

Budgetary Systems in Organisations: An Anatomy of Management Views, Employees' Behaviour and Productivity Trend of 21st Century Firms in a Tropical Nation

Usen Paul Umo¹

¹ Department of Accounting, Akwa Ibom State University, Ikot Akpaden, Nigeria

Correspondence: Usen Paul Umo, Department of Accounting, Akwa Ibom State University, Ikot Akpaden, Nigeria.
E-mail: Umousen@Yahoo.com

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Abstract

The success or failure of any budgetary system depends to a large extent on the management assumptions of human nature (views), employees' behavior and level of commitment towards productivity. The budgetary system may be non-humanistic (autocratic) or humanistic (participatory). Autocratic budgetary system is synonymous with employees' negative reactions including counter productive work behaviours while participatory budgetary system is identified with employees' positive reactions embedded in productive work behaviours. While admitting the proposition that certain settings may require the operation of autocratic budgetary system, this paper holds that available accounting literature on management theories and empirical researches support the assertion: Participatory budgetary system is a panacea; that is, a cure for all the many ills which have been associated with autocratic budgetary system. The unconcerned attitude of enterprise management towards modern theories and researches in budgetary systems and practices, the level of counterproductive work behaviours and some illicit acts in businesses and the environment, the corruption trend in a tropical Nation like Nigeria, productivity downturn and economic depression have posed serious concern. Participatory budgetary system relative to modern management views and motivated work behaviours will boost productivity upturn in Nigerian firms.

Keywords: budgetary system, management views, employees' behavior, productivity, corruption

1. Introduction

No conscious organization exists without a mission and consequent goals and objectives. But without a budgetary system, a business may wander aimlessly. It may not know where it is going or where it should go. This implies that a budgetary system is developed to facilitate the accomplishment of organisational goals and objectives. A well organized and thought out budgetary system can bring positive and significant results; including improved employees' morale and maximum productivity, (Horngren and Foster, 2003; Cascio, 1996; Umo, 1999). But these benefits do not automatically arise from the budgetary system; they have to be worked for (Lucey, 2008). People do what they are rewarded for doing.

In his work on "The Human side of the Enterprise" Douglas McGregor argued that the traditional theories of management focus almost exclusively on lower-level needs. People are expected to satisfy their higher-level needs away from work. It is a little wonder, he comments: managers complain that they pay their workers well and provide good job security, but suffer poor productivity (Louderback and Hirsch, 1987). Poor productivity is the outcome of autocratic budgetary system which is founded on traditional theories of management and associated management views (Hopwood, 1996; Umo, 1999).

Autocratic budgetary system connotes authoritative top-down system of preparing budgets in organizations. It implies a system in which budgets are imposed on the subordinates in such a manner that allows monetary rewards for those who meet its requirement and punishment for those who fail to meet it. Therefore, it is rooted on the belief that economic forces motivate employees (Cascio, 1996). Autocratic budgetary system is non-humanistic in nature (Umo, 2015). The budget maker (Goal Setting Machine) believes that his role in the firm is only to aid management in the process of profit maximization by supplying information to the management and it should be the type of

information which will enable management to take a line of action that will ensure profit maximization irrespective of the negative cost.

In firms operating autocratic budgetary system, the budgeting process is closed and secret. Such organizations are characterized by departmental strifes, lack of goal-congruence, employees' dissatisfaction on the job, fraud of different dimensions and other dysfunctional attitudes which are inimical to productivity and general goal achievement (Garrison, 2007; Umo, 2015). Autocratic budgetary system is noted for counter-productive work behaviours (Umo, 2015).

Generally, modern theories of management and associated management views are in support of the fact that participatory management improves employees' productivity. These theories and management views have set the bedrock of humanistic budgetary system usually known as participatory budgetary system (Louderback and Hirsch, 1987; Garrison, 2007; Pandey, 2008).

Indeed there is a widespread belief, and belief is the appropriate term, that the participation of subordinates in setting their goals is a panacea: a cure for all the many ills which have been associated with traditional budgetary system (Hopwood, 1996; Umo, 2015).

