

The Public Sector Accountant in Budgeting Process by Commitment: Making Budgets Real For Innovative Management System and Improved Employees' Performance in 21st Century Developing Economies

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ABSTRACT: A public sector accountant occupies a conspicuous position in the management system of public sector institutions. If there is anything that makes the position of an accountant felt in any public sector setting, it is the budget. The view of human nature held by a public sector accountant and his preferred style of leadership (authoritarian or humanistic) will determine to a great extent the nature of a budget. Employees in public sector institutions will react negatively to the authoritarian accountant budget but in an organization where the budget maker (accountant) is humanistic, organizational effectiveness is achieved. While conceding the fact that certain public sector settings may require a certain element of authoritarian budgetary system, the writer of this paper submits that the commitment of all levels of the organization in setting their budget goals produces better results as far as the effectiveness and efficiency of budgetary system are concerned. The unconcerned attitude of public sector accountants towards current researches in budgetary theory and practice, the falling standard of work morale and motivation, the declining trend of performance standards in public sector institutions, the magnitude of corruption and consequential economic depression in many developing economies have raised serious concern. The writer of this paper asserts: In the public sector of a developing economy (such as Nigeria), budgeting by commitment is admittedly a cure. Committing the employees in the budgeting process will make the budget real. It will harness the budgetary system, trigger budget acceptance, boost work morale and motivation, secure the goals-loop, strengthen interpersonal trust and shared feeling of confidence among organizational participants and ultimately steer the efforts of all organizational members towards improved performance. But these benefits do not automatically arise from the budgeting process. They must be worked for.

KEYWORDS: Budgeting process, commitment, Management system, Employees' performance.

1. INTRODUCTION

No conscious public sector setting exists without goals and objectives. But without a budget it may wander aimlessly. This implies that the purpose of every budget in an organized setting in the public sector is to facilitate the accomplishment of its set goals and objectives.

The act of preparing a budget is known as budgeting (Hopwood, 2002). Well organized and thought out budgetary system will bring positive and significant benefits. Such a budgetary system is synonymous with budgeting by commitment. Budgeting by commitment will foster the following:

- Harness the budgetary system in an organized setting
- Trigger budget acceptance
- Boost work morale and motivation
- Secure the goals-loop
- Strengthen interpersonal trust and shared feeling of confidence among organizational participants
- Steer all managerial and employees' efforts toward improved performance.

But these benefits do not automatically arise from the budgeting process, they have to be worked for.

For the purpose of this paper, two value systems are identified and these are presented in a paradigm of organizational behaviour set out below:

- a) Traditional views of organizational behaviour anchored on traditional behavioural assumptions and related theories, and
- b) Modern views of organizational behaviour founded on modern behavioural assumptions and related theories

People do what they are rewarded for doing. In his work on human motivation, McGregor has 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, that managers complain that they pay their workers well and provide good job security, but suffer poor performance (Hirsch and Louderback, 2007).

Generally modern views and related theories are in support of the fact that budgeting process by commitment improves performance. Budgeting process by commitment is

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synonymous with participatory or consultative management. Such theories that speak to the question of budgeting by commitment are the Need Hierarchy Theory, Goal Setting Theory, Expectancy Theory, Theory X and Theory Y (Hirsch and Louderback, 2007; Hopwood, 2002; Umo, 2015). The writer submits:

The commitment of subordinates in preparing their budgets is a cure for all the many ills which have been associated with traditional system of budgeting in the public sector.

The commitment of lower and middle levels of management in the preparation of budgets and the establishment of clear targets against which performance can be judged, have been found to be motivating factors. Programmes in which employees are directly involved in the preparation are generally perceived positively but negatively by workers who do not. Accordingly, the true success of any budget depends on its acceptance by the members (organizational participants) affected by the budget. High work morale and greater initiative are often the result of high degree of commitment in budgeting process.

The above facts have created the typology of accountants found in public sector settings

- The authoritarian public sector accountants whose views are founded on traditional behavioural assumptions and related theories, and
- The humanistic public sector accountants whose beliefs are anchored on modern behavioural assumptions and related theories.

