Collins (2013) commitment to organisational goals is particularly important when performance of the organisation depends largely on the productivity of employees and on whether they can achieve the desired operational performance. Flyvbjerg (2013) stated that it is evident that employees improve their performance as well as that of the organisation when the employees accept and commit to attain a particular goal.

Wentzel (2012) indicated that if employees are not competent and committed to the goals there will not only be low productivity levels but also, a decrease in the levels of the operational performance of the organisation. Smith (2012) suggested that when employees are committed to organisational goals, operational performance will be improved for the organisation. Nouri and Parker (2013) were on the notion that the involvement of workers affects job performance. Nouri and Parker (2013) indicated that superiors with the permission to partake organisational processes will always have greater organisational (sentimental) commitment and this then contributes to enhanced job performance. Nouri and Parker (2013) used the path analysis and observed organisational commitment plays a pivotal role in the operational performance of the organisation. Dick (2012) opined that competence commitment of employees enhances the operational performance of the organisation which could contribute to positive work results, such as enhanced job performance.

However, Denver (2015) postulated that organisational commitment is a mindset or a psychological state involving feelings of beliefs concerning the employees' relationship with an organisation. This psychosomatic state reflects a craving, a need or commitment to maintain membership in an organisation and some members of the organisation may not be willing to bring forward the gaps within an organisation with the fear of reveals that will lead to their dismissal this may lower the operational performance of an organisation. Meyer

(2013) stated that disparate of other concepts, organisational commitment and competence has endured as a feasible paradigm due to intensive investigation carried out in the arenas of psychology and organisational behaviour. Allen (2013) was of the view that operational performance is not more of a mechanical or technical procedure but rather a human and objective element of management, its success is actually dependent on the competence and commitment of employees within the organisation. A more recent research by Parker (2016), it was observed that examining perpendicular data allotment as superseding variable in understanding the performance effects of the relationship that exist between competence and commitment has no relationship with the operational performance of the organisation. This was however, limited to the private sector. Civil Aviation Authority of Zimbabwe as an organisation that provide services in the aviation industry of Zimbabwe, the researcher will examine the impacts commitment and competence has to the budgetary control system and how it affects the operational performance of the organisation.

2.1.4 Cost Saving

Adongo and Jagongo (2013) revealed that the operational performance of an organisation can be enhanced by the cost savings that would have been provided for by good control measures. Kipkemboi (2012) explained that budgetary control and monitoring as a restrictive progression contrary to the embezzlement of coffers in relation to the measures and guidelines that establish the limitations of financial behaviour, this brings about cost savings which then improve the operational performance of the organisation. Joseph (2013) supported the notion by stating that when an organisation is in a position of being able to save costs it indicates an improvement in its operational performance therefore there is a direct link between cost saving and operational performance.

On the other hand, Weston and Brigham (2012) were of the same view with Joseph (2013) but are guides to acquiesce that if cost saving becomes the main priority of an organisation then quality can be compromised and this has a negative impact on the operational performance of that organisation. Hingren and Foster (2012) agreed that there are times when it is not necessary for an organisation to be concentrating on saving costs these periods include, the construction of a state of the art building, it is more of a quality issue other than a cost issue. The research will look into the methods that can be implemented by CAAZ on controlling its expenditure to ensure budgetary controls are well handled so as to improve the operational performance of the industry.

2.1.5 Improved allocation of resources

Khan (2012) stated that the allocation of scarce resources is at the heart of budgeting and it enhances operational performance. Salman (2012) stated that there is a link between budgetary control and operational performance as budgetary control empowers managers in the allocation and apportionment of limited resources amongst all sectors within the organisation's operating spectrum. Salman (2012) further alluded that budgetary control processes also ensure that allocations are followed closely by the responsible bodies of the budget in use. Khan (2012) was also of the same sentiments by stating that it is the motive of budgetary controls to preserve the expenditure of the organisation within the target that will have been laid down, This keeps everyone always alert and encourages the optimum use of the enterprise resources. Carr (2012) was of the opinion that examining the motives for budget aberrations, managers may be able to detect inefficiencies. Smith (2012) opines that the budgetary control provides for, the base for guiding and allocation mechanism for numerous possessions of an organisation which is reached at by equating the resources measured to the close of a specified timeframe with the one that could have been anticipated.

Needles (2012) argued that in this approach of improved allocation of resources, control over cumulative expenditure and the generation of complete financial statements on resource utilisation is enabled by the annual budgets these are not disturbed with widespread strategic operations of the organisation. Hokal and Shaw (2013) noted that budgetary monitoring and controlling necessitates only raw data to examine performance on physical resources and this requires more time whilst contributing less to the operational performance. Jones (2013) further stated that the method could be implemented for all the quantifiable resources and events inside the organisation and not only those directly financial. The study will therefore place focus on how CAAZ allocates its resources and how this is affected by budgetary controls on projects basing on operational performance levels.

Basing on the literature review that has been used in the study the researcher there can conclude that a positive relationship exists between budgetary control and operational performance of an organisation. This is because more scholars were in agreement of this sentiment. The hypothesis has been employed.

Ho -There is a significant positive relationship between budgetary controls and operational performance.

2.2 Effects of inefficient budgetary controls to the operational performance.

2.2.1 Failure to achieve set goals and objectives

According Ola (2012) the process of budgetary control should be in place to facilitate the organisation's communication of objectives by ensuring that management realises that which the organisation is aiming to attain and how it desires to attain it during the relevant period the relevant period failure to implement these budgetary controls will negatively affect the operational performance of the organisation. Stewart (2013) stated that effective budgetary control is a crucial administration duty which certifies that efforts formed at all stages are

precise with those required to guarantee the long -term efficiency and accomplishment of the organisation's operational performance. Steward (2013) further stated that budgetary control emphasis is on strict adherence to some predetermined standards in order to achieve the desired objectives of the business operations.

Kalan (2012) alluded that budgetary monitoring and control process is not a once of activity but rather a continuous one which is characterised by the following stages that include establishing desired performance or level of action for each section of the organisation by way of setting targets to be attained and failure to well establish these budgetary controls results in an organisation not performing according to expectations. Briston (2014) stated that properly managed budgetary controls indicate differences emanating from the anticipated so as to enable management to take corrective action to place a guarantee that corporate objectives set in the budget can be achieved in line with desired operational performance. Townsend (2012) highlighted that budgetary control remains a continual monitoring process and involves frequent informing and modification of budgets from the operational feedbacks.

It has been argued by Salman (2012) who stated that failure to achieve set goals for desired operational performance is not just a matter of inadequate budgetary controls, there are other factors that include the incompetence of the cooperate governance itself. Silvia (2015) supported by specifying that there are uncertainties that may occur and may affect the operational performance of an organisation such include inflation and natural disasters and not only the financial side like budgets. This research will look into how budgetary controls on capital projects have contributed to Civil Aviation Authority of Zimbabwe, failure to achieve its objectives and set goals and how that influenced operational performance.

2.2.2 Time Overrun

Sauri (2012) indicated that there is a direct link between time overrun and the operational performance of the organisation. Stanford (2012) further on stated that the operational performance of the organisation is negatively affected by the time taken within the organisation during the execution of projects and it is necessary to monitor the status of the project in terms of its cost baseline and time frame. According to Josphat (2014) if budgetary control measures on capital projects are inefficient it leads to time overrun of the projects and this negatively affects the operational performance of the organisation. Stonewall (2012) supported the same notion by stating that monitoring the expenditure of funds without regard of the amount of time it taken to complete a project has little value to the project and this may affect the operations of the organisation, thus much effort is needed to assess the relationship between the time it takes to complete a project and the operational performance of that organisation so as to ensure completion of projects as per the forecasted period.

On the other hand, Jacobs and Truman (2013) argue that the issue of time overrun cannot be settled only on the inefficiency of budgetary controls but on factors that include incompetence of workers and this also contributes to lower operational performance. This study will investigate the issue of time overrun as far as budgetary control on projects is concerned in the operations of CAAZ.

2.2.3 Loosing cost competitiveness

Stent (2013) opines that for an organisation to continue competitive, firms need to bring into line their budgetary planning and control schemes with the overall approach of its operational performance. According to Thaker (2014) a significant factor that separates the winners from the losers in well-designed operational performance depended upon the soundness of its budgetary planning and control system. Dixu (2013) as of the notion that inefficient

budgetary control on projects will cause an organisation to operate at higher charges as compared to other players in the same industry, this will drive away customers to competitors and it leads the organisation to losing its cost competitiveness and low operational performance. Stent (2013) further indicated that there is a direct link between well - established budgetary control and the competitiveness of the organisation in the industry as far as projects are concerned hence the issue of budgetary control must be taken seriously if the organisation is aiming at surviving in the industry and if it desires to improve its operational performance.

However, on the same view of losing cost competitiveness, Khan (2012) and Patel (2014) argued that the issue of losing it in the market is not only an issue of inefficient budgetary controls that affect the operation performance but rather also an issue of quality. Anderson and Da Silver (2014) where of the same sentiment that there is an inverse relationship between budgetary control and operational performance as far as competitiveness is concerned. Maryam(2014) further explained that quality on capital projects cannot be compromised due to introduction of budgetary control measures if the organisation desires to enhance its operational performance. The researcher will examine whether inefficient budgetary controls lead to CAAZ losing cost competitiveness and the impacts to the operational

performance.

2.3 Factors affecting the budgetary control process and their impacts on operational performance.

2.3.1 Lack of adequate availability of financial resources

Frank (2013) detailed that the absence of availability of financial possessions as one of the elements that affect the efficiency of budgetary control on capital projects and it leads to low

operational performance. Kaguri (2015) opined that the management team should ensure that enough financial resources are availed and come up with budgetary control techniques before implementing projects to ensure better operational performance of an organisation. As according to Hancock (2013) the organisation must be in a position to allocate adequate resources and other possessions that permit operative execution of projects and additional organisational performance, these possessions ought to be both monetary and physical to certify operations are carried out efficiently.

However, Ramji (2012) argued that adequate availability of resources is not the only variable that affects the operational performance of an organisation. Smith (2012) and Khan (2012) further explained that with the little that an organisation has, the operational performance of an organisation can still be carried out and measures such as budgetary controls work best when the financial resources are very limited in supply. Mussa (2013) and Semeon (2013) were of the same sentiments that it is not because of the limitation in supply of adequate resources that lead to budgetary control being put in place and used as a measure of the levels of operational performance. Trevon (2012) then further noted that if an organisation is operating smoothly well with limited resources then it has good control measures in place. The research will investigate further on whether CAAZ is able to implement control measures that will enhance its operational performance with its inadequate resources.

2.3.2 Absence of co-ordinating budget activities

Fruitticher (2013) stated the co-ordination is the creation of a framework in which an organisation's actions are to be performed as far as operational performance is concerned. Brown (2014) supported the above by stating that co-ordinating organisational activities leads to inefficient budgetary controls and this may result in low operating organisations. Luecke (2012) stated that co-ordination of activities is an exertion to encourage employees to be in

teamwork for the betterment of the organisation's operation and failure to do so will compromise the operational performance of the organisation.

However, Jim (2014) argued that lack of co-ordinating activities cannot be viewed a factor that compromises the operational performance of the organisation as there are other external factors that should be considered and these include availability of skilled labour and a sound cooperate governance. Jack and Andrews (2012) supported the same sentiment by stating that for an organisation to perform well it should not dwell on one determinant like lack of co-ordinating budgetary activities but rather look around for those that significantly affect the operation of an organisation. This study will examine the lack of coordinating activities as a determinant that affect the operational performance of CAAZ taking budgetary controls into consideration.

2.3.3 Lack of employees' participation in organisational control processes

According to Maraville (2012) participation of employees in organisational control method is dual. On one angle employees play a part in revising control selections and on the succeeding angle employees play an essential role in determining the preferred control options hence lack of employee participation in control processes may affect operational performance of an organisation as there will not be goal congruency. Semi (2012) elaborated that a participative method to control processes, known as self-induced control, allows stakeholders to be involved in emerging control measures and it enhances the operations of an organisation. Garrison and Noreen (2013) opined that during this activity tough negotiations ensue to arrive at the most beneficial control, a consensus should be reached at and it should characterised by honesty and fairness so as to ally doubts and fears that are usually associated with a control procedure and how they may affect the operational performance of an organisation.

Jamu (2015) stated that there are organisations that are controlled by the government and some are controlled by the leaders in the industry whilst some are franchised organisation hence control will always cascade from the governing officials and lack of participation of all will not be a factor that can significantly affect the operational performance of an organisation. The study will evaluate whether participation of employees in the control process will be applicable to CAAZ.

