

EFFECT OF BUDGETARY PROCESS ON PERFORMANCE OF COUNTY GOVERNMENTS IN KENYA

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Abstract: There has been little attention and discussion in the academic literature on the relationship between budgetary process and performance of firms. The purpose of this study was to determine the effects of budgetary process on performance of county governments, a case of Trans Nzoia County Government. The specific objectives of the study were; to determine the effects of budgetary participation on performance of Trans Nzoia County, to establish the effects of budgetary control on performance of Trans Nzoia County and to identify the effects of budget planning on performance Trans Nzoia County. The study was guided by theory of budgetary process and contingency approach. The study adopted a descriptive survey research design. The study targeted a population of all the 72 employees directly with the budgetary process of Trans Nzoia County. A census of all the employees used in data collection. The instrument for data collection was the questionnaire. A Cronbach alpha value was used to determine reliability for the study. Quantitative data was analyzed using descriptive statistical methods with statistical tools such as pie charts and measures of central tendency such as mean, mode and standard deviation used in presentation of findings. Inferential statistics such as ANOVA and multiple regression models were also used. This study is of significant importance to the management of the Trans Nzoia County in execution of effective and efficient budgetary controls and administration towards enhancing performance of the county's operations. The findings of the study revealed that participation in the budgetary process, budgetary control and budgetary planning enhances financial performance. The study recommends that the county Government of Trans Nzoia should make sure that involvement all the stakeholders especially in decision making of the county on issues of budgetary process.

Keywords: Budgetary participation, budgetary process, organizational performance.

1. INTRODUCTION

Performance is a set of nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske, 2006). It also refers to the metrics regarding how a certain request is handled, or the act of doing something effectively; of performing; using knowledge as notable from just possessing it. It is the result of all organization's operations and strategies (Venkatraman & Ramanujam, 2001). Thus, there is need for managers to assess factors which determine performance such as budgetary process. Over the years, budgets, budget process and budgeting has become vital in ensuring effective financial management and to avoid uncertainty or wastage of financial resources

(Kironde, 2004). Budgets help to allocate resources, coordinate operations and provide a means for performance Measurement (Blocher *et al*, 2002). Hilton *et al* (2002) agree with this view and claim that the budget is the most widely used technique for planning and control purposes. In addition, Blumentritt (2006) noted the budgeting provides information on funding and accountability. If applied properly, budgeting processes improve an organization's ability to create and sustain superior performance. The budgeting and strategic management processes when properly applied, have positive impact on performance. According to John and Ngoasong (2008), the practice of integrating strategic management and budgeting enables firms to be competitive and increase organizational performance. Budgetary process facilitates the creating and sustaining of competitive advantage in the forecasting and planning, communication and coordination, motivational device, evaluation and control, and decision making.

Budgeting process is not so much as a financial plan but as the performance management process that leads to and executes that plan. Thus, budgetary process is an entire performance management process (Hoper and Fraser, 2003). This process is about agreeing upon and coordinating targets, rewards, action plan, and resources for the year ahead, and then measuring and controlling performance against that agreement. It is also vital that, the entire budgetary process be evaluated and reviewed to suit the organizations needs hence the need for budgetary evaluations (Jayamaha and silva, 2012). According to Jayamaha and Silva (2012) budgeting process encourages managers to plan, consider the stakeholders involved, provide information for improved decision making, increase and enhance communication and coordination among departments, and for evaluation. Abdullah (1998), mentions that budgeting process interaction has significant relationship to performance of goals of a cost-centre of an institute. The process of preparing and agreeing on budgets is a means of translating the overall objectives of the organization into detailed, feasible plans of action. Welsh (2003) opines that budgeting is the only comprehensive approach to management so far developed that, if utilized with sophistication and good judgment fully recognizes the dominant role of manager and provides a framework for implementing such fundamental aspects of scientific management as management by objectives, effective communication, participative management, dynamic control, continuous feedback, responsibility accounting, management by exception and management flexibility.