For a system to be effective, efficient and motivating, one requisite characteristic of such a system is interdependency of component parts or elements. The component parts must be co-ordinated and linked together for goal achievement. Participatory budgetary system is motivating in nature. It boosts the establishment of clear targets against which productivity can be judged (Garrison, 2007). According to Cascio (1996) and Rayburn (1989) programs are generally perceived positively by those who directly participate but negatively by workers who do not. Therefore, the true success of any budgetary system depends on the acceptance of its budget by all members (Goal-achieving machine) affected by that budget. Improved morale and high productivity are often the results of high degree of participation (Umo, 1999). It must be stressed:

No matter how much power a changer may possess, No matter how superior he may be, it is the changee who controls the final change decision. It is the employee, even the lowest paid one, who ultimately decides to show up for work or not (Golembiewski and Rabin, 1999)

From the foregoing review, this paper identifies two types of budgetary systems in business organizations.

- a) Autocratic Budgetary System founded on traditional theories of management and associated management views, and
- b) Participatory Budgetary system rooted in modern theories of management and related management views.

Whichever type is operated, budgetary system, relative to management views and employees' behavior, influences productivity in business organizations. Employees' morale, motivation and productivity in firms have fallen. The magnitude of counterproductive and anti-social work behaviour is alarming. There is consequential high level of associated legal, social, ethical and financial costs in firms. Budget has lost its credibility and acceptance in recent times. The manner in which budgetary system is operated in firms has raised serious concern. Subordinates and employees cannot determine why they need to be productive. There is high need to create the awareness that successful budgetary system is the relative outcome of productive and social work behaviours in firms. Accordingly,

- Strategies must be evolved
- The budgetary system must be harnessed
- Trust must be restored in the budgetary systems of firms
- Goal congruence must be strengthened.
- High level of productivity must be targeted.
- The relationship between management views, employees' behavior and productivity trend in firms should be established.

2. Glossary of Key Terms

2.1 Management Views

These are the basic assumptions held by management on what direct behavior into channels that promote the achievement of organizational and departmental goals (Albers, 1999). They include the basic assumptions identified with the motivating function of budgetary system (Louderback and Hirsch, 1987).

2.2 Employees

Employees are people paid to do work for any organization. They are the workers in a company. They constitute human resource which serves as the goal-achieving machine in the budgetary system of firms (Golembiewski and Rabin, 1999; Appleby 1997). They represent the changee in business organizations and are functionally known for controlling the final change decisions (Duane, Ellen and Schultz, 2010). Their contributions have become critical issues in modern business discourse. To boost their productivity, firms should strive to engage not only the body, but the mind and soul of every employee (Umo, 1999).

2.3 Employees' Behaviour

Employees' behavior refers to employees' reactions to a particular situation at the work place. It connotes the way employees function in a particular situation or behave especially towards their jobs, fellow members of the organization or outsiders (Duane, Ellen and Schultz, 2010; Drucker, 1994, Bateman and Zeithaml, 2010). Employees' behavior may take the form of productive and social-work behavior or counter-productive and anti-social work behavior.

Productive and social-work behavior (PWB) is anchored on completely professional, ethical and acceptable behavior at work place. But counterproductive and anti-social work behavior is associated with illicit, deviant, unwholesome and corrupt acts or behavior at workplace (Agut, Piero and Salanova, 2005; Ulrich, 2008; Umo, 2015).

2.4 Goal-Setting Machine

This refers to the top management of the organization whose function is to set budget goals for the subordinates (Umo, 2015).

2.5 Corruption

This refers to illegal behavior of people in authority and other members of the society. It is an impairment of integrity, virtue, or moral principle (Nwankwo, 1987; Umo, 2015).

2.6 Productivity

Productivity is the amount of goods and services a worker produces (Bittel et al, 1988). It is a measurement of production performance using expenditure of human effort as the yardstick (Usry et al, 1988).

2.7 Autocratic Budgetary System

This is an authoritative top-down system in which budgets are prepared in such a manner that allows monetary rewards for those who meet its requirement and punishment for those who fail to meet it (Louderback and Hirsch, 1987).

2.8 Participatory Budgetary System

This refers to a budgetary system which allows individuals who are accountable for activities and performance under a budget to participate in the decisions by which that budget is established (Rayburn, 2003; Umo, 2015).

2.9 Goal-Achieving Machine

This refers to employees of the organization whose function is to work for the accomplishment of goals set by the top management (Golembiewski and Rabin, 1999).