2.3.4 Inadequate communication of budget plans

Dipsy (2013) emphasised that effective announcement of organisational goals further ensures the enhancement of the efficiency in which the control procedures are executed in relation to operational performance. Peterson (2014) pointed out that setting out the strategy of budgetary control should be communicated to the top management from various sections of the organisation's operations as failure to communicate these plans may lead to low operating levels. Hansen and Mowen (2013) stated that the leading and lagging indicators in respect of budget plans are identified through an ongoing communication among budget holders after which they should be communicated to all employees and stakeholders within the organisation for improved operation performance. On the whole, the communication process is a vital part of creating a sense of teamwork and ensuring that all key players understand the role they play in achieving budget targets and desired operational performance (Weetman, 2013).

Kentif (2014) was of the opinion that every organisation has its objectives and mandates that govern the operations within the organisation and these are things known by all in the organisation, therefore, whether budget plans have been adequately communicated or not operational performance of the organisation should not be affected. This was supported by Jim and Kondua (2012) who stated that every employee should make an effort to know

where the organisation is heading. The researcher seeks to investigate on whether budgetary plans are being communicated well within CAAZ and if it affects the operational performance.

2.3.5 Lack of training and development of employees

Chandid (2013) opines that the operational performance of an organisation can be effectively enhanced when the role players in the control process have financial skills that may help in the operations of the organisation. Peterson and Jacobs (2012) stated that individuals playing a role in the control process should acquire some skills developments in financial management so that they are completely acquainted with the relevance and importance of budgeting and budgetary control systems and how they affect the operational performance of an organisation. Otely (2012) indicated that empowering role players with financial skills has benefits that come with it which include, the fact that it helps them to take more control over the operations of the organisation and working environment, and boosts the contribution they make as individuals and members of a team. De Waal (2013) was of the view that educating those that participate in the budgetary control process offers them the authority and the responsibility for decision making and closes a decision circle thereby making them answerable for their decisions, this helps the organisation at large in attaining the desired operational performance.

Lambart (2013) and Patel (2014) argued that whether training had been availed or not, Budgetary controls can fail as well as the operational performance as workers need to be highly motivated so as to comply with the objectives of the organisation. This was supported by Okoro and Chindu (2014) as they stated that training and development of employees has no direct link to operational performance as management is not able to force an employee to execute all they would have learnt. The study will investigate further on whether the

availability of training on budgetary control techniques can help in the betterment of CAAZ's operational performance.

2.4 Best Practices of controlling budget expenditure on projects to enhance operational performance.

2.4.1 Variance Analysis

Samson (2013) stated that being a quantitative investigation of variances between the actual and the planned behaviour, analysis of variance is a good means for examining the accuracy, evaluating the performance and implementing remedial actions against the weak areas of a business as and when required. Kabiru and Dandago (2013) determined that variance analysis enables the decision makers of the organisation to draw various results that in turn lead to improved efficiency and operational performance of a business entity. Thompson (2013) reviewed and analysed literature to determine what constitutes efficient standard in an organisation with a view to disclosing realistic variance for management budgetary control and based on the review and analysis to assess the extent to which costs variance analysis can adequately be useful in controlling costs to provide for improved operational performance. Alberts (2015) stated that having been applied to the operational and financial data, variance analysis aims at better efficiency and performance by computing variances between actual and targeted levels of performance.

Kadija (2013) stated that should avail time to investigate cost variances that require investigation for control purposes so as to enhance the efficiency of an organisation's operations. It was also stated that variances should be inclined away as soon as possible so that the organisation will be able to achieve the prospects for corrections aimed at effective operational performance. Aruomoaghe and Agbo (2013) after investigating the variance analysis as a tool for monitoring expenditure, stated that variance analysis is a significant tool

for performance evaluation with precise focus on costs and merits associated with its utilization. Denver (2013) stated that if done effectively, variance analysis leads to attainment of business objectives and goals in a way intended and this has a positive impact on the operational performance.

However, Niken (2012) argued that variance analysis is not a reliable practice when measuring the operational performance of an organisation in the view of budgetary controls without bringing in the issue of inflation. Jamu (2015) supported Niken (2012) by stating that inflation is an uncertainty event that can occur in the economy and has to be accepted with caution, so that it will not significantly affect the operations of an organisation. According to Salman (2012) variance analysis cannot be viewed on its own as a method of controlling expenditure but there are other factors that should be considered when evaluating the operational performance of an organisation. The research will therefore explore on whether variance analysis is an effective tool of controlling expenditure on CAAZ's budgets on capital projects and how it impacts operational performance.

2.4.2 Control reports

Yussuf (2014) explained that most significant benefit of control reports is that they provide information to the management and investors that is critical to decision making and they show how different departments have been performing and it is overall, a tool of monitoring operational performance. Rizik (2014) further on stated that business reports help in identifying key areas of strengths and weaknesses in the company's management, a running record of the organisation's operational performance and guidance for the company's strategic priorities. According to Smith (2012) control reports seek to provide an adequate amount of information so that management may look into the reasons for any variances in costs from the budgeted, a good control report highlights important material by placing

emphasis to management's attention on those items where the actual performance significantly differs from the budgeted. If done well, this impacts positively to the operational performance of the organisation.

Tabbasum (2012) argued that while control reports are incredibly useful for management, they also have their limitations that affect the operational performance of an organisation and these include the cost and money used in preparing reports as these have a potential to limit a business' financial and logistic ability to invest in operations or expansion. Jones (2013) was of the view that control reports are also limited by the quality of the information that is available and the competence of those preparing them, therefore, it is helpful to keep in mind any potential limitations in collecting meaningful data. The study seeks to examine on whether control reports will be beneficial to the operational performance of Civil Aviation Authority of Zimbabwe.

2.4.3 Budget Planning

Sizer (2013) suggested that planning as part of budgetary control is of great benefit as it involves long range planning, strategic planning and short-term planning for better operational performance. Sizer (2013) further stated that short term budgeting must accept today's environment as well as the physical human and financial resources that are presently available to the organisation's operations. Margah (2015) argued that the process of planning comprises the selection of objectives as well as the technique to achieve them. The organisation will be able to assess where it is heading to in terms of objectives and goals and this will be made possible by the implementation of budget planning. Smith (2012) stated that budgetary controls are adopted in advance of the budget periods bases on projected set of operational circumstances. Oley (2013) was of the notion that budget planning has its benefits

that accrue to the organisation as a whole if both the long-term significances of the budget are put into consideration and the operational will be enhanced.

However, the annual budgetary control procedure leads to the modification of some of the plans that would have been put in place, as managers are meant to produce comprehensive plans for the adoption of the long term plans. Karl (2015) alluded that without the budgetary control procedures, the pressure of the day to day problems associated with the operations may tempt the top management not to plan for future operations. The study seeks to identify strategies that can be implemented by CAAZ in relation to its budgetary controls on capital projects as well as operational performance.

2.5 Chapter Summary

The analysis presented in this chapter has laid an understanding of how budgetary controls on projects affect the operational performance of an organisation. The above literature forwarded by experts highlight common phenomenal that any weakness or deficiencies in budgetary control measures on project spending emanated mostly from the implementation of budgetary control techniques within the organisations. This made the researcher carry out the research on how budgetary control on capital projects affects the operational performance of CAAZ. The next chapter will be highlighting the methods used in the carrying out the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The purpose of this chapter is to deliver an in-depth justification of the methods that the researcher employed with the aim to gather data pertaining the problem statement in Chapter one. The research methodology entails a master plan related to the research design, the targeted population, procedures for data collection and the analysis of the data therefore these have been grouped accordingly. The researcher placed much attention on the need to clarify on the reliability and validity of instruments used in the research.

3.1 Research Design

Research design has been defined by *Sunders et al (2012)* as an outline for the method of collecting, measuring and analysing of data. *Khan (2012)* adds that research design is a master plan used to accomplish the main aims of the study. *Kumar (2012)* further mentioned in a study that, coming up with a research design helps minimise the risks of collecting haphazard information and it also ensure that the material collected meets the objectives of the study. The objectives and the constraints of the study as stated in chapter one are the ones that necessitated an appropriate method. A mixed research methodology has been viewed as one appropriate to the study as it expands the research in a way that a singular approach could not. The process of providing a statistical analysis alongside results from the questionnaires and interviews makes the research more comprehensive.

3.2 Mixed Research Methodology

The mixed research method was chosen by the researcher as it was pragmatic that it matches best with the objectives of the study. The study has both descriptive and relational research questions hence these necessitate the use of the mixed method in research. It is one of the objectives to establish the relationship that exist between variables and this relationship can be explained best by a statistical programme which is quantitative in nature whilst the objectives are qualitative in nature. Tashakkori and Teddlie (2012) supported this phenomenon by affirming that a mixed method is one in which the researcher adopts the qualitative research model for a particular phase of a research and adopts quantitative on the other phase of the study. Khan (2012) alluded that the mixed research method aims at giving the researcher an opportunity to explore more about the objective under study without manipulating it.

3.3 Qualitative Approach

Curry (2014) specified that the qualitative approach referred to the collection of textual information as well as its organisation and interpretation. The approach focuses on personal perspectives and can be viewed to be subjective in nature. Kumar (2012) alluded that this type of research does not involve statistical procedure to provide findings. The researcher had to incorporate the qualitative approach as the research involved some objectives that needed opinions of respondents that could not be analysed using a statistical method. The approach facilitated in the researcher getting to know what the respondents feel about the impacts of budgetary controls on capital projects to the operational performance of CAAZ.

3.4 Quantitative Approach

The investigation of variables using some statistical or mathematical techniques had been found to be the best way to describe the quantitative approach (Kumar,2012). This approach places much emphasis on the relationship that exist between variables and can well present origins and determinants in highly controlled circumstances. It also assumes that the sample is a representative of the targeted population. The researcher had to implement the quantitative approach as it is one of the research objective to establish the relationship that exists between budgetary controls on capital projects and the operational performance of CAAZ. The approach also give room for the collection of data from respondents and the analyse it statistically.

3.5 Targeted Population

Vaskimo (2015) stated that targeted population a collection of respondents who can attend to the questions under study and these individuals should be in a position to be affected directly or indirectly by the results of the study. The targeted population of this study comprised of stakeholders who have influence to the operational performance of CAAZ and these stakeholders include, ministry of transport, employees, customers and the communities around airports. As the employees are part of the targeted population their involvement will be sub divided by departments and the departments of concern will be finance, air traffic safety as well as the air traffic control.

3.6 Sample Size Determination

According to Borg and Gall (2012) a sample is regarded as a subset of a population that is selected to partake a research study. A sample can be well-defined as a selection of representatives from a targeted population. Judgemental sampling was used and this is one in

which the researcher used own discretions and ruling to select the respondents suitable for the research study. Wessell (2015) indicated that judgemental sampling is most appropriate where the researcher requires a sample of experts. The sampling method was used as it was necessary to obtain knowledge from the most experienced experts. Due to the methodological nature of the research topic it was justified that the researcher used personal judgement to identify the suitable respondents to the research since not every person in the operations of CAAZ was aware of how budgetary controls on capital projects impact the operational performance of CAAZ.

Table 3.1 Target Population , sample size and data collection method

Respondents	Population	Sample	Interview
Ministry of Transport	5	2	-
Finance Manager	1	1	1
Cost Management Accountant	2	1	1
Airport Accountant	2	2	1
Assistant Accountants Office	7	7	1
Flight safety	4	2	-
Air traffic Control	5	4	1
Ramp	4	4	-
Airlines	8	7	-
Total	35	30	5

3.7 Sources of Data

These are methods used by the researcher to obtain information used in the research. The researcher used the primary data to carry out the research.

3.7.1 Primary Data

Churchill (2012) alluded that primary data is data that the researcher collects originally from the sources and it is described as first-hand information. Primary data is regarded to be related to specific objectives within the research. Wessel (2015) elaborated that primary data is that which is obtained by carrying out a research for the time that subject of matter is required to produce outcomes for solutions to be provided and in most cases it is gathered to answer specific topics or to solve a problem that would have been identified. Data collection instruments that the researcher used to get information were the responses that arose from questionnaires and interview. The researcher opted for the primary data due to the merits that emanate from the method which include that data is original, reliability levels are higher since the data is collected by the researcher and that data is uniform as it is already planned by the investigator.

3.8 Research Instruments

These are tools that the researcher used to facilitate the gathering of primary data that is regarded relevant in supporting the objectives of the study and these include administering of questionnaires and conducting of interviews.

