

Research Article

The Management Accountant in Motivational Budgeting and Work Behaviors Management Employing Contemporary Theories

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Abstract

The management accountant occupies a conspicuous position in the management system of firms. If there is anything that makes his presence felt in an organization, it is the budget. His values inclination, zeal for motivational budgeting, readiness to imbibe contemporary theories, preferred budgetary system design (authoritarian or humanistic) will determine to a large extent the nature of budget prepared in business organizations and the resulting work behaviours. Employees will normally react negatively to authoritarian accountant's budgets brewing up counterproductive and antisocial work behaviours. But productive and social work behaviours coupled with organizational effectiveness are often the results of budgets prepared by humanistic management accountant. While conceding the fact that certain organizational settings may require a certain degree of authoritarian management, many accounting literature and related empirical evidence are in support of the fact that in a majority of cases, the humanistic (participatory) approach to budget formation produces better results as far as effectiveness and efficiency of organizations are concerned. This conference paper employs historical and descriptive research methods. It seeks to establish relationship between the management accountant, motivational budgeting, work behaviours management and contemporary theories. It draws much from the works of distinguished theorists in the classical and neo classical era and also from the research pack of Usen Paul Umo in the first quarter of the 21st Century. In total, the unconcerned attitudes of management accountants towards current researches in motivational budgeting and related contemporary theories have raised serious concern. The trend in employees' work behaviours (especially in developing economies) is dwindling. Strategic innovations in the budgetary system of firms is inevitable. The human element of the budget is not given proper concern. This paper stresses the motivating function of budgeting. It emphasizes the human elements of a budgetary system, related theories and associated benefits. But the benefits do not automatically arise from the budgeting process. They must be worked for. This is because budgeting is a much wider term than mere technique and procedure. It is being seen as part of a process that both influences and in turn is influenced by managerial and employees' attitudes and behaviours. A humanistic management accountant in motivational budgeting, his inclination to contemporary theories and the zeal for work behaviours management can be described as the panacea: a fruitful cure for all the many ills associated with budgetary system designed by authoritarian management accountant, traditional motivational theories and resulting counterproductive and antisocial work behaviours.

Keywords

Management Accountant, Budgeting, Motivation, Work Behaviours, Theories, Budget

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1. Introduction

1.1. Background of the Conference Paper

A close look at accounting literature reveals that despite the steadily flow of accounting articles and texts incorporating the words management, budgeting, motivation and work behaviors in their titles, the management accountants have been relatively unconcerned with current researches in motivational budgeting, work behaviors and related contemporary theories. Although the past few years had witnessed the beginning of some efforts to bridge this gap, much is yet to be done. The position occupied by a management accountant makes him a conspicuous personnel in the management system of firms. His values inclination has created the typology of management accountants in business organizations, namely, authoritarian (autocratic) management accountants and humanistic (democratic) management accountants [1-3].

Whichever type of management accountant is found in a business organization; the management accountant is a budget maker. His views on how the budgetary system should be designed and operated affect employees' work behaviors in firms.

Two forms of work behaviours are identified with budgetary system of business organizations. These are the productive and social work behaviours and the counterproductive and antisocial work behaviours. Productive and social work behaviours are synonymous with the budgetary system designed by humanistic management accountants while counterproductive and antisocial work behaviours are brewed by employees in firms which authoritarian management accountant is the budget maker [1, 4-8].

The two factors that influence the management accountant's choice of budgeting process (the manner of budget formation process) in business organizations are stated as follow:

On one pedal is what the management accountant believes his role should be in the organization. Is he to aid management to maximize profit only or is he to design and operate a budgetary system that provide information and serve as communication medium within the organization.

On the other pedal is the management accountant's views of human nature and his values inclination concerning employee's morale, motivation and associated work behaviours in the organization [9-12].

These two factors constitute the bedrock for values inclination and the two types of management accountants [13].

The authoritarian management accountants imbibe the bureaucratic or pyramidal views. They are identified with the traditional autocratic value system that prevailed in the classical era (early part of the 20th century). Accordingly, they constitute management accountants who definitely think that economic forces are the only motivators of employees' work behaviours in organizational settings. In their budgeting process, they believe that the aim of management is only to

maximize profits of the firm regardless of the effects on the employees. Their role is therefore, to aid management in pursuit of this goal by supplying information to management and should be the type of information which will enable management to take a line of action that ensures profit maximization for the company irrespective of the negative cost on the employees [1, 7, 14-16].

The humanistic management accountants are on the other pedal of motivational budgeting. Their values inclination makes them democratic. They believe that monetary or economic forces are not the only motivators for improved or enhanced work behaviors. They are management accountants that support participatory views and hold to the premise that employees are motivated by a wide variety of needs which may fall into categories of physiological, economic, safety, social and psychological needs. They borrow from the champions of the neo-classical era and modern theorists. In giving information to the enterprise management, the humanistic management accountants take the human angle into account. They embrace participatory budgetary system. During the budget preparation process, they see their role in the business organization as that of developing budget by commitments and also providing information and serving as communication medium within the organization [1, 15, 17-21] (where [20] = [U1]. See *Table 1*).

Some problems of the 21st Century firms (most especially in developing economies) have been highlighted. Poor budgeting process is associated with low level of motivation coupled with counterproductive and antisocial work behaviours. Anxiety is raised because budgeting process is autocratic. Budgeting process is close and secret and this encourages employees' dissatisfaction on the job. Lack of goal congruence is inevitable in firms which the accountant is authoritarian. Repressive nature of the budget prepared by authoritarian management accountant makes the employee to believe that the budget maker is thinking very low of him. Work morale is dampened because the affected employee looks frustrated and regresses. The pressure from budget brings increase in tension, resentment and fear among organizational members, and this creates conditions negative to that intended. Firms in some developing economies are characterized by organizational conflicts, interdepartmental strifes, frequent quarrels among the employees, fraud and social vices, resentment, mistrust, and other dysfunctional attitudes which are detrimental to budget goal achievement and may plague the budgetary system.

This conference paper seeks to portray the following:

That the success of budgeting process depends on the management accountant's values inclination and the manner in which the budget is prepared.

That the 21st Century management accountant has significant role to play in budgeting process and work behaviors management relative to contemporary theories.

That in some economies (most especially the developing economies), the budgeting process in business organizations will be successful and employees' morale, motivation and associated work behaviours will be enhanced if the management accountant is humanistic.

Accordingly, and from available accounting literature, we seem to be entering into a new paradigm where innovations are inevitable in the budgetary system of business organizations. Accordingly, strategies must be evolved. Values inclination should be harnessed. Work morale and motivation must be heightened. Budget acceptance must be secured and the goals setting and realization cycle must be strengthened. Interpersonal trust and shared feelings of confidence should be recovered in the budgetary system of firms, innovative budgeting theories should be embraced and the productive and social work behaviours should be targeted.

1.2. Research Methods

The presenter adopts historical and descriptive research methods. The historical research method relates the past. It is informative and enables the researcher to track the past. With this method, the researcher is able to structure and discuss different and past schools of thought chronologically (from classical era through the neoclassical era to the present day context), explain the related management systems, values inclination, theories and theorists, the management accountants and budgetary systems in business organizations.

The descriptive research method and historical research method are interwoven in many aspects. In addition, the descriptive research method is factually grounded. It uses language or words to give related explanations to what the research work is all about or how it looks like. It is based on matters of observation or experience. It is synonymous with descriptive basis of management sciences. It enables the researcher to give vivid account of the subject matter with the exclusion of historical and comparative data. Descriptive research methods create an image (a picture) in the minds of research work readers about the types of management accountants (budget makers), the manner of budgeting process and the resulting work behaviours in organizational settings.

2. The Management Accountant

A management accountant is the enterprise personnel who provides relevant information and assists management in the planning, control and decision making functions. He serves as an aide, consultant or advisor whose job cuts across almost all phases of company's operations. He is the accountant who is best described as internal business partner in enterprise management [22, 23]. In firms, the management accountant occupies a conspicuous position which requires him to provide useful information to managers. Managers are the people inside the organization whose functions are to plan, direct and control operations. The management accountant is concerned

with helping managers to pursue organizational goals and objectives [1]. In 21st Century firms, the management accountant spends the bulk of his time as internal consultant or business analyst. Although technological advances have liberated him from the mechanical aspects of accounting and less time is spent on preparing standardized reports, the management accountant needs more time for analyzing and interpreting information.