The writer asserts:

Whichever type of accountant is found in a public sector institution, the accountants are budget makers and their views about human nature and the manner in which they feel budgets should be prepared affect employees’ work morale, motivation and performance regardless of the position. This is because budgeting process is a much wider term than mere technique and procedure. It is being seen as part of a process which both influences, and in turn is influenced by managerial and employees’ attitudes and behaviour.

The falling standard of employees’ performance in public sector settings, inflation trend in developing economies (for instance, Nigeria), and the magnitude of corruption in the society have raised serious concern. Many public sector settings do not accomplish their budget estimates in the 21st Century.

The performance capacity of many workers is underutilized. Many developing economies need quick recovery and thus, require the maximum performance of their members.

In consideration of the above review and most specifically the economic depression some developing nations are facing today (such as Nigeria), the writer reached a decision to present a paper on “The Public Sector Accountant in Budgeting Process by Commitment: An Innovative Management Strategy for Improved Employees’ Performance in 21st Century Developing Economies”.

2. TYPOLOGY OF PUBLIC SECTOR ACCOUNTANTS

A budgetary system is a hierarchical combination of the Goal-setting machine and Goal-achieving machine (Garrison and Noreen, 2018). The Goal-setting machine sets goals and the Goal-achieving machine endeavours to achieve exactly the budget goals in order to facilitate organizational co-ordination and planning.

This paper distinguishes two types of accountant in a public sector setting which budgetary system constitutes part of the management design. These are the Authoritarian Public Sector Accountant and Humanistic Public Sector Accountant.

2.1 Authoritarian Public Sector Accountant

Authoritarian public sector accountant holds autocratic views in the budgetary system of an organized public sector setting or institution. His practice is founded on the tenets of the classical era (The Scientific Management School) pioneered by Frederick Winslow Taylor (The Father of Scientific Management) and Adam Smith who built on the foundation led by Taylor. Accordingly, his beliefs stem from the fact that employees are motivated by monetary reward and economic forces.

The authoritarian public sector accountant believes that employees apt to avoid working unless closely supervised. Thus, he views employees as being generally lazy and inefficient. His role in the budgetary system is to provide information that helps top management of any public sector setting to control their subordinates by highlighting inadequate performance.

In a budgetary system where the accountant is authoritarian, an employee is seen as a being of very limited dimension (Hopwood, 2002). Such an accountant believes that the flow of authority is downward and thus, status differences is adhered to. That is, a manager’s / administrator’s position in the hierarchy gives him authority over others, and he in turn is subject to the authority of his superiors. Each manager’s/administrator’s authority is unquestioned, but accepted automatically by his subordinates. An authoritarian public sector accountant is a budget maker whose role is to use his position to accomplish the budget goals set out by the decision makers (Upper level management / policy making body) in an organized public sector setting.

In a public sector organization where the accountant is authoritarian, budget is used as a club (pressure device).

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Accordingly, such an accountant believes that employees are inherently lazy and have to be needed a bit; and by increasing pressure, the budgetary system would be more effective (Hirsch and Louderback, 2007).

The problem with budgetary system of a public sector institution which the accountant is authoritarian is that it does not always work. An authoritarian public sector accountant is identified with autocratic management system. Available accounting literature and related researches into the relationship between authoritarian management system and employees’ performance generally support the assertion that traditional close supervision is associated with lower performance (Hirsch and Louderback, 2007; Hopwood, 2002; Umo, 2015). Notably, employees charged with meeting budgets frequently behave dysfunctionally. There is a great deal of evidence that employees often succeed in circumventing the budgetary system. They also hold negative attitude towards the management and accountant, a pre-condition to declining performance.

The authoritarian public sector accountant believes in a downward flow approach (top-down approach) to preparing budgets. He is a budget maker who prepares the budget in such a manner that allows monetary rewards for those who meet its requirements and punishment for those who do not. He assists the management of public sector institutions to structure, control and closely supervise the employees with a strong emphasis on the implementation of the budget at whatever cost. Thus, he believes that his duty is to assist the management in setting the budget goals for the subordinates.