3.8.1 Questionnaires

Yung (2014) stated that questionnaire enable the easy and economical involvement of a large number of respondents. Kumar (2012) pointed out that the research instrument's main aim is to ensure that the collection of valid and truthful data which is not complex when comparing it and analysing it as well as minimising bias. Structured questionnaires were administered as the main data collection instrument. Closed ended questions were provided within the research instrument as it provides a more structured response for better recommendation, the researcher used the drop and pick method. The questionnaires were developed in such a way that anonymity and guarantee was provided. So as to obtain the responses, the researcher

adopted the use of a five point Likert scale and this is a scheme used to measure the attitude of respondents that ranged from strongly agree (SA) to strongly disagree (SD). The structure of the scale is as shown below:

Table 3.2 The Likert Scale

Attitude	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
Scale rating	1	2	3	4	5

3.8.2 Interviews

Smith (2012) identified research interviews as inter-view meaning that it is an inter change of views between two people conversing about a theme of mutual interest. Kahn and Cannel (2014) alluded that interviews used in carrying out studies to ensure the understanding of the research questionnaires by the respondents. Top management and accountants within the organisation were interviewed as these are expected to have a thorough understanding of the budgetary policies in place. The interviews enabled immediate feedback and investigation into assertions that could be easily be evaluated by observation. The researcher used structured interviews to gather information of relevance of the study to the impacts of budgetary controls on capital projects to the operational performance of CAAZ. Structured interviews proved to be more appropriate to the researcher as they required less time and effort.

3.9 Data Analysis

$$Y = a + bx$$

where:

Y = operational performance (dependent variable)

a = is the intercept (the value of Y when X=0)

b = Slope of the line

x = is the independent (explanatory) variable budgetary control.

3.10 Reliability

Mugenda (2015) stated that reliability is the degree to which a research instrument produces consistent outcomes. Where there is a greater percentage of reliability of an instrument this leads to the less likelihood of errors of measurement within the study and where the unreliable measures are used the outcomes become less valuable (Marson, 2016). To elude the mentioned shortfalls in the collection of data. The researcher had to select those employees with immense knowledge and experience in the finance section so as to enhance the reliability and dependency of the research findings.

3.11 Validity

Validity was defined by Wilson (2015) to be the extent to which the instruments used measure what they purport to measure. Validation involves the collections and analysis of data to inspect on its levels of accuracy. Marson (2016) stated that there are three main types of validity which include criterion validity, construction validity and content validity. The researcher used the content validity method which entails the suitability of the content of an instrument. Yin (2014) further alluded that complex questions may hinder the validity of the

research instrument. This notion by Yin (2014) came as an eye opener to the researcher for the need of providing clear and precise questions on the questionnaire and interview.

3.12 Chapter Summary

The chapter presented the study methodology that was employed by the researcher. The chapter also highlighted and expounded the research designs, research instruments and the population essential to carry out the study. The researcher also justified the choice of each instrument and shows their rationing to the study population and the collected data was also well examined before presentation. The following chapter will focus the presentation and analysis of the data.

CHAPTER 4

DATA ANALYSIS AND PRESENTATION OR FINDINGS

4.0 Introduction

This chapter presents the analysis of data collected from interviews, questionnaires, observations and desk research carried out during the study in unification to the literature that was revised in the second chapter. The material was composed from the Civil Aviation Authority of Zimbabwe's various departments. This presentation and analysis of data will provide meaning to the findings and assist in answering the research questions. This chapter is the basis upon which conclusion will be drawn. The use of statistical descriptions involving the construction of tables, pie charts, and bar charts were preferred. However, in cases where data could not lend itself to statistical analysis, content analysis was used. The results of the study are presented below.

4.1 Questionnaire response rate

Table 4.1 below illustrates groupings of respondents to the questionnaires administered by the researcher and their corresponding response rate. The questionnaires were dispatched at the Civil Aviation Authority of Zimbabwe's Harare International Airport offices. Questionnaires to the total of twenty-eight were dispatched, but only twenty-five were returned successfully responded to, marking a response rate of 71.42% from (25/35). Beginning with a population of 30 sampled employees 28 questionnaires were administered precisely to five departments specifically Finance head office, Harare Airports, Air traffic control, Flight Safety Department and Business development & Human Resources department.

Table 4.1 summarizing questionnaire response rate from CAAZ employees.

Respondents	Target Population	Number of Questionnaires		Response Rate
		Dispatched	Returned	
Ministry of Transport	4	2	0	0%
Finance Manager	1	1	1	100%
Cost Management Accountant	2	2	1	50%
Airport Accountant	2	2	2	100%
Assistant Accountants	6	5	5	100%
Air Traffic control	5	5	5	100%
Airlines	5	5	3	60%
Human Resources	3	2	2	100%
Marketing	2	2	1	50%
Total	30	28	25	83.33%

Table 4.1 above displays the response rate from questionnaires administered from the 28 dispatched questionnaires only 25 were completed, and returned, where 35 was the targeted population which is 71.42% The researcher presumed that the other respondents were not able to respond as a result of being busy with work and unwillingness to complete the questionnaires. Even though the researcher could not reach the required response rate of

100% total ,25/35 (71.42%) is considered to be reliable as it falls within the recommended range of some scholars like Thanker (2014) who stated that the acceptable response rates is 60% and above for producing some information to the population of interest. Since 71.42% was above the acceptable response rates, data collected was valid and reliable to be demonstrative of the population and consequently the research could be carried out.

4.2 Questionnaires responses and analysis

4.2.1. Relationship between budgetary controls and the operational performance

The relationship between the study variables namely auditors' workload and audit quality was computed using STATA 11. Responses to coded ratings of questions 9 are averaged and question 10 is also utilised in STATA 11 to come up with the relationship of the two variables.

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. reg operationalperformance budgetarycontrol
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Source	SS	df	MS			
Model	40.3225806	1	40.3225806	Number of obs =	25	
Residual	5.43741935	23	.236409537	F(1, 23) =	170.56	
Total	45.76	24	1.90666667	Prob > F =	0.0000	
				R-squared =	0.8812	
				Adj R-squared =	0.8760	
				Root MSE =	.48622	

operationa~e	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
budgetaryc~l	.8064516	.06175	13.06	0.000	.6787121	.9341911
_cons	-.0593548	.2092221	-0.28	0.779	-.4921638	.3734541

Source: Stata 11 results

There is a positive relationship between operational perf and budgetary controls as shown by a t value of 13.06 which is above 2 according to Wein et al (2012), the p value is also 0.000 which is below 0.005 the recommended one .A change in 1 unit of

operational performance will lead to a 80% coefficient increase in budgetary control

.This is supported by

$$Y = a + bx$$

Therefore: Operational performance = $-0.593548 + 0.8064516$

where:

Y = operational performance (dependent variable)

a = is the intercept (the value of Y when X=0)

b = Slope of the line

x = is the independent (explanatory) variable budgetary control.

The results to Stata 11 shown by the model above were used to address the relationship that exists between budgetary controls and the operational performance this was done through simple linear regression. The model was used to assess the effects of inefficient budgetary control on the operational performance of the aviation industry in Zimbabwe. The researcher used Pearson's correlation analysis to the relationship that exists between budgetary controls on capital projects and the operational performance. Martz (2015) stated that correlation coefficients are used to determine the extent of the association of variables and their values range from -1 which indicate a perfect negative correlation to +1 which indicate a perfect positive correlation. The nearer the values are to 1 there will be a strong relationship and if they are close to 0 then no relationship exist. As with this study the correlation of coefficient is 0.864516 and this is close to 1 therefore a strong relationship exists between budgetary controls on capital projects and the operational performance of aviation industry in Zimbabwe. In a practical view an increase in the budgetary controls by one unit will result in an increase in the operational performance levels.

Frost (2016) alluded that r squared is a statistical measure of how close the data is to the fitted regression line and it always lies between 0 and 100%. The R squared for this study to

establish the relationship that exists between budgetary control and operational performance was found to be 0.8812 and if it is multiplied by 100 it will be 88.12% and is above 50% this indicated there is a strong relationship that exists between budgetary controls on capital performance of Civil Aviation Authority of Zimbabwe.

4.3 Effects of inefficient budgetary controls on capital projects to the operational performance of the aviation industry

4.3.1 Inefficient budgetary controls on capital projects to the performance of the aviation industry result in failure to achieve set goals and objectives.

Raw Data: Number of respondents and their responses.

	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
No of Respondents	11	11	1	0	2

Fig 4.1 Failure to achieve set goals and objectives



Fig 4.3 above shows that 11/ 25 (44%) strongly agree,11/25 (44%) agree to the fact that inefficient budgetary controls on capital projects lead to failure of achieving set goals and objectives and this negatively affects the operational performance of Civil Aviation Authority of Zimbabwe. Steward (2013) was in line with the agreeing respondents by stating that budgetary control emphasis is on strict adherence to some predetermined standards in order to achieve the desired objectives of the business operations. Drudy (2012) also supported these responses by stating that budgetary control should help to facilitate the organisations' communication of objectives by making management realise what the organisation is seeking to achieve and how it seeks to achieve it within the relevant period, failure to implement these budgetary controls will negatively affect the operations of an organisation. Smith (2012) added that budgetary control is a continual monitoring process and requires continual updating and amendment of the budget through operational performance.

1/25 (4%) was not sure of whether inefficient budgetary controls would result in failure to achieve set goals and objectives, none disagreed and 2/25 (8%) strongly disagreed that failure to achieve set goals and objectives could be as a result of inefficient budgetary control. Jamu (2015) stated that there are other significant factors to focus on that lead to the organisation achieving set goals and objectives other than the inefficiency of the budgetary control process. This was supported by Salman (2012) who stated that failure to achieve set goals for desired operational performance is not just a matter of inadequate budgetary controls there are other factors that contribute significantly like incompetent cooperate governance. Information above displays that 22/25 (92%) agreed and 2/25 (8%) disagreed whilst 1/25(4%) was neutral to the fact that failure to achieve set goals and objectives is as a result of inefficient budgetary controls on capital projects within the aviation industry. It can be concluded that inefficient budgetary controls on capital projects result in failure to meet set

objectives and goals to a greater extent and this negatively affects the operational performance of the organisation.

4.3.2. Inefficient budgetary controls on capital projects to the performance of the aviation industry result in Time overrun of projects

Raw Data: Number of respondents and their responses to the issue of time overrun.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
No of Respondents	12	10	0	3	0

Fig 4.2 Time overrun of projects

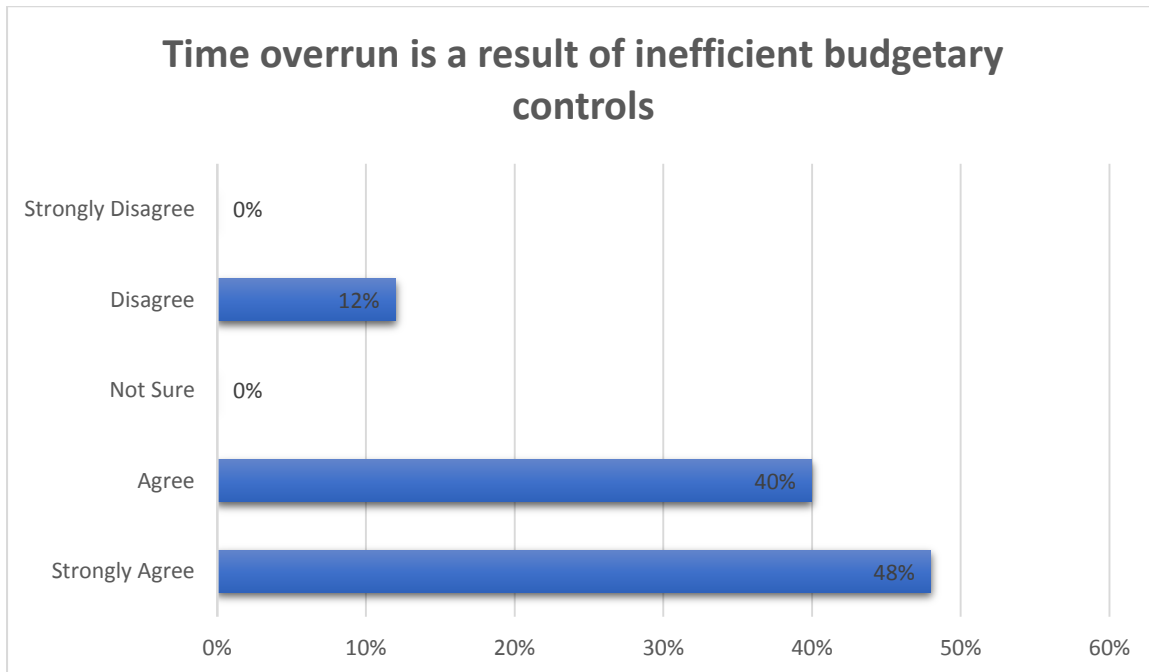


Fig 4.4 above shows that 12/25 (48%) strongly agree, 10/25 (40%) agreed, that inefficient budgetary controls would result in time overrun of projects for Civil Aviation Authority of Zimbabwe. Milani (2014) stated that if budgetary control measures on capital projects are

inefficient it leads to time overrun of projects and this negatively affects the operational performance of the organisation. Kaguri (2016) also supported by stating that operational performance of an organisation is negatively affected by the time taken within the organisation during the execution of projects and it is necessary to monitor the status of the project in terms of its cost baseline and time frame. Salman (2012) supported the same notion by stating that monitoring the expenditures of funds without regard of the amount of time it takes to complete a project has little value to the project and this may affect the operations of the organisation, thus much effort is needed to assess the relationship between the time it takes to complete a project and the operational performance of that organisations so as to ensure completion of projects as per the forecasted period.

