Budget and Budgetary Control: A Pragmatic Approach to the Nigerian Infrastructure Dilemma

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Abstract— Planning involves developing objectives for the construction management, infrastructure development and preparation of various budgets to achieve desired objectives to avoid cost overrun and time extension. This study evaluates the impact of budgeting and budgetary control on the performance of manufacturing company in Nigeria with an approach to Nigerian Engineering Infrastructure. This was conducted using Cadbury Nigeria Plc., as case study. Since wants are plenty while resources are limited, every organization tends to find means by which it can get what it wants with the limited resources at its disposal. Therefore, firms seek to adopt the concept of budgeting and budgetary control to satisfy their needs at the least possible cost and at the same time fulfill their stewardship obligations to the numerous stakeholders. We adopted a descriptive research design with data gathered through questionnaire administered to respondents. Non-parametric tool of chi square was employed to analyze the data. Hypotheses were tested and analyzed on a 5% level of significance and it was revealed that budgeting is a useful tool that guides firms to evaluate whether their goals and objectives are actualized. Considering the changing environment in which firms now operate, it can be concluded that budget, which is a continuous management activity, should adapt to changes in the dynamic business environment in order to avoid infrastructural dilemma.

Index Terms— Budget, Business, Environment, Planning, Manufacturing.

I. INTRODUCTION

To avoid infrastructural dilemma, cogent decisions has to be made from alternatives for the benefit of mankind. Wants are numerous while resources are limited but there is every tendency to waste or under-utilize the limited resources by the human factor involved in the production of goods and services. With various companies competing with one another, only few that are able to produce at least possible cost will survive the growing competition in the market. Therefore, it is paramount for every serious business undertaken to produce at that possible minimum cost so as to remain in business and also achieve the corporate objectives of profitability and stability. In view of this, there is every need to do a realistic planning of the activities of the firm taking into consideration the limiting factors and the long-term objectives of the firm. In order to achieve this, budgeting – a tool of planning and control becomes indispensable. Budgeting is ubiquitous and has long been considered as a necessary tool in managing a company. A budget has been defined by Chartered Institute of Management Accountants (CIMA), as “a financial or qualitative statement prepared and approved prior to a defined period of time for the purpose of attaining a given objective. It may include income, expenditure and the employment of capital”. CIMA also defined budgetary control as “the establishment of budgets relating the responsibilities of executives to the requirements of a policy and the continuous comparisons of actual with budgeted results, either to secure by individual action the objectives of that policy or to provide a basis for its revision. Horngreen (1982) defined a budget as “a quantitative expression of a plan of action and an aid to coordination and implementation”. The Oxford Advanced Learners’ dictionary defined budget as an estimate or plan of the money available to somebody and how it will be spent over a period of time. dictionary emphasized the word plan, but planning itself is found in all aspect of human endeavor, hence planning is a blue print of business growth and a road map for development that helps in deciding objectives, quantitatively and qualitatively. It involves setting a goal on the premise of the objectives and keeping of the resources. The process of planning requires that managers of business to act as if they are fortune tellers and attempt to predict the future course of action to be adopted. Such prediction of the so-called fortune tellers will determine whether or not the objectives of the firm will be met. Adams (2001), views budget as a future plan of action for the whole organization or a sector thereof. Budgets are plans that deal with future allocations and utilization of resources to different activities over a given period of time. For any organization to make progress or achieve its goal, it needs capital and to be able to make profit, it requires planning of its resources, which can only be achieved through budgeting, hence budgeting serves as a tool for financial planning. Batty (1982), defined budgetary control as a system which uses budgets as a means of planning and controlling all aspects of producing and or selling commodities or services. This is true as we tend to prepare revenue and expenditure variance analysis to be able to deduce areas of divergences for which the management needs to watch to avoid embarrassment as any adverse variance will translate into inability to meet the corporate objective which will eventually lead to disagreement with stakeholders. Pandy (1985) has observed that although many people will complain about budget and its process, budgets are indispensable in a large modern organization as the benefit that occurs from budgets and its control is much greater than the cost involved. In view of this, the fact that resources are scarce, coupled with high competition that permeate most businesses, budgets
when rightly applied, would be an effective tool for planning and control, especially in large corporations such as Cadbury Nigeria Plc. Lacey (2010), in support of the CIMA’s definition, defined budget to be a plan quantified in monetary terms, prepared and approved prior to a defined period of time, usually showing planned income to be generated or expenditure to be incurred during the period and the capital to be employed to maintain the given objective. From this definition, we can as well state that budget is an aid to making and coordinating short range plans; a device for communicating plan and objectives to various responsibility centers and a basic evaluation of performance. Therefore, it can be said that budget is a parameter which measures the actual achievement of people, departments, ministries and firms, while budgetary control ensures that actual results are positively or negatively in accordance with the overall financial and policy objectives of the establishment.