In the past, management accountants operated in a strictly staff capacity, usually physically separated from the managers for whom they provided reports and information. Nowadays management accountants serve as business consultants. They have moved from the isolation of accounting departments to be physically positioned in the operating departments with which they work. They carry out their duties side-by-side in cross-functional teams with managers from all areas of the organization, engage in extensive face-to-face communications with members throughout the organization, participate actively in decision making processes and assist to resolve operational problems [24-27].

Management accountants are trusted internal consultants or advisors. They take on leadership roles on their teams and are sought out for the valuable information they provide. The role of 21st Century management accountants in business organizations demands inter-alia:

The job of management accountant is not about debits and credits or recording of journal entries, although some knowledge of these is necessary. They have to be transformed from number crunchers and financial historians to business partners and trusted internal consultants.

Although much of the information provided by the management accountant is financial, there is a positive and strong trend towards the provision of substantial non-financial data for management use as well. Admittedly, there is remarkable stride by management accountants to provide all kinds of useful information to enterprise management and also function as internal strategic business partners in firms [20, 23, 28-31] (where [31] = [U2], see table 1).

The planning and control cycle defines the functional role of management accountants in providing useful information and assisting enterprise management and other operatives in planning (for example budget formation and decisions), motivating employees, directing and controlling operations [12]. In his planning function (for example budget formation), the management accountant's focus is on the future. The future is not simply a reflection of what had happened in the past. In today's business world, changes are constantly taking place vis-a-vis economic conditions, competitiveness, customer needs and desires, among others. These changes demand that planning and decision making should be based to a large extent on what will happen rather than on summaries of what had happened. Since planning is an integral part of the management accountant's job, he remains a business partner who has strong future inclination [8, 13, 32-34] (where [32] = [U3], [34] = [U4], see table 1).

3. Values Inclination in Budgetary System of Firms

Values are the beliefs held by members of any organizational setting about anything which is right or wrong, its importance and expectations in a well-defined context. They constitute the basic views of human behaviour in business organizations. In budgetary science, values constitute the basic assumptions, views or beliefs held by management accountants (budget makers) on what motivates employees to be productive and put forth their best performance during budget formation, implementation, control and decision making [1, 10]. Management accountants incline to one form of values system or the other in their attempt to make the budgetary process a success. The inclination of a management accountant to any form of values system and the tendency to make company employees behave in a particular way during the budgetary process, therefore, depends on his beliefs and expectations about the outcomes of his actions [35, 36] (where [35] = [U5], [36] = [U6], see table 1).

Values inclination is synonymous with the budgetary system of firms. A budgetary system is a hierarchical combination and coordination of the goal setting machine and the goal achieving machine. The goal setting machine is the top management while the goal achieving machine refers to the employees (subordinate managers inclusive). A management control system of which budgetary system is one type is effective, only if it influences behaviours in directions that will advance the best interest of the firm. In order to understand why certain features of budgetary system work well and others poorly, the management accountant (the budget maker) must be aware of some basic views of human behaviour. He must also be able to recognize why some types of dysfunctional behaviour may plague the budgetary process and what might be done to overcome the problem. Two value systems are discernible in the budgetary system of firms. These are the traditional autocratic value system and the modern humanistic value system [36, 37]. (where [37] = [U7], see table 1).

3.1. Traditional Autocratic Value System

Traditional autocratic value system is an embodiment of traditional views of human behavior [2]. On this pedestal of the value system are managers (decision makers) who believe that employees are motivated by monetary or economic forces [4]. The champions of traditional autocratic value system built on the foundation laid by Adam Smith (the classical economist), Frederick Winslow Taylor (the father of scientific management) and their contemporaries (traditional theorists). According to this school of thought, employees are motivated by forces which they cannot control. This school of thought operates on the premise that employees need to be coerced by authoritarian power. In such school belong management accountants (budget makers) who believe that budget should be used as a club (pressure device) [7, 36].

The traditional school of thought traces its values inclination to the beliefs of classical economists most especially Adam Smith. In his *Origin of the Wealth of Nations*, Smith recommended that a method must be devised to make employees produce more. He believed that he had found this method in his *Division of Labour*, a method which sentenced the unfortunate employee to a perpetual system of monotonous and repetitive work process. This traditional economist (Smith) believed that this will satisfy the employees' and managers' joint interest which he identified as "Increased Money" [1, 3]. He, therefore, identified economic forces as the chief motivator of human behaviour.

Another traditional theorist found associated with the scientific school of thought was Frederick Winslow Taylor. He built on the views of Adam Smith and published his work on *Scientific Management Theory*. He saw human beings as being essentially inefficient and wasteful [4]. Taylor believed that workers are generally lazy and not ready to work. He stressed that enterprise management should control the inefficiency and laziness in order to realize the only organizational goal which he believed to be "Profit maximization" [5].

3.2. Modern Humanistic Value System

The modern value system is associated with the modern views of organizational behavior. Managers that imbibe the modern value system are humanistic. They belong to the school of thought which believes that organization participants (employees) are motivated by a wide variety of needs and drives (physiological, economic, social and psychological). These needs and drives are also different from one individual to another [5-7].

The modern school of thought recognizes the human aspect of management process. It emphasizes participatory management through employees' contribution in all phases of the planning, controlling and decision making functions. This school of thought traces its intellectual foundation to the works of Abraham Maslow, Douglas McGregor, E. C. Tolman, Victor Vroom and their contemporaries [5, 7, 38, 39] (Where [38] = [U8], [39] = [U9], see table 1).

4. Budgetary Process

Budgetary Process is the means by which planning information is systematically gathered and plans (budgets) are developed, communicated and implemented. It is that part of management accounting which is concerned with budget formation, implementation, control and related decisions [31]. Budget formation connotes the term tactical planning. It is the activity of gathering planning information systematically and developing financial plans called budgets based on already established procedures. Admittedly,

If there is anything that makes the presence of a management accountant felt in an organization, it is the budget.

Budgetary process involves preparing detailed short term

plans for the functions, activities and departments of the organization, thus converting long term corporate plan into action [12, 13]. This conference paper is concerned with the motivating function of budgetary process.

5. Motivation

Motivation is the management element of direction which is concerned with inducing people to work to the best of their ability. It refers to the way in which urges, aspirations, drives and needs of employees direct, control or explain their behaviors [12]. Motivation connotes the keenness for a particular pattern of behavior. It is an embodiment of energetic forces that originate both within as well as beyond an employee to initiate work-related behavior and to determine its form, direction, intensity and duration [13-15]. Understanding what motivates company employees is central to budgetary process. Motivation is a person's internal disposition to be concerned with and approach positive incentives and avoid negative incentives. An incentive is the anticipated reward available in the business environment. Motivation can be used as a tool to help predict behavior. It varies greatly among individuals and most often combined with ability and environmental factors to actually influence behavior and productivity [5].

Motivation encompasses reward shown in cash and/or kind. It is not an empty promise but a demonstration of reality. It implies the desire for a selected goal (the goal congruence aspect) combined with the resulting drive or pursuit toward the goal (the effort aspect) [15, 16]. The absence of motivation can lead to deterioration in productivity. Motivation is enhanced if employees are able to determine why they need to be productive and put forth their best performance. A management accountant is useful in this direction. This is more so when the employees accept the budget as their own and become personally committed to the budget goals. From available accounting literature and empirical studies, we seem to be entering into a new paradigm where motivation and productivity must be raised by real participation of enterprise members in all phases of budget formation, implementation, control and decisions [1, 36].

6. Work Behaviours

Work behaviours refer to the managerial and employees' reactions to a particular situation at work place. These behaviours include the state of discipline and spirit in managers and employees in organizations. Work behaviours encompass the general attitude or outlook of organizational members towards specific situations in the company and generally reflect the level of managers' and employees' cheerfulness and confidence and the level of enthusiasm with which they engage in organizational activities. Work behaviours include managers' and employees' adherence to the rules and regula-

tions the of work place, including professional, ethical and acceptable behaviours [10, 11].