Governments can operate with a haphazard budget process. However, a system designed with incentives to induce public officials to act in response to public needs is more likely to result in choices in the interest of the general public in the desired quality and quantity, at the desired times, locations and at the right cost. At minimum, the process must recognize competing claims on resources and should focus directly on alternatives and options. Reforming systems of public finance management in Kenya has long been a priority for the Kenyan government. Improvements in planning, budgeting and budget execution, and oversight were acknowledged to be fundamental in achieving development objectives (Folscher, 2007). Program review and forward budget (1974 - 1986), budget rationalization program (1986 - 1990), public investment program (1990 - 2000), and medium term expenditure framework (2000 - present) are four notable initiatives. The primary objective in these reforms has been to entrench greater fiscal discipline on the government. In spite of these past attempts to reform the budgetary process, Masya and Njiraini (2003) found that the budget process in Kenya remains an unsatisfactory instrument of achieving public policy objectives.

In most organizations, budgetary process is important in performance of an organization. If the budgetary process works appropriately, it is believed that the process can motivate managers, earn trust, and increase their commitment to achieve the highest performance (Adongo & Jagongo, 2013). On the contrary, failure of the process working as expected may generate problems of management control. However, most of the counties do not deliver services as required due to lack of best financial management practices associated with budgeting (KIPPRRA, 2013). A study at county level indicate political influence and public participation as key factors affecting the budget preparation process (Mugambi & Theuri 2014). The uncertainties prevailing in the business environment today means that, managers and stakeholders must be poised and prepared to compete favorably under these rapidly shifting conditions. It is observed that counties continue to suffer setbacks and fail because they have no proper budgetary process which they apparently fail to recognize. Some firms sense weakness in their budgetary process but view them as individual problems rather than systematic deficiencies. They misdirect efforts and produce greater frustrations. This flawed budgetary process or non-usage of budgets gives rise to the need to examine the budgetary process and the impact of firm performance. Though the counties have carried out the reforms mentioned above, this study notes that these reforms are not sufficient (Usman, 2015).

The budgetary process in Kenya is yet to be an accountable, effective and efficient tool for translating policies into tangible results. Poor synchronization between making policy, planning, and budgeting has led to a discrepancy between what firms promise in their policies and what they can actually afford. Policy making, planning and budgeting are three important processes that need to be linked. The absence of this interrelation in Kenya has led to a great divergence in policies and budget. Budgeting has become an annual struggle to keep things afloat, rather than allocating the anticipated resources based on planned policies intended to achieve agreed objective. In addition, research focuses heavily on budgeting and its application to large, publicly listed organizations in developed countries. There has been little attention and discussion in the academic literature on the relationship between budgetary process and performance of firms (Knight, 1993), researchers have not paid considerable attention to the possible relationship between budgeting process and performance in SMEs (Usman, 2015). So the process of budgeting and its relationship with performance in firms are still unclear. Moreover, limited study has been conducted on budget process of small firms in emerging economies like Kenya. Therefore, this study sought to determine the effect of budgetary participation on performance of Counties in Kenya

2. EFFECT OF BUDGETARY PARTICIPATION ON PERFORMANCE OF COUNTIES IN KENYA

The term budgetary process is widely used by the management accounting literature to reflect the dynamic nature of budgeting in practice in a firm. The formal budgeting process is re-defined in this study as the completeness of the all aspects in budgetary process i.e. budgetary planning, budgetary participation, and budgetary control, budgetary sophistication, and budgetary goal clarity and budget difficulty. In theoretical management accounting literature, theorists have defined budgets and budgetary process in various ways: Omolehinmwa (2006) defined a budget as a plan of dominant individuals in an organization expressed in monetary terms and indicate how the available resources may be utilized, to achieve whatever the dominant individuals agreed to be the organization's priorities. The impressive thing about this definition is that, it recognizes the constraint imposed on budget by other participants who are to ensure that the objectives and targets enunciated in the budget are achieved. We identify this as budgetary control variable in the budget process. Pandney (2003) defines budget as a short term financial plan. It is an action plan to guide managers in achieving the objectives of the firm. Lucey (2003) in his formal definition defines budget as "a qualitative statement, for a defined period of time, which may include planned revenue, expenses, assets, liabilities and cash flows". A budget provides a focus for the organization, aids to the co-ordination of activities and facilitates control whereas control is generally exercised through the comparison of actual costs with flexible budgets"