3 / 25 (12%) disagreed and none strongly disagreed that inefficient budgetary control results in the time overrun of projects. This is supported by Jacobs and Truman (2013) who argue that time overrun cannot be settled only on the inefficiency of budgetary controls but on other factors that include incompetence of workers and inadequate resources as these also to low operational performance. Information above displays that none of the respondents were not sure of whether inefficient budgetary control lead to time overrun of projects and that it affects the operational performance of the organisation. This therefore supports the 22/ 25 (88%) who agreed. 3/ 25 (12%) disagreed to the fact that time overrun is as a result of inefficient budgetary controls on capital projects within Civil Aviation Authority of Zimbabwe. Basing with the majority the researcher can however, concluded that inefficient budgetary controls on capital projects result in time overrun of Civil Aviation Authority of Zimbabwe's capital projects and this negatively affects the operational performance of the organisation.

4.3.3 Inefficient budgetary controls on capital projects to the performance of the aviation industry result in Loosing cost competitiveness

Raw Data: Number of respondents and their responses to the issue of losing cost competitiveness.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
No of Respondents	8	11	3	3	0

Fig 4.3 Loosing cost competitiveness

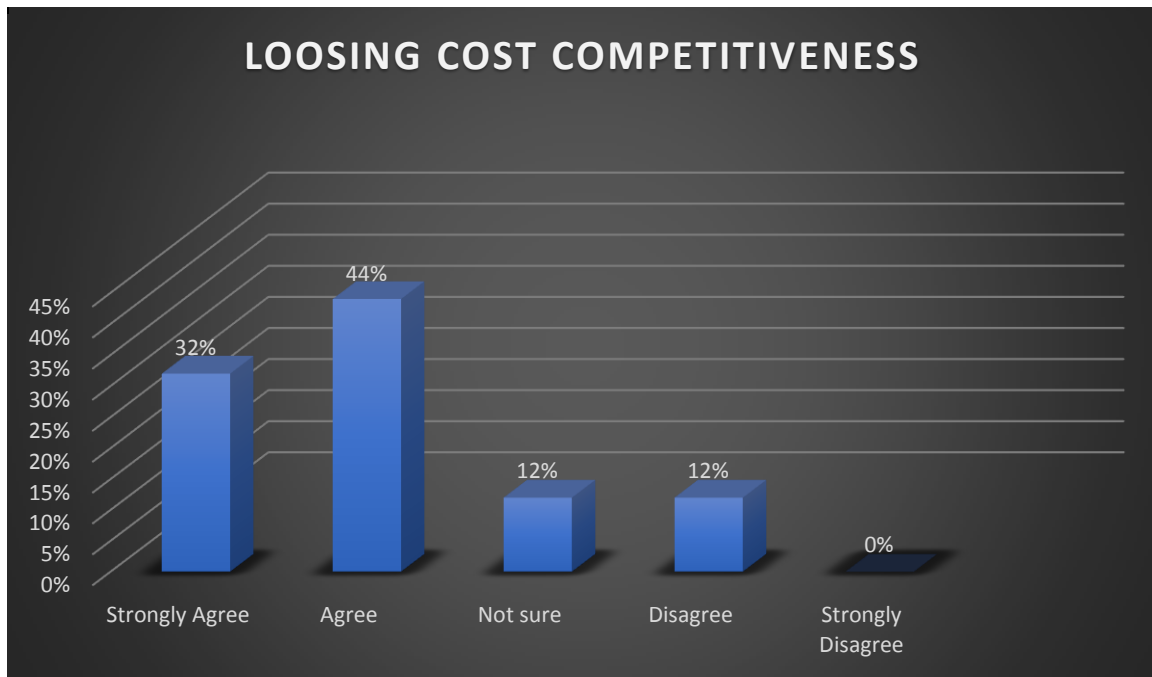


Fig 4.5 above shows 8/25 (32 %) strongly agree and 11/25 (44%) agree that inefficient budgetary controls lead to Civil Aviation Authority of Zimbabwe losing its cost competitiveness within the southern region. Margah (2016) highlighted that inefficient

budgetary controls on capital projects will cause an organisation to operate at higher charges as compared to other players in the same industry and this will drive away customers to competitors. One respondent from the interviews also highlighted the same issue and stated that during the and before the Victoria Falls International airport construction tourists would land in Zambia then visit the majestic Victoria Falls by road from Zambia as it was cheaper for the passengers as they were made to pay Airport Infrastructural Development Fee (AIDEF) on the Zimbabwean side.

2/25 (12%) was not sure of whether inefficient budgetary controls would result in losing cost competitiveness within the southern region this was because they were not well versed with issues to do with budgetary controls on capital projects, 3/25(12%) disagreed and none strongly disagreed that losing cost competitiveness could be as a result of inefficient budgetary control. Stent (2013) stated that the issue of budgetary control must be taken seriously if the organisation is aiming at surviving in the industry and if it desires to improve its operational performance. Information above displays that 19/25 (76%) agreed and 3/25 (12%) disagreed whilst 3/25 (12%) neutral to the fact that losing cost competitiveness in the industry is as a result of inefficient budgetary controls on capital projects within the aviation industry. It can be concluded that inefficient budgetary controls on capital projects result in Civil Aviation Authority of Zimbabwe losing cost competitiveness as it will now be forced by its own costs and debts to charge higher fees to its customers for it to be able to survive in business, to a greater extent and this negatively affects the operational performance of the organisation.

4.4 Factors Affecting the budgetary control process

4.4.1 Lack of adequate availability of financial resources a factor that affects the budgetary control process

Raw Data: Number of respondents and their responses to the issue of inadequate financial resources.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	4	14	2	1	4	25

Fig 4.4 Lack of Adequate Availability of Financial resources

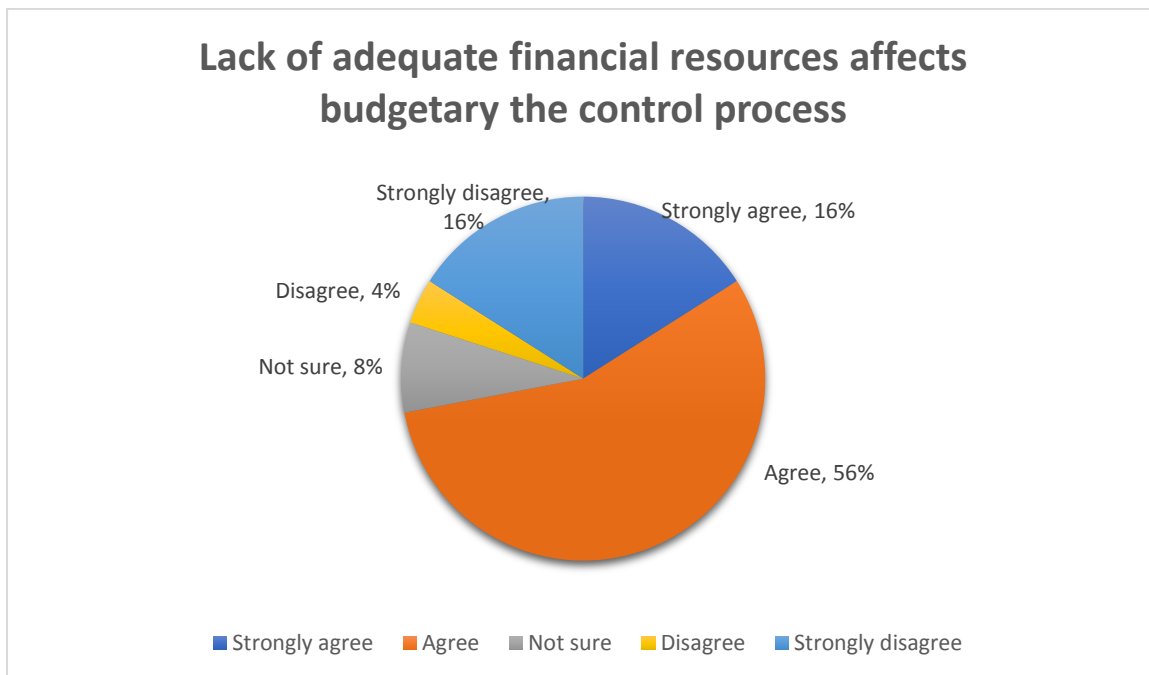


Fig 4.6 above shows that 4/25 (16%) strongly agree,14 /25 (56%) agreed that lack of adequate availability of financial resources affected the budgetary control process and it

negatively affects the operational performance of Civil Aviation Authority of Zimbabwe. Hancock (2013) supported this by stating that organisation should allocate adequate resources and other facilities for effective implementation of projects and other organisational activities to facilitate high levels of operational performance. Tomly (2013) also supported by highlighting that management team should ensure that enough financial resources are availed and come up with a budgetary control technique before implementing capital projects to ensure better operational performance of an organisation. Kaguri (2015) stated that to achieve an effective budgetary control, the organization must ensure that it have adequate access to financial resources in order to finance its projects and to carry out its activities for better performance of its operations

2/25 (8%) respondents were not sure of whether lack of adequate availability of financial resources is a factor that affects the budgetary control process and if they affect the operational performance of Civil Aviation Authority of Zimbabwe. 1/25 (4%) disagreed and 2/25 (8%) strongly disagreed that lack of adequate availability of financial resources could is a factor that affects the budgetary control process. Tomly (2013) supported the disagreeing respondents by stating that it is because of the limitations in supply of adequate resources that led to the implementation of budgetary controls and they are used as a measure of the organisation's operational performance. Kanon (2012) mentioned that with the little that an organisation can have, operational performance can still be measured and budgetary controls work best when the financial resources are very limited in supply. Information above displays that 18/25 (72%) agreed and 3/ 25 (12%) disagreed whilst 2 / 25 (8%) were neutral to the fact that lack of adequate availability of financial resources affects the budgetary on capital projects within the aviation industry. It can be concluded from the overall response that lack of adequate availability of financial resources affects the budgetary control process on capital

projects to a greater extent and this negatively affects the operational performance of the organisation.

4.4.2 Absence of co-ordinating budget activities a factor that affects the budgetary control process

In an effort to find out whether absence of co-ordinating budget activities affect the budgetary control process; a question was asked to various members of Civil Aviation Authority of Zimbabwe as well as some stakeholders to see if the organization`s budgetary control process is affected by the absence of co-ordinating budget activities. The findings are presented in fig 4.7 below:

Raw Data: Number of respondents and their responses to the issue of absence of co-ordinating budget activities.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
No of Respondents	4	14	3	4	0

Fig 4.5 Absence of co-ordinating budget activities

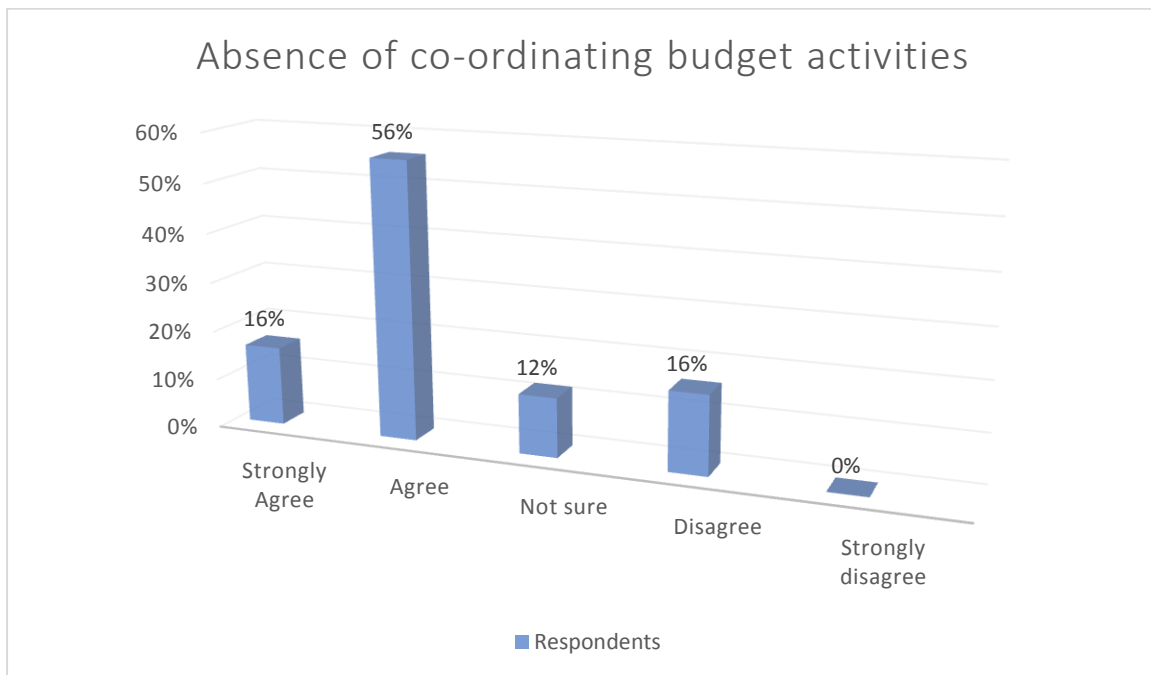


Fig 4.7 above shows that 4 /25 (16%) strongly agree,14/25 (56%) agreed that the absence of co-ordinating budget activities affects the budgetary control process. Luecke (2012) supported by stating that co-ordination of activities is an effort to motivate employees to work together for the good of the organisation’s operations and failure to do co-ordinate budget activities will negatively affect the operational performance of an organisation. Fruitticher (2013) stated that co-ordination is the establishment of the framework in which organisational activities are to be performed as far as operational performance is concerned. Brown (2014) supported the above by stating that co-ordination refers to the systematisation of interdependent parts into one unit and the lack of co -ordinating organisational activities leads to inefficient budgetary controls and this may result in low operating organisations.