3. Related Literature Review

This section discusses the theoretical review with particular reference to the typology of budgetary systems in business organizations. It also discusses the related empirical studies.

3.1 Theoretical Review: Budgetary Systems

A budgetary system is a hierarchical combination of a goal-setting machine and a goal-achieving machine (Golembiewski and Rabin, 1999; Umo, 2015). This definition identifies two major components of the budgetary system of firms namely the Goal-setting machine and the Goal-achieving machine. A well organized and thought out

budgetary system can bring positive and significant benefits including improved productivity and general goal achievement. But these results do not automatically arise from the budgetary systems; they have to be worked for. People do what they are rewarded for doing. The budgetary system draws its tenets from management theories and associated management views.

In the context of budgetary system of firms, the top management is the changer (Goal-setting machine) while the employees constitute the changee (Goal-achieving machine). Suffice it to say that Goal-setting and goal-achieving constitute chain of processes in the budgetary system of firms. The system projects the Goal-setting machine and Goal-achieving machine as actors for planned changes. It raises a question for the management to discuss: But who holds the final change decisions in the budgetary system of firms? This paper, thus, submits:

No matter how much power a changer may possess

No matter how superior he may be, it is the changee who controls the final change decision. It is the employee, even the lowest paid one, who ultimately decides to show up for work or not (Golembiewski and Rabin, 1999).

Top management should note the fact that, for a budgetary system to be effective, efficient and goal achieving, it must be developed and operated in a manner that will boost budget acceptance by subordinate managers under the budget (Umo, 2015).

Available accounting literatures have created the typology of budgetary system anchored in management theories and related management views, viz:

- a) Autocratic Budgetary System founded on traditional management views and related theories.
- b) Humanistic Budgetary System (usually known as participatory budgetary system) based on modern management views and related theories.

Whichever budgetary system is operated in a firm, the manner in which budgets are prepared and the resulting budgets shall determine the productivity trend in the organization. Goal-setting and Goal-achieving are purposeful combination for enterprise growth and ultimate survival. In the budgetary system of business organizations, it is the changee (the employees) who holds the final change decisions.

3.2 Autocratic Budgetary System

This paper describes autocratic budgetary system as a downward-flow budgetary system (Dopuch et al, 2004; Horngren and Foster, 2003). It is an authoritative top down budgetary system in which budgets are prepared in such a manner that allows monetary rewards for those who meet its requirements and punishment for those who fail to meet them. It is a depressive budgetary system (Umo, 2015). Decision makers, who adopt autocratic budgetary system attempt to structure, control and closely supervise their employees with a strong emphasis on the implementation of the budget at whatever cost (Louderback and Hirsch (1987). Operators of Autocratic Budgetary System draw the tenets from the works of Adam Smith and Frederick Taylor (the Father of Scientific Management).

In Autocratic budgetary system, the decision maker (budget maker) believes that his duty is to set the goals for his subordinates. This implies a unilateral approach which is best described as the outgrowth of traditional behavioural assumptions and authoritarian management (Umo, 2015).

Autocratic budgetary system is synonymous with imposed budgets (Thomas, 2008). Imposed budgets are budgets forced on a subordinate (manager) from above (Garrison, 2007). Thus, the budgets developed in such a system are based on the dictates of the decision maker. Autocratic budgetary system is devoid of full participation of its operating personnel during the budget preparation process. Available accounting literature and related researches on the motivational results of employees' behavior are in support of the fact that autocratic budgetary system does not always work (Ogunnika, 1984; Umo, 2015; Horgren and Foster, 2003; Hopwood, 1996; Louderback and Hirsch, 1987). It is a system that emphasizes anxiety (Garrison, 2007).

Anxiety arises when the budget is unilaterally prepared by departments; an approach which creates the feeling that there is inequitable distribution of resources (Hopwood, 1996). This feeling is prevalent in an organization where the budgeting process is relatively close and secret. This affects the motivation of subordinates as well as the middle level managers. It affects adversely the goal-cordination between departments (Horngren and Foster, 2003).

In a business organization operating the autocratic budgetary system, allocations are cut, or raised without the knowledge of the affected departments. A department whose allocation is cut will not try to work well with the one

whose allocation is approved or raised. This affects motivation adversely and shall create a lot of adverse effects on the company's goal realization. This is because the process of budget preparation is secret and unilateral (Umo, 2015). The affected department is unable to identify the grounds on which its budget is cut and that of the other approved or raised. Departmental conflicts will increase and managers will tend to withhold useful information from peers. From the angle of the goal achieving machines (the employees), departmental conflicts will rise and managers will be overstating their annual estimates (Ogunnika, 1984; Umo, 1999).