II. LITERATURE REVIEW

Historically, the scripture made us to believe that budget originates as far back as the Stone Age period, when the early man failed to get all his needs he was forced to plan and manage the little he had in terms of food and other essential things. He rationed his food over a period of time so as to prevent himself from being starved, though his wants as compared to what the modern man will require are very small, he still could not get all he needed to the level of his utmost satisfaction. He preserved the fruits he plucked during their seasons for the period of glut, when they are not in plenty, so as to avoid starvation during that period. He also preserved the excess bush meats, as he was not sure he would be able to get animal killed on daily basis. As far as the early man plans for the future because of uncertainty that pervades the future, he is said to be involved, directly or indirectly, in primitive budgeting. Modern day budgeting started during the Egyptian and Roman civilization periods around 2500BC and 500BC respectively. Then the merchants’ belief in drafting all expected expenditure against expected income in respect of their businesses so as to be able to know the kind of venture that would be profitable. Formal presentation and preparation of budget started during the middle age in England when the Chancellor of the Exchequer, British equivalent of our Minister of Finance, used to prepare his annual account to be read to the parliament in a scroll, usually put in a bag. During the time for discussion on the finances of the state he used to open his bag containing the statement of accounts to be read to the parliament. The name of this bag is called the budget, which has its original word in French (boguette). With time, the financial statement took over the name of the bag; hence today’s statement of finance for governments on yearly basis is referred to as the budget. It is the same Great Britain that firstly adopted the practice of an annual national budget in 1787, the parliament adopted the Consolidated fund Act which provided for a single general fund for receiving and recording all revenue and expenditure. This laid the basis for a modern budget system, by 1822 the chancellor of Exchequer had adopted the practice of presenting an annual budget statement to account committee for respective review of cheque and Audit Act provided an independent post audit.

The United State adopted the system by 1912, as the federal budget system was set up by the budget and accounting Act of 1912 and by 1831, the French parliament controlled the details of appropriation. Currently, much attention has been given to the strengthening of budget and planning and their interrelationship in developing countries including Nigeria. The advocacy for this has come from prominent international agencies as United Nation, International Monetary Fund, World Bank and United State Agency for International Development. All these agencies are all interested in encouraging developing and underdeveloped nations to improve their budget practice. All these show the importance attached to budget as a management process.

A. Concepts of Budget

As mentioned in our introduction, budgets are statements of estimated resources set apart for execution of planned works or activities over a specified period of time. It is a blueprint of the outcome of the organization’s operation in a financial year. It indicates the qualitative parameters of an organization’s performance, while budgetary control, according to Terry, is a process of finding out what is being done and involves the act of comparing the actual result with the budget to verify accomplishment or remedy the differences. Dimock is of the view that budget “is a financial plan summarizing the financial experience of the past, stating the current plan and projecting it over a specified period of time in future”. Therefore, a budget is a keystone of financial administration and the various operations in the field of public finance are correlated through the instrument of budget. A budget is a financial report of statement and proposals which are periodically placed before the legislature for its approval and sanction. It is the report of the entire financial operations of the government and gives us a glimpse of future fiscal policy. In order for us to have a gainful understanding of the concept budget, we need to consider its purpose.