In the budgetary system of a public sector setting which the accountant embraces authoritarian management, budgeting process is a unilateral approach (the outgrowth of traditional behavioural assumptions and related theories. Accordingly, an authoritarian public sector accountant is identified with imposed budgets. Imposed budgets are budgets forced on a subordinate from above. They are budgets dictated by top management (decision makers/policy making body) of public sector settings without the full participation of the operating personnels.

Many researches have focused on the different motivational results on organizational behaviour of unilateral budgets (budgets prepared by authoritarian accountants). One result emphasizes interdepartmental / intersectional anxiety (Ogunnika, 1984; Umo, 2015; Umo, 1999). Anxiety arises when the budget is unilaterally prepared by a department, which creates the feeling that there is inequitable distribution of resources. This feeling is prevalent in public sector settings or organizations where the budgeting process is relatively close and secret. This affects the motivation of subordinates as well as other operating personnels. It affects adversely the goal co-ordination between departments/units. For instance, a ministry, department or agency in a public sector setting whose allocation is cut will not try to work well with that whose allocation is approved or raised. This is because an

authoritarian public sector accountant makes the budgeting process secret and unilateral. The affected ministry, department or agency could not identify the grounds on which its budget is cut and that of the other approved or raised. This affects motivation and goal coordination adversely. This situation also creates a lot of adverse effects on the realization of set goals and successful implementations of policies and programmes.

Public sector settings (for example, Institutions, Ministries or Agencies) especially in developing economies are characterized by incessant strike actions and departmental conflicts. Because the budgeting process is secret and unilateral, confidence and inter-personal trust are lost in the budgetary system. Public Sector operators / participants tend to withhold useful information from peers. The managers in public sector organizations will also be overstating their annual estimates. This is creative budgeting.

An authoritarian public sector accountant makes the budget discriminatory and unfair device. Such a budget causes employees’ work morale to suffer. Furthermore, if already disgruntled employees learn that they are striving to attain sham goals, the effectiveness of future budgets, real or phony, might be seriously impaired.

The budget prepared by an authoritarian public sector accountant is a budget forced on the employees. A budget forced on the employees will probably generate resentment and ill-will rather than cooperation and improved performance. This is more so, especially when the employees learn about and understand the management’s assumption (employees are basically lazy). The repressive nature of the budget makes the employee believe that the accountant (budget maker) is thinking very of him. Therefore, the affected employee becomes frustrated and regresses. Instead of improved performance, such repressive (autocratic) budgets bring informal group formation in public sector settings whose aim is to challenge the administration and its leadership. The writer submits:

The pressure from budgets brings increase in tension, resentment, mistrust and fear amongst workers. It might create conditions negative to motivation and the achievement of set goals in public sector budgets.

This is because the administrative head or personnel, in his bid to meet the budget requirements, becomes concerned only with the performance of his own section (that is institution, Ministry, department or agency). This often results in frequent inter-departmental/intersectional strifes, quarrel with finance staff and a change of personality for the administrative heads due to internal pressure. The writer describes these circumstances as demotivating effects of budgeting process (the opposite to that intended).

2.2 Humanistic Public Sector Accountant

An humanistic public sector accountant holds participatory views in the budgetary system of organizations. He considers the human elements of budgeting process and believes that employees’ performance will improve if participatory management system is practiced. He is anchored in modern behavioural assumptions and related theories such as the Needs Hierarchy Theory, Theory X and Theory Y, Goal setting Theory and Expectancy Theory.

The humanistic public sector accountant believes that employees work for many reasons (including satisfaction) and that they are motivated for many reasons which differ in relative importance over time (Foster and Horngren, 2013; Hirsch, Louderback, 2007). He holds a popular assumption that managers or administrative heads in the public sector cannot be effective unless their subordinates internalize the budget goals and accept their authority. He is a budget maker (an accountant) who causes employees to believe that they will advance their own goals if they work toward their superiors’ goals. He is a budget maker in the practice of allowing individuals who are accountable for activities and performance under a budget to participate fully in the decisions by which that budget is established.

