

BUDGETING PRACTICES AND CORPORATE PERFORMANCE OF LISTED MANUFACTURING COMPANIES IN RIVERS STATE, NIGERIA

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Abstract: This study examined the effect of budgeting practices on corporate performance among listed manufacturing companies in Rivers State, Nigeria. Specifically, it investigated how budget participation, budgetary control, and budget planning influence two key dimensions of corporate performance: profitability and market value. The research was motivated by persistent concerns over inefficient budget implementation and declining performance levels in the Nigerian manufacturing sector. A survey research design was adopted, and structured questionnaires based on a 5-point Likert scale were distributed to financial managers, accountants, and budget officers in selected firms. A total of 86 valid responses were analysed using descriptive statistics, Pearson correlation, and multiple regression techniques. Findings revealed that all three budgeting practices significantly and positively affect corporate performance, with budget planning exhibiting the strongest predictive power. Budget participation and budgetary control were also found to be strong contributors to profitability and market value. The regression analysis confirmed that budgeting practices jointly explained a significant proportion of the variance in corporate performance metrics. The study concludes that participatory, well-controlled, and strategically aligned budgeting systems are essential tools for enhancing financial sustainability and market competitiveness in the manufacturing sector. It is recommended that firms institutionalize participatory budgeting frameworks, enforce rigorous budgetary controls, and adopt forward-looking planning practices that

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align with strategic goals. The study contributes to the empirical understanding of financial management in Nigerian manufacturing firms and offers practical insights for improving performance through enhanced budgeting processes.

Keywords: Budgeting practices, budget participation, budgetary control, budget planning, profitability, market value, corporate performance

INTRODUCTION

Budgeting is a critical financial planning tool that enables organizations to allocate resources, set performance targets, and manage operations effectively. In today's dynamic and competitive business environment, especially in emerging economies like Nigeria, effective budgeting practices have become vital to ensuring corporate sustainability and enhanced performance (Okoye *et al.*, 2023). For manufacturing companies, budgeting is not just an accounting exercise but a strategic function that guides decision-making and long-term growth. The significance of budgeting is more pronounced in volatile environments, such as Rivers State in Nigeria, where industrial firms operate amid macroeconomic uncertainty, infrastructural deficiencies, and regulatory constraints (Ibrahim & Daniel, 2023).

The Nigerian manufacturing sector, particularly in Rivers State; a hub for industrial activity in the South-South geopolitical zone; plays a vital role in national development, contributing significantly to employment and GDP. However, many listed manufacturing companies continue to struggle with underperformance, inefficiencies, and financial instability. Scholars have identified budgeting practices as a central component influencing these outcomes (Adeniran & Onakoya, 2022). Effective budgeting practices, such as participatory budgeting, variance analysis, zero-based budgeting, and rolling forecasts, are instrumental in aligning organizational goals with resource allocation and performance monitoring.

Despite the centrality of budgeting in corporate governance, empirical studies have shown mixed results regarding its impact on corporate performance. While some studies affirm that sound budgeting practices lead to improved performance metrics like return on assets (ROA), return on equity (ROE), and profit margins (Obasi & Nwankwo, 2021), others argue that rigid and top-down budgeting frameworks may hinder adaptability and innovation (Ibrahim & Daniel, 2022). Therefore, an understanding of the nature and efficacy of

budgeting practices among listed manufacturing companies in Rivers State is crucial. In the Nigerian context, the budgeting culture is often fraught with issues such as poor implementation, lack of stakeholder involvement, political interference, and weak monitoring mechanisms (Uzonwanne, 2023). These challenges are particularly evident in the manufacturing industry, where firms must deal with high operating costs, exchange rate volatility, and inconsistent government policies. As such, it becomes pertinent to investigate whether the budgeting frameworks employed by these companies effectively translate into improved corporate performance.