In the enterprises operating authoritative budgetary system, budgets are viewed as discriminatory and unfair devices. The implication is that employees' morale will suffer. Moreover, if already disgruntled employees learn that they are striving to attain sham goals, the effectiveness of the budgetary system in the future, real or phony, might be seriously impaired (Thomas, 2008).

Another popular assumption amongst decision makers (the goal setting machine) in firms that operate autocratic budgetary system is that budget should be used as a club. A club implies a pressure device for increasing productivity efficiency (Umo, 2015). The belief is that the employees themselves understand and learn about the management assumption. The implication is that, if a budget is imposed on employees, it will probably generate resentment and ill-will, rather than co-operation and increased productivity (Garrison, 2007).

The more pressure a budget brings, the less the level of productivity (Umo, 1999; Louderback and Hirsch, 1987). This arises as a result of the repressive nature of autocratic budgetary system: a system that makes the employee believe that the decision maker is thinking very low of him. Thus, he becomes frustrated and regresses. Instead of increased productivity, autocratic budgetary system brings informal group formation in the organization whose aim is to challenge the administration and its leadership (Louderback and Hirsch, 1987).

3.3 Participatory Budgetary System

This is a budgetary system which allows individuals who are accountable for activities and performance under a budget to participate in the decisions by which that budget is established (Rayburn, 2003). It is a budgetary system identified with upward and horizontal flow of forecasts, plans and other information (Dopuch et al, 2004). It is described as the participatory bottom-up system because the act of preparing budgets begins at relatively low organizational levels (Umo, 1999).

Participatory Budgetary system is a humanistic system (Umo, 2015). It is synonymous with self imposed budgeting: A method of budget preparation in which managers with responsibility over cost control prepare their own budget estimates; these budget estimates are reviewed by the managers' supervisors, and any questions are then resolved in face-to-face meeting (Garrison, 2007). Therefore in this budgetary system, the preparation of budget has the participation of the members in all levels of the organization. Accordingly, no secrecy is built around allocations to any department. It is based on participatory management strategy.

Participation in budget preparation was introduced into budgetary system of firms in 1930 (Ogunnika, 1984). A high degree of participation is conducive to better morale and greater initiative. As Chris Argyris discovered, there is such thing as "Pseudo Participation"; that is, participation which looks like, but is not real participation (Thomas, 2008).

From available accounting and related literature, participatory Budgetary System is portrayed as a system for dealing with the psychological problems of employees' satisfaction, morale and motivation to produce in business organizations (Umo, 2015; Pandey, 2008; Louderback and Hirsch, 1987; Horngren and Foster, 2003). Therefore, there is a belief that real participation can lead to better morale and increased initiative. Generally, the most successful budgetary systems are those that allow managers with responsibility over cost control to prepare their own budget estimates. In such budgetary system, budgets are self-imposed in nature (Garrison, 2007).

Budget acceptance is critical to the success of a budgetary system (Wilson and Chua, 2004). Therefore, the crucial problem in the budgetary system of firms is whether a budget is accepted by employees (the Goal-achieving-machine) who hold the final change decisions (Umo, 2015). It is obviously of importance that the decision makers try to design and operate a budgetary system that is acceptable to the employees in order to boost positive effects (Umo, 2015). To foster motivation, acceptance by employees concerned of their budgets and of the level of performance contained in the budget is absolutely vital (Lucey, 2008).

Participatory budgetary system increases the probability that the goals contained in the budget will be internalized (Umo, 2015). That is, employees will accept budget goals as their own and become personally committed to the control system. Accordingly, this form of budgetary system recognizes the human factors of budgeting. People directly involved in certain function will have more understanding of that particular function and its needs. The chances of success are higher. This is because employees' morale and optimum participation are secured. Resistance

from employees will be minimized since employees are more likely to believe that the budget is theirs and not just management's.

The positive influence of budgetary system on motivation and productivity may be greater if a budget is accepted but not imposed. Many accounting literature are in support of the fact that the best way to gain acceptance is to have all levels of the organization participate in making the budget that affect them (Rayburn, 2003; Hopwood, 1996; Garrison, 2007; Golembiewski and Rabin, 1999).

