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# Budget Management Processes and Organizational Performance: A Study of Selected Oil and Gas Firms in Nigeria

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***Abstract***
*The study examined budget management processes and organizational performance: A study of selected oil and gas firms in Nigeria. Budget Management Processes proxied with Budget Planning (BP), Budget Accounting and Reporting (BAR), Budgetary Controls (BC) and Cost Standard Analysis (CSA) on how it affects the Organizational Performance (ORGP) of selected oil and gas firms in Nigeria. The sampling object of the study was the top management, core and contract staff of the staff of selected firms (Masters Energy Oil and Gas Ltd and Seplat Petroleum Development Company Plc). The opinions of the respondents were sought with the aid of 5-likert scale structured question. A total of one hundred and three (103) questionnaires were administered to staff of Seplat Petroleum Development Company Plc in Delta State and Masters Energy Oil and Gas Ltd in River State, Nigeria. Out of the one hundred and three (103) questionnaires, ninety-seven (97)94.17% where retrieved and properly filled while five (5)4.54% were not returned. Thus, the sample used for the study was the total of ninety-seven (97) respondents. The questionnaire was coded with the aid of excel spread sheet, the respondents profile was analyzed with manual simple percentage, the research questions was analyzed with the aid of descriptive statistics and Pearson correlation coefficient statistical tool with the aid of SPSS version 23. The result of the test shows that BP, BAR, BC and CSA have significance influence on ORGP oil and gas firms in Nigeria. Thus, the study concludes that there is significant relationship between budget management processes and organizational performance of Oil Firms in Nigeria. This study aims to shed light on the current practices within selected firms, offering practical recommendations for a more effective and adaptive approach to financial planning and control in the dynamic oil and gas landscape of Nigeria.*

***Key Words:*** *Budget, Management, Processes, Organizational and Performance*

## Introduction

The oil and gas industry in Nigeria stands as a cornerstone of the nation's economy, contributing significantly to government revenue and foreign exchange earnings. With its complex and dynamic nature, the industry faces numerous challenges, including fluctuating oil prices, geopolitical uncertainties, and technological advancements. In this context, the effective management of financial resources becomes paramount, and the budgeting process emerges as a critical tool for aligning organizational strategies with fiscal realities. Nigeria, being a major player in the global oil and gas market, has witnessed the continuous evolution of its oil and gas sector. The exploration, production, and refining activities are not only capital-intensive but also subject to a myriad of external and internal factors that can influence organizational performance. The budgeting process, as a financial planning and control mechanism, plays a pivotal role in navigating the complexities of the industry (Daboh, 2018; Akpokerere & Ekane, 2022).

Accountability and transaction openness are also improved by budgeting. In order to guarantee that resources are effectively managed for the benefit of all stakeholders, Etale and IIdumesaro (2019) contend that sufficient transparency is essential. In general, a budget is a plan that outlines expected revenues, expenses, standards, and performance for a given time frame. It's not a goal unto itself; rather, it's a provisional future course of action. An individual, group, government, or organization's estimated earnings and expenses for a given time period—typically one year—are outlined in a budget. According to Ardiansyah and Widiyanti (2019), it is used to regulate how revenues and other resources are allocated so that expenditure becomes sensible. Thus, budgetary goal control is a component of budget management (BM). A set of performance standards that may be compared to actual outcomes are governed by BM; the accomplishment of business goals depends on the verification, evaluation, and management of organisational costs and anticipated expenses. Budgetary controls, or the creation of budgets, link executive responsibilities to policy requirements, and continuously compare actual results with budgeted results to either ensure, through individual action, the policy's objectives or serve as a foundation for revision (Abuga & Muturi, 2019).

