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BUDGETARY ACTIVITIES AND GAMING PRACTICES OF INDUSTRIAL COMPANIES IN LAGOS, NIGERIA: AN INSTITUTIONAL PERSPECTIVE

OMOLEHINWA, Eddy O. (Professor of Accounting), FAGBEMI, Temitope O. (Ph.D.) & AKINNIYI, Opeyemi K. (Ph.D.)

¹Department of Accounting, University of Lagos, Lagos, Nigeria

²Department of Accounting, Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria

³Department of Accountancy, University of Maiduguri, Maiduguri, Nigeria

Abstract

The aim of this study is to evaluate the effect of institutional pressure on budgetary activities and its moderating role on the relationship with gaming practices among employees of industrial companies in Lagos, Nigeria.. A survey research design was adopted in this study. Multistage sampling was used in selecting 311 respondents from one hundred and fifty seven (157) industrial companies. The study relied extensively on primary data which was obtained through questionnaire. The instrument was tested for reliability while probit and moderated regression analysis was used to test the propositions that were made. Results of analysis showed that institutional theory significantly moderated the relationship between budgetary activities and gaming practices of employees. The policy implication of findings suggests that institutional pressure should be minimized in order to curb gaming practices of employees and in doing this, emphasis should be laid more on non-financial measures in the appraisal of employees.

Keywords: budgetary activities, institutional pressure, gaming practices, behaviour

1.0 INTRODUCTION

The effect of the behaviour of managers under a budgetary setting on the performance of organisations has raised critical concern. This concern stems from the role that budget should play as a tool for controlling resources. Hence, when the budget does not serve its control purpose, the interest of the stakeholders are affected by the lack of an affordable service to the desired quality as managers have been known to use the organisation budget to achieve personal advantages at the expense of the organisational goals (Tagwireyi, 2012). Such personal gains could be in the form of outright rejection of the budget due to perceived consequences of not meeting the budget (Golembiewski & Jack, 1997) or gaming practices which may involve alteration of performance indicators (Yuen, 2007).

Research providing a link between management control systems or such areas as budgetary involvement, managerial behaviour, task dependencies, locus of control and performance has largely been explored using motivational and cognitive perspectives (Fisher, Frederickson & Pfeffer, 2002; Bescos, Cauvin, Langevin & Mendoza, 2003; Ajibolade, Arowomole and Ojikutu, 2010; Yuen, 2007). In a related manner, psychological perspectives have also been used in addressing management control systems such as the nature of the reaction of managers to budgeting practices

(Argyris, 1952; March & Simon, 1958). Little empirical research has examined theoretical perspectives such as institutional theory on the links existing between gaming practices and budgetary activities.

Management accounting practices, such as budgeting and case-mix accounting, are seen as rational structures that form part of a more complex social legitimacy of organisational participants and their actions (Covaleski & Dirsmith, 1988; Covaleski, Dirsmith, & Michelman, 1993). The technical facet of organisations and existence of rationalised norms that “specify in a rule-like way the appropriate means to pursue them” (Meyer & Rowan, 1977, p. 343) have served as contributors to the emergence and dominance of these forms of management accounting practices. Furthermore, the studies of Meyer and Rowan (1977); Scott (1987); DiMaggio and Powell (1983, 1991) have suggested that several areas of an organisation's formal structure, policies and procedures serve to demonstrate compliance with institutionalised rules. This gives room for legitimising it, to assist in gaining society's continued support.

The institutional environment is argued to have multiple constituents with potentially conflicting interests who exert pressure over the organisation (DiMaggio & Powell 1983; Modell 2003). These constituents include key suppliers, resource and product consumers, regulatory agencies, and other groups or institutions that produce similar services or products. Literature suggests that when different agencies or groups exert pressure on organisations, they may be offering different perspectives which could be conflicting at times (Modell, 2002). Such inconsistent and conflicting pressure creates problems for organisation design and control. Extant literature on institutional perspectives on management control systems is largely from developed economies (Lee & Modell, 2000). Thus, this study examines the extent to which institutional perspectives affect the relationship between budgetary activities and gaming practices of industrial companies in Lagos, Nigeria.