B. Purpose of Budgeting

Below are some of the purposes of budgeting for the future:

a) To improve planning and control with ultimate intention of increasing the profit and financial position of the firm;

b) To find the most profitable course of action through which the efforts of the business may be directed in meeting its primary objectives;

c) To assist management in holding the business as nearly as possible on the survival course;

d) To force management to focus attention on particular operating and financial problems so that effective planning would be made for them

e) To translate the objective of an organization into action;

f) To coordinate the various factors of production with a view to satisfying all stakeholders;

g) To communicate the organizational objectives across the firm; Since we have highlighted the various purposes of preparing the budget it is necessary for us to restate the various steps involved in the preparation of budget.

C. Steps in Budget Preparation

The following steps are to be established to prepare a
quality budget:

a) Existence of a budget manual: the manual shall contain the standing instructions governing the responsibilities of persons, procedures, forms and records relating to the preparation and use of the budget;

b) Constitution of the budget committee: the committee consists of the chief executive officer and representatives of functional areas as finance, production, marketing, selling, engineering etc. The committee is to formulate the program for the preparation of the budget;

c) Identifying principal budget factor: the factor that limits the level of activities (such as shortage of skilled labor, inadequate raw material or machine capacity) the extent of which should be firstly assessed before preparing the functional budgets;

d) Appointment of a budget officer: normally an accountant who is charged with the responsibility of issuing budget instructions to various departments; receiving and checking the budget estimates; providing historical information to departmental managers to help them in their forecasting; ensuring that departmental managers prepare their budgets in time; preparing the budget summaries; submitting budgets to committee and furnishing explanation on particular points; discussing difficulties with managers and coordinating all budget works;

e) Establishing the budget periods: budget could be established into control periods which could be weekly, monthly, quarterly or even yearly;

f) Preparation of the master budget: this is the consolidation of various functional budgets (sales budget, production budget, production cost budget, plant utilization budget, capital expenditure budget, selling and distribution budget and cash budget). Master budget can be summarized into Budgeted Statement of Comprehensive Income and Budgeted Statement of Financial Position. Both the master budget and cash budget can be described as the financial budget. All these budgets, master and functional, can be further classified

D. Classifications and types of Budget

Budgets can be classified into:

a) Short term budget;

b) Long term budget;

c) Fixed budget;

d) Flexible budget;

e) Zero Based Budgets (ZBB);

f) Rolling budget;

g) Activity Based Budgeting;

h) Incremental budgeting;

i) Planning, Programming Budgeting Systems (PPBS)

Short term budget

Budget established for use over a short period of time, usually a year, which the responsible officer is to use for control purposes. This is commonly in use in manufacturing industries due to the complex and dynamic environment in which they operate.

Long term budget

This is a long-term plan, also called development plan. It is normally for a minimum duration of 5 years and is sometimes called the strategic plan of the organization. Government prepares 5 years Development plan, which can be rolled over for every five year as manufacturing companies also prepare 5 years strategic plans, which is sometimes broken into yearly budget rolled over from one year to the other.

Fixed budget

CIMA defined fixed budget as budget set prior to a control period and not subsequently changed in response to changes in any activity costs or revenues. It may serve as a benchmark in performance evaluation.

Flexible budget

CIMA defined flexible budget as a budget designed to change in accordance with the level of activity attained. This budget recognizes the existence of fixed, variable and semi-variable costs and is designed to change in relation to the actual volume or output or level of activity in a period.

Zero Based Budgeting.

This is also called Priority based budgeting. It is a technique which seeks to eliminate the drawbacks of traditional incremental budgeting by taking the budgets for service of overhead centers back to minimal operating level and then requiring increments above this level to be quantified and adjusted. ZBB was introduced in the early 1970s in the US by Phyrr, O. and gained prominence because of its practicability. President Carter then directed all US governments to adopt the technique. The technique is concerned with the evaluation of cost and benefits of alternatives and implicit in it is the concept of opportunity cost. It is applied in three stages of: a) The decision unit: i.e. subdividing the organization to discrete sub-units where operations can be meaningfully and individually identified and evaluated; b) The decision packages: each decision unit manager submits no less than three budget packages namely: the lowest level of expenditure; the expenditure required to service of overhead centers back to minimal operating level; c) Agreed packages will form the budget.