For the purpose of this paper, two forms of work behaviours are discernible:

- 1) Productive and social work behaviours
- 2) Counterproductive and antisocial work behaviours.

6.1. Productive and Social Work Behaviours

Productive and social work behaviours are anchored on completely professional, ethical and acceptable work behaviours at work place. Managers and employees with productive and social work behaviours adhere to ethical code of behavior in firms and always behave sensibly in order to gain appreciation, respect from others and maintain a healthy work culture [1, 19].

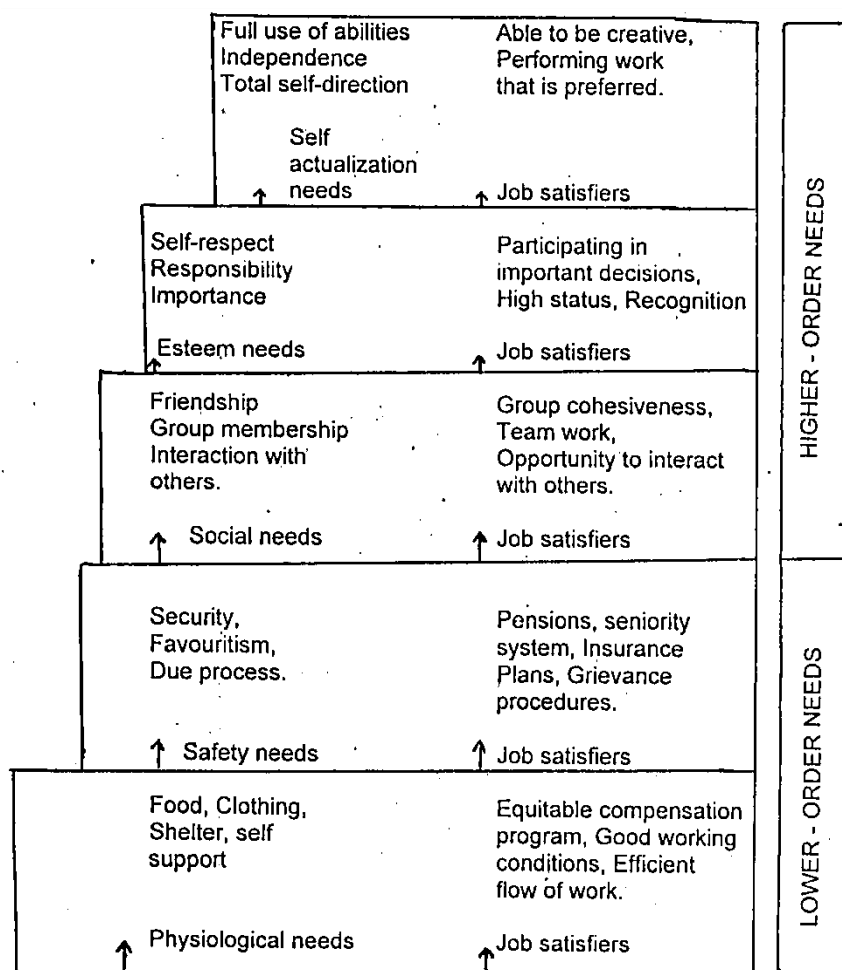
Managers and employees with productive and social work behaviours represent their company's image and exhibit professional behavior that can help the business to succeed. Productive and social work behaviours arise when managers and employees are committed to their job and can persist in the face of difficulties. Managers and employees with productive and social work behaviours are identified with the following: task performers, organizational citizenship, joining and staying with the organization and maintaining attendance culture [39].

6.2. Counterproductive and Antisocial Work Behaviours

Counterproductive and antisocial work behaviours are voluntary acts that are detrimental to operational effectiveness and efficiency in business organizations. They connote behaviours that go against the goals of the firm. These behaviours can be intentional or unintentional and normally result from underlying causes. Counterproductive and antisocial work behaviours are unethical and unacceptable at workplace. Managers and employees with such behaviours have the tendency to harm the organization [32, 39].

An employee with counterproductive and antisocial work behavior is an employee with a "*problem attitude*". He constitutes a nightmare not only for the team managers but also for the entire organization. Such an employee usually abuses fellow workers, passes lewd comments and speaks ill of his organization. He is often involved in objectionable activities and also like doing unproductive tasks which spoil the entire work culture. He indulges in data tampering, leaking confidential information, among others [5, 10, 36].

Some forms of counterproductive and antisocial work behaviours include employee withdrawal, absence, lateness, employee turnover, social loafing, cyberloafing, workplace violence, workplace incivility, bullying, sexual harassment, employee theft, substance abuse, employee sabotage, and ineffective job performance [9, 39].



Source: Author's Creativity, (2024).

Figure 1. Ladder of Human Needs and Job Satisfiers in Business Organizations.

7. Contemporary Theories of Motivational Budgeting

This section discusses innovative budgeting theories herein described as contemporary theories of motivational budgeting (See [Table 2](#)).

7.1. Needs Ladder Affirmative Theory (Usen Umo, 2024)

Needs Ladder Affirmative Theory is built on the premises set out below:

- 1) People have quite wide variety of needs which can be arranged in a ladder of rungs.
- 2) People are motivated to satisfy the lower order needs, at least in reasonable part before they strive to satisfy the higher order needs.
- 3) People act to fulfill the needs that are yet to be satisfied
- 4) Although people tend to act in a way to satisfy more of

the lower order needs, budget makers must consider the higher order needs of organizational members during the budget formation process.

Needs Ladder Affirmative Theory is the outgrowth of the works of Abraham Maslow in the later part of the twentieth century (20th century) and the research pack developed by Usen Paul Umo in the first quarter of the twenty-first century (21st century). Abraham Maslow was the proponent of Needs Hierarchy Theory. In his psychological literature (1970) titled "Motivation and Personality", Maslow published a theory of motivation in which he proposed that peoples' behaviour is determined by a wide variety of needs [5, 6].

Usen Paul Umo elaborated on Maslow's work and in the first quarter of the twenty-first century, published some empirical works on motivation and the human side of the enterprise [20, 31, 32, 36].

The works of Abraham Maslow as further developed by Usen Umo are condensed into this budgetary science theory called "Needs Ladder Affirmative Theory". Needs Ladder Affirmative Theory does not see budgeting as a mere technique; it projects budgeting as an innovative and motivational

technique for dealing with employees' problems associated with physiological, safety, social, esteem and self-actualization needs in organizations. It is a theory that presents motivational budgeting as a process that brings human needs into "*an orderly arrangement of power to motivate behaviour in the human side of the enterprise*" called Ladder of Human Needs and Job Satisfiers in Business Organizations.

From Figure 1 above, the following are discernible:

Rung 1 Physiological Needs

Physiological needs include the needs for food, shelter, clothing and other basic requirements of life.

Rung 2 Safety Needs

Safety needs are the needs for security or protection against threat and deprivation.

Rung 3 Social Needs

These include the needs for friendship, affection, belonging and love.

Rung 4 Esteem Needs

Esteem needs can also be described as ego needs and include the needs for self-respect, responsibility, recognition and achievement.

Rung 5 Self-actualization Needs

Self-actualization needs include the needs for realizing one's full potential, that is, everything one is capable of becoming. [5-8, 20, 39].

The ladder of human needs and job satisfiers (Figure 1 above) presents two categories of needs called lower order needs and higher order needs. Each member of an organization is assumed to have needs in each category. Examples of job satisfiers that can fulfill the needs are also indicated in the figure. The Needs Ladder Affirmative Theory portrays a human being as a perpetually wanting animal. Accordingly, when needs on the lower order have been satisfied, at least in part, a person begins to strive for the next rung in the ladder [20].