2.0 LITERATURE REVIEW

2.1 *Conceptual and Theoretical Issues*

Management control hold a large number of description in extant literature with Anthony (1965) making a clear distinction between management control, strategic planning and operational control. Anthony described management control as "the processes by which managers ensure that organisational resources are obtained and utilised appropriately towards the attainment of the set goals of the entity. In another dimension, it is described as the steps taken by management to ensure that organisational objectives are achieved following approved policies of the organisation (Garrison & Noreen, 2000). Anthony and Govindarajan (2001) added the word "system" to management control arguing that management control involves activities of a routine nature such as budget formulation. Gusc, Bremmers and Omta (2005) viewed management control system as a synthesis of coordination and control; arguing that coordination and control are complimentary. Amalokwu and Lawrence (2008) also supported the view that a budget is a tool for management control. However, its link with institutional dimension has remained sparse.

Institutional theory perspective is becoming a very relevant paradigm in organisation theory and it is gaining prominence in accounting research to study the practice of accounting in organisations. This point of view is made up of several theories such as; old institutional economics, new institutional economics and new institutional sociology (Hoque, 2006). Institutional theory is "a way of thinking about formal organisation structures and the nature of the historically grounded social processes through which these structures develop" (Siivonen, 2007: 9). Similarly, it highlights how an organisation interacts with the institutional environment, the effects of social expectations on the organisation, and the incorporation of these expectations as reflected in organisational practices and characteristics (Dillard, Rigsby & Goodman, 2004).

Covaleski, Dirsmith Samuel (2003) also noted that institutional theory extends beyond the focus of contingency theory on an organisation's task environment, which has received much attention in managerial accounting research, to instead focus on its institutional environment. Scott (1987) argued that there is a growing knowledge that no organisation is just a technical system and that many organisations are not primarily technical systems. Scott also noted that all organisations exist in an institutional environment that defines and delimits social reality.

Covaleski et al. (1996) opined that for corporations to survive, attain a high level of production and efficiency, it has to conform to social norms of acceptable behaviour. The institutional theory also argues that organisational environments are characterised by rules and requirements which individual organisations must comply with if they are to receive support and legitimacy (Scott & Meyer, 1983). According to Deephouse (1996), this compliance is achieved through isomorphism which the study described as the "resemblance of a focal organisation to other organisations in its environment" (Deephouse, 1996, p. 1024). Collier (2003) also noted the importance of institutional theory in its ability to locate the organisation within its historical and contextual setting.

Institutional theories assume that a major determinant of organisational structure is the pressure exerted by external and internal constituencies on the organisation to conform with a set of expectations to achieve legitimacy and so secure access to vital resources and long-term survival (Brignall & Modell, 2000). To achieve this legitimacy, Meyer and Rowan (1977) noted that organisations have to align with some rationalised institutional myth. DiMaggio and Powell (1983) suggested that this alignment is occasionally manifested by the adoption of structural attributes displayed by other significant organisations through some isomorphic process. According to Kondra and Hinings (1998), the institutional theory has taken a variety of semblance, but the emphasis is on explaining the isomorphism of organisational fields and the establishment of institutional norms.

Of the three prominent classes of institutional theory approach, Molls et al. (2006) identified new institutional sociology (NIS) as having attracted the most influence on accounting research recently. This argument assumes that intra-organisational structures and procedures, including accounting, are mostly affected by an external factor about cost-minimising objectives. DiMaggio and Powell (1983), Meyer and Rowan (1977) observed that organisations which operate within related environmental settings are presupposed to be subject to comparable demands towards

what is believed as being appropriate behaviour, including its choice and design of internal structures and procedures. This has led to studies using NIS to explain how the adoption of particular accounting systems can be understood regarding a need to conform to external pressures as opposed to overriding (rational-optimising) drive for increased internal efficiency (Carmona & Danoso, 2004; Modell, 2002, 2005).