Effective budget management is essential to the operation of an organisation since poor financial and resource management can seriously impair a company's cash flow and other components of its balance sheet. Profitability and efficiency are just two aspects of organisational effectiveness (OE) (Gachoka, Aduda, Kaijage & Okiro, 2018). According to Imo and Desu-wosu (2018), organisational effectiveness (OE) is the measure of an organization's ability to provide the desired results. Organisational design and structure, talent management, leadership development, balanced scorecard development, introduction and execution of change and transformation, and the deployment of improved information and communication technology (ICT) processes are just a few of the critical areas that BM enables OE groups to focus on directly. Effective BM is necessary for OE to flourish, since it depends on the proper distribution of material and financial resources to identify the critical areas that support management in achieving its goals (Kamau, Rotich & Anyango, 2017). As per Keng'ara and Makina (2020), a budget often allots certain sums of money and resources to different departments within the organisation that necessitate them. Incoming revenue is another thing that BM records. In order to attain OE, BM must continuously maintain good resource levels and balance them without going overboard. Purchasing, production, sales, and research are only a few of the functional domains that are included in business management (BM). Production and sales must coordinate and communicate in order for production to satisfy sales objectives, and purchasing must communicate and work with production to accomplish targets if BM is to have any real meaning. Sounds BM supports thorough and appropriate plan communication (Ighoroje & Akpokerere, 2022).

Budgets cannot become operational until all functional managers have been informed on tentative plans and an agreement has been achieved. This is crucial because actual outcomes have to be compared to budgets and any deviations must be reported to the relevant management levels so that necessary action may be taken (Akpokerere & Obonofiemro, 2022). It depends on the budget being properly prepared and agreed upon, the analysis and comparison of actual spending with the intended benchmarks, the reporting and response to unfavourable controllable variances, and other activities that help management become more financially aware of the areas in which they are acting and the areas that need special attention. Budget evaluation and assessing the financial health of the company are based on timely analysis of actual expenditure and variance preparation, according to Kimunguyi, Memba and Njeru (2015). Because corruption is motivated by several things, it is thought that BM is necessary to keep it under control and guarantee excellent financial management, which is always important for OE. The degree to which several objectives are accomplished is what is known as an organization's effectiveness. Gandhi and Sachdera (2018) claim that an organisation is deemed effective if it successfully accomplishes its goals and purposes while yielding the highest possible benefit to society. Major perspectives frequently use organisational effectiveness as a metric. First, there is the profit-focused output perspective; next, there is the market share-focused result perspective, which is related to share prices; and third, there is a decrease in staff turnover, a decrease in absenteeism, and a concurrent improvement in productivity (Ighoroje & Akpokerere, 2022).

The rationale for investigating the impact of the budgeting process on the organizational performance of selected oil and gas firms in Nigeria is rooted in the industry's unique challenges and the crucial role finances play in mitigating risks and maximizing opportunities. Understanding how these firms approach budgeting, allocate resources, and adapt to changing market conditions is essential for enhancing overall industry performance.

**Statement of the Problem**

BM in Nigeria has a difficulty with preparation that discourages user participation. Participation and education are essential to budgeting. Managers and accountants who prepare budgets should encourage other managers and laypeople who use and operate the budget to understand the financial implications of their plans and investigate and report deviations from target at the right time and level. All employees must understand the budget's importance to the organisation for it to be used as a good managerial tool to accomplish OE. People often discuss finances and BM without considering organisation fit. As with any other part of management, badly handled BM may not assist the business achieve OE. To minimise the problem, reorganise organisation fit. Complete budgetary control may not be necessary in some businesses. Fast-changing technology and market conditions may make the 12-month comprehensive budget ineffective. In dynamic businesses, planning and control may be confined to sales and cash flow, but precise expense budgets may be superfluous. This does not mean that control is useless in fast-changing organisations, merely that comprehensive financial control may not suit the requirements. Managers should ensure the budget system meets organisational needs. To achieve OE, the budget system should be tailored to the organisation.

The oil and gas industry in Nigeria is a significant sector that contributes to the country's economy. However, there are several challenges faced by the firms in this industry, such as fluctuating oil prices, government policies, and operational inefficiencies. The study will use a case study approach, which involves selecting a few oil and gas firms in Nigeria and analyzing their budgeting process and performance. Data will be collected through interviews, questionnaires, and financial reports of the selected firms. The findings of this study will provide valuable insights into the impact of the budgeting process on organizational performance in the oil and gas industry in Nigeria. It will help identify areas of improvement in the budgeting process, which can lead to better performance and profitability for these firms.