The starting point for understanding motivational budgeting relative to Needs Ladder Affirmative Theory is physiological needs. An employee who is hungry, tired or poorly paid is thinking of the basic needs of life (food, shelter, clothing, and sleep as applicable) and not work. But once physiological needs are fulfilled, they lose their power to motivate. Then safety needs become important. For example, enterprise workers become concerned about keeping their jobs and about being financially secured when they retire. People are motivated to satisfy the lower order needs before they strive to satisfy the higher order needs. But once a need is satisfied, it is no longer a powerful motivator. For example, labour unions negotiate for higher wages, benefits, safety standards and job security. These bargaining issues relate directly to the satisfaction of lower order needs. Once the physiological and safety needs are reasonably satisfied, the higher order needs (social, esteem, self-actualization) become dominant needs [20].

Employees want to belong and to interact with other em-

ployees. Thus, friendly behaviour of individuals in small groups within the organization is a major source of satisfaction for social needs. In a small group, individuals support and encourage one another; as a by-product, they get a sense of being accepted members of the group. Needs Ladder Affirmative Theory vis-a-vis motivational budgeting (real participation in budget formation) is found very useful in this direction. Once social needs have been largely satisfied, they also begin to lose their power to motivate. Consequently, the need for other higher-level needs arise.

The esteem needs are needs for self-respect and respect from others. An important part of this area is that an employee's work efforts and output be recognized and appreciated by others. When the need for esteem is strong, individuals (that is budget makers) will often set difficult budget goals, work hard to achieve the goals and expect to receive recognition for these efforts. Budget goals accomplishment and the resulting recognition lead to the feelings of self-esteem and self-confidence [31, 39].

At the top of the ladder of human needs and job satisfiers is self-actualization. Self-actualization implies the ability to display and use one's full potential. This need takes over when an adequate level of satisfaction has been reached in the other four lower rungs of needs. An organizational member who reaches self-actualization has come close to using his full set of skills. In budgetary science, self-actualizing individuals display certain characteristics during budget formation and control processes, viz:

- 1) They tend to be serious and thoughtful.
- 2) They focus on problems outside themselves.
- 3) Their behaviour is unaffected and natural.
- 4) They are strongly ethical.

Because employees work to satisfy the more basic needs, budget makers (decision makers) often overlook employees' self-actualization need. Reaching a level of complete self-actualization rarely occurs in budgetary science. Certainly, it is hard to achieve if other needs are not adequately satisfied. But an organization participant (member of an organization) is capable of partially satisfying the self-actualization need.

In organizations, members differ in the intensity of their needs. For instance, some employees have an intense security need that will dominate their behaviour no matter what the managers do. Other members of the organization are more strongly influenced by esteem needs. Budget makers (managers) have no stand program to follow when attempting to promote a high level of motivation. Differences in personal background, experience and education are powerful; the conditions that work for one individual may not work for another in an organizational setting. The ladder of human needs and job satisfiers in organizations is a convenient way to classify human needs but it should not be viewed as a rigid one-step-at-a-time procedure. Each rung of needs does not have to be completely satisfied (if that is possible) before an individual can be motivated by a higher need.

The needs ladder affirmative theory offers four important contributions, viz:

- 1) It identifies important categories of needs.
- 2) It is important to think of two general order of needs in which the lower order needs must be satisfied, at least in part, before the higher order needs become important to individuals.
- 3) It sensitizes budget makers (managers) to the importance of personal growth and self-actualization.
- 4) It emphasizes the task set before the budget makers in trying to satisfy the higher order needs through job enlargement and real participation of all levels of the organization during the budgeting process [20].

7.2. Theory Alpha and Theory Beta (Usen Umo, 2024)

Theory Alpha and Theory Beta can be jointly described as twin theories of motivational budgeting. These theories evolve from the concerted works of Douglas McGregor on the human side of the enterprise (1960) and the related research album of Usen Paul Umo in the first quarter of the twenty first (21st) century. Douglas McGregor brought his work under the framework of two theories of management which he described as Theory X and Theory Y [5]. Usen Umo elaborated on the works of Douglas McGregor and in the first quarter of the twenty first century published related research albums on the human side of the enterprise [31, 32, 34-39]. He espoused the motivational function of budgeting and condensed his empirical submissions into the twin theories of motivational budgeting known as Theory Alpha and Theory Beta. Usen Umo affirms the following:

Traditional theories of motivation focus almost exclusively on the lower order needs and the organizational participants (employees) are expected to satisfy their higher order needs away from work. During the classical era, management focused almost exclusively on the lower order needs. People (organizational members) were expected to satisfy their higher order needs away from work. No wonder, from his empirical literature, Usen submitted inter alia:

- 1) *Managers of firms complained that they paid their workers well and provided good job security but suffered poor productivity.*
- 2) *Managers of organizations must help their subordinates and employees to achieve their personal goals in order to motivate them to work towards the achievement of budget goals set in organizations.*
- 3) *The neoclassical (modern) theories of motivation recognize diversity of human needs and therefore focus on both the lower order needs and higher order needs emphasizing that satisfied needs cannot serve as motivators.*
- 4) *Poorly paid workers may be inclined to work harder for more money than well paid ones. Labour unions become more concerned with job security (a safety need) once*

their members are receiving reasonable wages [20, 31, 32, 34-39].

Once people have acquired a high degree of job safety and a reasonable salary, they look to other things. They become more concerned about social and personal needs (the respect of their peers, their self-esteem) which constitute the needs that cannot be satisfied on the job with money. Accordingly, top management must help their subordinates and employees to achieve their personal goals in order to motivate them to act in the firm's best interest. Motivational budgeting is useful in this direction. In budgetary science, a close look at management views and employees' reactions have created the typology of twin theories presented in a framework of Theory Alpha and Theory Beta. The assumptions of these two theories represent the views held by budget makers on what motivates employees during the budget formation process in organizations. More also, these assumptions correspond to the views held by budget makers (decision makers) that embrace either autocratic budgeting or participatory budgeting.

7.2.1. Theory Alpha

Theory alpha can also be called authoritarianism theory of motivational budgeting. This theory is rooted on the following precepts:

- 1) An average human being has an inherent dislike for work and will avoid it if possible.
- 2) Dislike for work requires that people must be coerced, controlled, directed and threatened with punishment in order to get them to work towards organizational goals set in the budget.
- 3) People work principally for money and do not derive any intrinsic satisfaction from work.
- 4) People generally prefer to be directed, attempt to avoid responsibilities, have relatively little ambition and desire security above all.
- 5) Two important jobs of managers are to control works through close supervision and to find more efficient ways for employees to accomplish their tasks (especially through making their works simpler).
- 6) The role of the accounting/finance department in an organization is to develop the budget and also provide information that helps management to control their subordinates by highlighting inadequate performance.

The six precepts highlighted above constitute the bases of authoritarianism in budgetary science and portray the human as a being of very limited dimensions, very nearly like a beast of burden. The implications for management were articulated by the scientific management school that flourished in the early part of the twentieth century pioneered by Winslow Taylor (the father of scientific management of jobs), Adam Smith (the classical economist) and their contemporaries [20, 21, 34-39].

Theory Alpha is synonymous with downward flow (authoritative top-down) approach to budget formation in organizations. Authoritative top-down approach to budget

formation is autocratic budgeting. Firms that imbibe Theory Alpha can be likened to organizations that prepare budgets without the full participation of operating personnels. Such organizations prepare their budgets in such a manner that allows monetary rewards for those who meet the budget requirements and punishment for those who do not. Thus, in these organizations budgets are imposed and not self-imposed [13, 16, 38, 39].

In organizations where Theory Alpha is upheld, the managers attempt to structure, control and closely supervise their subordinates and employees with a strong emphasis on the implementation of the budget at whatever cost. Thus, budget makers in these organizations believe that their main duty is to set the budget goals for the subordinates. This is a unilateral approach anchored on the traditional behavioral assumptions and the tenets of the crude authoritarian management during the classical era [9, 20, 36]. In budgetary science and organizational behaviour, the determinants of theory Alpha are outlined below:

1) Imposed Budgets

Organization that embrace Theory Alpha operate imposed budgets. Imposed budgets are budgets forced on subordinate managers from above. Such budgets lack the full participation of operating personnels during the formation process. The different motivational results on employees' behavior in organizations that uphold Theory Alpha have been highlighted. One result emphasizes alienation. Alienation arises when an employee feels that the management is thinking very low of him. Such employee looks frustrated and regresses. Work morale and motivation are adversely affected and productivity falls. Another motivational result on employees' behavior in organization that imposes budgets from above is disillusion. Imposed budgets destroy employees' belief in enterprise management. Employees in such firms do not accept the budget as theirs; they usually say that the budget is management's, and the job belongs to management too. Goal congruence and goal internalization will suffer in organization that imbibe Theory Alpha because budget is not accepted but imposed [12, 13, 16, 31].