Rolling Budget

This is also known as continuous budget. It is a system of budgeting that involves continuously updating budgets by reviewing the actual results for a specific period in the budget and determining a budget for the corresponding time period. Under this period, instead of preparing a budget annually, there would be budget every three or six months so that as the current period ends, the budget extended by an extra period.

Activity Based Budgeting

This is also called activity cost management which is defined as “a method of budgeting based on an activity framework and utilizing cost driver data in the budget setting and variance feedback processes. It is a part of planning and controlling system which tends to support the objectives of continuous improvement and it also a form of development of conventional budgeting system. It is characterized by the following: Recognition of activities that drive cost with the aim of controlling the causes of cost directly Rather than the cost themselves; Differentiates and examines activities for their value adding potentials; The department activities are
driven by demands and decisions which are beyond the control of budget holder; Encourages immediate and relevant performance measures required than are found in conventional budgeting systems.

**Incremental budgeting**

This is the traditional approach that uses the current year estimates of income and expenditure as the basis for determining the budget for the year. It is normally used in public sector and it has the misfortune of carrying over the inadequacy of yester-years into subsequent year budgets as it only increases the current period’s figure with what the establishment thinks is the inflationary premium for next year financial period.

**Planning, Programming Budgeting System (PPBS)**

This system analyses the output of a given program and also seeks for alternatives to find the most effective means of reaching basic program activities. It involves the preparation of long term corporate plan that clearly establishes the objectives that the organization has to achieve. It aims at achieving the following objectives:

a) Enabling the management of a nonprofit making organization to make more informed decision about the allocation of resources to meet overall objectives of the organization;

b) Enables the management to identify the activities, functions or program to be provided thereby establishing a basis for evaluation of their worthiness and

c) Provides information that will enable management to assess the effectiveness of its plans.

PPBS was developed in North America in state and federal government activities, based on system theory, output and objective oriented with a substantial emphasis on resource allocation based on economic analysis. It is not based on traditional organizational structure and division, but on program of activities with common objective of the organization sub divided into program. These programs are expressed in terms of objective to be achieved over the medium to long term, say 3 to 5 years. The program is objective related and spread across several conventional departments.

**E. Problems of Budgeting**

Budgeting problem can be classified into quantitative and non-quantitative as below:

**Quantitative Problems**

Budget is concerned with the future and as such the data that goes into its preparation must be future-oriented but on past events. Nevertheless, there is always a technical problem in forecasting accurately the future in a world that is dynamic in nature. It should also be noted that since budgets are set by human judgment, they are subjected to the same feasibility which attends all human activity. Therefore, the dynamism of the future would definitely raise variance between the actual and the budgeted results.

**Non-Quantitative Problems**

These are the behavioral problems of budget. They arise as a result of the behavior of human factor that is unpredictable. An average human being changes like weather with situation to his best advantage. It is this same human being that is expected to supply the information on which the formulation of budget would be based. He is also expected to use the budget to achieve the organizational objective. He may decide to be enthusiastic or indifferent about it. He may even consider it that his employer wants to reap where he has not shown at his expense, he may therefore bring in wide variables into the budget, most especially where he is informed that the budget would serve as a reference point in determining his efficiency of performance. Also, executives and employees are expected through education to have a very good understanding of what the budget is all about where this education and consequently the understanding is lacking, failure and collapse of the budgetary process is unavoidable. Frank Wood (1988) has noted that many people look at budgets not as a control tool but as a strait jacket. Too much rigidity in the pursuance of the budget could always be detrimental to the realization of the objectives of the budget. Horngen and Foster (1985) observed that the budget helps managers but that budget itself needs help. To this end, top management and indeed the work force must be in support of the budget. Where this support is however lacking, there is bound to be problem in the actualization of the objectives of the budget. This is in line with Frank Wood (1958) who noted that the more managers are brought into the budgetary process, the more successful the budgetary control is likely to be. A manager whom a budget is imposed rather than actively participating in it formulation is more likely to pay less attention to the budget and use it unwisely in the control process. Miller and Earnest (1966) summarized the need to secure the actualization of the budget through participation by saying that “participation tends to increase the commitment, commitment tends to heighten motivation, motivation which is job oriented tends to make managers work hard and more productive work by managers tends to enhance the company’s prosperity, therefore participation is good”.