Participatory budgetary system provides a challenge and sense of responsibility needed to effectively motivate individuals (the Goal-Achieving Machine). It encourages the accomplishment of objectives because the needs, goals and aspirations of individuals subject to the budget are considered. Improved morale and greater initiative are often the result of high degree of participation (Umo, 2015).

In addition to the better operation of the organization, the real value of participation at all management levels is psychological. Researches in management theory such as that conducted by Tosi showed that there is a strong positive relationship between participation and job satisfaction (Louderback and Hirsch, 1987). It is in the best interest of the organization to attempt to meet the esteem and self-actualization needs of participants by making tasks more challenging and giving individuals greater sense of responsibility. There is evidence that participation in budget preparation in connection with the comparison and reviewing processes may lead to increased goal acceptance. Participatory budgetary system attempts to get participants ego involved, not just task involved (Horngren and Foster, 2003).

However firms operating participatory budgetary system can build "Organization slack" into their budgets by overstating costs and understating revenues. Slack implies the difference between the total resources available to the firm and the total resources necessary to maintain organizational activities (Louderback and Hirsch, 1987). Individuals involved are motivated to build in slack because by gaining extra resources in the budget, they have more flexibility in achieving such personal goals as relaxation, while at the same time meeting objectives (Payburn, 1989).

Another argument in favour of slack is that it will reduce the potential impact of uncertainty by providing a hedge. Additionally, a manager who knows that he has some slack to work with may feel less pressured because he is reasonably sure that he can meet the budget. His actual performance may even be somewhat better than under a tight one (Louderback and Hirsch, 1987).

However, excessive slack is clearly detrimental to the best interest of the firm. The problem can be overcome, if management establishes procedures for in-depth reviews during budget development (Rayburn, 1989). In a participatory budgetary system, it is discernible that budgets are subject to any kind of review. Even though individual preparation of budget is crucial to a successful budgetary system, budget estimates cannot necessarily be accepted without question by higher levels of management. If no system of checks and balances is present, the danger exists that participatory budgetary system shall be too loose and will allow too much freedom in activities. The result will be inefficiency and waste. Thus, before budgets are accepted, they must be carefully reviewed by immediate superior. If changes from the original budget seem desirable, the items in question should be discussed and compromises reached that are accepted to all concerned (Garrison, 2007).

In essence, all levels of the organization work together to produce the budget. Since top management is generally unfamiliar with detailed day to day cost matters, it will rely on subordinates to provide detailed budget (Garrison, 2007).

In general, the modern theories of management which speak of participatory budgetary system include the Need Hierarchy theory, theory X and Y, Expectancy theory and the Goal setting theory (Umo, 2015; Louderback and Hirsch, 1987; Hopwood 1996; Ogunnika, 1984).

4. Related Empirical Studies

In his empirical work on "the Role of Accounting Data in Performance Evaluation", Anthony Hopwood declared: the pressure from budgets brings an increase in tension, resentment and fear amongst employees (Umo, 2015). This result is not even limited to the lower class employees but also found in the middle management and line supervisors. Amongst the line supervisors, a depressive budgetary system might not result in unionization or formation of groups; rather, it might create conditions negative to work motivation and achievement of general organizational goal. The reason is that the supervisor becomes concern only with the productivity of his own department in his bid to meet the budget requirements. This results in frequent interdepartmental strifes, frequent quarrel with finance staff and a change of personality for the supervisor due to internal pressure (Rayburn, 1989).

In his researches Chris Argyris found that in the firms operating autocratic budgetary system, budgets were considered as pressure devices and were viewed as part of a management policy system. Naturally enough in such circumstances, the budgetary system has a demotivating effect; that is, the opposite to that intended (Louderback and Hirsch, 1987). Thus, in his empirical study, Chris Argyris emphasized “Real participation”. Real participation is the process of joint decision making by two or more parties in which the decisions have future effects on those making them (Umo, 2015; Louderback and Hirsch, 1987).

In his study on “The impact of Budgetary Process on the Morale, Motivation and Productivity of Employees”, Umo (1999) discovered the relationship between the variables stated above. The results of his findings showed the following:

- Participatory budgetary system boosts employees’ morale
- Participatory budgetary system motivates employees
- Participatory budgetary system, relative to morale and motivation improves productivity.