2) Discriminatory and Unfair Devices

In organizations that embrace Theory Alpha, budgets are viewed as discriminatory and unfair devices. The implication is that employees' morale will suffer. Furthermore, if already disgruntled employees learn that they are striving to attain sham budget goals, the effectiveness of future budgets, real or phony, might be seriously impaired [12, 13, 36, 39].

3) Pressure Device

Another popular assumption amongst budget makers in organizations that imbibe Theory Alpha is that budget should be used as a club. A club is a pressure device designed by the management and forced on employees to increase efficiency of performance (Umo, 2022). The belief is that employees are inherently lazy; they must be needled a bit and by increasing pressures, productivity will improve. This creates more problems when the subordinates and employees themselves

understand and learn about the management's assumptions. The implication is that, if a budget is used as a pressure device, it will probably generate resentment and ill-will rather than cooperation and increased productivity [24, 32, 38].

The more pressure a budget brings, the less the productivity. That is, there exists inverse relationship between the pressure from budget and the productivity of organizational members directly affected by the budget. This is because the repressive nature of the budget makes the employee believe that the budget maker (decision maker) is thinking very low of him. He (the employee) therefore becomes frustrated and regresses. The writer states inter alia:

Instead of increased productivity, the pressure from budget brings informal group formation whose aim is to challenge the organization and its leadership.

Anthony Hopwood (2020) in his empirical work on "The Role of Accounting Data in Performance Evaluation" as further espoused by Umo (2024) affirmed that the pressure from budget brings increase in tension, resentment and fear amongst enterprise members. This result is not even limited to the lower class of employees but also found in the middle and lower level management of organization. Amongst the lower level management, pressure from budget might not result in unionization (formation of groups), it might create conditions negative to motivation and realization of set goals contained in the company's budget. This is because every member of the lower level management becomes concerned only with the productivity of his own department in his bid to meet the budget requirements. This results in frequent interdepartmental strifes, quarrel with finance staff and a change of personality for the supervisors due to internal pressure [15, 39].

4) Interdepartmental Anxiety

Another motivational result on organizational behaviour in firms that embrace Theory Alpha is interdepartmental anxiety. Anxiety arises when the budget is unilaterally prepared by a department, which creates the feeling that there is inequitable distribution of resources. This is a feeling prevalent in an organization where the budgeting process is relatively close and secret. This affects the motivation of subordinates as well as the middle level managers. It affects adversely the goal coordination between departments. A department whose allocation is cut will not try to work well with that whose allocation is approved or raised. This is because budget formation process is secret and unilateral. The affected department is unable to identify the grounds on which its budget is cut and that of the other approved or raised. This affects motivation adversely. These situations will create a lot of adverse effects on budget goal realization. Departmental conflicts will increase and managers will tend to withhold useful information from peers. The managers will also be overstating their annual estimates [20, 30, 35].

Generally, organizations that embrace Theory Alpha are identified with reduced work morale and decreased motivation. Since budget formation process is close and secret in

such organizations, goals and aspirations of the employees are not considered in the budget. This triggers employee's dissatisfaction on the job. Lack of goal-congruence is inevitable in organizations that imbibe Theory Alpha. This is because individual goals are not in line with organizational goals. The repressive nature of unilaterally prepared budget makes the employee to believe that the budget maker (decision maker) is thinking very low of him. The affected employee is disillusioned [20].

The argument behind Theory Alpha is that it draws much from the tenets of the classical school of thought (the traditional management era). It is a theory that views subordinates and employees basically as children. Therefore, the writer submits Interlalia:

Organizations that embrace Theory Alpha are identified with boredom. Their employees are viewed as indolent and indifferent robots that must be needled a bit, coerced by authoritarian power and closely supervised in order to make them perform in specified ways.

7.2.2. Theory Beta

Theory beta states as follows:

Individuals who are accountable for activities and performance under a budget must be allowed to participate really in the budget formation process and decisions by which that budget is established.

This theory is also known as Real Participatory Budgeting Theory. Accordingly, Theory Beta emphasizes real participation (real involvement in budgeting process). Real Participation refers to the budget formation process of joint decision making by two or more parties in which the decisions have future effects on those making them. As opposed to real participation, there is what is called pseudo participation. Pseudo participation is something that looks like participation but it is not full (real) involvement of all levels of the organization in budget formation and decision making process [20]. In all discussions made in this work, participation means real participation.

Theory Beta is based on modern accounting literature and postulates that underscore the following assertions:

- 1) Participatory budgeting process improves performance.
- 2) The participation or involvement of lower and middle management in the preparation of budgets and the establishment of clear targets against which performance can be judged are found to be motivating factors.
- 3) Participatory budgets are generally perceived positively by those who directly participate but negatively by employees who do not.
- 4) Real involvement in budgeting process cause organizational members to believe that they will advance their personal goals or aspirations by working towards the realization of organizational goals contained in the budget.
- 5) The influence of an enterprise budget on motivation may be greater if the budget is not imposed (forced on or-

ganizational members) but self-imposed (accepted by all organizational members directly affected by the budget) [5, 7, 31, 36, 39].

Theory Beta portrays participation in budgeting process as a useful technique for dealing with the psychological problems of employees' satisfaction, morale, motivation and productivity in the work place. It underscores the claim that participation can lead to high morale and increased initiative. Organizations that embrace Theory Beta believe that the most successful budgeting process is the one that permit managers with responsibility over cost control to prepare their own budget estimates. The budgets that they prepare become self-imposed in nature.

Real Participatory Budgeting Theory (Theory Beta) supports the postulation that participation in budget formation will increase the probability that organizational members involved will accept the budget as their own and become personally committed to the control system. Employees really involved in budgeting process will have more understanding of that particular budget and its needs. This is because employee's morale and optimum participation are secured. Resistance to instructions, policies and programmes will reduce because employees are more likely to believe that the budget is theirs and not management's [5, 20, 39].

Theory Beta supports the claim that the influence of a company's budget on motivation may be greater if budget is not imposed but self-imposed. A budget is self-imposed if it is accepted by organizational members directly affected by the budget. Many organizations have found that the best way to make their budgets self-imposed is to have all levels of the organization participate in making the budget that affect them. This will trigger and secure goals internalization among organizational members. If goals are internalized by individuals responsible for making budgets, the probabilities of success are higher. Theory Beta submits that budgeting process provides a challenge and sense of responsibility needed to effectively motivate employees.

Two elements associated with the recommendations of Theory Beta are job enlargement and real participation. In budgetary science, job enlargement refers to the process of allowing subordinates and employees directly affected by budgets to control the way they prepare their budgets. It connotes the addition of one or more related tasks to raise work motivation during the budget formation process. Theory Beta submits that management of organizations should allow their subordinates and employees to take more responsibilities and also decide how to organize the budgeting process. This will reduce the psychological trauma associated with fatigue, low morale and apathy which occur because of the need for specialization in the work place. It boosts changes needed to increase the variety of tasks to be performed during the budgeting process. Job enlargement enables subordinate managers and employees to be given more varied tasks and increased scope for initiative and skill during the budget formation process. A subordinate manager who prepares his

departmental budget should, in theory, increase performance and this leads to greater job satisfaction. Therefore, job enlargement reduces employees' fatigue and relieves employees from boredom where work is specialized and repetitive in nature. It enables subordinates to exercise more control over the time span set for budget preparation and also promotes the use of a wide range of skills.

Real participation in budget formation is motivational in practice. It implies consultative management. It catapults various levels of the organization into the stream of decision making process, reduces boredom and secures employees' commitment towards the realization of budget goals. Theory Beta emphasizes that the real value of participation at all levels is psychological. It is therefore, in the company's best interest to attempt to meet the esteem and self-actualization needs of the participants by making budget formation process more challenging and giving individuals greater sense of responsibility. Participation in budget formation process relative to comparison and reviewing process often lead to motivation and improved performance. Real involvement in budgeting process attempts to get organizational participants' ego involved, not just task involved [36].