The humanistic public sector accountant embraces the upward and horizontal flows of forecasts, plans and other information in the budgetary system. He believes that the budgeting process begins at relatively low organizational levels: a process which is described as participatory, bottom-up approach to preparing budgets. Thus, in a public sector setting which the accountant is humanistic, the budget is self-imposed budget. A self-imposed budget is a budget in which administrative heads or managers with responsibility over cost control prepare their own budget estimates and these budget estimates are reviewed by their superiors and any questions are then resolved in face-to-face meetings.

The humanistic public sector accountant develops a financial plan which we have the participation of all levels in the organization. No secrecy is built around allocations to any department, agency or establishment. This implies participatory management strategy. He, therefore, uses his position to reduce alienation of workers, disillusion and anxiety in any public sector setting.

Participation was introduced into budget preparation in 1930. A high degree of commitment relative to participation in budgeting process is conducive to better work morale and greater initiative. As Chris Argyris in his empirical study discovered, there is such thing as “pseudo Participation”; that is, participation which looks like but is not real participation. The humanistic public sector accountant embraces real participation. Real participation refers to a process of joint decision making by two or more parties in which the decisions have future effects on those making them (Pandey, 2016; Lucey, 2003; Rayburn, 2010; Wilson and Chua, 2004, Garrison and Noreen, 2018; Fremgen, 1999).

Humanistic Public Sector Accountant uses his position to deal with the psychological problems of employees’ satisfaction, morale and motivation to perform. Thus, the budgets prepared by humanistic accountants in public sector settings are the most successful budgets. This is because such budgets become self-imposed and not imposed.

The acceptance of a budget is critical to the success of budgetary system. Thus, the crucial problem in budgeting process is acceptance of the budgets by those directly affected by the budget. It is obviously of importance that the accountants and managers (administrative heads) in public sector settings try to develop and implement budgetary systems in a manner that is acceptable to the subordinates and employees in order to produce positive effects. The humanistic public sector accountant is synonymous with this task because he believes that acceptance of employees concerned of their budgets and of the level of performance concerned in the budgets is absolutely vital. This connotes budgeting by commitment.

3. BUDGETING BY COMMITMENT

Budgeting by commitment is a new insight to gaining employees’ participation in the budgeting process. It is synonymous with real budget. A budget is real if the budgeting process has the full participation of the organizational members in its preparation process and the employees become committed to the realization of goals set by the top management (the goal-setting machine). It is a budget that gains employees’ acceptance because the goals-loop is secured in the budgetary system. That is, employees will accept the budget goals as their own and become personally committed to the control system.

Budgeting by commitment recognizes the human elements of budgeting process. It is founded on the assumption that people directly involved in certain function will have more understanding of that particular function and its needs. This is because employees’ morale and optimum participation are secured. Resistance from employees will be reduced since the employees are more likely to believe that the budget is theirs and not management’s. The budget influence on work morale, motivation and performance may be greater if the budget is not imposed but self-imposed (accepted).

Available accounting literatures are in support of the fact that the best way to gain acceptance is to have all levels of the organization committed in preparing the budget that affect them (Golembiewski & Rabin, 2009; Ogunnika, 1984). Budgeting by commitment will boost goal internalization in public sector institutions. If goals are internalized by individuals responsible for making them, the chances of success are higher. Therefore, budgeting by commitment provides a challenge and sense of responsibility needed to effectively motivate employees. It promotes the accomplishment of objectives because the needs, goals or

aspirations of individuals subject to the budget are considered. Improved morale and greater initiative are often the results of budgeting by commitment.