## Literature Review

### Conceptual Issues

### Concepts of Budget

Budgets are estimates of resources for planned labour or activities throughout time. It's a model of the company's annual performance. It reveals an organization's qualitative performance, while Terry says budgetary control is a process of finding out what is being done and comparing the actual outcome to the budget to verify accomplishment or correct distinctions (Akpokerere & Ighoroje, 2022). Dimock (2015) believes a budget is a financial plan that summarises prior financial experience, states the current plan, and projects it throughout time. Thus, budgets are essential to financial administration and link public finance operations. Budgets are financial reports and proposals presented to the legislature for approval and sanction. It details the government's financial activities and previews fiscal policy.

### Budget Planning’

Budget planning includes long-term, strategic, and short-term planning. The further stresses that short-term planning must account for the organization's current environment and human and financial resources (Ighoroje & Akpokerere, 2022). Planning involves goal-setting and action. Budgeting involves planning and preparing. Planning helps the organisation analyse its aims and ambitions, information system-derived (Lewis, 2016). Effective planning includes priorities and the control cycle. There are so many activities that they must be listed in order of preference. Budgets are prepared in advance depending on expected conditions. Major decisions are taken during long-term planning. When short- and long-term effects are examined, budgeting benefits the whole organisation (Otley, 2017). The annual budgeting process refines those goals since managers must create comprehensive strategies to implement long-range plans. Day-to-day operating issues may lead managers to neglect future planning without the annual budgeting process (Scott, 2017, Ighoroje & Akpokerere, 2021).

**Budget Accounting and Reporting (BAR)**

Sound Controlling budgets and organisational performance need BAR. BM accountability requires accurate, timely, and good income and expenditure record keeping, accounting, and reporting (Ighoroje & Akpokerere, 2021). A modern integrated accounting system tracks revenue and spending and matches data from several sources. To improve BM operations, an integrated financial management information system (IFMIS) is needed because technical flaws or intentional disregard for accuracy and comprehensiveness can obscure fraudulent activity, impede auditing, and limit management action and control (Maher, Fakhar, & Karimi, 2018; Akpokerere & Oboro, 2016)). All loans, disbursements, pledges, and payments should be recorded. IFMIS relies on accounting. Accounting practises and enterprise account reconciliation flaws reduce fiscal reports and data needed for audit and management control, making the BM process vulnerable. For internal control, BM needs BAR (Akpokerere, 2011). The methods an organisation uses to prevent or detect improper use of finances and other resources are called internal control. Modern internal control is more of a procedure to ensure success in meeting organisational goals in accordance with laws, rules, and budgets (Akpokerere & Anuya, 2020). Internal control processes involve control environments, risk assessment from operating or expenditure control activities, information, communication, and monitoring. Transaction approvals, authorizations, verifications, reconciliations, performance assessments, asset security, segregation of roles, and information system control are typical internal control activities. BM cash management is improved by BAR. OE manages cash from the commitment stage, when purchase orders are placed or contracts are signed, to the verification stage, when budget centres confirm delivery and check the bill, to the payment authorization stage, where CEOs authorise payment, and to the payment stage, when the bill is paid by cash, cheque, bank transfer or electronic transfe (Ighoroje & Akpokerere, 2020). Today, government, commercial, and industrial organisations employ BAR for managerial control. BM has become a management tool for inspiring and achieving organisational goals and effectiveness (Keng'ara & Makina, 2020; Ighoroje & Akpokerere, 2020).

**Budgetary Controls**

Budgeting and budgeting control are fundamental elements of organisational planning and control. The goal of budgeting is to develop a budget, follow it up, and act on known data. Budgets also show a country's long-term plan financially (Falk, 2014). Using budgets, cost control is achieved. Comparing actual performance to budgeted helps determine if planning matches reality. We determine why deviations arise and offer corrective measures to match actual performance with planned. Planning, coordination, and control are financial control goals. One is hard to address without the other (Arora, 2015). The systematic and continuous budgetary monitoring and control method, according to Drury (2016), has the following stages: Setting targets for each department's performance improves performance monitoring. Sharing the budgeting policy with stakeholders helps them understand the goals and take ownership of the results. Monitoring real income or expense data by comparing actual performance to budgeted performance and reporting deviations to responsible executives. This helps identify the causes of performance discrepancies and take corrective action.