7.2.3. Brief Comparative Dissection of Theory Alpha and Theory Beta

Both theories (Theory Alpha and Theory Beta) can be jointly described as twin theories of motivational budgeting. In relation to the concept of motivation, a close look at both theories reveals a common driving principle. People do what they are rewarded for doing. Both theories recognize diversity in human beings. People care about the kind of work they do.

Theory Alpha focuses almost exclusively on lower level needs (the needs that money can buy). People are expected to satisfy their higher order needs away from work. It is a little wonder, "managers complained that they paid their workers well and provided good job security, but suffered poor productivity". In organizations that embrace Theory Alpha, their employees are seen as perpetually wanting animals. During budget formation, decision makers (budget maker) in such organizations view human beings as economic animals that are motivated by forces they cannot control. Budget makers that adopt Theory Alpha are authoritarian and strive to portray the human as a being of very limited dimensions, very nearly like the beast of burden.

In opposition to Theory Alpha is Theory Beta which supports the fact that organizations should no more offer the simple rules such as "Pay them well and watch them closely" as was practised during the classical era (the bedrock of Theory Alpha). Theory Beta emphasizes real participation in budget formation process which requires the management to provide information about budget formation activities, leaves the details of accomplishing them to the subordinates and stands ready to assist when problem arises. The decision maker does not watch everyone closely.

Theory Beta springs from the tenets of neo-classical era

(the bedrock of modern behavioral assumptions in budgetary science). This theory supports the assertion that enterprise budgets are generally perceived positively by organizational members who directly participate in the formation process but negatively by those who do not. Subordinate managers and employees are both more productive and more satisfied with their jobs and colleagues when operating their budgets. This is psychological in terms of the associated benefits of budgeting in organizations. The writer submits inter-alia:

Indeed, there is a widespread belief, and belief is the appropriate term, that imbibing Theory Beta in organizations is a panacea: a cure for all the many ills associated with Theory Alpha.

7.3. Goal Setting and Realization Theory (Usen Umo, 2024)

Goal setting and realization theory states as follows:

Budget goal should not only be set but should also be realized and the midpoint between goal setting and realization is the acceptance of the goal by all organizational members directly affected by the budget.

This theory can also be described as goal oriented theory of motivational budgeting. It emanates from the empirical pack of Usen Paul Umo in the first quarter of the twenty first (21st) century [20, 37]. Goal setting and realization theory is anchored on the concept of budgetary system. It supports the claim that the true success of a budgetary system depends on the manner in which it is operated. A budgetary system is a hierarchical combination of the goal setting machine and the goal achieving machine of an enterprise.

Goal Setting and Realization Theory (Goal Oriented Theory) is very significant in motivational budgeting. It affirms the following assertions in the literature of modern business and accounting.

- 1) Goal setting focuses organizational activities in one direction.
- 2) Given that a budget goal is accepted and internalized, people tend to exert effort in proportion to the difficulty of the goal.
- 3) Difficult goals contained in the budget lead to more persistence than easy goals [20, 25, 37, 39].

The three dimensions (direction, effort and persistence) are central to the Goal Setting and Realization Theory. Persistence implies directed effort overtime. Direction implies a clear, defined and general manner of carrying out organizational activities through the enterprise members. It is a managerial function concerned with ensuring that employees do the jobs allotted to them with utmost cooperation usually through communication and orientation. Effort connotes the physical or mental energy made, committed or invested by organizational members for the purpose of achieving the goals contained in an enterprise budget. Therefore, persistence underscores the fact that an employee continues in his effort to perform a task in spite of difficulties, especially when other

employees are against him. Motivation requires that employee's persistence is finally rewarded when the enterprise management agree to pay for his committed effort [5, 8].

Budgets are generally perceived positively by organization members who really participate in their formation process but negatively by members who do not. Subordinate managers and employees are more productive, more satisfied with their jobs and more goals oriented when operating their own budgets. The manager (budget makers) experience a great sense of accomplishment when implementing their own budgets and they also have a greater commitment to making them work. In other words, such managers try to make their budgets become self-fulfilling prophecies [20].

After the preparation of budgets, managers have a greater understanding of the budget requirement and difficulties. As a result, there shall be fewer communication problems and consequent errors in following instructions. In a dynamic business environment, this could result in more rapid modification and adjustment to their budgets. More also, when enterprise managers implement their own budgets, less time is wasted on goal realization between budget formation and budget implementation.

Budget goals should not only be set but should also be achieved. The critical step between the setting of a goal and its achievement is the acceptance of the goal and its internalization by the goal achieving machine (subordinate managers and employees directly affected by the budget). Therefore, the involvement of all levels of the organization in budgeting process has the consequences for goal setting, goal acceptance, goal internalization and goal realization. A budget goal even if externally imposed must receive some internal recognition if it is to be at all effective. In his literature on the human side of the enterprise, Usen Umo stressed:

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

Goal Setting and Realization Theory identifies two key players in the budgetary system of firms namely; the goal setting machine and the goal achieving machine [20, 36, 39].

Goal-setting machine refers to the top management whose function is to set budget goals for the subordinates and employees in an organization. They constitute the changer in the context of budgetary system of firms and occupy the highest position in the hierarchy of decision making body for organizations.

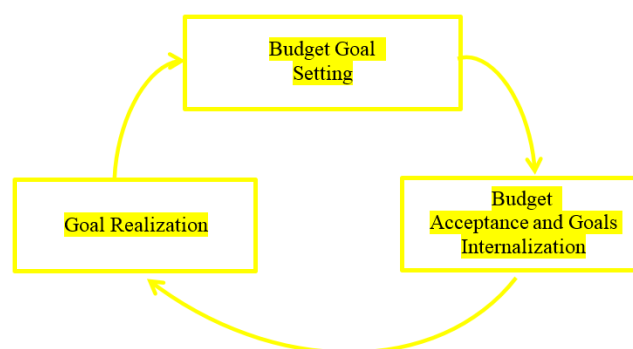
Goal achieving machine comprises of the subordinates and employees of organizations whose function is to work for the accomplishment of budget goals set by the top management. They are the changee in budgetary system of firms. The Goal setting and Realization Theory describes the goal-achieving machine as organizational members that control the final change decisions. Therefore, it is disceamible that organization is created by people for people. A budgeting system

which ignores the human element is likely to be much less successful than those which are concerned with aligning personal and business goals. The Goal Setting and Realization Theory will be found very useful in this direction.

A major area of concern involves the relationship between motivational budgeting, goal setting, budget acceptance and goal realization. As subordinate managers and employees are given a larger influence on budget formation and decisions, their commitment to budget goal realization improves, partly because of the ego involved which their involvement generates. In budgetary science, this may be interpreted to mean a greater willingness by employees to accept the budget. With difficult goal, this acceptance will result in improved performance and persistence toward budget goal realization. Thus, budget acceptance intervened between goal setting and goal realization.

The management of firm cannot be effective unless their subordinates and employees accept their authority and also believe that they will advance their own goals if they work towards the realization of their organizational goal. Organizations that embrace the Goal Setting and Realization Theory will find it very useful in this direction. Subordinate managers and employees will be more productive, more satisfied with their job and colleagues and above all more goal oriented when operating their own budgets [5, 7, 36].

Goal Setting and Realization Theory support the claim that the involvement of all levels of the organization in their budget information, combined with other initiatives, bring the various levels of the organization into the stream of decision making process, create an enabling atmosphere where employees can satisfy their needs and cause them to identify with organizational goals contained in the budget, rather than just their own goals.



Source: Author's Creativity

Figure 2. Budget Goals Cycle.

7.4. Expectations Theory (Usen Umo, 2024)

Expectations theory states that employees behave in accordance with their expectations about the outcome from the various kinds of behaviours and the satisfaction they expect to gain from successful budgeting process in the form of satisfying their personal goals.

Two important aspects highlighted in this theory are:

- 1) ^Expectations about the out comes from various kinds of behaviours.
- 2) ^Satisfaction expected to be gained from successful budgeting process in the form of satisfying personal goals.