DiMaggio and Powell (1991) opined that congruence between organisational arrangements and imposing institutions is explained through a process by which external institutions permeate internal structures and procedures, often referred to as isomorphism. In essence, it is "the constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (DiMaggio & Powell 1983: 149). Molls et al. (2006) identified two components of isomorphism which are competitive isomorphism and institutional isomorphism. DiMaggio and Powell (1983) noted that competitive isomorphism relates to how competitive forces propel organisations towards the adoption of least-cost, efficient structures and practices. Competitive isomorphism is the type of change proposed by population ecologists in which optimal forms of organisation are selected out of a population. They suggested that this view assumes a system rationality that dwells on market competition, niche changes and fitness measures (DiMaggio & Powell, 1983). On the other hand, institutional isomorphism emphasises on how the pursuit of legitimacy and power can bring about mimetic behaviour in a population of firms. However, Molls et al. (2006) noted that NIS advocates had placed lower emphasis on competitive isomorphism. Thus, institutional isomorphism has received greater attention as it is more of topical interest.

2.2 Institutional Isomorphism

DiMaggio and Powell (1983) identified three mechanisms of the isomorphic process which are; coercive isomorphism, stemming from political influence and the problem of legitimacy; mimetic isomorphism deriving from standard responses to uncertainty, and normative isomorphism emanating from structures and procedures associated with professional bodies.

Coercive isomorphism results from formal or informal pressures on organisations exerted by other organisations upon which they are dependent (DiMaggio & Powell, 1983). Zhou and Delios (2005) noted that the tendency to regulate is being driven by the formal and informal pressures being brought to bear on business organisations. They opined that this pressure is exerted through stakeholder activism and by emerging cultural expectations pressuring corporations to recognise the social environment of the economy. Organisations have become increasingly homogeneous within given domains and organised around rituals of conformity to wider institutional norms (Mascarenhas & Sambharya, 1996). In many cases, it refers to homogeneity pressure from political influence. Such influence may be felt as force, persuasion or invitations to join in collusion (DiMaggio & Powell, 1983).

Mimetic isomorphism is a response to uncertainty. Imitation may occur when the innovation is not well understood (March & Olsen, 1976, cited in Hoque, 2006), the goals are not clear or the environment is turbulent. When the decision to adopt is driven by legitimacy concerns, managers mimic the choices of others in its environment. Although mimesis might not result in the best and the firms may find

themselves following choices that have little or nothing to do with either efficiency or goal achievement, they at least ensure the legitimacy of the organisation (DiMaggio & Powell, 1983). When the majority of the firms within the same environment make a certain decision, there is the pressure to conform. Haveman (1993) posited that decision makers in the organisation would mimic the decisions by other organisations that they label as in the same category. Similarly, Beckert (2010) is of the view that if rationally derived templates for optimal institutional design are unavailable, policy makers turn to related institutions that are seen as more successful or legitimate.

Normative isomorphism stems from elite group behaviour brought about by professionalisation and socialisation (Radaelli, 2000). DiMaggio and Powell (1983) identified two aspects of professionalisation which are sources of isomorphism. Firstly, they noted that formal education and legitimation arising from university or professional training induce development of organisational norms among professional managers and their staff. Secondly, they identified trade associations as the vehicle for the definition and promulgation of normative rules about corporate and professional behaviour. Perrow (1974) argued that professional and trade associations create a pool of almost interchangeable individuals who occupy similar positions across a range of organisations and possess a similarity of orientation and disposition that may override variations in tradition and control that might otherwise shape organisational behaviour. Mizruchi and Fein (1999) also opined that normative isomorphism contains elements of both institutional theory and network analysis which is driven by common sources of socialization, which could be viewed as common exposure to a set of socially constructed myths, such as the similar worldviews of chief executive officers who attended the same business school or from the dissemination of ideas through social networks, in which members of one organisation directly influence those of another.

2.3 Empirical Review

The range of responses to institutional pressures provides insight as to how stakeholder interests might manifest in management control systems. For example, social pressure and identification with a group are some of the factors that can affect the gaming practices of budgetary actors within an organisation. The study of Brüggem and Moers (2007) noted that the need to uphold ethical values (which are often associated with professional institutions) and social incentives underline the behavioural reactions to budgets such as gaming.

Oliver (1991) developed a five typology of strategic responses (acquiescence, compromise, avoidance, defiance, and manipulation) that organisations enact as a result of the institutional pressures that are exerted on them. The study challenged the assumption that organisations passively conform to their institutional environment, and acknowledges that management choice plays a role in shaping organisations, depending on the nature and context of the pressure. The study noted that anticipated losses in efficiency are especially common sources of resistance to state intervention in profit-oriented firms.