The process of preparing and agreeing budgets is a means of translating the overall objectives of the organization into detailed, feasible plans of action. Welsh (2003) opines that budgeting is the only comprehensive approach to managing, so far developed that, if utilized with sophistication and good judgment, fully recognizes the dominant role of manager and provides a framework for implementing such fundamental aspects of scientific management as management by objectives, effective communication, participative management, dynamic control, continuous feedback, responsibility accounting, management by exception and management flexibility. Drury (2004), states that budgetary planning and control are very complex in business firms. There should be five main functions for budgets: system of authorization, means of forecasting and planning, channel of communication and coordination, motivation device and means of performance evaluation and control, as well as of providing a basis for decision making. Blumentritt (2006) note the budgeting provides information on funding and accountability. If applied properly, both processes improve an organization's ability to create and sustain superior performance. The budgeting and strategic management might be put in practice properly and has the best impact on firm performance.

According to Hansen and Van der Stede (2004), there are four potential reasons for budgeting in organizations: operational planning, performance evaluation, communication of goals, and strategy formulation. The budget arises in different circumstances and that performance is associated with different budgeting characteristics. These characteristics are budgetary planning, budgetary control, and budgetary participation. If the budgetary process works appropriately, it is believed that the process can motivate managers, earn trust, and increase their commitment to achieve the highest performance. On the contrary, if the process does not work as expected, then some problems of management control may occur as a result. Some of these management control problems were described by Wech (Libby and Lindsay, 2003) thus making a budget is an exercise in minimization. You are always trying to get the lowest out of people, because everyone

is negotiating to get a lower number.” In their paper, Hope and Fraser (2003) argued that budget is no more than a yearly ritual, a routine and something that consumes much time for those who are involved and thus prevent new innovations from occurring. In order for budget participation to have a positive and significant impact on performance of managers, top level management must consider other variables that influence the relationship.

Joshi, et.al (2003), however, examine budgeting planning, control, and performance evaluation practices in a developing country. He conducts a questionnaire survey of 54 medium and large-sized firms including both the listed and non-listed firms located in Bahrain. His research finds that most of the firms prepare long-range plans and operating budgets, and use budget variances to measure a manager’s performance, for ‘timely recognition of problems, and to improve the next period’s budget’. Additionally, there has been some discussion in the academic literature on the relationship between strategic planning and performance of SMEs (Arm & Cowen, 1990; Hillidge, 1990; Knight, 1993), but researchers have not paid considerable attention to the possible relationship between budgeting process and performance in SMEs (Wijewardena & De Zoysa, 2001). So the process of budgeting and its relationship with performance in SMEs are still unclear. Merchant (2002) points out that the budgeting process is adopted differently in forms which differ in diversity of organizational system. Accordingly, due to diversity, budgeting process may differ. The issue of how budgeting in SMEs impacts their performance is, therefore, certainly worthwhile to be explored. Wijewardena and DeZoysa (2001) identify the formal process of budgeting by two aspects, i.e. a formal process of budgetary planning and a formal process of budgetary control. It has been noted that budgeting has many aspects according to different identifications and classifications. However, the present study merely focuses on one aspect of budgeting i.e. the formal budgeting process. Wijewardena and De Zoysa (2001) identify the formal process of budgeting in small and medium – scaled enterprises by two aspects i.e. a formal process of budgetary planning and a formal process of budgetary control.

Participation can be broadly defined as an organizational process whereby individuals are involved in, and have influence on, decisions that have direct effects on those individuals. While participation can have many contexts and settings, one in particular has, for the last decades, been of great interest to researchers in management accounting. This is the area of participation in budgeting that can be more specifically defined as a “process in which individuals, whose performance will be evaluated, and possibly rewarded, on the basis of their achievement of the budgeted targets, are involved in, and have influence on the setting of these targets (Beownell 2002). When setting a budget, members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management (Chalos & Poon, 2000) and when budget variance (s) occurs, participation and discussion among different levels of management facilitate and enable accurately identifying the possible reasons for such variance(s) and also the corresponding corrective actions to be taken. Therefore, budgetary participation refers to the involvement of managers in the budgetary process and their influence in the setting of budgetary targets (Subramaniam & Ashkanasy, 2001). Budgetary participation has always received considerable interest among researchers. It can be regarded as a negotiation channel linking the communication especially between superiors and subordinates (Shields & shields, 1998). Numerous scholars state that through budgetary participation, information sharing can be accomplished. For example, Poon (2001) states that budgetary participation provides a setting in which managers can exchange information and ideas to make budgetary planning and control more effective. Nouri and Parker (1998), similarly, states that budgetary participation can facilitate information sharing between subordinates and superior during budget discussions. In addition, Parker and Kyj (2006) claim that budgetary participation affects vertical information sharing, organizational commitment, role ambiguity and performance, directly and indirectly