**F. Concept of Control**

The goal of control is to ensure that operations and performance conform to plans. Controlling includes all activities that ensure that the actions of the organization are directed toward the stated goals.

Koonzt et al (1979) defined control as the regulation of work activities in accordance with predetermined plans, such as to ensure the accomplishment of the organization’s objectives. Control operates through standard and also measures the work performance according to these standards and correct deviations from the standard. It presumes that there is a standard or plan against which performance is compared. Lucey (2003), in support of the above, opined that control concerns itself with the efficient use of resources to achieve a previously determined objective, or set of objectives contained within a plan. Steps involved in control include:

a) Establishing plan, goal or objective decision rule;

b) Recording of actual performance of activity;

c) Creation of a mechanism to compare the above two steps;

d) Extraction of variances, that is, the difference between the first two steps;

e) Investigation of the causes leading to the variances;

f) Correcting the variance or taking appropriate action on
the variances.

With this as background information we can now conveniently look at budgetary control in greater perspective.

Budgetary Control

Lockyer, K (1983) was of the opinion that one’s a budget has been drawn up, it can be used as an instrument of control by continually comparing actual with budget performance. Since all activities are ultimately capable of being expressed in financial terms, the breath of control possible is very great. Hence budget control is part of the overall system of responsibility accounting within an organization, as costs and revenues are analyzed in accordance with areas of personal responsibilities of the budget holders through permitting financial monitoring.

Budgetary control relates expenditures to the personnel responsible for the various expenditures at the various cost centers so that each manager is held responsible for the cost by which he has control.

The terminology of CIMA (2006) defined budgetary control as the establishment of executive the requirement of policy and the continuous comparison of actual with budgeted results, either to secure by individual action, the objectives of that policy or to provide a basis for its revision. Suffices to say that budget is not an island on its own, emphasis is placed on control which is done in form of comparing action with budgeted plan. Lucey (2008) defined budgetary control as the process of comparing the actual results with the planned results and reporting on the variations called variance. This according to him sets control framework which helps expenditure to be kept within an agreement limits, deviations are noted all along for corrective actions. In some circumstances, it may be necessary to revise goal but this should not be a normal occurrence but only in exceptional circumstances.

Practically, budgetary control involves departmental or sectional or functional heads in the organization, receiving a copy of budget relating to his activities. Each month he will receive a copy of budget report showing visibly where he has over or under spent his budgeted allowance. From this he will be able to decide on the corrective step to take. This is in tandem with the fact that variances are the responsibility of departmental or sectional heads and every one of them has to explain the variance and act in time to stop future occurrence of adverse variances. Professor Pogue underscores this practical aspect of budgetary control, when he states that if the actual sales as compared the budget always results in adverse variance, provided it is realistic and attainable, it is not advisable to revise the figure just because they were not attained. Therefore, it can be concluded that budgetary control on its own controls nothing but rather it is management acting on the information received by way of results that exercise control, in short, management holds the control yardstick.

Batty (1963) budgetary control is a system which takes budget as a means of producing and or selling commodities or services. The same Batty (1970) went further to state that budgetary control aims at the performance of three primary functions of planning, corporation and control aided by feedback and corrective action. But Buyer and Holmes (1984) considered budgetary control as a means of control in which the actual state of affairs is empowered with that planned for, so that the appropriate action may be taken with regards to any deviations before it is too late.

Objectives of Budgetary control

The major objectives of budgetary control can be summarized as:

a) Combination of ideas of all levels of management in the preparation of budget;

b) Coordination of various activities in business organization;

c) Revelation of where an organization needs to remedy a situation;

d) Planning and controlling of all income and expenditure to achieve maximum benefits for the organization;

e) Provision of yardstick against which actual result can be compared along with predetermined result;

f) Channelization of capital expenditure in most profitable manner.