Brunsson (1993) identified the budgetary system as a single process that creates formal hierarchical patterns of responsibility within organisations. This is consistent with earlier comments of Cyert and March (1963) who defined budgets as

both the substance and result of political bargaining processes that are useful for legitimising and maintaining systems of power and control within organisations. Following these arguments and the analysis of the budget process over a period of three years, Perez and Robson (1999) investigated the budgetary participation process in a subsidiary of a multinational company and described the budget setting process in a company and the institutional processes that led to constant budget revisions and conflicts within the organisation, in a bid to achieve a target acceptable to the head office.

The study found cases in which individual managers perceived some behaviour as ritualistic and taken for granted. Furthermore, the study suggested that the behaviour by the various individual managers, especially related to the fact that decisions for budgetary allocations were already made and the budgetary participation was merely a ritual to commit the subordinates to the plan of action. Specifically, they noted that the employees of the departments were cognisant of the reductions they would have to introduce in successive budget review and were 'gaming' the process for that reason (Perez & Robson, 1999: 397).

Hence, the involvement of subordinates was viewed purely as a legitimating device and that budgetary participation in the organisation may be originating from mimetic isomorphism (e.g. adhering to competitors' practices) and coercive isomorphism (e.g. required by the parent company). If middle managers perceive that the practice of budgetary participation in their organisation is merely a product of institutional-led pressures, then the extent to which they engage in dysfunctional behaviours, particularly budgetary bias may be increased. This increase in bias may be as a result of the believe that the budget setting process purely meets an appearance of legitimacy and is not used primarily for seeking views from functional managers. This sense of lack of purpose to the process is likely to incite gaming during the process. Therefore, this study proposes in the null form, that:

H_{01a}: Budgetary activities have no significant influence on gaming practices

H_{01b}: Institutional pressure has no significant effect on gaming practices

Covaleski and Dirsmith (1988a, 1988b) made use of institutional paradigm in examining the expectation of members of the society on best practices when operating a budgetary system through to its implementation and revision during a period of decline in organisation. The studies examined the budgetary process of a big University system using interview with selected budgetary actors and a careful study of archival documents. The study gave an insight into the rejection and challenge of the traditional budgeting format and procedure between state agencies and the state for allocating state funding when this framework is at variance with the objectives and interest of the University. The study argued that the primary thing on the mind of decision makers such as the University, different parties within the University system, the various state agencies, and the legislators; is their self-interest when it relates to parties involved in a budgeting process. The studies concluded that the common and legitimate language of budgeting is an important vehicle through which societal expectations are enforced and reproduced. The study of Meyer and Rowan (1991) noted that organisations frequently establish a variety of rational procedures, processes and rules in order for the participants of the organisation to get 'social legitimacy' and not necessarily for efficient organisational decisions. This view was

buttressed by Carruthers (1995) by arguing that organisations gain legitimacy by mimicking formal structures, procedures and rules that enjoyed external legitimacy. Therefore, the study makes proposition that:

H₀₂: Institutional pressure has no significant effect on budgetary practices

The role of an organisation's accounting control system as part of interrelated control mix using resource dependence and institutional theories has also been of concern. Abernethy and Chua (1996) argued that control mix is not only contingent on the organisation's technical environment but also on the pressure exerted by the institutional environment. Using a longitudinal field study of a public teaching hospital in Australia, the study focused on three elements of a control system; the governance structure at the board and internal management level, the role of accounting controls and the processes associated with the development of a different management culture. The study found a relationship between the degree of power a constituent possesses and the design of elements of the control mix. Thus, Abernethy and Chua (1996) demonstrated that the control mix of the organisation is a function of its institutional environment which is majorly characterised by funding agencies. They concluded that the accounting control systems failed to serve important role in the planning and control function of the firm and that they are just used to rationalise and supplement other visible elements of the control mix.