3/25 (12%) was not sure of whether the absence of co-ordinating budget activities affect the budgetary control process, 4/25(16%) disagreed and none strongly disagreed that the absence of co-ordinating budget activities affects the budgetary control process. Information above

displays that 18/25 (72%) agreed and 4/25 (16%) disagreed whilst 3/25(12%) were neutral to the fact that absence of co-ordinating budget activities affects the budgetary control process on capital projects within the aviation industry. Jim (2014) stated that lack of co-ordinating budget activities cannot be viewed as a factor that compromises the operational performance of an organisation but there are other factors that should be considered and these include absence of skilled labour and a sound corporate governance. It can be settled that budgetary controls on capital projects are affected by the absence of co-ordinating budget activities to a larger extent and this negatively affects the operational performance of Civil Aviation Authority of Zimbabwe.

4.4.3 Is lack of employee participation in budgetary control process a factor that affects the budgetary control process?

Table 4.5 Number of respondents and their responses to the issue of lack of employee participation.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	11	10	1	3	0	25
% of respondents	44%	40%	4%	12%	0%	100%

Table 4.5 above shows 11/25 (44 %) strongly agree of that lack of employee participation in the budgetary control process affects the budgetary controls.10/25 (40%) agree that lack of employee participation in the budgetary control process affects the budgetary controls. These responses are supported by Lucey (2012) who stated that participative approach to control

process known as self-imposed control allows the involvement of all stakeholders in developing control measures that enhance the operational performance. Garrison and Noreen (2013) opined that during this activity tough negotiations ensue to arrive at the most beneficial control, the negotiation should be characterized by openness and fairness in order to allay suspicions and uncertainties commonly associated with a control process and how they may affect the operational performance of an organisation. Jamu (2015) further stated that there are organisations that are controlled by the government and some are controlled by the leaders in the industry whilst some are franchised organisation hence control will always cascade from the governing officials and lack of participation of all will not be a factor that can significantly affect the operational performance of an organisation.

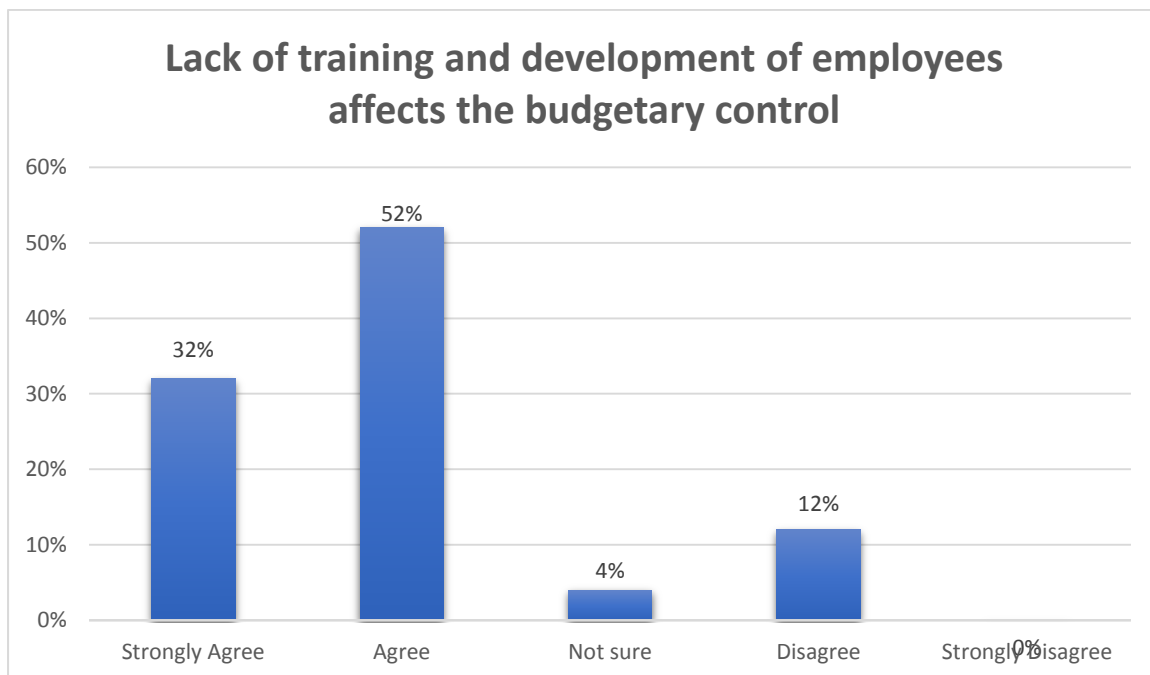
1/25 (4%) was not sure of whether lack of employee participation in the budgetary control process affects the budgetary controls. 3/25 (12%) disagree to the fact that lack of employee participation in the budgetary control process affects the budgetary controls. Drudy (2014) supported the responses of those who disagree by stating that if too much participation within the organisation results in the control process taking longer hence the top management should be the one to enforce the control measure for better operational performance. Jacobs (2012) stated in support that every employee should make an effort to know where the organisation is heading. From the findings, it can be concluded that lack of employees' participation affects the budgetary control process this is evidenced by the 88% respondents who agree to this fact.

4.4.4 Lack of training and development of employees a factor that affects the budgetary control process

Raw Data: Number of respondents and their responses to the issue of lack of training and development

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	8	13	1	3	0	25

Fig 4.6 Lack of training and development of employees



8 out of 25 (32%) strongly agree 13 out of 25 (52%) agreed that lack of training and development affects the budgetary control process of Civil Aviation Authority of Zimbabwe. Smith (2012) supported this by stating that empowering role players with financial skills helps them to take control over the operation of the budget plans and it also enhances contributions that can help in the operations of the organisation. Peterson and Jacobs (2012)

stated that individuals playing a role in the control process should undergo some skills development in financial management so that they are fully conversant with the relevance and importance of budgeting and budgetary control system and how they affect the operational performance of an organisation. De Waal (2013) was of the view that educating those that participate in the budgetary control process offers them the authority and the responsibility for decision making, and closes a decision circle thereby making them answerable for their decisions this will help the organisation at large in attaining its goals and operational performance is upgraded.

1 out of 25 (4%) was not sure, 3 out of 25 (12 %) were disagreeing and none strongly disagreeing that lack of training and development of employees affects the budgetary control process on capital projects and operational performance of Civil Aviation Authority of Zimbabwe. Lambart (2014) argued that whether training has been availed or not budgetary controls can fail if the management team is weak. Okoro (2012) and Chindu (2013) supported by stating that training and development of employees has no direct link to operational performance as management is not able to force an employee to execute all they have learnt. However, the aggregated 84% agree to the fact that lack of training and development of employees affect the budgetary control process. this lead the researcher to concluding that lack of training and development of workers can affect the operational performance of the Civil Aviation Authority of Zimbabwe.

4.4.5 Inadequate communication of budget plans a factor that affects the budgetary control process

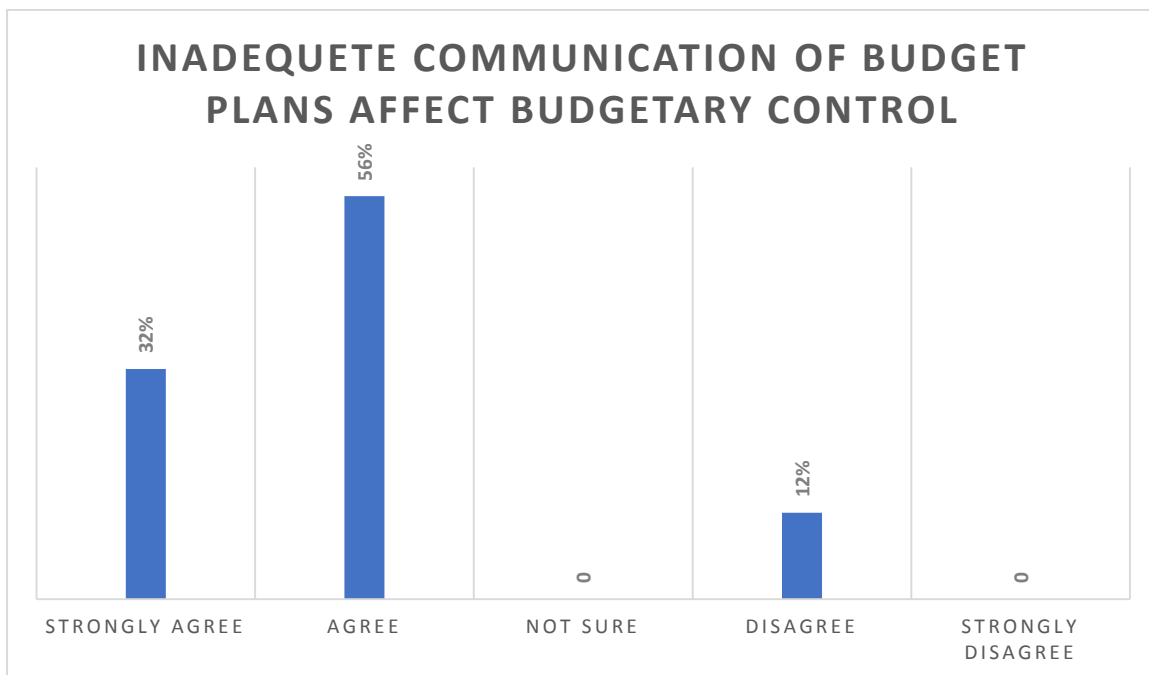
In an effort to find out the whether inadequate communication of budget plans affect the budgetary control process, a question was asked to various members of Civil Aviation Authority of Zimbabwe as well as some stakeholders to see if the organization`s budgetary

control process is affected by inadequate communication of budget plans. The findings are presented in fig 4.9 below:

Raw Data: Number of respondents and their responses to the issue of inadequate communication of budget plans

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
No of Respondents	8	14	0	3	0

Fig 4.7 Inadequate communication of budget plans



The Fig 4.9 above shows 8/ 25 (32%) strongly agree,14/25 (56%) agree that inadequate communication of budget plans affect the budgetary control process on capital projects. Hansen and Mowen (2012) supported by highlighting that the leading and lagging indicators in respect of budget plans are identified through an ongoing communication among budget holders after which they should have communicated to all employees and stakeholders. This

concurrent with Weitzman (2013) who stated that the communication process is a vital part of creating a sense of teamwork and ensuring that all key players understand the role they have to play in achieving budget targets. It can be concluded that inefficient budgetary controls on capital projects result in failure to meet set objectives and goals to a greater extent and this negatively affects the operational performance of the organisation.

3/25 (12%) disagreed that inadequate communication of budget plans leads to inefficient budgetary control. Information above displays that 22/25 (88%) agreed and 3 out of 25 (12%) disagreed. Salman (2012) stated that every organisation has its objectives and mandates that govern its operations and these are things known by all within the organisation therefore, whether budget plans have been communicated or not the operational performance of that organisation should not be affected. As the majority of 22/25 (88%) agrees to the notion that inadequate communication of budget plans affect the budgetary control process the researcher can safely conclude that inadequate communication of budget plans negatively affect the budgetary control process on capital projects and this also affects the operational performance of CAAZ.