In public sector settings, the real value of budgeting by commitment at all levels is psychological. Related accounting literature and empirical studies (such as that conducted by Tosi) are in support of the claim that budgeting by commitment boosts job satisfaction and improved performance. It is in the organisation’s best interest to attempt to meet the esteem and self-actualization needs of employees by making tasks more challenging and giving individuals greater sense of responsibility (Schleifer and Vishny, 1993; Lambsdorff, 1999). There is evidence that budgeting by commitment in connection with the comparison and reviewing process may lead to increased goal acceptance. Employees’ commitment in the budgeting process is an attempt to get the employees ego involved and not just task involved.

In essence, budgeting by commitment will cause all levels of the organisation to work together to produce the budget. Since top management of public sector organisations is generally unfamiliar with detailed day to day cost matters, it will rely on subordinates for detailed budget (Jenkins and Lawler, 1992; Bakker and Demerouti, 2007).

4. BENEFITS OF BUDGETING PROCESS BY COMMITMENT

The writer therefore presents the following benefits of having employees committed to the process of budgeting in public sector organisations:

- **Recognition:** Individuals at all levels of the organisation are recognized as members of the team, whose views and judgments are valued by top management. Such individuals enjoy job enlargement. Their responsibilities are greater than those of employees who are not committed. Enlarging an employees’ job brings greater satisfaction and self-esteem.
- **Goals Internalization:** When employees become committed to the budgeting process, they will be more likely to internalize the budget goals, to accept them because they had a hand in developing them. This will boost goal congruence.
- **Budget becomes self imposed:** A budget is self imposed if all levels of the organization become committed to the budget preparation process. Employees will work as a team so that the budget is successful. A person is more apt to work at fulfilling a budget that he has set for himself than he is to work at fulfilling a budget imposed on him. Employees will consider the budget as theirs and not management’s.
- **Positive attitudes:** Employees who are committed to the budgeting process will likely have more positive attitudes toward the institution or organisation. This

will boost productive work behaviours, trigger high work morale and ultimately lead to improved performance.

- **System of Control:** Budgeting by commitment brings various levels of the organisation (workers and managers) into the stream of decision making process. Subordinates and other participants would have a voice in the control process and their ideas and advice would be sought out by their superiors. They would have greater responsibility. This will create an atmosphere where employees can satisfy their needs and will be more likely to identify with the goals of the organisation rather than just their own goals. Therefore, budgeting by commitment has its own unique system of control in that if individuals are not able to meet budget specifications, they have themselves to blame.

The writer submits inter alia:

Budgeting by commitment of subordinates and employees is a panacea: A cure for all the many ills associated with the budgeting practice and traditional behavioural assumptions inherent in authoritarian public sector accountants.

5. RELATED THEORETICAL REVIEW

The arguments for budgeting by commitment can be supported by related motivational theories viz: Needs Hierarchy Theory, Theory X and Theory Y, Goal Setting Theory and Expectancy Theory.

5.1 Needs Hierarchy Theory

Abraham Maslow was the proponent of Needs Hierarchy Theory. From the standpoint of Needs Hierarchy Theory, employees committed to the budgeting process have the opportunity to satisfy needs higher than physiological, safety and social. The job enlargement that they experience provides greater self-esteem, status and respect of peers (Bittel et al, 2001; Brown and Petrello, 2005; Britt and Jex, 2008)

5.2 Theory X and Theory Y

Douglas McGregor built on the foundation laid by Maslow and wrote on “Human side of the Enterprise”. He affirmed that satisfied needs cannot serve as motivators. He further argued that the traditional theories of management focus almost exclusively on the lower-level needs. People are expected to satisfy their higher level needs away from work.

McGregor classified his work under the framework of Theory X and Theory Y. The writer of this paper submits that the assumption of these theories correspond to the views of some public sector accountants.

Theory X assumes that most people prefer to be directed and are not interested in assuming responsibility.

Such employees are also motivated by money, fringe benefits and the threat to punishments. This is the view of authoritarian public sector accountant (the budget maker) who believes that the budget should be used as a club (pressure device).