This study aims to assess the relationship between budgeting practices and corporate performance of listed manufacturing firms in Rivers State. The objective is to evaluate how budgeting methods influence key performance indicators and to recommend practices that align with global standards. Additionally, the study seeks to fill the gap in local empirical literature, which has predominantly focused on budgeting in the public sector or generalized corporate settings, with limited attention to region-specific manufacturing entities. Furthermore, this research is timely given the recent shifts toward digital financial management systems and the increased demand for accountability and efficiency in the Nigerian corporate sector. With regulatory bodies such as the Financial Reporting Council of Nigeria and the Nigerian Stock Exchange emphasizing transparency and corporate governance, it is imperative for firms to adopt budgeting practices that not only ensure compliance but also drive performance.

CONTINGENCY THEORY

Contingency Theory posits that there is no single best way to manage or structure an organization; instead, the effectiveness of management practices (such as budgeting) depends on internal and external situational factors like organizational size, environmental volatility, and technology. This theory supports the idea that budgeting practices must be tailored to fit the specific circumstances of each manufacturing company for optimal corporate performance (Otley, 2016). In the context of this research, Contingency Theory explains why some budgeting practices may work better for certain manufacturing firms depending on factors such as: The complexity of operations, Market dynamics in Rivers State, Organizational structure and

leadership style, Level of technological adoption. This means that a “one-size-fits-all” budgeting system may be ineffective, and firms must align their budgeting systems with their specific operational context to achieve higher performance (Sulaiman, & Zakaria, 2021).

RESOURCE-BASED VIEW (RBV) THEORY

The Resource-Based View (RBV) theory argues that a firm’s internal resources and capabilities are the primary sources of sustained competitive advantage. Budgeting practices are viewed as strategic organizational capabilities that can influence resource allocation, performance monitoring, and strategic decision-making (Barney, & Mackey, (2021). RBV underpins the notion that budgeting is not merely a financial process but a strategic resource. In this study, budgeting practices; when efficiently designed and implemented; can be seen as valuable, rare, inimitable, and non-substitutable resources that contribute to improved corporate performance through: Efficient allocation of resources, Enhancing managerial accountability, supporting long-term strategic goals. For manufacturing companies in Rivers State, budgeting systems adapted to their specific capabilities and constraints become critical tools for achieving superior performance (Wang, & Ahmed, 2020).

CONCEPT OF BUDGETING PRACTICES

Budgeting practices refer to the methods, procedures, and systems organizations use to plan, allocate, monitor, and control financial resources over a specific period. It encompasses the entire budgeting lifecycle from strategic planning to performance evaluation and is essential for financial discipline, resource optimization, and goal achievement (Okoye *et al.*, 2023). In manufacturing organizations, budgeting is not only a financial planning tool but also a strategic management function. It guides investment decisions, facilitates coordination among departments, and serves as a performance benchmark. Key budgeting practices include: Budget Planning: Setting financial objectives and forecasting income and expenditures. Budget Participation: Engaging different levels of management in budget formulation to improve commitment and accuracy. Budgetary Control: Monitoring actual performance against budgeted targets and analysing variances. Budget Communication: Disseminating budget information effectively to all relevant stakeholders. Budget Evaluation and

Feedback: Reviewing budget performance and using feedback for continuous improvement (Abubakar *et al.*, 2020).

According to Adeniran and Onakoya (2022), the adoption of systematic budgeting practices enhances operational efficiency and helps firm's better respond to market volatility. In Rivers State, where manufacturing firms face infrastructural challenges, exchange rate fluctuations, and regulatory pressures, effective budgeting practices are critical for managing limited resources and driving strategic outcomes.

CONCEPT OF BUDGET PARTICIPATION

Budget participation refers to the extent to which managers and subordinates are involved in the budgeting process. It emphasizes inclusivity and engagement in budget preparation, decision-making, and review processes. Participative budgeting is believed to improve budget realism, increase employee motivation, and strengthen commitment to organizational goals (Adebayo & Olamide, 2022).