The relationship between budgetary participation and performance has been studied closely by many researchers (Tsui, 2001). Generally, there are two major conceptual models linking budgetary participation with performance in the current management accounting literature. Firstly, psychological theories (e.g., Murrey 2000) state that the opportunity given to subordinates through participation (the upward information sharing) in budgeting process can stimulate their motivation and commitment with budget-setting, which in turn improves the subordinates’ job satisfaction and performance (Brownell & McLnnes, 1999); Chenhall & Brownell, 1998; Kren, 1992). Shields and Shields (1998) also explore budgetary participation and performance from a psychological aspect. They state that participation enhance a subordinate’s trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance.

Secondly, the budgetary participation and performance relationship is also explained from a cognitive point of view. It states that, through budget participation (the downward information sharing), subordinates gain information from superiors that helps clarify their organizational roles, including their duties, responsibilities, and expected performance, which in turn enhances their performance (Chong and Chong, 2002). The empirical evidence of O'Connor (1995) suggests that budgetary participation is useful in reducing the role ambiguity of the subordinate. Jackson and Schuler (1999) Chenhall and Brownell (1998) also find that budgetary participation leads to lower role ambiguity, which, in turn, is associated with higher performance. They state by participating, various methods of achieving role expectation can be examined to consider how the expectation can be achieved. And consequences of performance in the role can be clarified by participating in the planning and evaluation stages of budgeting.

Moreover, budgetary participation and its relationship with performance are very unclear in small and medium-sized enterprises, because few studies attempt to show the characteristics of budgetary participation in SMEs' budgeting process. To respond to the lack of participation research in the field of SMEs' and mixed research findings, this study tries to investigate budgetary participation and its impact on the performance of Trans Nzoia County. The research findings will not only improve our understanding of the working of budgetary participation in organizations but also tell us whether there is a positive link between participation and performance in firms. Additionally, this study focuses exclusively on one performance measurement, i.e. managerial performance (to test the impact of budgetary participation on managerial performance). According to Yang Qi, (2010) budgetary sophistication has an insignificant impact on sales. However, according to Osundina and Osundina (2012), there is no relationship between budgetary participation and performance of manufacturing companies in Nigeria in terms of shareholders' wealth. This is explained by the fact that only few management members take decisions regarding shareholders' wealth.

The financial system has been a major obstacle in effective planning, budgeting and implementation of government programmes. Financial management in Kenya has been poor and systems have been stand alone and fragmented. The fragmented systems have been weak in information delivery and compliance has been low. As a result, pending bills (Government current liabilities) have escalated to unmanageable levels and overspending has been significant. Procurement processes have been inefficient and in many instances the probity of contracts awarded has been severely criticized. The flow of donor funds, has also been severely affected by the weak financial system. Costing of activities and programmes has not been possible under existing systems and therefore the linkage between inputs and outputs in plans and Budgets is difficult to establish. In general, compliance, transparency, accountability and good governance are hindered by the lack of effective systems, procedures and processes. The implementation of IFMIS will help to overcome the widespread corruption, which has also been a serious obstacle to social and economic development in Kenya and has led to most development partners choosing alternative channels for aid disbursements and significantly reducing their support to the country.

3. METHOD

The study applied descriptive survey research design with a target population of 72 employees directly involved in the budgetary process of Trans Nzoia County from all the fourteen (14) departments of the county. This study employed a census since the target population was small. Questionnaires were used as the instrument to collect data. The study conducted a pilot study in Bungoma County, where 20 questionnaires were used to analyze the validity and reliability of the instruments. Data was organized, edited, coded to bring a meaning. The information was codified and entered into a spread sheet and analyzed using SPSS (Statistical Package for Social Sciences). The study adopted Correlation and Regression analysis to estimate the causal relationships between variables. SPSS version 20 software used for Correlation and Regression analysis.