Expectations theory is the outgrowth of the research work of the following:

E. C. Tolman

In 1932, E. C. Tolman published his psychological literature on "Purposive Behaviour in Animals and Men" [5, 7, 34, 39].

Victor Vroom

In 1964 Victor Vroom espoused on the work of E. C. Tolman and published his research literature on "Work and Motivation" [28].

Usen Paul Umo

In the first quarter of twenty first (21st) century, Usen Umo promoted the works of E. C Tolman and Victor Vroom by publishing some empirical literature focused on the human side of the enterprise [32, 36, 39].

A close look at the Expectations Theory reveals the following:

7.4.1. Expectation About the Outcomes from Various Kinds of Behaviours

This implies employees' perceptions that their behaviours will lead to a certain outcome. The concept of expectations forms the basis for a general model of behavior in organizational settings. Thus, employees believe that they will meet their aspirations if the enterprise budget is successful. That is, good reward shall accompany a successful enterprise budget. In other words, "the belief that budget goal achievement will lead to rewards" is a prediction about what will happen in the future. However, for employees to make this kind of prediction, trust and shared feeling of confidence must exist in the budgetary system of an organization that is promising them reward. This connotes budgeting by commitment.

Expectations Theory underscores budgeting by commitment. Budgeting by commitment is motivational. It triggers "trust" in the budgetary system of organizations. Employees are personally involved in the budget preparation process and therefore become personally committed to making the budget successful. Trust is raised amongst enterprise members if:

- 1) The budget formation process is participatory.
- 2) The enterprise budget is not imposed but self-imposed.
- 3) Budget is accepted and the goals are internalized by organizational members directly affected by the budget.
- 4) No secrecy is built around the budgeting process.
- 5) Anxiety is not raised in the organization.

If the above conditions prevail in an organization and the employees see the linkages between behaviours and rewards, then they will be motivated to perform better and budgets in organization will be successful [20, 31, 39].

7.4.2. Satisfaction Expected to Be Gained from Successful Budgeting Process in the Form of Satisfying Personal Goals

This precept connotes how much employees value the outcome of the budget. The more valued the outcome and the stronger the belief that an action will lead to the outcome, the stronger the employee's motivation to perform the action.

Expectations Theory uses the term "utilities" to refer to the satisfaction derived from outcomes. This theory identifies two types of utilities namely intrinsic and extrinsic utilities.

1) Intrinsic Utilities

Intrinsic utilities come in two varieties viz:

1. The satisfaction associated with the work itself. The more an employee likes the work, the higher the utility derived.
2. The internal satisfactions that follow successful completion of the work [20].

Examples of intrinsic utilities include enhanced self-esteem, self-confidence, the feeling of a task successfully completed (a job well done), the feeling of recognition through participation in budget formation process and the satisfaction gained by meeting the budget goals or objectives (5, 13m 20).

2) Extrinsic Utilities

Extrinsic utilities are rewards bestowed by others. Examples include praise, recognition, awards, bonuses, promotions and other forms of pay. Motivational budgeting vis-à-vis. Expectations Theory will be very useful in this direction. One of the central themes associated with Expectations Theory is that individuals usually assign probabilities of two types. One is the probability of success and the other is a set of probabilities associated with each extrinsic utility. That is, people will evaluate the likelihood that each extrinsic utility will actually be forthcoming upon successful completion of a task (successful realization of a budget goal). If a manager or employee has been told that accomplishing a particular task will yield a bonus, the probability will be close to 1. If the manager or employee believes that a promotion will follow successful completion of a task, but is not assured of it, the probability will be less than 1, perhaps even close to zero. The higher the probabilities of both types, the higher the motivation. Therefore,

The participation of all levels of the organization in their budget formation process is found to be motivational, brewing intrinsic and extrinsic utilities in organizational members, and the maximum motivation is achieved when the work itself is very satisfying, the intrinsic and extrinsic utilities are high, the probability of successful completion is high and the probabilities that extrinsic utilities will follow successful budget goal realization are also high.

7.5. Intended Effects Theory (Usen Umo, 2024)

Intended Effects Theory states as follows:

The manner in which an organization prepares its budget should either cause the employees to be satisfied with their jobs or prevent them from being dissatisfied with their jobs.

This theory can also be called Budget Incentive Theory. It springs from the research pack of Usen Paul Umo in the first quarter of the twenty first (21st) century. It captures some related views on the early research work of F. V. Herzberg (1968) whose psychological literature provided an elaboration on “*Work and Nature of Man*”. Budgeting must be seen in a much wider term than mere technique or procedure; it is a process that affects and in turn is affected by managerial and employees’ attitudes and behaviours [4, 5, 20].

Intended Effects Theory points to the fact that the satisfaction of employees’ needs in budgeting process has one of two effects. It is a recipe for learning the law of effects in budgetary science and grows from the precept that employees aspire to satisfy two broad categories of needs namely the lower order needs and the higher order needs. Budget Incentive Theory (Intended Effects theory) attempts to show that the satisfaction of both categories of needs (lower order and higher order needs) at least in part, will secure employees’ needs for achievement, affiliation or power in organizations [20, 39].

Beneficial changes will occur in organizations that embrace Intended Effects Theory. It is a theory that enables the organization to tap the benefits associated with employees’ involvement and real participation in budget preparation process. Intended Effects Theory supports changes in the manner which budgets are prepared in organizations. For example, a change from autocratic budgetary system to participatory budgetary system. If all levels of the organization participate in making the budget that affect them, motivation is secured. The employees will accept the budget as theirs and not management’s. Employees’ efforts will be geared toward budget goal realization. If enterprise management reward behaviours (such as high quality work, high productivity, timely reports or creative suggestions), these behaviours are likely to increase. However, the converse is also true. Managers should not expect sustained high performance from employees:

- 1) If they impose budget on employees.
- 2) If they ignore employees’ contributions during the budget formation process.
- 3) If they consistently refuse to reward employees’ behaviour.

7.6. Effective Budget Period Theory (Usen Umo, 2024)

Effective budget period theory states as follows:

Effective budget period is a period which is definable; goal oriented and significantly affect all organizational members and activities under the budget.

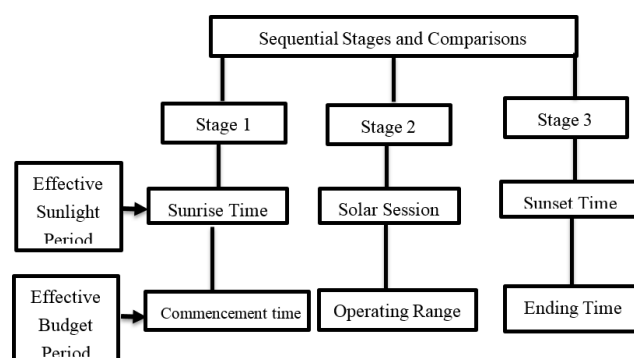
This Theory springs from the research pack of Usen Paul Umo in the first quarter of the twenty first (21st) century. In relation to Effective Budget Period Theory, the following corollaries are discernible:

- 1) A budget period is effective if it is definable.
- 2) A budget period is effective if it is goal oriented.
- 3) A budget period is effective if it significantly affect all

organizational resources and activities under the budget. [20, 40-42].

Effective Budget Period Theory underscores systematic analysis, observation and measurable time period during which organizational resources and activities under the budget relate. Thus, effective budget period is the time that the budget covers and which the budget is put into action. For instance, effective sunlight period is the time the sun covers in daylight. The course (operational direction or route that the sun moves), the time it takes and the use of solar energy it provides (effective sunlight) guide daily activities and individuals under the sun. The systematic analysis of the fundamentals, time and use of the solar period (sunlight) in relation to sunrise, daytime and sunset detect the basic intellectual foundation for understanding the Effective Budget Period Theory. In other words, Effective Budget Period Theory draws its basics from the appearance and time phenomenon of the shiny sun in the sky [5, 7, 20].