**Cost Standard Analysis**

In a performance budget system, cost standard analysis measures financial performance. Comparing spending and performance targets helps establish the average output cost. Cost standard analysis can assist establish realistic budgets and employ resources wisely. It can also provide ways to cut costs or boost performance. Prices change, so cost guidelines should be updated. This will verify the standards and enable financial performance measurement (Akpokerere & Okoroyibo, 2020). For performance budgeting, cost standard analysis can assist align budgets with goals and optimise resource allocation.

**Organizational Performance**

The concept of organizational performance refers to the extent to which an organization achieves its objectives and fulfills its mission and goals. It is a multidimensional and complex construct that encompasses various aspects of an organization's functioning and effectiveness. Organizational performance is often assessed through a combination of financial and non-financial measures, considering both short-term and long-term perspectives (Akpokerere & Oboro, 2019). Here are key components and dimensions associated with the concept of organizational performance:

**Financial Performance:** Profitability: The organization's ability to generate profits and financial returns. Revenue Growth: The increase in sales and revenue over time. Cost Efficiency: The effectiveness of cost management and resource utilization (Akpokerere & Ekane, 2019).

**Operational Performance:** Efficiency: The organization's ability to produce goods or deliver services with minimum waste. Productivity: The ratio of outputs to inputs, indicating how efficiently resources are used. Quality: The level of excellence or superiority of the organization's products or services (Oshiobugie & Akpokerere, 2019).

**Strategic Performance:** Goal Attainment: The extent to which the organization achieves its strategic objectives. Market Share: The portion of the total market that the organization captures. Innovation: The ability to develop and introduce new products, services, or processes.

**Customer Satisfaction:** Customer Loyalty: The likelihood of customers to continue purchasing from the organization. Customer Feedback: The perceptions and opinions of customers regarding the organization's products or services.

**Employee Performance:** Employee Satisfaction: The level of contentment and engagement among employees. Productivity: The efficiency and effectiveness of employees in contributing to organizational goals. Retention: The ability of the organization to retain talented and skilled employees (Akpokerere & Edafiage, 2018).

Measuring organizational performance involves a combination of quantitative and qualitative indicators across these dimensions. Performance indicators can vary across industries and organizational goals, and organizations often use a balanced scorecard approach to consider various aspects comprehensively (Ighosewe & Akpokerere, 2015). Regular performance assessments are crucial for identifying areas of improvement, making informed decisions, and ensuring the organization's overall health and success.

**Theoretical Framework**

**Bottom up Theory**

Tucker (1985) says Pyhrr's early 1970s work introduced bottom-up budgeting theory. It entails collating all the needs or requests of an organization's units and estimating the funds needed for their proposed operations, which the central authority uses to calculate the fiscal year's budget. In summary, bottom-up budgeting uses Zero-Based-Budgeting to calculate programme costs from zero. The strategy requires lengthy programme reviews to justify budget inclusion. It applies during prosperity, making it unique. Bottom up theory allows detailed cost-benefit analysis to avoid divisional heads from submitting weaker projects and inefficiencies to the central authority. However, some departments may request unnecessary funds.

**Institutional Theory**

Scholars far earlier developed institutional theory. With his concept of wild systematization's iron confine, business analyst and social scholar Max Weber focused on how administration and organisations were beginning to command the public. The perspective is from Scott (1995). Argument: the foundation provides stability and focus. Institutional theory examines financial, performing artists' conduct's deeper causes. The techniques by which structures, including plans, standards, and schedules, are built up as definitive rules for social conduct and financial links between monetary units of research are examined (Akpokerere & Ighoroje, 2013). Institutional theory explains how these components are made, dispersed, received, and altered over time, and how they decay and ignore. Normal bookkeeping benefits planning, asset management, hiding and assembling power, environmental change, and political change.