Conditions for Effective Budgetary Control System

The under-listed conditions are necessary to be in place for a budgetary control to be effective:

a) Involvement and support of top management;

b) Clear cut information of long term corporate objectives within which the budgeting system will operate;

c) Realistic organization structure with clearly defined responsibility;

b) Coordination of various activities in business organization;

c) Revelation of where an organization needs to remedy a situation;

d) Planning and controlling of all income and expenditure to achieve maximum benefits for the organization;

e) Provision of yardstick against which actual result can be compared along with predetermined result;

f) Channelization of capital expenditure in most profitable manner.

G. Statement of Problem

The decision as to how to distribute limited financial and non-financial resources, in an effective and efficient manner, is an important challenge in all organizations. In most large and complex organizations, this task would be nearly impossible without budgeting. Without effective budget analysis and feedback about budgetary problems, many organizations would become bankrupt. Some of the problems arise from inadequate data to formulate and implement a proper budget; and non-existence of well-defined structures, which leads to overlapping of duties. These deficiencies can therefore be addressed through the use of budgeting technique. Therefore, this study traces the extent by which budgeting can used as a good planning and controlling tool in a manufacturing company.
H. Research Questions

The study was guided by the following research questions:

a) What importance does budgeting technique serve in a manufacturing company in Nigeria?

b) How does budgeting aid the planning of a manufacturing company profit in Nigeria?

c) How does budgetary control affect the working performance of employees in a manufacturing company in Nigeria?

d) Why do manufacturing companies in Nigeria lack adequate skill for planning and controlling policy formulations and implementations?

e) In what way do inadequate data and records create problems for manufacturing companies in formulating effective budgeting?

I. 2.9 Research Hypothesis

For the purpose of analyzing the data, the following hypotheses were tested:

a) There is no significant relationship between budgetary planning and control on organization performance;

b) Effective budgetary control does not influence the result achieved;

c) Budgeting technique is of no importance in a manufacturing firm;

d) Budgetary control does not affect the working performance of an employee in a manufacturing concern.

III. METHODOLOGY

The methods adopted by this researcher in collecting the data are direct interviews, observations and the use of questionnaire. Inquiries were also made both directly and indirectly through some unusual questions to both the staff and management of the company.

Population, Sample and Sampling Technique

The study focuses on budgeting and budgetary control of manufacturing company, with special reference to Cadbury Nigeria Plc. In order to carry out an in-depth and comprehensive study, 26 respondents were randomly selected. These respondents cut across all the cadres of the company and its customers.

Instrument

The primary data was employed in gathering information from staff of all cadres. Interviews were also conducted with other stakeholders, including customers of company. The questionnaire consists of two sections. Section A elicits demographic information like gender, working experience, while Section B contained structured items relating to the research questions that necessitated this research.

Validity and Reliability of the Instrument

To ensure the validity of this research, the instrument was subjected to criticism by specialist in the area of educational management aside from peer review conducted by the researcher. The reliability of the instrument was obtained through a test-retest technique to analyze the data collected.

IV. RESULTS

Table 1: There is no significant relationship between budgetary planning and control on organization Performance;

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<td>11.5</td>
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Level of significance – 0.5

Since t-calculated is greater than the table value (i.e. 33.62 > 9.49), then the null hypothesis is rejected, while the alternative hypothesis is accepted and we conclude that there is significant relationship between budgetary planning and control on organizational performance.

Table 3.2: Effective budgetary control does not influence the result achieved

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Level of significance – 0.5

Since t-calculated is greater than the table value (i.e. 27.10 > 9.49), then the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that effective budget control influences the result normally achieved.

Table 3.3: Budgeting technique is of no importance in a manufacturing firm

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Level of significance – 0.5

Since t-calculated is greater than the table value (i.e. 22.00 > 9.49), then the null hypothesis is rejected, while the alternative
hypothesis is accepted and we conclude that budgeting technic is of great importance in manufacturing companies.