4.5 Best practices of controlling budget expenditure

4.5.1 Budget planning is one of the best practices of controlling the budget expenditure on capital projects

Raw Data: Number of respondents and their responses to the issue of Budget Planning

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	10	13	0	0	2	25

Fig 4.8 Budget Planning

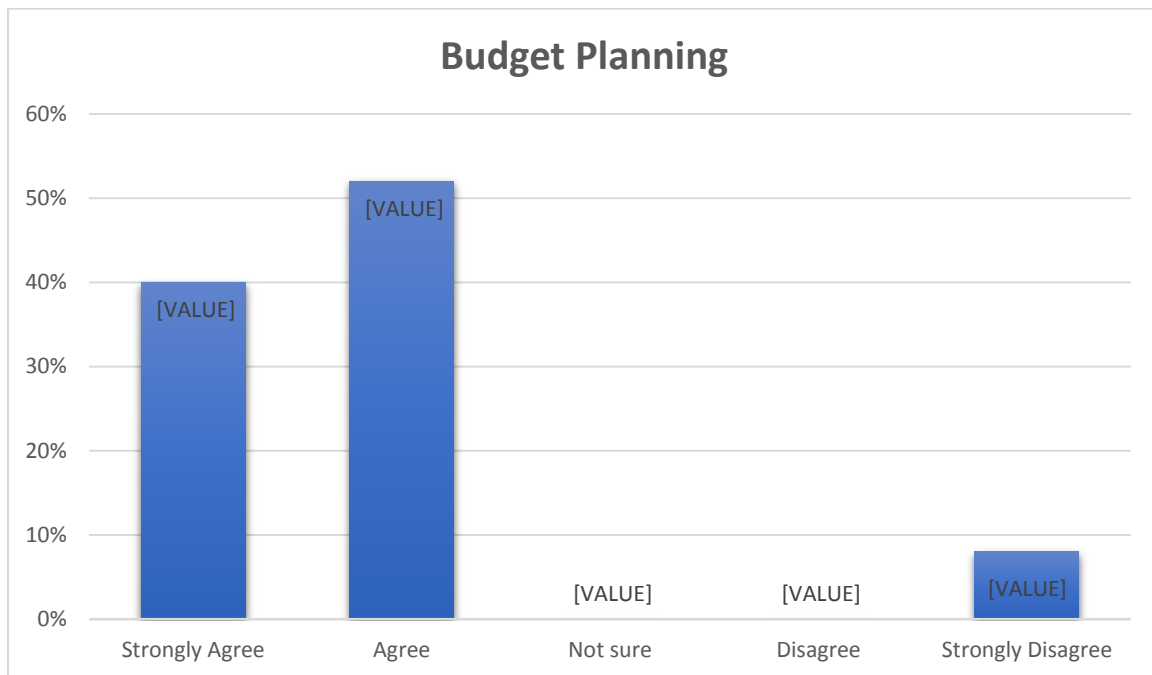


Fig 4.10 above show that 10/25 (40%) strongly agree, 13/25 (52%) agree, 0% (0 out of 25) were uncertain, 0/25 (0%) disagree and 2/20 (8%) strongly disagree that budget planning is one of the best practices of controlling budget expenditure on capital projects of Civil Aviation Authority of Zimbabwe. According to Arora (2012) planning involves selecting objectives and actions to achieve them, it is looking ahead and preparing for it, which links it to budgeting. Sizer (2013) suggested that planning as part of the budgetary control is of great benefit to tool involves a long-range planning, strategic planning and short term planning for better operational performance. In support Oley (2013) stated that benefits of budgetary controls accrue to the whole organization if both the short and long term consequences of the budgets are considered and operational performance will be enhanced

0% (0 out of 25) were uncertain, 0/25 (0%) disagree and 2/20 (8%) strongly disagree that budget planning is one of the best practices of controlling budget expenditure on capital projects for Civil Aviation Authority of Zimbabwe . Kanon (2012) stated the annual budgetary control process leads to the modification of some plans that will have been put in

place, since managers must produce detailed plans for the implementation of the long-range plans. Without the annual budgetary control process, the pressures of day-to-day operating problems may tempt managers not to plan for future operations. The aggregated 23/25 (92%) agree, 0/25 (0%) were uncertain and 2/25 (8%) disagree to budget planning being one of the best practices of controlling expenditure on capital projects. This means that the majority were agreeing that budget planning helps cut on unnecessary expenditure on capital projects. A conclusion can be drawn from the findings that budget planning is a significant tool in controlling the budget expenditure on capital projects of CAAZ and it enhances the operational performance of the organisation.

4.5.2 Variance analysis Is one of the best practices of controlling the budget expenditure on capital projects .

Raw Data: Number of respondents and their response to the issue of variance analysis

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	10	12	2	1	0	25

Fig 4.9 Variance Analysis

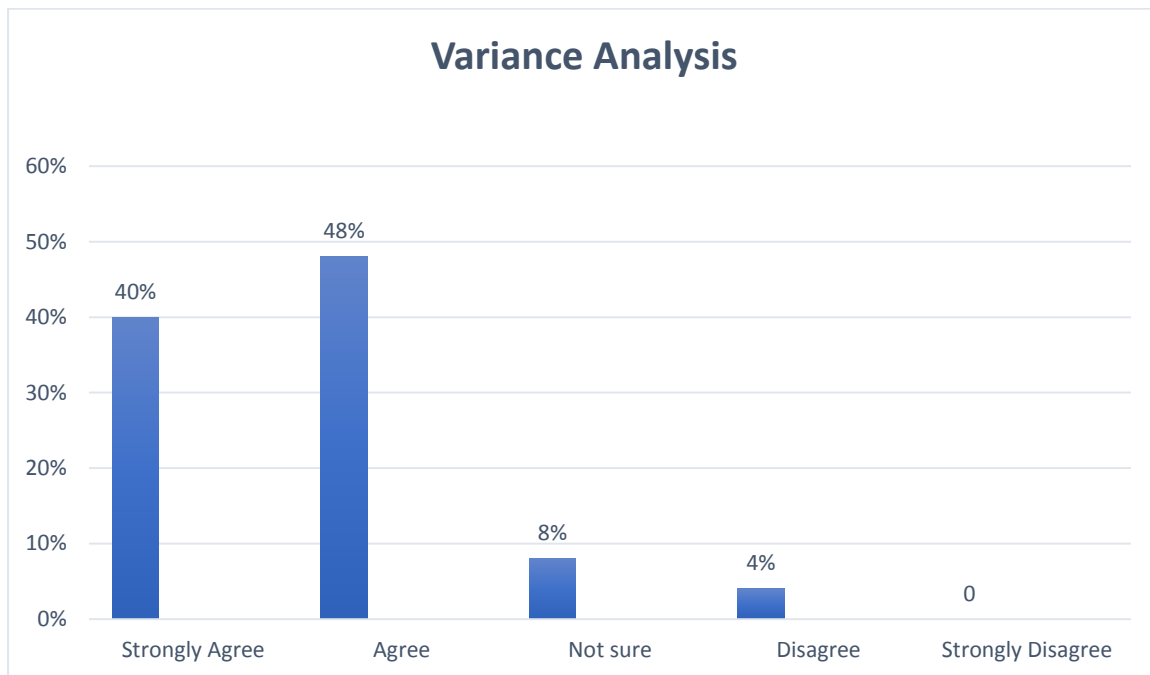


Fig 4.11 above shows 10/25 (40%) strongly agree that variance analysis is one of the best ways of controlling budget expenditure 12/25 (48%) agree, 2/25 (8%) were uncertain, 1/25 (4%) disagree that variance analysis is one of the best ways of controlling budget expenditure. In total, 88% agreed, 8% were uncertain and 4% disagreed. Newton (2015) indicated that the purpose of variance analysis is mainly to provide pointers to the causes of off-standard performance hence it helps in the controlling of budgets. Kabiru and Dandago (2013) reviewed and analysed literature to determine what constitutes efficient standard in an organization with a view to disclosing realistic variance for management budgetary control and based on the review and analysis to assess the extent to which costs variance analysis can adequately be useful in controlling costs to provide for improved operational performance. Aruomoaghe and Agbo (2013) investigated the application of a variance analysis as a significant tool for performance evaluation with a particular focus on the cost and benefit associated with its utilization as an operational performance evaluation tool in an organisation.

2/25 (8%) were uncertain this could have been because they lacked knowledge on what variance analysis was as it is mostly consider to be an accounting issue in most organisations and some are just reluctant to know. 1/25 (4%) disagree that variance analysis is one of the best ways of controlling budget expenditure. However Ramji (2012) supported these respondents by arguing that variance analysis is not a reliable practice when measuring the operational performance of an organisation in the view of budgetary control without bringing the issue of inflation. According to Smith (2012) variance analysis cannot be viewed on its own as a method of controlling expenditure there are other factors that should be considered when evaluating the operational performance of an organisation. From the statistics and the suggested above, the majority of 88% of the respondents agreed hence the researcher can conclude that variance analysis is one of the best practices of controlling budget expenditure.

4.5.3 Control reports are one of the best practices of controlling the budget expenditure on capital projects .

Raw Data: Number of respondents and their responses to the issue of control reports

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	10	11	1	2	0	25

Fig 4.10 Control Reports

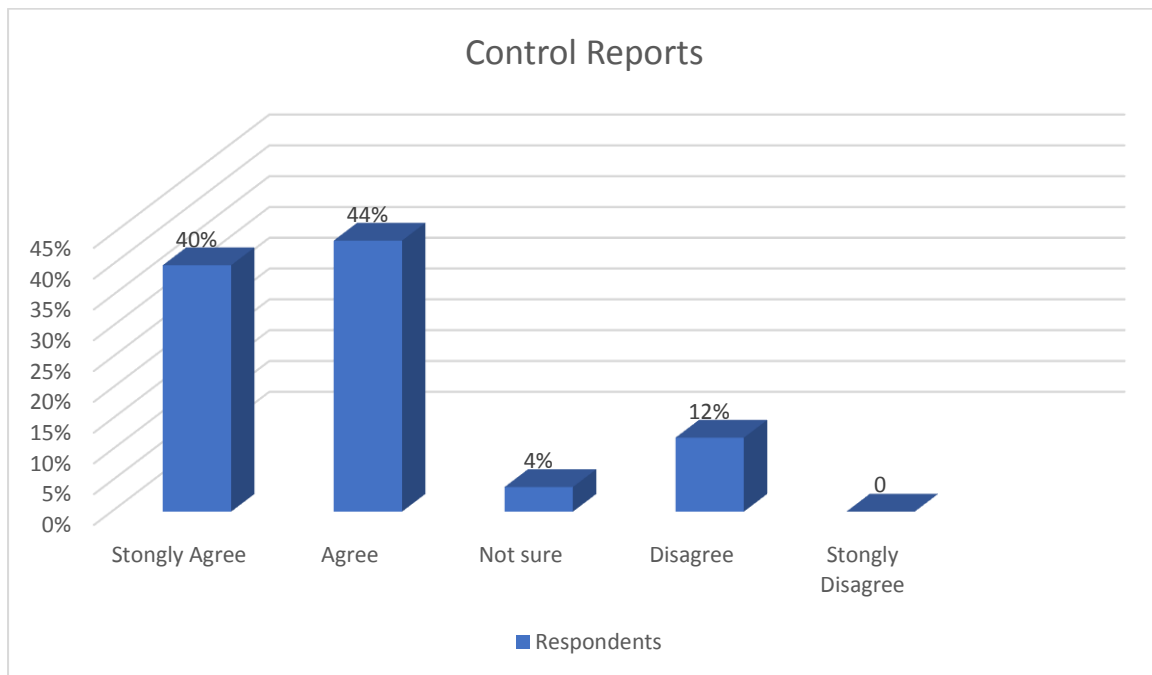


Fig 4.12 above shows 10/25 (40%) strongly agree, 11/25 (44%) agree that control reports are one of the best practices of controlling budget expenditure on capital projects. In total, 21/25 (84%) agreed. Duncan (2012) explained that the most significant benefits of control reports is that they provide information to management and investors that is critical to decision-making and they show how different departments have been performing and it is overall a tool of monitoring operational performance. Faleti (2012) further stated that business reports help in identifying key areas of strength and weakness in the company's management, a running record of the organisation's operational performance and guidance for the company's strategic priorities

4% were uncertain and 3/25 (12 %), disagreed that control reports are one of the best practices of controlling budget expenditure on capital projects. Given statistics shows that the majority 21/25 (84%) agreed. To concur, with Atikson (2012) control reports help in identifying key areas of strength and weakness in the company's management. Patel (2012) argued that while control reports are incredibly useful for management, they also have their

limitations that affects the operational performance of an organisation and these include the cost and money in preparing reports as these have a potential to limit a business' financial and logistic ability to invest in operations or expansion. Jones (2013) was of the view that control reports are also limited by the quality of the information that is available and the competence of those preparing them therefore it is helpful to keep in mind any potential limitations in collecting meaningful data It can therefore be concluded that control reports are one of the best practices in controlling budget expenditure

4.5.4 Control and Responsibility Accounting Theory is one of the best practices of controlling the budget expenditure on capital projects

Raw Data: Number of respondents and their responses to the issue of Responsibility Accounting theory.