**Empirical Review**

Budgeting requires planning. Budgetary control and financial performance of selected Kenyan commercial banks were examined by Mbuthia and Omagwa (2019). The research was cross-sectional. The data was analysed using multiple regression and descriptive analysis. It was found that budgetary planning improves organisation performance. Further, budgeting implementation affected organisation performance. Similarly, financial control and evaluation improved organisation performance. To improve performance, the study advised bank managers to examine their performance, develop additional budgeting centres, and hire more budget officers.

Abuga and Muturi (2019) studied some tea companies in Kisii, Kenya, to determine how budgetary control affects financial performance. The research was co-relational. Seventy top managers provided data. Surveys collected data. Data analysis included descriptive statistics and correlation. Tea factory financial performance improved with budgeted planning, execution, and monitoring. According to the study, organisations should leverage existing budgeting systems that enable budget monitoring.

The Sriwijaya University public service agency (BLU) was studied by Ardiansyah, Isnurhadi, and Widiyanti (2019) to determine how budget participation affects budget performance with organisational commitment as a moderating variable. A multiple regression analysis was performed on the data. Public participation dramatically improved budget performance, according to data. Organisational commitment did not affect budget participation and performance differently. Separate investigation examined the budgetary procedure.

In 2019, Imo and Deswosu examined how budgetary control affects return on assets and net profit of river state government-owned firms. Study used descriptive survey design. Questionnaires collected data. Data was analysed using pearson product moment correlation and frequency table. Financial performance of government-owned firms was positively correlated with budgetary control. Budgetary control systems can improve performance measurement systems. The study advised these organisations to strengthen financial control overall for better performance.

Kamau, Rotich, and Anyango (2017) used Kenyatta National Hospital to study how budgetary procedure affects state corporation budget performance. About 450 Kenyatta National Hospital personnel were targeted. Data came from surveys. The research used descriptive statistics. Data correlation analysis was performed. Findings showed budgetary involvement affected state Corporation performance. The researcher advised considering staff recommendations.

In Kenya, Ngumi and Njogu (2017) examined how budgeting practises affect insurance businesses' financial performance. Researchers used descriptive research. The survey included 45 insurers and reinsurers. Collected data was secondary. According to the findings, CAPEX variation and ROI are adversely and strongly connected. Human resource variance significantly affected organisation performance. In contrast, income variance and ROI were positively correlated. Insurance businesses should minimise variations since it improves performance, according to the report.

## Methodology

The study will adopt a mixed-methods research approach, combining quantitative analysis of financial data and qualitative insights from interviews and surveys. A purposive sampling technique will be employed to select a representative sample of oil and gas firms in Nigeria, ensuring diversity in size, operational focus, and market presence. Primary data collected through semi-structured questionnaire with key financial executives and managers responsible for budgeting within the selected firms.

A survey is a method of collecting data from participants who answer questions administered through interviews or questionnaires. Survey research method was adopted because it deals mainly with opinions and is widely used in management, or social sciences research, etc due to the complex relation-ship that exist between variables. It also ensures that the resultant sample sufficiently represents the population. Thus, findings from this are expected to be generalized to the entire population. For reliability and validity of a survey, it is important that the questions are constructed properly. Questionnaire is the instrument for data collection in this present study, This research work takes the form of a field survey as established earlier, and it is expedient to maintain that the population of this study is limited to Oil firms in Delta and River States, specifically Seplat Petroleum Development Company Plc and Masters Energy Oil and Gas Ltd respectively. The sampling object of the study is the staffs of Seplat Petroleum Development Company Plc and Masters Energy Oil and Gas Ltd which their responses will be collected with aid of structured questionnaire. Hence, from this, the staffs Seplat Petroleum Development Company Plc and Masters Energy Oil and Gas Ltd would serve as our respondents. According to the management of Seplat Petroleum Development Company Plc at Sapele, Delta State, they have to number of 72 staffs at the branch while Masters Energy Oil and Gas Ltd at Porthacourt, River State, they have a total of 67 staffs. The sum total of the population of the staffs of Seplat Petroleum Development Company Plc and Masters Energy Oil and Gas Ltd under study is one hundred and thirty-nine

(139) which will now serve as the population of the study.In this case the population (139) for the study is known. The sample size for this study is determined by using the Yaro Yamane's formula, which is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size,

N = population size,

e = level of precision

$$n = \frac{139}{1+139(0.05)^2}$$

$$n = \frac{139}{1.3475}$$

n = 103

The sample size of 103 is distributed based on the same percentages of the population. The sample size of 103 respondents was achieved based on the population size. A higher population size indicates a higher sample size. Responses obtained from the researcher were subjected to descriptive statistics such as minimum, maximum mean and standard deviation was used in answering the research question. This hypothesis is tested using the Product Moment Pearson Correlation Coefficient (r) with the aid of SPSS version 23. The Pearson's correlation coefficient r measures the strength and direction of a linear relationship between two variables and the P-values from the correlation result.