4. DISCUSSION

The first objective of the study aimed at determining the effect of budgetary participation on performance of Trans Nzoia County. The objective was assessed by use of statements in the questionnaire in which the respondents were required to state their position on the basis of a likert scale that was provided. The objective was assessed by use of statements in the questionnaire that respondents were required to state their position on the basis of likert scales. The results according to the respondent's views are shown in Table 4:1.

Table 4.1: Effect of budgetary participation on performance of Trans Nzoia County

Statement	SA	A	N	D	SD
Participation enhance a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance	38.7	41.4	3.7	10.4	5.8
Opinions and / or proposals relating to the budget by Members of Public are considered before development of budget	31.4	46.7	5.7	8.2	8.0
Through budget participation (the downward information sharing), subordinates gain information from superiors that helps clarify their organizational roles, including their duties, responsibilities, and expected performance.	26.4	42.1	7.2	18.6	5.7
Budgeting provides information on funding and accountability	36.4	40.7	5.7	6.2	11
Top level management must consider other variables that influence the relationship for budget participation to have a positive and significant impact on performance of managers	18.6	48.1	7.2	26.5	5.9
Members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management	15.4	40.7	5.7	6.2	11

The findings obtained from table 4.1 above on whether participation enhance a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance. The results of data analysis results shows that majority 41.4percent of respondents agreed while 38.7percent strongly agreed that the participation enhance a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance. But 3.7percent were neutral, 10.4percent disagreed while 5.8percent strongly disagreed. This implies that majority of the respondents agreed that participation enhance a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance.

The results of the study also showed that majority 46.7percent of the respondents agreed while 31.4 percent strongly agreed that opinions and / or proposals relating to the budget by Members of Public are considered before development of budget. But 5.7percent were neutral, 8.2percent disagreed and 8.0percent strongly disagreed. This shows that majority 78.1 percent agreed that opinions and / or proposals relating to the budget by Members of Public are considered before development of budget.

The findings further showed majority 42.1percent of respondents agreed while 26.4 percent strongly agreed that through budget participation (the downward information sharing), subordinates gain information from superiors that helps clarify their organizational roles, including their duties, responsibilities, and expected performance. While 7.2percent were neutral, 18.6percent disagreed and 5.7percent strongly disagreed. This shows that majority 68.5percent agreed that through budget participation (the downward information sharing), subordinates gain information from superiors that helps clarify their organizational roles, including their duties, responsibilities, and expected performance.

The results of the study also showed that majority 40.7percent of the respondents agreed while 36.4 percent strongly agreed that budgeting provides information on funding and accountability. But 5.7percent were neutral, 6.2percent disagreed and 11.0 percent strongly disagreed. This shows that majority 77.1percentagreed that budgeting provides information on funding and accountability.

Further, the findings obtained data on whether top level management must consider other variables that influence the relationship for budget participation to have a positive and significant impact on performance of managers. The results of data analysis results shows that majority 48.1percent of respondents agreed while 18.6percent strongly agreed that the top level management must consider other variables that influence the relationship for budget participation to have a positive and significant impact on performance of managers. But 7.2percent were neutral, 26.5percent disagreed while 5.9 percent strongly disagreed. This implies that majority of the respondents agreed that top level management must consider other variables that influence the relationship for budget participation to have a positive and significant impact on performance of managers.

Finally, the findings obtained data on whether members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management. The results of data analysis results shows that majority percent of 40.7 respondents agreed while 15.4 percent strongly agreed that the members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management. But 5.7percent were neutral, 6.2 percent disagreed while 11.0 percent strongly disagreed. This implies that majority of the respondents agreed that members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management.

4.2 Correlation

The study analyzed data on the budgetary participation to obtain the Pearson correlation and presented the results in Table 4:2.

Table 4.2: Pearson Correlation of Effect of budgetary participation on performance of Trans Nzoia

Variable	Test	Performance of Trans Nzoia County
Budgetary participation	Pearson Correlation	.759**
	Sig. (2-tailed)	.000
	N	51

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

The study shows that budgetary participation has positive relationship on performance of Transnzoia County. The r value is 0.759 which is relative strong at 2 tailed significance of 0.000 which is below 0.01 significant levels.

Regression

The study did regression on quantitative data between budgetary participation on performance of TransNzoia County and presented the findings in the Table 4:3.