	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total
No of Respondents	7	12	4	2	0	25

Fig 4.11 Control and Responsibility Accounting Theory

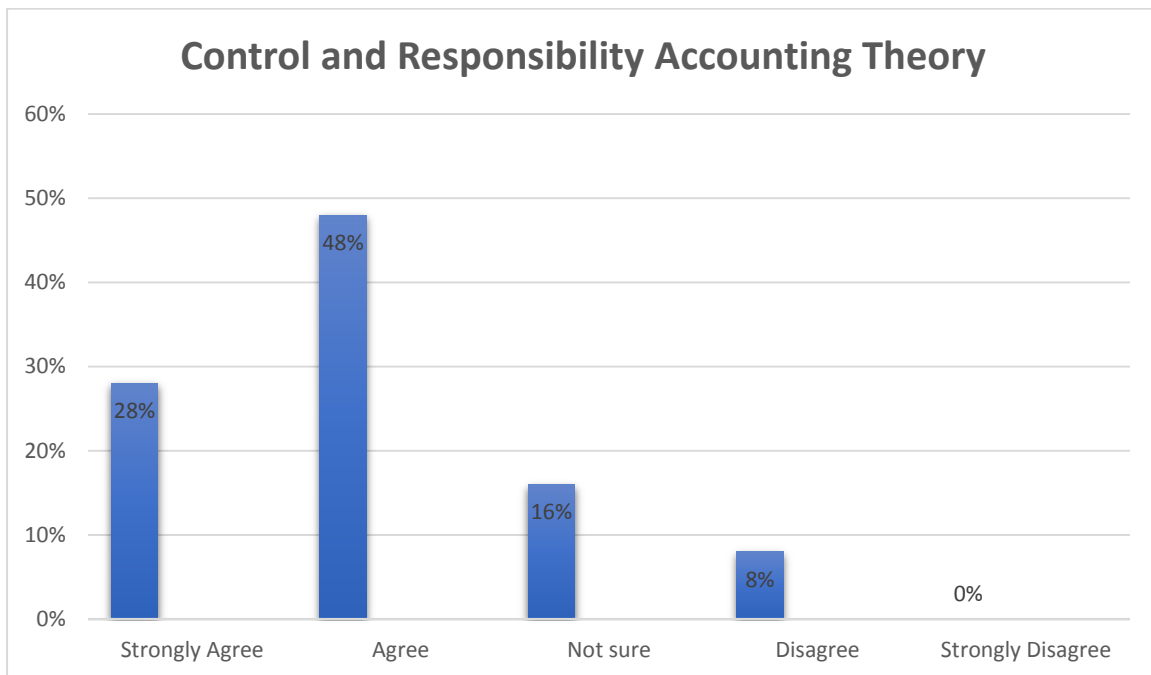


Fig 4.13 above shows that 7/25 (28%) strongly agreed, 12/25 (48%), that it is one of the best practices of controlling budget expenditure on capital projects. In total, 19/25 (76%) agree that control and responsibility accounting theory is one of the best practices of controlling budget expenditure on capital projects. According to Smith (2012) responsibility accounting seek to provide an adequate amount of information so that management may determine the reasons for any cost variances from the original budget and a good control report highlights significant information by focusing management's attention on those items in which actual performance significantly differs from the standard if this done well it impacts positively to the performance of the organisation's operations

4/25 (16%) were uncertain, 2/25 (8%) disagreed and 0% strongly disagreed. Given statistics shows that the majority 19/25 (76%) agreed. Dahan (2013) stated that unlike other concepts, organizational commitment and competence has survived as a viable construct due to focused research carried out in the fields of psychology and organizational behaviour. Carlos (2013)

was of the view that operational performance is not more of a mechanical or technical procedure but rather a human and objective element of management, its success is actually dependent on the competence and commitment of employees within the organisation. It can therefore be concluded that control and responsibility accounting theory are one of the best practices in controlling budget expenditure for Civil Aviation Authority of Zimbabwe when it is carrying out capital projects.

4.6 Analysis of interview responses

4.6.1 Question 1: What is the relationship between budgetary control on capital projects and the operational performance of the aviation industry?

The first respondent cited that there is a positive relationship that exist between budgetary control and the operational performance of the aviation industry as the relationship leads to enhancement of profits in the foreseeable future. The respondent stated that after the implementation of budgetary control measures on the industry's capital projects, service delivery has enhanced and the organisation is also experiencing increased profits. The completion of the Victoria Falls Airport has seen more airlines taking up the Victoria Falls route and this has contributed positively to the profits of CAAZ as well as its operational performance. Denver (2012) supported the same notion by stating that an organisation that practices budgetary controls will observe enhancement of profits accordingly enhancing the operational performance of the organisation. Kaguri (2015) was of the view that the relationship between budgetary controls and the operational performance does not guarantee enhancement of profitability.

The second respondent in an interview conducted specified that commitment and competence of workers may be as a result of budgetary controls if the workers are not affected financially and these control measures need to be well communicated to the employees. The second

respondent further on stated that the implementation of budgetary controls has many times led to lowering the moral of workers as these usually benefit the organisation at the expense of employees' financial position. This is supported by Nouri and Parker (2013) who proposed that participation affects job performance through organisational commitment. Wentzel (2012) indicated that if employees are not competent and committed to the goals, there will not only be a low productivity level, but also a decrease in the levels of operational performance of the organisation.

The third respondent pointed out that the main aim of budgetary controls is to save costs on carrying out capital projects or even on the day to day running of the organisation. The respondent further stated that to a greater extent cost saving is the mainstay of the relationship that exists between budgetary control and operational performance of the aviation industry. The other respondent was of the notion that the budgetary controls have significantly reduced the costs that were being faced by Civil Aviation Authority of Zimbabwe on its capital projects from the period 2013-2016. Kipkemboi (2012) also stated that the budgetary monitoring and control is a deterrent process against misappropriation of funds in terms of procedures and rules that establish the boundaries of financial behaviour. This brings about cost saving which then improves the operational performance of an organisation.

From the responses of the interviewees the researcher can therefore conclude that there is a relationship that exists between budgetary controls on capital projects and the operational performance of Civil Aviation Authority of Zimbabwe and this is supported by factors that include enhanced profitability, improved monitoring of workers, ascertaining of workers' competence and commitment, cost savings and improved allocation of resources. This is well supported by the responses from questionnaires.

4.6.2 Question 2: What are the effects of inefficient budgetary controls on capital projects to the operational performance of the aviation industry in Zimbabwe?

The first respondent mentioned that the delay in the completion of the airports was due to inefficient budgetary controls on the capital projects. Nicholas and Steyn (2012) stated that the operational performance of organisations is negatively affected by the time taken within the organisation during the execution of projects and it is necessary to monitor the status of the project in terms of its cost baseline and time frame. Civil Aviation Authority of Zimbabwe's main aim was to officially open the Victoria Falls International Airport in 2015 but due to the budget variances the completion and the official opening of the airport was in November 2016.

The second respondent mentioned that failure to achieve the goal, time overrun of projects and losing cost competitiveness was as a result of inefficient budgetary controls. This was evidenced by the expenditure variances that inquired during the projects, for example, Victoria Falls International Airport 2013-2014 recorded an expenditure variance of 40% and 2014-2015 recorded a variance of 42%. This indicates inefficient budgetary controls negatively affect the operational performance of the organisation as the organisation will take more time focusing on project completion other than enhancing service delivery. Stewart (2013) stated that effective budgetary controls are a key management task which ensures that efforts produced at all levels are commensurate with those required to ensure the long-term future effectiveness and success of the organisation's operations. Stewart (2013) further stated that budgetary control emphasis is on strict adherence to some predetermined standards in order to achieve the desired objectives of the business operations.

The third respondent stated that CAAZ as a monopoly organisation in Zimbabwe it simply implies that its downfall is the downfall of the Zimbabwean aviation industry. The respondent

further pointed out that the budget committee has to ensure that effective budgetary control techniques are being put in place when carrying out capital projects as the airports have to meet the world standards and effective budgetary controls help in meeting up with the time to complete capital projects. Kabiru (2013) supported by stating that effective budgetary controls are a key management task which ensures that efforts produced at all levels are commensurate with those required to ensure long term future effectiveness and success of the organisation's operations.

From the responses of the interviewees, the researcher can therefore conclude that failure to achieve set goals, time overrun of projects and losing cost competitiveness are as a result of inefficient budgetary controls of Civil Aviation Authority of Zimbabwe. This is well supported by the responses from questionnaires where a greater percentage of the respondents who agree that inefficient budgetary controls result in failure to achieve set goals, time overrun of projects and losing cost competitiveness of Civil Aviation Authority of Zimbabwe.

4.6.3 Question 3: What are the determinants that affect the budgetary control process and their impact on operational performance?

The first respondent stated that budgetary controls are a tool that was developed due to limited financial resources therefore it is argued that lack of adequate financial resources cannot be a factor that affects the budgetary control process of Civil Aviation Authority of Zimbabwe but rather a factor that influences the budgetary control process. Salman (2012) elaborated that if an organisation is operating smoothly with limited resources then that organisation has good control measures in place.

The second respondent further on supported the notion that employees often feel that something that is said to be for them without them is totally against them. The respondent

also stated that every human being need to have a sense of belong to an organisation through participation. According to Smith and Jacobs (2012), participation of employees in organisational control processes is twofold. On one hand employees take part in reviewing control options. On the other hand, employees play a role in deciding on the preferred control option hence lack of employee participation in control process may affect the organisational performance of an organisation as there will not be goal congruency.

The third respondent specified that empowering role players with financial skills helps them to take more control over the operations of the business and it enhances contribution of workers. Smith (2012) indicated that empowering role players with financial skills has the following potential benefits, it helps them have more control over the operations of the organisation and working environment, and hence the contribution they make as individuals and members of a team will improve the operational performance of an organisation. This was supported by Peterson and Jacobs (2012) who stated that individuals playing a role in the control process should undergo some skills development in financial management so that they are fully conversant with the relevance and importance of budgeting and budgetary control system and how they affect the operational performance of an organisation. The respondent further on stated that the implementation of training programs has many times led to enhanced participation and moral of workers. These impact positively to the operational performance of the service delivery of organisations such as Civil Aviation Authority of Zimbabwe.

The researcher concluded that budgetary controls are affected by a number of factors that include lack of adequate resources, absence of coordinating budget activities, lack of employee participation in the budgetary control process, inadequate communication of budget plans and lack of training and development. All these have been observed as a tool that affect the operational performance of Civil Aviation Authority of Zimbabwe. This is well

supported by majority of respondents from the questionnaires who supported the same notion that budgetary control process of Civil Aviation Authority of Zimbabwe is affected by inadequate financial resources, lack of employee participation, lack of training and development as well as inadequate communication of budget plans.

4.6.4 Question 4: What are the best practices of controlling the budget expenditure on capital projects to enhance operational performance?

The first respondent in an interview with the researcher, it was indicated that Civil Aviation Authority of Zimbabwe has been recording high volumes of expenditure from the budget amounts on its capital projects of its three major airports namely Harare International Airport, Victoria Falls International Airport and Joshua Nkomo Airport. This can only be revealed by the variance analysis. The respondent further explained that Civil Aviation Authority of Zimbabwe should try have budget amounts that are of a higher amount so than the ones it has been budgeting so that the expenditure variance will not be very high and the amounts have to be inflation cautious. Jones (2013) stated that being a quantitative investigation of variances between the actual and the budgeted behaviour, variance analysis is a improved means for checking the accuracy, evaluating the performance and implementing remedial actions against weak areas of an operational unit.

The second respondent brought about a similar point by stating that if Civil Aviation Authority of Zimbabwe continues to budget low figures it will always have a higher expenditure variance that will always be depicted by the variance analysis. The respondent also stated the organisation has to implement more practices including budget plans, control reports and control and responsibility accounting theory for enhanced control of budgetary expenditure. It was also highlighted that the organisation should be considered the cost that have been inquired by other players in the industry as a yardstick of possible costs. Kabiru

and Dandago (2013) determined that variance analysis enables the decision makers of the organisation to draw various results that in turn lead to improved efficiency and operational performance of the business entity. Karibu and Dandago (2013) reviewed and analysed literature to determine what constitutes efficient standard in an organisation with a view of disclosing realistic variance for management budgetary control and based on the review and analysis to assess the extent to which cost variance analysis can adequately be useful in controlling costs to provide for improved operational performance.