## Results and Discussion

A total of one hundred and three (103) questionnaires were administered to staff of Seplat Petroleum Development Company Plc in Delta State and Masters Energy Oil and Gas Ltd in River State, Nigeria. Out of the one hundred and three (103) questionnaires, ninety-seven (97)94.17% where retrieved and properly filled while five (5)4.54% were not returned. Thus, the sample to be used for the study will be the total of ninety-seven (97) respondents.The descriptive statistics which comprises of the minimum, maximum, mean and standard deviation was employed proper and thorough description of the measures of Budget Management Processes, namely; Budget Planning (BP), Budget Accounting and Reporting (BAR), Budgetary Controls (BC) and Cost Standard Analysis (CSA) on how it affects the dependent variable (Organizational Performance (ORGP) of selected oil and gas firms in Nigeria) for this study.

**TABLE 4.1: Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| BP | 97 | 12 | 20 | 16.87 | 2.044 |
| BAR | 97 | 12 | 20 | 16.12 | 2.142 |
| BC | 97 | 12 | 20 | 16.33 | 1.956 |
| CSA | 97 | 11 | 20 | 16.24 | 2.009 |
| ORGP | 97 | 11 | 20 | 16.24 | 2.014 |
| Valid N (listwise) | 97 | | | | |

**Source: SPSS Version 23 Output, 2024.**

The descriptive statistics for BP indicates a mean of 16.87, a Std. Dev. of 2.044 with the difference in the maximum and minimum values which stood at 8. This implies that the BP recorded a fast and massive improvement under the period under review.Similarly, the descriptive statistics for the independent variable shows that BAR has minimum value of 12 and maximum value of 20 leading to the mean and Std. Dev. of 16.12 and 2.142 respectively. This implies that the BAR varies significantly and this is also reflected in the variation of performance of oil and gas firms in Nigeria.Also, BC is noticed a mean value to be 16.33 with a minimum value of 12 and maximum value of 20 which brought about a Std. Dev. of 1.956. It implies that BC has an affect performance of oil and gas firms in Nigeria.More also, CSA indicates a mean of 16.24, a Std. Dev. of 2.009 with the maximum and minimum values of 11 and 20. The high discrepancy between the maximum and minimum value shows that CSA indicates has a rapid effect on of performance of oil and gas firms in Nigeria.ORGP indicates a mean of 16.24, a Std. Dev.of 2.014, with the maximum and minimum values of 20 and 11 respectively. The high discrepancy between the maximum and minimum value shows that ORGP is has varies tremendously for the period under review.

**TABLE 4.2: Correlations**

| | | BP | BAR | BC | CSA | ORGP |
|---|---|---|---|---|---|---|
| BP | Pearson Correlation | 1 | | | | |
| | Sig. (2-tailed) | | | | | |
| | N | 97 | | | | |
| BAR | Pearson Correlation | .432** | 1 | | | |
| | Sig. (2-tailed) | .001 | | | | |
| | N | 97 | 97 | | | |
| BC | Pearson Correlation | .550** | .537** | 1 | | |
| | Sig. (2-tailed) | .000 | .000 | | | |
| | N | 97 | 97 | 97 | | |
| CSA | Pearson Correlation | .378** | .339** | .399** | 1 | |
| | Sig. (2-tailed) | .000 | .001 | .000 | | |
| | N | 97 | 97 | 97 | 97 | |
| ORGP | Pearson Correlation | .367** | .365** | .398** | .977** | 1 |
| | Sig. (2-tailed) | .001 | .020 | .002 | .001 | |

| | | | | | |
|---|---|---|---|---|---|
| N | 97 | 97 | 97 | 97 | 97 |

**Correlation is significant at the 0.01 level (2-tailed).**
**Correlation is significant at the 0.05 level (2-tailed).**
**Source: SPSS Version 23 Output, 2024.**