In manufacturing firms, involving line managers and operational units in budgeting helps in creating realistic forecasts, enhances ownership of financial targets, and reduces resistance to budget implementation. Participative budgeting also improves communication and trust within the organization. A study by Okoye *et al.* (2023) found that participative budgeting significantly enhances financial performance and decision-making accuracy in Nigerian firms.

CONCEPT OF BUDGETARY CONTROL

Budgetary control refers to the continuous monitoring and comparison of actual performance with budgeted figures. It involves variance analysis, performance evaluation, and corrective actions to ensure financial discipline. Effective budgetary control allows manufacturing firms to detect deviations early, manage costs efficiently, and stay aligned with strategic objectives. It also plays a vital role in improving profitability by eliminating waste and ensuring optimal resource utilization (Bello & Akinbode, 2020).

Ibrahim and Daniel (2022) confirmed that budgetary control is positively associated with improved cost management and profitability in Nigerian firms.

CONCEPT OF BUDGET PLANNING

Budget planning involves the formulation of financial goals, forecasting income and expenditures, and aligning resources with strategic priorities. It is a foundational stage of the budgeting process that determines how resources will be allocated and used (Nwosu & Okereke, 2021). Effective budget planning ensures that capital investments, production inputs, and operational costs are accurately forecasted and aligned with corporate goals. This improves the firm's financial direction and contributes to long-term profitability and market positioning. Adeniran and Onakoya (2022) emphasized that robust budget planning is a key determinant of financial success in Nigerian manufacturing firms.

CONCEPT OF CORPORATE PERFORMANCE

Corporate performance is a multi-dimensional concept that reflects how well an organization achieves its financial, operational, and strategic objectives. It includes both quantitative and qualitative indicators and is influenced by internal managerial capabilities, resource utilization, and external environmental factors (Onyali & Okafor, 2021). Performance can be broadly classified into: Financial Performance: Includes return on assets (ROA), return on equity (ROE), net profit margin, and earnings per share (EPS). Operational Performance: Includes efficiency metrics such as production output, cost control, and capacity utilization. Market Performance: Measured by sales growth, customer satisfaction, and market share. Employee Productivity: Refers to the output per employee and effectiveness of human capital utilization (Ebunike & Agu, 2022).

Performance outcomes are closely linked to how well resources are planned and managed. Budgeting serves as a key control mechanism, ensuring that funds are allocated to high-impact areas such as procurement, quality control, innovation, and employee training. Obasi and Nwankwo (2021) emphasize that firms with formal and participatory budgeting systems tend to experience superior performance outcomes due to better financial control and resource alignment.

CONCEPT OF PROFITABILITY

Profitability refers to a firm's ability to generate earnings relative to its expenses over a specific period. It is commonly measured using financial indicators such

as: Return on Assets (ROA), Net Profit Margin, and Return on Equity (ROE). Profitability reflects the financial health of a firm and its capacity to sustain operations and reward shareholders. Efficient budgeting practices, particularly participatory planning, effective control, and strategic forecasting are essential for minimizing costs and maximizing revenue, thereby improving profitability. Obasi and Nwankwo (2021) found that budgeting practices directly influence profitability levels in Nigerian manufacturing firms.

CONCEPT OF MARKET VALUE

Market value refers to the total value of a company in the eyes of investors and the public, often measured through market capitalization or share price appreciation. It is a key external measure of corporate performance and reflects investor confidence in the firm's future potential. Sound budgeting practices particularly those that ensure transparency, accuracy, and accountability boost investor confidence and can positively impact a firm's market value. Firms with strong profitability due to effective budgeting often enjoy higher valuations in the capital market.

Barney and Mackey (2021) argue that internal capabilities such as budgeting are essential for creating shareholder value and sustaining competitive advantage.