In his empirical work on “Labour and Management in Nigeria: A Critique of the Conventional Management Theory” Olu Ogunnika (1984) discovered that the budgetary system in most Nigerian organisations are autocratic and employees’ productivity in these organisations has fallen.

In his research on the “Impact of Employees’ Behaviour on Budgetary Performance of Manufacturing Companies”, the result of findings on ten selected quoted firms which umo (2015) studied in Nigeria showed that there is strong positive relationship between participatory budgetary system and employees’ productivity in firms.

5. The Case of a Tropical Nation

The concern of this paper is on the implications of the foregoing review to business organizations in a tropical nation. Nigeria is one of the nations in the tropical region of West Africa. The question becomes more pertinent in consideration of the economic downturn Nigeria is facing in the 21st Century. Expectations from corporate budget have failed in terms of goal achievement generally and employees’ productivity specifically. The collapsing trend of businesses has constituted a case of utmost concern in the enterprise world and empirical literature. The corporate life is not only filled with many manners of counter-productive work behaviors but also endangered by corruption and other forms of illicit acts in the society. Generally, the employees’ behavior standards have fallen in many business institutions.

Persistent low productivity has characterized the economy for years. Employees’ production capacity and available resources have been underutilized. Since Independence, Nigeria is seen, classified, and still remains an import dependent economy. Available literature, researches and media reports carry specific messages on dwindling industrial capacities and collapse of corporate institutions (Umo, 2015; Ogunnika, 1984). The decision maker (changer) believes that autocratic budgetary system is the answer. This fact can be reinforced by what is going on in the Nigeria society today.

Management views are not only rooted in Nigerian Ideology but founded on traditional assumptions of autocratic management. The budgets prepared in most Nigerian firms can be likened to the command of the superior which is binding on the inferior no matter what is the feeling of the subordinate. This stems from the belief that Nigerian workers are not rational because once you intimate them on your moves and treat them as important, they feel “too big” and their productivity declines (Umo. 2015). It must be mentioned that the actual cause of employees’ low productivity in Nigeria has not been really examined. Management of business institutions, however, hide behind the conventional theories of motivation to accuse the poor workers of indiscipline in justification of their autocratic budgetary system. This is traced to be a product of the Nigerian ideology.

Autocratic budgetary system is non-humanistic. It is one of the factors contributing to employees’ productivity downshift and the resulting poor financial performance in Nigerian firms. The employees felt alienated in the face of such budgetary system. This is more so when Nigerian workers become aware of the huge corruption going on in the society and notably amongst the management and accountants who impose the budgets on them. After independence and over the past years, Nigeria, a nation in tropical West Africa has suffered a lot of decadence in various aspects of her national life, especially during the prolonged military dictatorship under various heads.

Notably,

*The political and business climate had become so bad that by 1999
when the nation returned to democratic rule, Obasanjo inherited a*

*Pariah State noted to be one of the most corrupt nations of the world
(The News 1999 June 7; Newswatch, 2009 Oct., 26).*

The corruption trend has neither ended nor declined. It has gained its dreadful path into subsequent years and administrations up till today. The average worker is disillusioned. He looks frustrated and his morale dampened. In his research on "Labour and Management Theory" Ogunnika (1984) stated one of the responses from a worker in a company he studied in Maiduguri "If one asks of one month's salary advance, the accountant will say "No". But the accountant approves advances for the people at the Top to take their lovers to hotels, etc".

Managers and budget makers in Nigeria worship money and would do every thing to get their hands on other peoples' money (Ola, 2007; Umo, 2015). This is a basic problem to be addressed. They operate the company's budget as if it is a personal allocation. Because this is allowed, extra-budgetary spending has become the norm in Nigerian firms. To this end the figures fail to add up or balance. But, they do of course in the private accounts of Chief Executives to which they have been diverted. Illicit gains by Enterprise Management have damaged the corporate life and brought morale decay.

For the Public Service, the purges of 1975 under Late General Mohammed's Regime and that of 1984 under Rt. General Buhari's Administration are clear indications that the magnitude of corruption in the Nigerian society had raised concern (Okigbo, 1987; Umo, 2015). Some symptoms of the neo-colonial order that persisted have been highlighted.