A firm without a budget is just like a ship without a course. It does not know where it is going or where it should go. It does not know the next rock it is likely going to hit. Such a firm can also be likened to a team of community operatives in a given geographical area who decides to work in the daytime without the sun in the sky. Naturally, in such a situation, the community is devoid of sunlight and the community operatives may not succeed. This is because there are three observable, definable and identifiable time sessions exhibited by the shiny sun that are crucial to all humans and activities under the influence of light provided by the sun in the sky. These three-time sessions are the sunrise time, solar session and sunset time. These three-time sessions can also be described as the three sequential stages in effective sunlight period. As the presence of the sun in the sky determines the effective time available for use in carrying out activities under the direct influence of the sun, the budget in an organization determines the effective time available for activities under the direct influence of the budget [40]. This supports the reason why the budget is a financial plan that must be prepared and approved prior to a well-defined period of time [12, 13]. The three time sessions associated with effective budget period are commencement time, operating range and ending time. The sequential stages and comparisons are given below:



Source: Author's Creativity (2024)

Figure 3. Comparative Trend in effective sunlight period and effective budget period.

An analogy between effective sunlight period and effective budget period is given below:

7.6.1. Sunrise Time and Budget Commencement Time

Sunrise marks the emergence of the sun in the sky. It is the time when the sun first appears above the horizon in the morning. Sunrise can also be described as daybreak or sunup. It dictates the commencement time for those activities and humans under the influence of the sun to start using sunlight. That is, sunrise is the time which the rising sun brews incoming sunlight for all operational activities and humans under the direct influence of the sun [40, 41].

The budget commencement time is likened to the sunrise time. It marks the time that the organization starts to operate the budget that it earlier developed and approved [13, 24]. It is the time that organizational members start to put the budget into action. The budget commencement time defines the time that the budget begins to have effect on organizational members and activities under the budget [20, 33, 39].

7.6.2. Solar Session and Budget Operation Range

Solar session refers to the period during the day, between the time it gets light and the time it gets dark. It is the effective sunlight period. The rising sun in the morning surely sets in the evening. The effective solar session is called sunlight or daylight. It is described as “the period of shiny sun in action”. It shows the time between which the sun rises from the east and sets in the west. Effective solar session implants in the minds of humans that sunlight period is the time available for use in accomplishing daily tasks, activities or functions under direct influence of the sun. It is the range of time between sunrise and sunset [40-42].

In a similar trend, the budget operating range is likened to the solar session under analogy. The time between which a budget starts (budget commencement time) and ends (budget ending time) is known as budget operating range [20]. This operating range of organizational budget is described as “the period of budget in action”. It is a period in which the budget affects and in turn is affected by all managerial and employees’ attitudes and behaviours. It marks the period that a budget has pervasive effect on all activities of the organization under the budget [21, 34, 36].

During the solar session, all humans and activities under the sun experience effect of the prevailing sunlight. Equally, during the operating range, all organizational members and activities are affected by the budget developed and approved for the period.

7.6.3. Sunset Time and Budget Ending Time

The rising sun shines and sets in the sky. The time that the sun sets in the sky is known as sunset time. It is the time when the sun slowly goes down in the sky and night begins. At this time, the different parts of the earth that are directly influ-

enced by the sun start to miss the setting sun alongside the prevailing sunlight. Sunset time marks the time when the sun slowly goes below the horizon and represents the particular time that the sun declines in the sky. It is also described as sundown [40, 41].

The budget ending time is likened to sunset time. It marks the time that an organization ends the operation of its budget. It is the particular time that the budget is put out of action. It is the time after which the approved budget does not have effect on organizational members and operational activities [12, 13, 20, 39].

From Effective Budget Period Theory, it is deducible that effective budget period is the time the budget covers and which really comes into use for the purpose of successfully producing the intended results. Effective budget period spans through the budget commencement time, operating range and ending time.

8. Submissions

The presenter considers the following submissions worthwhile:

- 1) Whichever type of management accountant (authoritarian or humanistic) is found in a business organization, his values inclination and the manner of budget formation process significantly affect employees’ work behaviours.
- 2) A humanistic management accountant is democratic. He is the accountant that emphasizes real participation of all levels of the organization in budget formation process. Real participation in budget formation process (Real Participatory Budgeting) is anchored on contemporary theories of motivational budgeting and related behavioural assumptions. The resulting budgets are self-imposed budgets.
- 3) An authoritarian management accountant is autocratic. He is associated with autocratic budgeting process founded on traditional behavioural assumptions and related theories. The resulting budgets are imposed budgets.
- 4) Real participatory budgeting relative to self-imposed budgets and contemporary theories boosts budget acceptance, goals internalization, goals congruence and goal (s) realization in business organizations.
- 5) Real participation in budget formation process causes employees to know why they should be productive and social in their work behaviours and also put forth their best performance.
- 6) Autocratic budgeting relative to imposed budgets and traditional theories has demotivating effects and creates conditions negative to that intended; usually resulting in counterproductive and antisocial work behaviours which are inimical to budget acceptance, goals internalization and goals realization in business organizations.

9. Summary and Conclusion

This paper presents an elaborate discussion on the management accountant in budget formation process. It attempts to structure the values inclination associated with the two types of management accountants, the kind of information they release for budget preparation, the resulting budgets and the associated motivational results herein called work behaviours.

A business organization which the management accountant is authoritarian operates autocratic budget. Autocratic budget raises anxiety, brings declining work morale, brews demotivation and counterproductive and antisocial work behaviours. It triggers alienation and disillusion and creates other dysfunctional attitudes that may plague the budgetary system or harm the entire organizations.

In firms which the management accountants are humanistic, their budgets are participatory. Their management accountants borrow much from the contemporary (modern) theories of motivational budgeting. Their assumption is that budget requires the human elements in its formation process, and therefore, should reflect the advice and wants of members at all levels of the organization.

Humanistic management accountants strive to promote contributory management (planning, control and decision making) in designing and operating the budgetary system. They promote budgeting by commitment which brings all levels of the organization into the steam of decision making process for the purpose of enjoying the benefits of budget acceptance, goals internalization, goals congruence and general goal realization.

In conclusion, the more organizational members are committed to the process of budget formation, the more they work towards the realization of the budget goal (s). Real participation in budget formation is a panacea: a cure for all the many ills associated with traditional autocratic budgeting process. Productive work behavior is secured. Enterprise members will put forth their best performance because they are able to determine why they need to perform. The management accountant with his motivational budgeting approach will be

very useful in this direction.

Abbreviations

U Umo

Author Contribution

Usen Paul Umo is the sole author. The author read and approved the final manuscript.

Conflicts of Interest

The author declares no conflicts of interest.

Appendix

Table 1. Abbreviations.

Abbreviations	Number in the References	Author	Year
[U1]	[20]	Umo, UP	2025
[U2]	[31]	Umo, UP	2014
[U3]	[32]	Umo, UP	2015
[U4]	[34]	Umo, UP	1999
[U5]	[35]	Umo, UP	2021
[U6]	[36]	Umo, UP	2022
[U7]	[37]	Umo, UP	2022
[U8]	[38]	Umo, UP	2023
[U9]	[39]	Umo, UP	2024

Table 2. Related Theories.

S/N	Theory Titles	Theorists	Period/Year	Remarks
1	Traditional Autocratic Theory of Management	Frederick Winslow Taylor, Adam Smith and their Contemporaries	Classical Era (Early 20 th Century)	Modified to Theory Alpha
2	Theory of Hierarchy of Needs	Abraham Maslow	Neo Classical era (After World War II)	Modified to Needs Ladder Affirmative Theory
3	Theory X and Theory Y	Douglas McGregor	Neoclassical era (After World War II)	Modified to Theory Alpha and Theory Beta

S/N	Theory Titles	Theorists	Period/Year	Remarks
4	Expectancy Theory	E. C. Tolman and Victor Vroom	Neoclassical Era	Modified to Expectations Theory
5	Law of Effects Theory	F. V. Herzberg	Neoclassical Era (After World War II)	Modified to Intended Effects Theory
6	Needs Ladder Affirmative Theory	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo
7	Theory Alpha and Theory Beta	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo
8	Goal Setting and Realization Theory	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo
9	Expectations Theory	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo
10	Intended Effects Theory	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo
11	Effective Budget Period Theory	Usen Umo	First Quarter of the 21 st Century	Propounded by Usen Umo

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