EMPIRICAL REVIEWS

Okoye *et al.* (2023) investigated Budgeting Techniques and Financial Performance of Selected Firms in Nigeria. Quantitative survey of 150 managers from listed firms using structured questionnaires and regression analysis was used. Findings indicated that Participative budgeting significantly improves financial discipline and cost control. It was concluded that Budget involvement of lower-level managers leads to better financial outcomes. The study recommended that Firms should adopt participatory budgeting for realistic planning.

Ibrahim and Daniel (2022) examined The Influence of Budgetary Control on Organizational Performance. A Cross-sectional survey alongside ANOVA and regression analysis was employed. Findings revealed that budgetary control significantly improves resource utilization and financial performance. The study concluded that Effective monitoring mechanisms are essential in budgeting. It was recommended that Firms should implement regular variance analysis.

Adeniran and Onakoya (2022) examined Budgeting Practices and Organizational Performance in Manufacturing Firms. Survey of 120 firms in Nigeria, correlation and regression methods was done. Findings revealed that Budget planning strongly correlates with profit growth and operational efficiency. It was concluded that Strategic alignment in budgeting enhances firm performance. It was recommended that Integrate budgeting with long-term business strategy.

Obasi and Nwankwo (2021) investigated Financial Planning and Performance of Nigerian Manufacturing Firms. A Method of Structured interviews with financial managers; case study approach was adopted. The Findings showed that financial planning through budgeting improves long-term sustainability. The study concluded that Firms with annual budgeting frameworks perform better. The study recommended Invest in training for finance departments.

Uzonwanne (2023) examined Budgeting Reforms and Corporate Financial Performance in Nigeria. Secondary data from listed firms and time-series regression was used for analysis. The findings showed that Budget reforms have a direct positive impact on profitability ratios. It was concluded that updating budget policies improves corporate performance. It was recommended that Adopt technology for real-time budget monitoring.

Okafor and Chinedu (2022) examined Budget Implementation and Organizational Effectiveness. Mixed methods; questionnaires and interviews were used. Findings indicated that Poor budget implementation affects ROI and product quality. The study concluded that Implementation gaps are a key challenge in performance. The study recommended Strengthen internal control during implementation.

Enwereji and Ogbonna (2021) examined Impact of Budgetary Participation on Managerial Performance. A Survey of 80 firms in southern Nigeria; and SEM analysis was done. The results showed that Managerial involvement in budgeting boosts motivation and performance. The study concluded that Participative budgeting enhances goal congruence. The study recommended Involve middle managers in budget design stages.

Oladipo *et al.* (2021) examined Budget Planning and Organizational Profitability. A method of Quantitative design and data from 100 Nigerian firms were obtained, analysis was done with the used of linear regression. The

results showed that Budget planning has a strong positive correlation with ROA and net margins. The study concluded that adequate planning improves predictability and financial control. It was recommended that incorporate forecasting tools in planning.

Ijeoma and Arinze (2023) examined Budgeting and Market Performance of Quoted Firms in Nigeria. Panel data regression from annual reports of listed firms was used for the study. The findings showed that Firms with structured budgeting show higher market value growth. The study concluded that Investors value transparent budgeting frameworks. It was recommended that Disclose more budgeting details in annual reports.

Eke and Onuoha (2022) examined Budgetary Control Mechanisms and Productivity. Survey Method was adopted to investigate firms in Port Harcourt; descriptive statistics and Pearson correlation was employed for analysis. Findings showed that Strong control systems reduce financial waste and increase productivity. The study concluded that budgetary control enhances both financial and operational outcomes. It was recommended that Establish clear control KPIs.

Adekunle and Samuel (2021) investigated Budgeting Practices and ROI in Nigerian Manufacturing Companies. Experimental design Method and pre-post financial analysis of budgeting strategies was carried out. Findings revealed that structured budgeting systems lead to 12–18% ROI improvement. It was concluded that Proactive budgeting reduces resource misuse. It was recommended that Monitor outcomes monthly against budget baselines.