The use of power as an instrument of amassing wealth, the perception of politics as the fastest channel out of obscurity ... deliberate manipulation of electoral processes through thuggery, rigging, bribery and corruption. Nigeria became one conspicuous "fraud of the century" under the crude surveillance of the NPN. Embezzlers and Dupers found their way into different political parties. Records of loot and illicit gains became matters of national concern. Media reports, related literature and researches confirmed the mind boggling revelation about how leaders of the second Republic, noted for their bogus democratic rhetoric's, looted the national treasury in alliance with their friends, blood relations and concubines (Umo, 1999; Kalu, 1987; Nwankwo, 1987).

For the past years, the Maiden address and Agenda of some incoming administrations carry irrevocable messages on government's determination to fight corruption.

- Late General Murtala Mohammed (1975) promised to stamp out corruption in government ministries and other establishments.
- Buhari (1976) echoed: Immorality in public offices must be punished in order to create a new incentive for national discipline.
- Late Shagari (1983) stressed: It is disturbing today to see that fraud and corruption are found in offices, business houses, banks, institutions and society generally.
- General Obasanjo (1984-1986) launched the War Against Indiscipline (WAI) and followed it up with utmost vigour to eradicate corruption.
- Obasanjo (1999) reiterated his administration's commitment to fight corruption in the Nigerian society relentlessly.
- Jonathan (2009) declared the government's position on the fight against corruption.
- Buhari assumed office in 2015 and vowed to have zero tolerance for corruption.

Although Nigerian leaders are engaged in suffocating ethnic controversies, they possess one common characteristic and that is "corruption".

Corruption menace is still on the continuous trend and has become worrisome. The corrupt practices of Shagari's regime which some Nigerians diagnosed in 1983 coupled with increasing awareness of the corruption trend in successive administrations and for which many were arrested, prosecuted, convicted and acquitted have been confirmed by different tribunals and anticraft agencies (including the EFCC and ICPC) set up by Buhari's Administration in 1985, Babangida's Administration in 1986 and subsequent Administrations (Kalu, 1987; Umo, 2015).

On the three seminars and workshops organized by the then ruling Peoples Democratic Party (PDP) and the Federal Government in 1999-2000 tagged “Agenda for the President”, the overwhelming view of the discussants was that “15 years of uninterrupted military rule had brought Nigeria to its knees”. In particular, ‘corruption’ was singled out as a nation’s bane and tackling it was recognized as the biggest challenge of President Olusegun Obasanjo’s Administration (Umo, 2015). The magnitude of corruption in the Nigerian Society has become alarming. It is an acceptable view that Business Institutions in Nigeria are noted for corruption: The ugly menace that may ravage the nation’s corporate scene if not addressed, eradicated, or minimized. The present Administration under President Buhari has vowed to have zero tolerance for corruption. Yet the corruption trend is still worrisome, if not increasing. This fierce canker called corruption is a dreadful menace. Its woes have fueled the problems of economic hardship and unemployment in many nations. It has turned the heart of many away from investment. This monstrous giant has brought many economies or businesses to their knees. The pangs of corruption have brought the gainfully employed masses back into the labour market; many homes are frustrated and yearning for help. The business climate is precisely unpredictable. Crime rate is reportedly increasing and some Nigerian youths have resorted to incivility or illicit acts as means of livelihood.

The Nigerian society is corrupt: The Legislature, the Executives and the Judiciary are all inclusive. No segment is free in the assessment. Corruption has dragged the name of some nations to mud. Honesty has lost its meaning in the National Pledge of nations. Daily Military Big Guns, Police Top Hats, Paramilitary Service Chiefs, Political Giants and Appointees within the corridors of power, Managers of Public or Private Institutions and Accountants are arrested, prosecuted and convicted for one form of corruption or the other. Members of uniform organizations are no more ashamed of any form of illicit acts in their offices and public roads. They wore shameless faces to the extent of standing on public highways (in daylight and darkness) to extract money from innocent and erring motorists including the passengers. Some road users are reportedly subjected to military treatment because of non-compliance (a slogan very common in their road blocks/ check points).

The drastic effect of corruption has raised questions about the futurity of many firms. Like other nations facing economic depression, Nigeria needs quick recovery and the maximum productivity of its members.