Brignall and Modell (2000) investigated the implications of institutional theory for the successful implementation of multidimensional performance measurement and management in U.K. and Scandinavian public sector organisations. The study made use of three stakeholders (funding bodies, professional groups and purchasers) which are capable of exerting power and pressure on the use of performance information in the firm. They argued that little attention has been paid to the social processes whereby such systems are implemented or how they come to be used the way they are as such understanding of systems would be greater enhanced by examining the power relations with various stakeholder groups. Hussain and Hoque (2002) assessed the role of management accounting in non-financial performance among four Japanese financial institutions-banks. They reported that management accounting has played a key role in measuring performance in different banks in Japan, but its role in non-financial performance measures has been less significant than its role in financial performance measures.

The study concluded that non financial performance measures are needed and the contextual factors (such as regulatory control from standards regulatory body) affected the use of non-financial performance measurement in the sample studied. The results from the study also indicated that several institutional forces influenced the banks to implement a particular performance measurement system. Central Bank's regulatory control and accounting standards/financial legislation were found to have exerted the greater influence after economic constraints. They concluded that it is thus important to consider the effects of uncertainty in the economic environment on banks when developing a framework to analyse change in performance measurement systems (PMS). Although the study provided no evidence that management has a tendency to mimic PMS from other banks, Deephouse's (1996) study of commercial banks revealed instances of isomorphism and found evidence of a relationship

between such behaviour and an increased regulatory endorsement. This study therefore proposes that:

- H_{03a}: Non-financial measures has no significant relationship with gaming practices
- H_{03b}: Institutional pressure has no significant relationship with non-financial performance measurement system
- H₀₄: Institutional pressure has no moderating effect on the relationship between budgetary activities and gaming practices

3.0 METHODOLOGY

The survey research design was used to collect data from various employees of manufacturing companies in Lagos State. The population of the study is seven hundred and eighty six (786) employees from two hundred and sixty two (262) industrial companies. From this population, a random sample of one hundred and fifty-seven (157) companies was taken and this translated to four hundred and seventy one (471) employees. However, purposive sampling was used in selecting the participants from each company. This is to ensure that employees with managerial knowledge participated in the survey. This survey strategy is supported by Denscombe (2003) as an efficient way of collecting information from a large number of respondents. Hence, the study data were collected using questionnaire administered to three employees of each company. The total copies of the questionnaire administered were four hundred and seventy one (471). Cronbach alpha was used in testing the reliability of the constructs in the study. Each of the constructs showed an alpha coefficient above 0.73; thus signifying a satisfactory level of internal consistency.

This study used ordered probit regression analysis to test hypotheses one to three while hypothesis four was tested using structural equation model (SEM). The choice of ordered probit regression analysis is hinged on the strength that it is efficient in analysing ordered and categorical data obtained from the questionnaire administered. With each hypothesis having a single regressor, the ordered probit uses the standard normal cumulative density function (CDF) which is expressed as:

$$F(Z) = \int_{-\infty}^Z (2\pi)^{\frac{1}{2}} \ell^{-\frac{1}{2}} e^{-\frac{1}{2}Z^2} dZ$$

where Z is standardized normal variable, $\pi \approx 3.141$ and ℓ is base of the natural log representing value 2.71828. This method then follows the normal distribution of errors which then translates to a linear probit function given as:

$$\begin{aligned} \pi_i &= \Phi(\alpha + \beta X_i) \\ &= \frac{1}{\sqrt{2\pi}} \int_{-\infty}^{\alpha + \beta X_i} \ell^{-\frac{1}{2}} e^{-\frac{1}{2}Z^2} dZ \end{aligned}$$

However, given the cautious approach with the interpretation of the coefficient from probit analysis, the marginal effect was also computed. The marginal effects on probability of choosing j when a regressor x_r change is given by:

$$\frac{\partial \Pr(y_i = j)}{\partial x_{ri}} = \{F'(\alpha_{j-1} - x_i' \beta) - F'(\alpha_j - x_i' \beta)\} \beta_r$$

Therefore, if one coefficient is twice as big as another, then this is reflected in the size of the marginal effect. The study also used a moderated regression model (MRA) to explain the moderating effect that institutional pressure has on the relationship between budgetary activities and gaming practices. Jaccard, Turrisi and Wan (1990) observed that the terminology used to describe this model is sometimes referred to as “Interaction effects in multiple regressions” or Moderated Regression Analysis (Hartmann and Moers, 2003; 1999). The study used STATA 12 statistical package and SPSS for its analysis.