In opposition to Theory X is the Theory Y which asserts that employees can be basically self directed and creative at work place if properly motivated. The writer of this paper submits:

Theory Y corresponds to the view of humanistic public sector accountant in the budgeting process.

McGregor summed up part of his argument by saying that management must treat employees as adults, rather than as children, which is how he viewed their treatment under the classical era. Two important recommendations of McGregor are job enlargement and participatory management. Job enlargement refers to the process of allowing workers to control the way they work (Brown and Petrello, 2005). Briefly stated, workers should be allowed to take more responsibility. Participatory management implies consultative management (Mescon and Rachman, 2003). It brings various levels of the organisation into the stream of decision making process.

From the standpoint of Theory X and Theory Y, job enlargement and participatory management can be achieved through budgeting by commitment. Employees psychological needs (social and esteem) can be satisfied if the accountant in a public sector setting is humanistic.

5.3 Goal Setting Theory

Goals should not only be set, but must be achieved in public sector settings. The critical step between the setting of a goal and its achievement is the acceptance of the goal by the goal achieving machine (employees). Budgeting by commitment has consequences for goal setting, goal acceptance and improved performance (Thomas, 2007). A budget or goal even if externally imposed, must receive some internal recognition if it is to be at all effective.

In the context of budgeting the writer identifies the budget maker as the changer and the employee as change and submits accordingly:

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

From the foregoing remarks, a major area of concern involves the relationship between budgeting by commitment, employees’ motivation and performance.

5.4 Expectancy Theory

The Expectancy Theory also speaks to the question of budgeting by commitment. Budgeting by commitment involves the superior and the subordinate in discussions about the feasibility of achieving various goals, the development of alternatives and the setting of goals that all parties find reasonable.

The employee may experience some enhancement of intrinsic valences because of his or her contribution to the budgeting process. Achieving the goal might be more important to the employee who has contributed to setting it.

Budgeting by commitment may also result in the subordinates having a higher estimate of the probability of achieving the goals which would increase the motivation to produce. If the superior recognizes the problems, provides assistance where needed, and is genuinely supportive of the subordinates, they are likely to be more confident on reaching the budget goals (Wilson and Chua, 2014; Rachman and Mescon, 2003).

Expectancy concepts form the basis for a general model of behaviour in public sector organizational settings. Employees have the belief that performance will lead to reward which is a prediction about what will happen in the future. Therefore the writer asserts:

For employees to make a good kind of prediction about the future, they have to trust the budgetary system and have confidence in the top management. If this occurs and if the employees see the linkages between rewards and their behaviour, then they will be motivated to perform well and the budget will be successful

Whichever type of accountant (authoritarian or humanistic) is found in a public sector organisational setting, employees’ morale, motivation and performance will be influenced regardless of the position in the organisation. The need for commitment and not the least, participation of the lower members of the organisation is viewed as a vital feature of the modern approaches to budgeting.

6. THE CASE OF A DEVELOPING NATION

The concern of the writer is on the implications of the foregoing review to the situation in a developing nation (Nigeria). The question becomes so pertinent in consideration of the serious economic depression Nigeria is facing in recent times. The underutilization of production capacity of Nigerian workers and resources has culminated in low performance. This situation has raised serious concern. Nigeria needs quick recovery and hence requires the maximum performance of its members. An authoritarian public sector accountant (the budget maker) believes that autocratic (imposed) budget is the answer. His views are based on the tenets of scientific management that flourished

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in the classical era (Pioneered by Frederick Winslow Taylor and Adam Smith).

The belief of an authoritarian public sector accountant can be reinforced by the autocratic views that flourished in Nigerian society for some years. Nigerians are seen and treated as “highly indisciplined”. It was this ill notion that prompted even the government of Nigeria in 1984 to wage a whole War Against Indiscipline (WAI). The treatment of Nigerians by law enforcement agents portray the fact that the view of human nature held by Nigerian authorities is authoritarian. The soldiers (especially the privates and recruits) enjoyed beating the innocent public members who failed to queue for essential commodities (1985-1986). Mobile policemen use horse tails to beat erring motorists in public highways to instill discipline in them. Physical and corporal punishments are meted out to suspects or cell inmates to elicit information (Kalu, 1987; Nwankwo, 1987; Umo, 1999).