The third respondent highlighted that improved budgetary controls can be done through the use of variance analysis and this technique also help in setting future budgets. It was also stated that control reports are also a tool that can help control the budgetary expenditure. This was supported to y the other respondent who stated that when it comes to the finances and their control in the organisation every affected person has to be responsibly involved, this helps in the workers having goal congruency. Smith (2012) supported this move by pointing out that control reports seek to provide adequate amount of information so that managers may determine the reasons for any cost variances from the original budget. Khan (2012) explained that a good control report highlights significant information by focusing management's attention on those matters in which actual expenditure significantly differs from the budgeted.

The researcher can therefore conclude that the best practices in controlling budget expenditure for Civil Aviation Authority of Zimbabwe when it is carrying out capital projects include budget planning, variance analysis, control reports as well as control and responsibility accounting theory. This is well supported by the responses from questionnaires were most respondents agreed to the same sentiments.

4.7 Chapter Summary

This chapter presented the response rate of the questionnaires and interviews conducted. It highlighted the relationship that exist between budgetary controls and organisational operational performance. It further presented and analysed the data collected through these questionnaires and interviews for the particular objectives of the study. The validity and the reliability of the data was also restated. The presentation and analysis was in the form of a statistical software (STATA 11) as well as graphs and pie charts. The following chapter will cover the summary of the research, major findings and recommendations that can be proposed for the organisation.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter aims at outlining the summary of the objectives, conclusions and recommendations. Findings from this research are based on analysis in the previous chapter, research objectives and research questions in the first chapter. The research findings from chapter four were used to come up with recommendations to Civil Aviation Authority of Zimbabwe. The areas that need further research are also highlighted and some concluding remarks were also indicated in this chapter marking the end of the research study.

5.1 Summary of the study

The purpose of this chapter one was to identify the impact of budgetary controls on capital projects to the operational performance of the aviation industry in Zimbabwe, to identify the relationship between budgetary controls and operational performance using literature from accredited journals to establish a gap in the field of research. A gap was identified by observing that previous studies focused more on developed countries therefore this study focused on a developing country Zimbabwe's Civil Aviation Authority. The researcher also aimed at identifying the effects of an inefficient budgetary control on capital projects like airport infrastructural development and restructuring. The background of the study featured in chapter one as well as the arguments between scholars and that marked the commencement of chapter two.

Chapter two explored all the literature pertaining budgetary controls on capital projects and how they affect the operational performance of the organisation as a whole. This chapter highlighted the arguments between different scholars on the impacts of budgetary controls on operational performance. It also highlighted the possible resultants of the relation between budgetary control and operational performance which include improved monitoring of workers, enhanced profitability, improved allocation of resources, cost saving and ascertaining of workers' competence and commitment. Chapter two also indicated effects of inefficient budgetary controls on capital projects and these include time overrun of projects, failure to achieve set goals and loosing cost competitiveness. Nicholas and Steyn (2012) stated that operational performance of an organisation is negatively affected by the time taken within the organisation during the execution of projects and it is necessary to monitor the status of the projects in terms of its cost baseline and time frame. Factors that affect the budgetary control process were also highlighted in this chapter and these include lack of adequate financial resources, absence of co-ordinating budget activities, lack of employee participation in the budgetary process, lack of training and development of workers and inadequate communication of budget plans. Best practices that can be used for improved budgetary controls such as control reports, variance analysis, budget planning as well as control and responsibility accounting theory were included in the review of literature.

Chapter three comprised of the mixed research methodology which was used in the study which incorporated the use of qualitative and quantitative approaches. The researcher used case study research design as it was adequate with the time given to conduct the study. A sample size of 30 employees was selected from the population of 45 using stratified random sampling. Questionnaires and interviews were utilised to collect primary data. This marked the beginning of chapter four.

Chapter four was mainly presentation of data and analysis of the findings. The analysis was done using a statistical software STATA 11 whilst the presentation of data was done using tables and pie charts. All the responses from respondents were analysed in chapter four. Twenty eight (28) questionnaires were sent and twenty five were returned completed. From the five scheduled interviews, three were conducted successfully at the company's buildings. The objectives of the study in chapter one were analysed using primary data.

5.2 Major Findings

The researcher observed that some of the employees of Civil Aviation Authority of Zimbabwe were not being fully involved in the budgetary control process and this is being mainly for top management. As much as they are not being involved in the budgetary control process workshops have not been held to help train employees on the merits and demerits of the budgetary control process and this negatively affects the operational performance of Civil Aviation Authority of Zimbabwe. The most commonly used budgetary control techniques are not very effective as the organisation is still recording large sums of budget variances whilst carrying out capital projects.

5.2.1 What does the relationship between budgetary controls on capital projects and operational performance lead to?

After using STATA11 the researcher found out that there is a positive relationship that exist between budgetary controls on capital projects and the operational performance of Civil Aviation Authority of Zimbabwe. The relationship has been found to be contributing to enhancement of profits, improved monitoring of workers, improved allocation of resources and cost saving. This is supported by the responses that were provided on questionnaires as well as in the interviews conducted.

5.2.2 What are the effects of inefficient budgetary controls to the operational performance of the aviation industry in Zimbabwe?

The researcher found out that failure to achieve set goals and objectives, time overrun of projects as well as losing cost competitiveness were the major effects of inefficient budgetary controls. The percentage of respondents who agreed to this notion was largest as compared to those who disagreed and those who were not sure, this simply supports the fact that inefficient budgetary controls negatively affect the operational performance of Civil Aviation Authority of Zimbabwe.

5.2.3 What factors affect the budgetary control process and how do they impact on the operational performance of an organisation?

The researcher observed that most respondents were on the point that inadequate communication of budget plans affects the organisation's operations significantly. It was noted that this was the root of the other factors affecting the budgetary control process. If the budget plans are not communicated it implies that no training took place, employees were not being included in the budgetary control process. Denver (2012) also stated that setting out strategies of budgetary controls should be communicated to all in the organisation as failure to do so may lead to low commitment and it also leads to low operational performance.

5.2.4 What are the best practices that can be employed to help control budget expenditure on capital projects?

The researcher found out that Civil Aviation Authority of Zimbabwe should strongly employ strategies such as variance analysis, budget planning, control reports and responsibility accounting theory so as to have effective budgetary controls. Variance analysis and budget planning have been in place but were not being utilized to the fullest. The study seeks to be

an eye opener to Civil Aviation Authority of Zimbabwe on the best practices that it can employ for enhanced operational performance.

5.3 Conclusions

From the research carried out it is concluded that budgetary controls on capital projects has a significant impact on the operations of the aviation industry especially in a striving economy with fiscal deficits and government bankruptcy shows that there is a relationship between budgetary controls on capital projects and the operational performance of the aviation industry. An improvement in the budgetary control system results in improved operational performance of the industry. In addition, opinions given with interviewees also confirmations that the organisation is being affected negatively with the inefficient budgetary controls within the organisation.

5.4 Recommendations

From the research conducted and analysis made, the researcher pointed out that a number of employees were not sure of some of the benefits and effects of budgetary controls in relation to the operational performance of the aviation industry, this implies that they will also not be aware of the reasons why the organisation is implementing budgetary control techniques. The budgetary control process is being affected by lack of training of employees and inadequate communication of budget plans as well as limited funding. Civil Aviation Authority of Zimbabwe should implement more training workshops on the importance of budgetary controls. The employees should be trained on cost control so as to ensure that costs are reduce to the minimum level possible and operational performance and the revenue base of CAAZ will be enhanced to the maximum level possible.

The organisation has to reduce costs like hiring labour from outside the country's borders and employ local construction companies, this will save about \$20 000 on the capital projects

budget. In agreement with Apak (2014), the organisation other than just implementing budgetary control measures it also has to implement measures that upsurge cashflow, like focusing on increasing revenue. Toth et al (2015) stated that implementing innovative ways to generate funds through the use of Airport Sustainable Revenue Tools (ASRT), airports will have the potential to create larger profit margins and lowering overall costs for all. Toth et al (2015) further stated that the use of ASRT will ultimately keep airport fares competitive in the region and it will increase desirability for new tenants and future growth while at the same time using the profits to invest back into the airports through capital projects.

CAAZ is recommended to motivate employees to provide budgetary control strategies in order to improve on its operational performance and its employees should also be involved in idea generation meetings on how best costs should be reduced when carrying out capital projects. The research also proposes that management to create a cost consciousness culture within the organisation. CAAZ should use value engineering to place value on costs and help identify unwanted expenditure. Operations improvement is achieved by simplifying, streamlining and standardising operations. CAAZ is recommended to simplify operational procedures in order to improve on its operational performance.

Implementation of budgetary control techniques by CAAZ should address all concepts of cost reduction processes which include rewarding workers for a job well done, communicating, setting clearly defined objectives, aligning the cost reduction strategy with the business strategies and prioritizing goals. CAAZ should adopt new technology, replace old equipment, train employees and provide enough resources to improve on operational performance and increase income.

The study further advocates for continued commitment so that an individual's need to continue working for the organisation based on the perceived costs associated with leaving

the organisation. The organisation should prepare centralized budgets well checked for errors of their overestimation or underestimation to reduce budget accuracy challenges. CAAZ management should continuously review their cost and management accounting systems and upgrade them where necessary.

5.5 Suggestions for further study

Further researchers should concentrate on the impacts of cash flow measures implemented in an economic crises situation for organisations mainly funded by the government as well as the impacts of Public Private Partnerships(PPP).In addition, with the involvement of employees in the implementation of the measures.

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Appendix 1

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. reg operationalperformance budgetarycontrol
```

Source	SS	df	MS			
Model	40.3225806	1	40.3225806	Number of obs =	25	
Residual	5.43741935	23	.236409537	F(1, 23) =	170.56	
Total	45.76	24	1.90666667	Prob > F =	0.0000	
				R-squared =	0.8812	
				Adj R-squared =	0.8760	
				Root MSE =	.48622	

operationa~e	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
budgetaryc~1	.8064516	.06175	13.06	0.000	.6787121	.9341911
_cons	-.0593548	.2092221	-0.28	0.779	-.4921638	.3734541

Averaged responses to question 1		
Ratings	1=Strongly agree, 2= agree, 3= Not Sure, 4=Disagree & 5= Strongly disagree	
Responses	operational performance	Budgetary Control
1	1	1
2	2	3
3	1	1
4	4	5
5	5	5
6	1	1
7	3	4
8	1	1
9	2	2
10	3	4
11	4	5
12	2	3
13	1	1
14	1	2
15	5	5
16	1	2
17	3	5
18	1	2
19	1	1
20	4	5
21	3	4
22	2	2
23	1	2
24	4	5
25	3	4

Appendix 3



Interview Questions Schedule

The interview questions seek for your opinion, views and comments on the subject of ‘the impacts of budgetary control on capital projects to the operational performance of CAAZ. Your contribution shall be treated with the highest degree of confidentiality and solely for academic purposes. Your cooperation is greatly appreciated.

Questions

1. What is the relationship between budgetary control, capital projects and industry operational performance and how it can be improved?
2. What are effects of an inefficient budgetary control on capital projects to the performance of the aviation industry?
3. What are the determinants that affect the budgetary control process on capital projects and their impact on operational performance?
4. What are the best practices of controlling the budget expenditure on capital projects or Strategies resulting in efficient budgetary control techniques?

Thank You

Appendix 4



Dear respondent. My name is Tafadzwa Munyenyiwa. I am conducting a study on **impacts of Budgetary Controls on capital projects to the operational performance the aviation industry in Zimbabwe**, as it is a requirement of the fulfilment of Bachelor of commerce Accounting honours degree at the Midlands State University. As one of the respondent, your involvement is very important to this study. The information provided will only be used for academic purposes, and will be treated with utmost confidentiality. Thank you in advance

NOTE: You may not indicate your name

Please respond to the following statements by indicating the extent to which you agree or disagree with the activities. Strongly Disagree (5) Disagree (4) Not sure (3) Agree (2) Strongly Agree (1). Tick your choice.

The relationship between budgetary control on capital projects and the operational performance of the aviation industry

The relationship between budgetary control on capital projects and the operational performance of the aviation industry leads to:	1	2	3	4	5
Enhancement of profitability.					
Improved monitoring performance of workers.					
Ascertaining commitment and competence of workers.					
Cost savings					
Improved allocation of resources					

Effects of an inefficient budgetary control on capital projects to the performance of the aviation industry

An inefficient budgetary control of capital projects results in:	1	2	3	4	5
Failure to achieve set goals and objectives					
Time overrun of projects					
Losing cost competitiveness					

Factors affecting the budgetary control process in the industry

	1	2	3	4	5
Lack of Adequate Availability of Financial Resources					
Absence of Co-ordinating budget activities					
Lack of employee participation in the budgetary control process					
Lack of training and development of employees					
Inadequate communication of budget plans					

Best practice of controlling the budget expenditure on capital projects

	1	2	3	4	5
Budget Planning					
Variance Analysis					
Control Reports					
Control and Responsibility Accounting Theory					