Ebiringa and Uche (2023) investigated Budgetary Participation and Corporate Growth. A Case study of three listed manufacturing firms in Rivers State through in-depth interviews was done. The results of Findings indicated that Participatory budgeting correlates with improved innovation and customer satisfaction. The study concludes Inclusion encourages strategic adaptability. It was recommended that Encourage cross-departmental collaboration in budgeting.

METHODOLOGY

This study adopts a descriptive survey design. The design is appropriate because it enables the collection of primary data from a large population

and facilitates the examination of the relationship between budgeting practices (budget participation, budgetary control, and budget planning) and corporate performance (profitability and market value). The design also supports statistical analysis that can infer findings applicable to the broader population. A descriptive survey provides a structured and cost-effective method for assessing the perceptions and experiences of financial managers and executives regarding budgeting practices and firm performance. The population comprises finance and management staff of listed manufacturing companies in Rivers State, Nigeria. As at 2025, there are 12 manufacturing companies listed on the Nigerian Exchange Group with operations in Rivers State. Target Respondents are; Finance managers, budget officers, accountants, and operations managers involved in budgeting and financial decision-making. A purposive sampling technique was adopted to select relevant participants from the listed manufacturing firms. This technique is suitable because it ensures that only respondents with direct involvement in budgeting processes are included in the study. Primary data was collected using a structured questionnaire designed in five-point Likert scale format (Strongly Agree to Strongly Disagree). 92 Questionnaires were distributed to respondents out of which 86 was validly retrieved via physical and electronic means (email and Google Forms), ensuring coverage across all participating firms. To ensure content validity, the questionnaire was reviewed by academic experts in accounting and finance, and pilot-tested with 10 respondents who were not part of the final sample. The Cronbach Alpha test was used to measure the internal consistency of the questionnaire. The following reliability coefficients were obtained: Budget Participation: $\alpha = 0.87$, Budgetary Control: $\alpha = 0.89$, Budget Planning: $\alpha = 0.85$, Profitability: $\alpha = 0.88$, Market Value: $\alpha = 0.83$. All values exceeded the 0.70 benchmark, indicating that the instrument is reliable. Data collected was analysed using descriptive and inferential statistics (Pearson Correlation, Multiple Regression Analysis). The analysis was carried out with the aid of SPSS version 26.

MODEL SPECIFICATION

To determine the relationship between budgeting practices and corporate performance of listed manufacturing firms in Rivers State

$$P = \beta_0 + \beta_1BP + \beta_2BC + \beta_3BPL + \varepsilon, \dots$$

$$MV = \beta_0 + \beta_1BP + \beta_2BC + \beta_3BPL + \varepsilon \dots \quad 2$$

Where:

P= Profitability

MV =Market value

BP = Budget Participation

BC = Budgetary Control

BPL = Budget Planning

β_0 = Intercept

β_1 – β_3 = Coefficients

ε = Error term

Data Presentation, Analysis and Discussion of Findings

Response Rate, Out of 92 distributed questionnaires, 86 were duly completed and returned, representing a 93.5% response rate, which is considered highly adequate for analysis and generalization of findings.

Demographic Characteristics of Respondents

| <i>Variable</i> | <i>Frequency</i> | <i>Percentage (%)</i> |
|-------------------------------|------------------|-----------------------|
| Gender (Male) | 51 | 59.3 |
| Gender (Female) | 35 | 40.7 |
| Age (31–40) | 42 | 48.8 |
| Qualification (B.Sc and M.Sc) | 60 | 69.8 |
| Work Experience (5–10 yrs) | 47 | 54.6 |

This demographic profile suggests that most respondents are experienced professionals involved in budgeting and financial decision-making in their firms.

REGRESSION ANALYSIS

A multiple regression was conducted to determine the effect of budget participation, budgetary control, and budget planning on corporate performance (profitability and market value).