In Nigeria public sector settings (Ministries, Departments and Agencies), the view of human nature held by accountants (budget makers) is autocratic. They see autocratic (imposed) budgets as the answer. Their budgets can be likened to the command of the superior which is binding on the inferior whatever the belief of the subordinate might be. The authoritarian public sector accountant (the budget maker) uses his position to create the notion that subordinates and employees are not rational and once you begin to intimate them on your moves and treat them as important, they fell “too big” and the result is that their performance regresses.

The actual cause of regressive trend in employees’ performance in the public sector of a developing economy (such as Nigeria) has not been really examined. Suffice it to say that the top management and authoritarian accountant in public sector organisational settings (Ministries, Departments and Agencies) hide under conventional theories of motivation to accuse the poor workers of indiscipline in justification of their autocratic budgets. Empirical writers have traced this elsewhere to be the product of Nigeria Ideology (Ogunnika, 1984; Umo 1999; Umo, 2015).

Budgeting process in Nigerian public sector institutions is autocratic. This has been one of the factors contributing to employees’ poor performance. It is an acceptable fact that workers felt alienated in the face of budgets prepared by authoritarian public sector accountants. This is more so when the workers become aware of the huge corruption going on in the public sector within and amongst the managers (administrative heads) and accountants who impose the budgets on them.

For the public service in Nigeria (for instance) the purges of 1975 under Late General Murtala Mohammed Regime, and that of 1984 under Rtd General Buhari’s Administration are clear indications that the magnitude of corruption had assumed alarming rate and accordingly raised

serious concern (Okigbo, 1987). President Shagari in 1983, shortly before his corrupt regime was overthrown echoed:

It is disturbing to see that fraud and corruption are found in offices, business houses, banks, institutions and society generally” (Umo, 2021)

Although Nigerian Leaders are engaged in suffocating ethnic controversies, they possess are common characteristic and that is “corruption” (Kalu, 1987). For some years, corruption has persisted in the Nigerian society. Power is used as the instrument of amassing wealth. Politics is perceived as the fastest channel out of obscurity. Embezzlers and dupers found their way into different political parties. We are living witnesses to the mind bugling revelations about how leaders of the second Republic noted for their bogus democratic rhetoric’s looted the national treasury in alliance with their blood relations, friends and concubines (Nwankwo, 1987; Umo, 2021). These days members of uniform organisations are not ashamed, but they show high level of commitment to standing on public highways to extort money from erring and innocent motorists.

Corruption climate in the Nigerian society is still biting and worrisome. The military rob with barrel and the civilians rob with pen. No segment of the society is left out (Umo, 2021). Antigraft agencies (EFCC and ICPC) plant billboards on strategic positions along public highways and urban centers calling on members of the public to provide useful information about corrupt members of the society. Accountability and probity seem to be forgotten as watchwords in the nation’s scene of public sector accounting and ethical inclination.

Workers in the public sector segment of the economy are ready to be productive and put forth their best performance if they are able to determine why they need to be productive. The writer therefore submits that one of the reasons why the public sector settings or organisations in developing economy (such as Nigeria) do not accomplish their budget goals is because of the manner in which the budget is prepared. The role of authoritarian public sector accountant is not an exception in this case.

Budgeting by commitment will harness the budgetary system in public sector organisational settings. It will boost budget acceptance and goal internalization, trigger motivation and goal congruence and ultimately secure improved employees’ performance.

7. CONCLUSION

The paper attempts an elaborate analysis of budgeting by commitment portraying it as an innovative management strategy for improved employees’ performance in relation to the position of public sector accountants in 21st century organisations. It highlights the manner in which budgets are prepared in public sector organisational settings which the

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accountant (budget maker) is either authoritarian or humanistic. The writer attempts to structure the various assumptions held by public sector accountants and how such assumptions influence the kind of information they release for the preparation of budget, the type of budget and the purpose the budget achieves.