The result from the Table 4.2 between BP and ORGP, BP(p-value=0.001<0.05) was statistically significant with ORGP, this implies an increase in theBP will induces ORGP among Oil firms industry in Nigeria.Findings of the study showed a strong improvement in a unit of BP results in improved ORGP in the Oil firms industry in Nigeria. The results were also statistically significant since significant value was less than 0.05. The bottom-up budgeting theory entails collating all the needs or requests of an organization's units and estimating the funds needed for their proposed operations, which the central authority uses to calculate the fiscal year's budget. In summary, bottom-up budgeting uses Zero-Based-Budgeting to calculate programme costs from zero. This is in line with finding of Abuga and Muturi (2019) and Imo and Deswosu (2019).

The result from the Table 4.2 between BAR and ORGP, BAR(p-value=0.020<0.05) was statistically significant with ORGP, this implies an increase in theBAR will induces ORGP among Oil firms industry in Nigeria.Findings of the study showed a strong improvement in a unit of BAR results in improved ORGP in the Oil firms industry in Nigeria. The results were also statistically significant since significant value was less than accepted level of 0.05. Institutional theory examines financial, performing artists' conduct's deeper causes. The techniques by which structures, including plans, standards, and schedules, are built up as definitive rules for social conduct and financial links between monetary units of research are examined. This is in line with finding of Mbuthia and Omagwa (2019) and Abuga and Muturi (2019).

The result from the Table 4.2 between BC and ORGP, BC (p-value=0.002<0.05) was statistically significant with ORGP, this implies an increase in theBC will induces ORGP among Oil firms industry in Nigeria.Findings of the study showed a strong improvement in a unit of BC results in improved ORGP in the Oil firms industry in Nigeria. The results were also statistically significant since significant value was less than 0.05. Institutional theory explains how these components are made, dispersed, received, and altered over time, and how they decay and ignore. Normal bookkeeping benefits planning, asset management, hiding and assembling power, environmental change, and political change. This is in line with finding of Mbuthia and Omagwa (2019) and Imo and Deswosu (2019).

The result from the Table 4.2 between CSA and ORGP, CSA(p-value=0.001<0.05) was statistically significant with ORGP, this implies an increase in theCSA will induces ORGP among Oil firms industry in Nigeria.Findings of the study showed a strong improvement in a unit of CSA results in improved ORGP in the Oil firms industry in Nigeria. The results were also statistically significant since significant value was less than 0.05. Bottom up theory allows detailed cost-benefit analysis to avoid divisional heads from submitting weaker projects and inefficiencies to the central authority. However, some departments may request unnecessary funds. This is in line with finding of Abuga and Muturi (2019) and Imo and Deswosu (2019).

## Conclusion and Recommendations

As the oil and gas industry in Nigeria faces unprecedented challenges and opportunities, understanding the impact of the budgeting process on organizational performance become imperative. The study examined budget management processes and organizational performance: A study of selected oil and gas firms in Nigeria. Budget Management Processes proxied with Budget Planning (BP), Budget Accounting and Reporting (BAR), Budgetary Controls (BC) and Cost Standard Analysis (CSA) on how it affects the Organizational Performance (ORGP) of selected oil and gas firms in Nigeria. The result of the test shows that BP, BAR, BC and CSA have significance influence on ORGP Oil Firms in Nigeria. Thus, the study concludes that there is significant relationship between budget management processes and organizational performance of Oil Firms in Nigeria. The findings of this study are expected to contribute valuable insights to the existing body of knowledge on financial management within the Nigerian oil and gas industry. The results will be relevant for industry practitioners, policymakers, and academics, providing practical recommendations for optimizing budgeting processes and enhancing overall organizational performance. This study aims to shed light on the current practices within selected firms, offering practical recommendations for a more effective and adaptive approach to financial planning and control in the dynamic oil and gas landscape of Nigeria.

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