4.0 RESULTS AND DISCUSSION

Three hundred and eleven (311) out of the four hundred and seventy one copies of the questionnaire were used in the analysis. This represents about 66% while the remaining one hundred and sixty representing about 44% were either not returned or not properly filled. A response rate of 66% was considered satisfactory, based on the recommendations of Henri (2006).

The study evaluated the effect of budgetary activities on gaming practices of industrial companies in Lagos State, Nigeria. Results from Table 1 (Model 1a) reveals that budgetary activities (budgetary involvement and tight budget) have varying effect on gaming practices. Since the probit method uses the maximum likelihood estimation, which is an iterative procedure, the first model converged at the second iteration with a log likelihood value of -660.51. The model is fit with statistical significance at 1% and 5% ($\text{Prob} > \chi^2 = 0.001$). In essence, the predictive ability of the model is not in doubt. The study expected that gaming practices would be influenced by budgetary involvement, tight budget. The coefficients of the regressors are statistically significant and positive at both $p < 0.01$ and $p < 0.05$. From the marginal effect results in Table 2, the probability of gaming increases as budgetary involvement and tight budget increases (dy/dx ; 0.0104, 0.0094). The study also went further to estimate the effect of institutional pressure on the extent of gaming practices of employees (Model 1b). The results also indicate that institutional pressure is significant at $p < 0.05$ with a coefficient value of 0.29. The result of the marginal effect of the regressor in Table 3 shows a value of 0.133. This indicates that employees' gaming activities increases by 13.3% as institutional pressure mounts on the employees.

The study also evaluated the effect of institutional pressure on the level of budgetary activities in model 2. Results in Table 1 show that each of the budgetary activities; budgetary involvement (BI) and tight budget (BT) is influenced by institutional pressure with $p < 0.01$ and positive coefficients 0.63 and 0.85 respectively. The predictive ability of the models are also not in doubt with $\text{Prob} > \chi^2 = 0.001$. The probability of budgetary involvement increases as pressure is mounted from institutions such as the labour force as shown in Table 4 with a marginal effect value of 0.039. Thus, 3.9% increase would arise from additional pressure to involve more people in the budget process. Similarly, the probability of a tight budget in Table 5 increases by 10.62% as institutional pressure mounts on employees (dy/dx ; 0.1062, 0.0706).

In the third model, the study sought to ascertain the use of non-financial measures on gaming practices. The results from Model 3a suggest that the relationship

is negative with a coefficient value of -0.32 and significant with $p < 0.05$. From the result of the marginal effects in Table 2, the probability of employee gaming activities decreases as the use of non-financial measurement improves. Furthermore, the study evaluated the effect of institutional pressure on the choice of non-financial measurement. The results indicated a positive and significant effect with a coefficient value of 0.74 and $p < 0.01$. The predictive ability of the model is also not in doubt with $\text{Prob} > \text{Chi}^2 = 0.001$.

From the sixth model (Table 1), the results indicated that the interaction term is statistically significant at $p < 0.05$. The model with the interaction term explained about 57.3% of the variation in budgetary activities and gaming practices. The moderating effect of institutional pressure accounted for significant increase in R^2 at $p < 0.05$ ($\Delta R^2 = 0.174$, $\Delta F = 125.415$, Sig. $\Delta F < 0.001$). The model fitted for the moderating effect of IP is also significant with F-value of 137.504 at $p < 0.05$. Therefore, conclusion can be drawn that the moderating effect of institutional pressure results in better prediction of gaming practices through budgetary activities.