The authoritarian public sector accountant believes that man is inherently lazy. Such an accountant sees the accounting system as the watchdog of the management and regards the budget as a pressure device for increasing performance. Relatively the budgeting process is unilateral and the accountant sees the budget as controlling device to curb inefficiency. His target is to make the finance department act as fault finding unit in the workers and other departments. This is because an authoritarian public sector accountant believes that the success of Finance Department depends on its ability to find faults. The number of new faults if found determines the level of success attained. Since these faults are reported to superiors, the offending workers, ministries, departments or agencies are always punished. The effect of such punishment the superior (higher authority) believes is to give the victim a spirit of failure. This might cause the affected worker to lose interest in the job.

Instead of acting as a communication medium, the result of authoritarian budgetary system in public sector settings is decrease in work morale, interpersonal strives. Intersectional conflicts, quarrel with finance staff, tension, mistrust, among others.

Most related literature and empirical studies support the humanistic public sector accountant. This type of accountant believes in participatory system. His assumption is that the budgets require the human elements in its preparation process. He embraces the fact that budgets should reflect the advice and wants of all levels in the organisation. In his view, the finance department rather than acting like a fault finding division, should serve as a communication and information medium in any organized public sector setting.

In contrast to authoritarian public sector accountant who always run to the top management (higher authority) to report a faulty department, the humanistic public sector accountant believes that the faulty department should be given the required information and accordingly allowed to respond back in order that the problems will be taken care of in the next budget. Accordingly, to the writer, basically the only way out is to obtain the commitment of employees themselves. Budgeting by commitment connotes consultative management approach. It is a panacea: a cure for all the many ills associated with budgets prepared by authoritarian public sector accountants in organized public sector settings.

The writer of this paper is not contesting the rationale behind the assumption that an organized public sector setting should always aspire to meet financial plans. He submits that public sector accountants (budget makers) should be very careful in exerting heavy pressure on

employees. Employees in organized public sector settings will improve their performance if budgeting by commitments strategy is adopted. Budget requirements will be internalized, goal congruence will be achieved and budget goal realization will be secured. This is because human beings have the inherent tendency to work hard towards the realization of the budget goal which they participate (that is, they are committed) in its formation. The more the employees are committed in the determination of a goal, the more they work towards the realization of the goal.

RECOMMENDATIONS

The writer consider the following recommendations worthwhile:

- a) Organized public sector settings should relinquish authoritarian budgeting process and imbibe the humanistic approach. This will become feasible if the accountant is not authoritarian but holds the humanistic view.
- b) The budgetary system should be harnessed in public sector organizations through the application of budgeting by commitment. The public sector accountant should used his position to make the budgetary system psychologically motivating, restore trust and shared feeling of confidence and secure improved performance.
- c) Accountants and all personnel occupying management positions in organized public sector settings should be educated on modern motivational theories and innovative management strategies through workshops, seminars, etc.
- d) Accountants in public sector organizations owe their subordinates and other organisational members accessible participation. Rather than blaming the employees, a clear line of communication should be evolved in order to trigger a clear and worthwhile contribution from them.
- e) Public sector institutions should have zero tolerance for corruption. Perpetrators of corruption should be shown the way out, no matter who is involved. The implications should be discussed at all levels of the organisation and organisational participants should be educated on the dangers of corruption in any organised setting. Top management and accountants must show absolute intolerance for manipulation of budget estimates and information.
- f) Members of the society outside any organized setting often view the behaviour of employees as representative of how the management runs the organization. Transparency and trustworthiness should be upheld as part of good reputation building process in public sector organisations.
- g) Employees’ contribution has become a critical issue of modern public sector discourse. In trying to boost

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employees’ performance in 21st century organized public sector settings, accountants have no choice but to try to engage not only the body but the mind and soul of every employee. Building by commitment can help to achieve this.

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