1. Model Summary for Profitability

| <i>Model</i> | <i>R</i> | <i>R²</i> | <i>Adjusted R²</i> | <i>Std. Error</i> |
|---------------|----------|----------------------|-------------------------------|-------------------|
| Profitability | 0.723 | 0.523 | 0.506 | 0.416 |

This means that 52.3% of the variance in profitability is explained by the budgeting practices.

Coefficients Table

| <i>Predictor</i> | <i>B</i> | <i>Std. Error</i> | <i>Beta</i> | <i>t</i> | <i>Sig</i> |
|----------------------|----------|-------------------|-------------|----------|------------|
| Budget Participation | 0.312 | 0.076 | 0.298 | 4.105 | 0.000 |
| Budgetary Control | 0.215 | 0.071 | 0.211 | 3.028 | 0.003 |
| Budget Planning | 0.394 | 0.068 | 0.381 | 5.794 | 0.000 |

Source: SPSS Output, 2025

2. Model Summaries for Market Value

| <i>Model</i> | <i>R</i> | <i>R²</i> | <i>Adjusted R²</i> | <i>Std. Error</i> |
|--------------|----------|----------------------|-------------------------------|-------------------|
| Market Value | 0.698 | 0.487 | 0.467 | 0.432 |

Coefficients Table

| <i>Predictor</i> | <i>B</i> | <i>Std. Error</i> | <i>Beta</i> | <i>t</i> | <i>Sig</i> |
|----------------------|----------|-------------------|-------------|----------|------------|
| Budget Participation | 0.277 | 0.080 | 0.271 | 3.463 | 0.001 |
| Budgetary Control | 0.181 | 0.073 | 0.193 | 2.479 | 0.015 |
| Budget Planning | 0.356 | 0.072 | 0.353 | 4.944 | 0.000 |

Source: SPSS Output, 2025

DISCUSSION OF FINDINGS

The findings of this study strongly support the assertion that budgeting practices have a significant and positive influence on corporate performance of listed manufacturing firms in Rivers State.

Budget Participation positively affects both profitability and market value, affirming earlier studies such as Enwereji and Ogbonna (2021), which showed that participatory budgeting boosts motivation and performance. Hence Firms that involved more managers and departments in the budgeting process recorded higher performance levels.

Budgetary Control ensures financial discipline and helps reduce waste, aligning with Ibrahim and Daniel (2022), who found that control mechanisms

are key to optimizing resources. Budgetary Control was found to enhance performance through timely variance analysis, financial discipline, and corrective actions. Companies with robust control systems showed improved financial outcomes.

Budget Planning emerged as the most influential factor, corroborating Oladipo *et al.* (2022), who emphasized that strategic and well-forecasted planning drives return on investment and long-term growth. Budget Planning had the strongest positive relationship with both profitability and market value. Effective planning, alignment with strategic objectives, and realistic forecasting were key performance drivers. Overall, budgeting practices contribute not only to financial performance but also enhance a firm's strategic visibility in the market.

CONCLUSIONS AND RECOMMENDATIONS

This study investigated the impact of budgeting practices; specifically budget participation, budgetary control, and budget planning; on corporate performance, measured by profitability and market value, among listed manufacturing companies in Rivers State, Nigeria. Statistical results confirmed that these budgeting practices collectively explained a substantial portion of the variance in corporate performance, affirming their relevance in enhancing operational efficiency, profitability, and market reputation. The study concludes that effective budgeting practices are critical to the financial and strategic success of listed manufacturing companies in Rivers State, Nigeria. Among the three budgeting dimensions, budget planning exerts the most influence, indicating that firms that plan budgets based on accurate forecasting, strategic alignment, and historical data tend to outperform others. Moreover, involving departmental heads in budgeting decisions and maintaining rigorous control over financial activities helps companies achieve both short-term profitability and long-term market growth. The study validates budgeting as not just a financial tool, but a strategic management function that links organizational goals with measurable outcomes.