Table 1: Probit and Moderated Regression Analysis Result

VARIABLES	M O D E L		M O D E L 2		M O D E L 3		M O D E L 4
	1a	1b	2 (BI)	2 (BT)	3a	3b	4
INST_PERSP		0.294** (0.119)	0.633*** (0.122)	0.851*** (0.124)		0.742*** (0.122)	
BUDG_INVOLVE	0.418*** (0.140)						
BUDG_TIGHT	0.380** (0.160)						
NFM					-0.318** (0.152)		
R							0.757
R ²							0.573 (0.302)
ΔR^2							0.174
Sig. ΔF							0.0000
BUDG_ACTV*INST_PERSP							0.217*** (0.019)
Log likelihood	-660.51242	-668.95687	-697.93028	-737.96789	-660.51242	-751.92349	
LR chi2(3)	23.01	6.12	27.18	47.34	23.01	36.91	
Prob > chi2	0.0000	0.0134	0.0000	0.0000	0.0000	0.0000	

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Source: Field Survey, 2016

Table 2: Influence of Budgetary Activities on Gaming Practices of Employees

Marginal effects after oprobit

y = Pr(G_PRACTICE==5) (predict, outcome(5))
 = .00922382

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
BUDG_I~E	.0103824	.00591	1.76	0.079	-.001205 .02197	3.54073
BUDG_T~T	.0094342	.00576	1.64	0.101	-.001851 .02072	3.52779
NON_FM	-.007888	.00505	-1.56	0.118	-.017789 .002013	3.62977

Source: Field Survey, 2016**Table 3: Influence of Institutional Pressure on Level of Budgetary Involvement**

Marginal effects after oprobit

y = Pr(BUDG_INVOLVE==4) (predict, outcome(4))
 = .04853078

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
INST_P~P	.0385499	.01208	3.19	0.001	.014882 .062217	3.57189

Source: Field Survey, 2016**Table 4: Influence of Institutional Pressure on Tight Budget**

Marginal effects after oprobit

y = Pr(BUDG_TIGHT==4) (predict, outcome(4))
 = .10696506

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
INST_P~P	.1061698	.02123	5.00	0.000	.064554 .147785	3.57189

Source: Field Survey, 2016**Table 5: Influence of Institutional Pressure on Level of Budgetary Involvement**

Marginal effects after oprobit

y = Pr(NON_FM==5) (predict, outcome(5))
 = .00122853

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
INST_P~P	.0030167	.00339	0.89	0.373	-.003619 .009652	3.57189

Source: Field Survey, 2016**Table 6: Influence of Institutional Pressure on Level of Budgetary Involvement**

Marginal effects after oprobit

y = Pr(GAMING==4) (predict, outcome(4))
 = .24015742

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
INST_P~P	.1332665	.02896	4.60	0.000	.076503 .19003	3.57189

Source: Field Survey, 2016

Following the study of Siivonen (2007) and Baxter & Chua (2006) which suggested that an organisation not only has an operating environment but various institutional environments such as social, legal, professional and regulatory environments. The findings of this study is consistent with the study of Perez and Robson (1999) which investigated the budgetary involvement in a subsidiary of a multinational company and described the budget setting process in a company and the institutional processes that led to constant budget revisions and conflicts within the organisation, in a bid to achieve a target acceptable to the head office by engaging in gaming practices. Hussain and Hoque (2002) also found support on the moderating effect of institutional pressure on the relationship between control system and performance. In summary, support has been established for the various propositions that have been made in this study. The findings of the study indicated that the relationship between budgetary activities and gaming practices is not only direct but is also moderated by institutional pressures based on conceptualisation from institutional paradigm. The study found that non-financial measurement has no significant effect on gaming practices. This is consistent with the findings of Hassan et al. (2010) that non-financial measurement are capable of curtailing managerial dysfunctional behaviour such as short-termism and gamesmanship.

5.0 CONCLUSION AND RECOMMENDATIONS

This study has integrated institutional perspectives in examining budgetary activities, use of non-financial measurement and gaming practices is a behavioural study in management accounting research in Nigeria. On a general note, the findings of the study are in agreement with predicted directions and comparable with other research studies elsewhere. Specifically, support exists on the direct link between institutional pressure and budgetary activities. The study also found that the level of gaming engaged in by employees is directly influenced by the level of pressure mounted by constituent bodies. Results also support that institutional pressure moderates the relationship that exists between budgetary activities and gaming practices. The study therefore concludes that institutional perspective is a relevant paradigm in measuring the effect of budgetary practices on gaming and that in curbing this trend, there is the need to lay more emphasis on non-financial performance measures. This emphasis should be championed by the constituent bodies which are capable of exerting pressure on the organisation.

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