

**Budgeting Process and Organizational Effectiveness in
The Polytechnic, Ibadan, Oyo State, Nigeria**

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Management & Accounting, Faculty of Management & Social Sciences,
Lead City University, Ibadan, Oyo State, Nigeria**

**In Partial Fulfillment of the Requirements for the Award of
Master of Science Degree (MSc) in Accounting**

Certification

This is to certify that Elizabeth Abosede WURAOLA with matriculation number LCU/PG/002255 carried out this research work titled “Budgeting Process and Organizational Effectiveness in The Polytechnic, Ibadan, Oyo State, Nigeria” in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria, for the award of Master of Science Degree (MSc.) in Accounting and that this has not been previously submitted.

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Dedication

This research work is dedicated to Almighty God and my late parents

- Mr. and Mrs. Johnson Cecilia Idowu.

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Even though the above-mentioned institutions and persons have assisted in the process of this research work, I alone stand responsible for the error(s), if any, found in the work.

Elizabeth Abosede WURAOLA

Abstract

Tertiary Institutions operates basically on budget. This study assessed organizational effectiveness of Budgeting Process in The Polytechnic, Ibadan, Oyo State, Nigeria. Expectations are that tertiary institutions provide educational services, however, there has been on several occasions the occurrence of industrial disharmony and unrest between the management, staff and students of the tertiary institutions which posed the question whether the management and the stakeholders are not efficient in their operations and does not see the practical necessity to ensure the acceptance of budgeting process as an efficient managerial tool vital to the planning, coordinating and controlling functions. The research tool employed in data gathering and collection was questionnaire while SPSS version 25 was adopted for descriptive and inferential statistics to analyze the data while agency theory was employed. The null hypothesis tested states that “there is no significant effect of budgeting process on organizational effectiveness in The Polytechnic, Ibadan, Oyo State, Nigeria”. Based on the findings from the study, it therefore concluded that “there is a statistically significant effect of budgeting process on organizational effectiveness of The Polytechnic, Ibadan, Oyo State, Nigeria” [$R^2=0.276$, $F(1,236)=90.053$, $P=0.0000$] which aligned with agency theory as the theoretical bedrock for the study. However, it was found out that most of the key actors do not work with the budget due to lack of proper induction on their expected roles in the positions they occupied. Hence, the need for copy of budget manual to be sent to each departmental head after its approval by the government. The study recommended that management should intensify efforts in planning budget according to the organizational goals and objectives; provide adequate professionals who would prepare and plan the budget; keep budget implementation according to financial rules and regulations; embrace strong and effective internal auditing and budgetary control systems.

Keywords: Budgetary control, budget implementation, budget planning, employee’s commitment, organizational effectiveness, service delivery,

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List of Acronyms

Abbreviation	Meaning
A	Agree
ANOVA	Analysis of Variance
APT	Arbitrage Pricing Model
ASUP	Academic Staff Union of Polytechnics
ASUU	Academic Staff Union of Universities
BCo	Budgetary Control
BI	Budget Implementation
BP	Budget Preparation
BPI	Budget Planning
BPr	Budget Preparation
B.Sc.	Bachelor of Science
CAPM	Capital Asset Pricing Model
D	Disagree
EC	Employee's Commitment
ES	Elementary School
GDP	Gross Domestic Product
HEIs	Higher Education Institutions
HND	Higher National Diploma
ICT	Information and Communications Technology
MDA	Ministries Department and Agencies
M.Sc.	Master of Science
NASU	Non-Academic Staff Union
NCE	Nigeria Certificate in Education

OE	Organizational Effectiveness
OND	Ordinary National Diploma
PBB	Performance Based Budgeting
PCE	Public Capital Expenditure
PDEX	Public Debt Expenditure
PPBS	Planning, Programming, Budgeting System
PRE	Public Recurrent Expenditure
SA	Strongly Agree
SD	Strongly Disagree
SD	Service Delivery
SEM	Structural Equation Modelling
SMEs	Small and Medium-sized Enterprises
SPSS	Statistical Package for Social Sciences
SSANU	Senior Staff Association of Nigerian Universities
SUG	Student Union Governments
UAE	United Arab Emirates
ZBB	Zero Based Budgeting