Table 4.3: Coefficients^a Determination of Influence of project Finance and Conflict resolution

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.990	.182		31.550	.000
Budgetary participation	.309	.352	.308	.869	.377

a. Dependent Variable: performance of TransNzoia county

Table 4:3 provides the information needed to performance of TransNzoia county from influence of budgetary participation. Both the constant and budgetary participation contribute significantly to the model. The regression equation is presented as follows; (Y) performance of TransNzoia county = 2.990 +0.309 (budgetary participation).

Model Summary

The model summary of the relationship of budgetary participation against performance of TransNzoia County is presented in Table 4:4.

Table 4.4: Model Summary of budgetary participation against performance of TransNzoia county

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.380 ^a	.142	.076	.482

a. Predictors: (Constant), budgetary participation

Table 4:4 provides the R and R2 value. The R value is 0.38, which represents the simple correlation. It indicates an average degree of correlation. The R2 value indicates how much of the dependent variable, "performance of TransNzoia county ", can be explained by the independent variable, "budgetary participation". In this case, 14.2 percent can be explained, which is relatively significant.

As aforementioned the multiple linear regression model is

$$Y = \beta_0 + \beta_1 X_1 + e$$

Where replacing the values of our variables in the model;

$$Y = 2.99 + 0.309X_1 + e$$

Therefore the estimated regression model is

$$(Y) \text{ Performance} = 2.990 + 0.309 (\text{budgetary participation})$$

Statistical analysis shows that budgetary participation has highest influence on performance of TransNzoia County.

4.3 Hypothesis Testing

H₀₁: Quality Budgetary participation has no significant effect on performance of Trans Nzoia County.

From the analysis quality ($\beta = 0.309$) was found to be positively related performance. From t-test analysis, the t -value was found to be 0.869 and the ρ -value 0.00. Statistically, this null hypothesis was rejected because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded Budgetary participation has significant effect on performance of Trans Nzoia County.

5. CONCLUSIONS AND RECOMMENDATIONS

The first objective of the study aimed at determining the effect of budgetary participation on performance of Trans Nzoia County. The objective was assessed by use of statements in the questionnaire in which the respondents were required to state their position on the basis of a likert scale that was provided. The findings revealed that participation enhance a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance and that opinions and / or proposals relating to the budget by Members of Public are considered before development of budget. The findings also showed that budgeting provides information on funding and accountability and that majority of the respondents agreed that top level management must consider other variables that influence the relationship for budget participation to have a positive and significant impact on performance of managers. Finally, the findings implies that majority of the respondents agreed that members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revision to these goals with the management.

A similar study carried out in Turkey indicate the higher interaction score between budget participation and management accounting system information leads to higher managerial performance. The results of multiple regression analysis indicate that the higher interaction score between budget participation and management accounting system information leads to higher managerial performance. Also, discriminant analysis shows that subordinates with high performance use MAS information more than ones with low performance. A similar study conducted in the health sector established that management participation in budgeting impacts medical managers' thoughts and feelings about their managerial role and these, in turn, motivate different aspects of their performance.

From the inferential statistical analysis the null hypothesis H_0 : Budgetary participation has no significant effect on performance of Trans Nzoia County: *is rejected* leading to conclusion that Budgetary participation has a significant effect on performance of Trans Nzoia County.

Based on the findings, the study recommends that the County Government of Trans Nzoia Should make sure that involvement all the stakeholders especially in decision making of the county on issues of budgetary process. There is therefore need for all departments to participate in the budgeting process. Furthermore, organizations should encourage discussions with other staff members about the budget without wondering. Also, budget review should be done at institutions and performance targets for each department should be agreed on. Moreover, the top management should always hold budget conferences to review performance.

The management of the county government of TransNzoia should plan their budget to qualify the county's plan for a future period. Additionally, there is need for prepared budgets to qualify different areas of operation in the organization. The county government of TransNzoia should also formulate their budget objectives from the set goals and during the budget planning; coordination among various department should be enhanced.

The study concluded that budgetary process has positive effect on performance. In order for the organization to have a unified approach and to fully benefit from the budgetary process, the organization should develop policies on public participation in budgeting process. This policy will guide the organization on how conducting the public participation exercise to enhance ownership and reap maximum benefit from the exercise. Policies should also be developed on budgetary control process and planning.

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