The employees after observing the magnitude of corruption in the Nigerian society are only ready to be productive if, and only if, they are able to determine why they need to be productive. Participatory Budgetary system can do this.

Many workers refuse to produce their maximum in recent times. They complain that “the work is not their own”. The work belongs to the manager, director or the Board. They exhibit counterproductive work behavior or attitudes considered inimical to work ethics.

6. Conclusion

Whichever form of budgetary system is operated in a firm, trends in emerging accounting literature and related researches are in support of the fact that budgetary system and associated management views influence behavior and productivity of all employees regardless of the position in the firm (Horngren and Foster, 2003; Umo, 2015). The need for involvement, commitment and not the least participation of the lower member of the organization is viewed as a vital feature of the modern budgetary system.

Indeed there is a widespread belief and belief is the appropriate term, that the participatory budgetary system is a panacea: A cure for all the many ills which have been associated with autocratic budgetary system (Hopwood, 1996; Umo, 2015).

7. Recommendations

The paper therefore submits:

- Participatory budgetary system will promote management by commitment. Management by commitment emphasizes “the bottom speaking up” in contrast to the “top speaking down” principles. It is based on the fulfillment of corporate goals through some new and outstanding leadership strategies and motivational principles. It is a new insight into gaining employees’ satisfaction and performance and building increasingly profitable growth in today’s challenging and complex business environment. It is a technique that focuses on the human components of a business (Kofi, 1997).
- Participatory budgetary system shall enhance consultative management: A strategy which will bring various levels of the organization into the stream of decision making process. Individuals at all level of management are

recognized as members of the team whose views and judgements are valued by top management. Psychologically, employees' motivation is enhanced through job enlargement.

- Participatory budgetary system will boost Goals – Internalization. Employees who participate will be more likely to accept the goals contained in the budget because they had a hand in developing them. It shall further improve budget by commitment (that is, a system that increases the commitment of employees towards the budget goal achievement). It shall give subordinates greater job satisfaction and enables employees to co-operate better. It can be described as “People oriented budgetary system”, because it has greater concern for the people.
- Budgets prepared in firms operating participatory budgetary system are more reliable. Budget estimates tend to be more accurate and reliable because an employee in direct contact with activity is in the best position to make budget estimates. In such firms, managers experience a great sense of accomplishment when they implement their own budgets and they have a greater commitment to making them become self-fulfilling prophecies. Since budgeting process is not close and secret in participatory budgetary system, employees will have positive attitudes toward the firm and this will result in higher level of morale and improved productivity. Motivated work behaviours will be inevitable and shall be geared constantly towards productivity.
- Participatory budgetary system has its own unique system of control in that if people are not able to meet budget specifications, they have also themselves to blame.
- In the firms operating participatory budgetary system, the goals and aspirations of employees are likely to be contained in the budget. Such moves will foster a reward system aimed at strengthening the link between goal congruence and managerial effort. For instance, one of the major challenges in Nigerian business firms is that of designing acceptable employees' compensation plan that achieves appropriate components mix. Notably, goal congruence exists when individuals and groups work toward the organization goals that management desired.
- Goals must not only be set by top management (Goal-setting machine) but must be achieved by the employees (the Goal achieving machine). “Acceptance of the goal” is the critical step between “goal setting” and “Goal achievement”. Participation has the consequences for goal setting, goal acceptance and productivity. A budget or goal even if externally imposed, must receive some internal recognition if it is to be at all effective.
- The government of every Nation should create enabling environment for businesses to strive and the populace should be sensitized on the dangers of failed businesses and depressed economies.
- It may be perceived from the foregoing remarks that a major area of concern involves the relationship between budgetary system, management views, employees' behavior and productivity. Victor H. Vroom in his research on “Some Personality Determinants of the effects of participation” concluded that as subordinates were allowed a larger influence in decisions, their productivity improved, partly because of the ego involved which participatory management strategy generated (Louderback and Hirsch, 1987), In budgetary context, this is interpreted to connote a greater willingness by the employees to accept the budget.
- It is therefore discernible that the modern school of thought believes that organization participants are motivated by a wide variety of economic, social and psychological needs and drives. These needs and drives are also different from individual to individual. The school recognizes the human aspects of budgetary system. The more the employees felt they are participating in the determination of the goal contained in the budget, the more they work towards improved productivity and general goal achievement in organizations.

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