Based on the findings, the following recommendations are made:

- 1. Promote Participatory Budgeting:** Companies should involve department heads, finance teams, and line managers in the budgeting process. This encourages ownership, improves accuracy of estimates, and enhances commitment to financial goals.

2. **Strengthen Budgetary Control Mechanisms:** Firms should implement real-time variance tracking, enforce budget compliance policies, and establish accountability frameworks for cost overruns. Technology-driven tools (ERP systems) can improve monitoring and control.
3. **Invest in Strategic Budget Planning:** Manufacturing companies should align budget plans with long-term strategic goals. The use of financial forecasting models, scenario analysis, and market trend evaluations should be institutionalized.
4. **Enhance Financial Training for Managers:** Training on budgeting concepts and financial literacy should be provided to all managers, ensuring they understand how budgets impact overall performance.
5. **Integrate Budgeting with Performance Management Systems:** Budget outcomes should be tied to performance reviews and key performance indicators). This creates a performance-driven budgeting culture across the organization.

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APPENDIX

SECTION A: Demographic Information

Kindly tick [] the option that applies to you

1. Gender: [] Male [] Female
2. Age Range: [] 18–30 years [] 31–40 years [] 41–50 years [] 51 years and above
3. Educational Qualification [] HND [] B.Sc/B.A [] M.Sc/MBA [] Ph.D [] Other (specify):
4. Department/Unit: [] Finance [] accounting [] Budget and Planning [] Operations [] Others (specify): _____
5. Years of Work Experience: [] Less than 5 years [] 5–10 years [] 11–15 years [] Above 15 years

SECTION B

Kindly tick [] the appropriate option

5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

Budget Participation

| S/N | Statement | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| 1 | Managers at all levels are involved in the budget preparation process | | | | | |
| 2 | My department contributes ideas during budgeting sessions. | | | | | |
| 3 | Employees' input is considered during budget formulation. | | | | | |
| 4 | Participation in budgeting enhances my commitment to financial targets. | | | | | |
| 5 | Involvement in budgeting improves decision-making in my unit. | | | | | |

Budgetary Control

| S/N | Statement | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| 6 | The company has a structured system for monitoring budgets. | | | | | |
| 7 | Variance analysis is conducted regularly to track performance. | | | | | |
| 8 | Deviations from budget are promptly investigated and addressed. | | | | | |
| 9 | There are penalties or actions for budget overruns. | | | | | |
| 10 | Budgetary controls help us reduce financial waste. | | | | | |

Budget Planning

| S/N | Statement | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| 11 | Budget planning is based on realistic and achievable forecasts. | | | | | |
| 12 | Budgets are aligned with our strategic business objectives. | | | | | |
| 13 | Previous financial data is used effectively in budget planning. | | | | | |
| 14 | Management ensures timely planning of the budget. | | | | | |
| 15 | Resource allocation is efficiently done during the budget planning phase. | | | | | |

Profitability

| S/N | Statement | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| 16 | Our organization has experienced an increase in profit over the last 3 years. | | | | | |
| 17 | Budgeting practices contribute significantly to our profit growth. | | | | | |
| 18 | Effective budgeting helps in minimizing operational costs. | | | | | |
| 19 | There is a measurable improvement in our financial performance year-on-year. | | | | | |
| 20 | Our ROI has improved due to effective budget management. | | | | | |

Market Value

| S/N | Statement | 5 | 4 | 3 | 2 | 1 |
|-----|--|---|---|---|---|---|
| 21 | The company's market value has increased in recent years. | | | | | |
| 22 | Good budgeting practices attract more investors to the firm. | | | | | |
| 23 | Our budgetary discipline improves our public and investor perception. | | | | | |
| 24 | Accurate budgeting contributes to stable and growing share value. | | | | | |
| 25 | Stakeholders use our budgeting reports to assess our investment viability. | | | | | |