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Level of significance – 0.5

Since t-calculated is greater than the table value (i.e. 15.67 > 9.489), then the null hypothesis is rejected, while the alternative hypothesis is accepted and we conclude that budgetary control affects the working performance of employee in manufacturing company.

V. DISCUSSION OF RESULT

Finding of hypotheses tested and direct interview conducted reveals the followings:

a) The ever-changing Nigeria business environment has made it necessary the need for organizations to develop and implement budgets, to ensure this, the financial year and major objectives of the organization must be considered;

b) Cadbury the case study, being a multinational company, has well defined approach to budget planning, implementation and control. All departments are involved in the entire budget process, as departmental heads prepare budget with full participation of their employees;

c) Budgets are prepared on yearly basis, but with various control periods for review within the year, the implementation of approved budgets take effect at the beginning of the budget period;

d) Budgets are normally communicated to all staff on regular bases for proper and quick accomplishment of goals;

e) As a structured organization, there exists a formalized organizational structure in Cadbury, through which responsibilities are assigned for control purposes, these controls influence the working performance of the employees;

f) The feedback of result of each department on the implementation of the goal is compared with the budgeted result and any variances are highlighted and this is used to evaluate the company’s performance and effect changes where necessary.

VI. CONCLUSIONS

The relevant research questions raised above has been examined in the fight of mode of operation of manufacturing companies. In the operation of manufacturing companies, it has been discovered that quite a number of the employees know the budgetary system of the company and there exist considerable participation of lower level employees in planning and budgeting. It was also discovered that the work force is well motivated and competent enough to propel the company to a greater height. Finally, it can be said that dedicated work force, improved technology and effective policies (budgeting inclusive) has helped the manufacturing companies to remain effective and efficient in fulfilling their stewardship obligations to the stakeholders.

VII. RECOMMENDATIONS

From the above findings and in order for the manufacturing companies to operate profitably, they must take the following critical steps:

a) Adopt a budgetary system of adequate planning with strict adherence to implementation that cuts across the finance, production, administration, marketing etc.

b) The finance department should review all existing standards and introduce measures that will tighten the internal control system to prevent leakages of financial resources;

c) Only judicious and profitable investments should be undertaken;

d) Top executives of Cadbury Plc. who presently have firm grip on the beverages and confectionary market in the country, should assess the current marketing and distribution policies as well as economic, political, technological and other socio-economic factors that affect the company;

e) Budgeting and budgetary control system should not be too complex for the people to understand;

f) To enhance the attainability of budgets, resources should be provided to complement the budgets;

g) As the environment is dynamic, budget should be reviewed and adjustment made from time to time, where necessary; The management should ensure that workers pursue the set budget;

i) There should be an excellent communication link between production and sales departments, so as to meet target thereby eliminating undue variances.

REFERENCES


Engr. OYEBODE, Oluwadare Joshua is a Civil Engineer with research and teaching interests in Water Resources and Environmental Engineering, hydraulics, Hydrological Studies, Water quality, water supply, Energy Technology and Management in rural and urban communities, hydraulics and Hydrological Studies, Water Supply Modeling, Simulation and Optimization of Waste water Treatment System, Construction Management and solid waste management. He has published papers in conferences, local and international journals. He has displayed extensive ingenuity in his professional practice with unusual personality of multiple and variegated credentials. His love for the engineering profession is simply incontrovertible, and he has demonstrated it by his irrepresible quest for creativity and excellence which has endeared him to many people. His achievements and antecedents in all the facets of profession are testaments to his visionary and undiluted commitment to societal development. He is registered with Council for the Regulation of Engineering in Nigeria (COREN) and had is practicing license up till date. He is member of the following learned and professional associations such as American Society of Civil Engineer (ASCE); Environmental and Water Resources Institute of ASCE (EWRI), Nigerian Institute of Management (NIM Chartered); International Association for Engineers (IAENG); Nigerian Society of Engineers (NSE) and many others. He distinguished himself by winning many awards and serving in copious committee. He has a high sense of industry, integrity, character and ability to handle challenges and multi task which derives from his excellent planning, strategic management and organizational endowment.