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FINANCIAL MANAGEMENT PRACTICES AND ORGANISATIONAL PERFORMANCE IN A NIGERIAN PUBLIC TERTIARY INSTITUTION

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ABSTRACT

Financial management practices are essential for ensuring accountability, transparency, and sustainability in public educational institutions. This study examined the effect of financial management practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State. The study was anchored on Agency Theory and supported by Stakeholder Theory. A descriptive survey research design was adopted. Data were collected through structured questionnaires administered to 220 academic and non-academic staff selected from a population of 486 employees using the Taro Yamane sampling technique. Data were analysed using descriptive statistics, Pearson Product Moment Correlation, and Multiple Regression Analysis with the aid of SPSS version 25. The results revealed that budgeting practices ($\beta = 0.372$, $p < .05$), cash management practices ($\beta = 0.248$, $p < .05$), and internal control practices ($\beta = 0.197$, $p < .05$) significantly and positively influenced organisational performance. Budgeting practices emerged as the strongest predictor of organisational performance. The regression model explained 49.8% of the variation in organisational performance. The study concludes that effective financial management practices significantly enhance accountability, operational efficiency, and institutional sustainability in public tertiary institutions. The study recommended stronger budgeting, cash management and internal control systems to enhances institutional performance.

Keywords: Budgeting Practices; Internal Control Systems; Organisational Performance; Public Sector Accountability; Nigeria

Introduction

Financial accountability and prudent resource utilisation have become critical concerns in public tertiary institutions due to increasing funding pressures, rising operational costs, and growing stakeholder demands for transparency. Effective financial management enables institutions to allocate scarce resources efficiently, maintain operational stability, and achieve institutional objectives. Financial management encompasses budgeting, cash management, internal control systems, financial monitoring, and accountability mechanisms designed to ensure the efficient utilisation of organisational resources.

In non-profit educational institutions, effective financial management is particularly important because organisational success is measured not by profitability but by the quality of service delivery, institutional sustainability, and stakeholder satisfaction. Consequently, budgeting systems, cash management procedures, and internal control mechanisms play significant roles in ensuring accountability and operational effectiveness. Despite government interventions and regulatory oversight, many public tertiary institutions in Nigeria continue to face challenges relating to inadequate funding, weak budget implementation, liquidity constraints, and ineffective financial monitoring systems (Ahmed & Muktar, 2020; Adeoti, 2019). These challenges have implications for infrastructure development, staff welfare, academic quality, and institutional performance. Consequently, strengthening financial management practices has become a strategic priority for improving organisational outcomes in public educational institutions.

Several studies including Adeyemi and Yusuf (2019), James and Akande (2020), Badamasi et al. (2024), and Ihenyen and Ekpoamumemi (2024) established that financial management practices significantly influence organisational performance. However, limited empirical studies have focused specifically on non-profit tertiary institutions in Rivers State, particularly the Federal Polytechnic of Oil and Gas, Bonny despite increasing financial accountability concerns within Nigerian public tertiary institutions. This study therefore examined the effect of financial management practices on organisational performance within the institution.

Statement of the Problem

Financial management practices have attracted considerable scholarly attention due to their role in promoting accountability, transparency, operational efficiency, and organisational sustainability. Effective budgeting practices, cash management practices, and internal control mechanisms are widely recognised as essential components of sound financial administration in both profit-oriented and non-profit organisations. Consequently, numerous studies have examined the relationship between financial management practices and organisational performance across different organisational contexts.

Despite the growing body of literature, existing empirical studies have largely concentrated on private sector organisations, small and medium enterprises, government agencies, and non-governmental organisations. Studies such as Adeyemi and Yusuf (2019), James and Akande (2020), Ahmed and Muktar (2020), Badamasi et al. (2024), and Ihenyen and Ekpoamumemi (2024) have provided evidence regarding the influence of financial management practices on organisational outcomes. However, limited empirical attention has been given to public tertiary institutions, particularly within Rivers State, Nigeria. Furthermore, previous studies have often examined individual dimensions of financial management practices separately, with limited efforts directed towards investigating the combined influence of budgeting practices, cash management practices, and internal control practices on organisational

performance within a single analytical framework. This creates a methodological and contextual gap in the literature.

More specifically, there is limited empirical evidence regarding how these financial management practices influence organisational performance at the Federal Polytechnic of Oil and Gas, Bonny. The absence of institution-specific studies limits understanding of the extent to which financial management practices contribute to organisational effectiveness, accountability, and sustainability within public tertiary institutions. It is against this background that this study examines the effect of budgeting practices, cash management practices, and internal control practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State, with a view to contributing empirical evidence to the existing body of knowledge on financial management practices in Nigerian public tertiary institutions.

Objectives of the Study

The main objective of the study was to examine the effect of financial management practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

The specific objectives were to:

i. Examine the effect of budgeting practices on organisational performance;
ii. Examine the effect of cash management practices on organisational performance; and
iii. Examine the effect of internal control practices on organisational performance.

Research Questions

The following research questions guided the study:

1. What is the effect of budgeting practices on organisational performance?
2. What is the effect of cash management practices on organisational performance?
3. What is the effect of internal control practices on organisational performance?

Research Hypotheses

The following null hypotheses were formulated and tested at 0.05 level of significance:

H_{01}: Budgeting practices have no significant effect on organisational performance

H_{02}: Cash management practices have no significant effect on organisational performance.

H_{03}: Internal control practices have no significant effect on organisational performance.

Literature Review

Conceptual Review

1 Financial Management Practices

Financial management practices refer to the policies, procedures, and activities through which organisations plan, acquire, allocate, utilise, monitor, and control financial resources in pursuit of organisational objectives. These practices are designed to ensure accountability, transparency, efficiency, and sustainability in the management of organisational funds. According to Nkwinika and Akinola (2023), financial management practices encompass budgeting, cash management, financial reporting, expenditure control, and internal control systems.

The major dimensions of financial management practices include budgeting systems, cash flow management, internal control mechanisms, financial monitoring, and reporting procedures. These dimensions collectively facilitate prudent resource allocation and support informed managerial decision-making.

Effective financial management practices contribute significantly to organisational performance by enhancing accountability, reducing wastage, improving operational efficiency, and promoting institutional sustainability. Organisations with sound financial management

systems are generally better positioned to achieve their strategic goals and maintain stakeholder confidence.

2 Budgeting Practices

Budgeting practices refer to the processes involved in preparing, implementing, monitoring, and evaluating financial plans within an organisation. A budget serves as a financial roadmap that guides resource allocation and expenditure decisions over a specified period. According to Ihenyen and Ekpoamumemi (2024), budgeting provides a framework for coordinating organisational activities and ensuring that resources are utilised efficiently.

Key dimensions of budgeting practices include budget preparation, budget implementation, budget monitoring, variance analysis, and budget evaluation. These activities enable organisations to align financial resources with strategic objectives while maintaining expenditure control.

Effective budgeting practices improve organisational performance by facilitating efficient resource allocation, enhancing financial discipline, promoting accountability, and supporting the achievement of organisational goals. In public tertiary institutions, budgeting is particularly important because limited financial resources must be carefully allocated among competing institutional needs.

3 Cash Management Practices

Cash management practices refer to the planning, monitoring, and control of cash inflows and outflows to ensure adequate liquidity for organisational operations. Effective cash management enables organisations to meet financial obligations as they fall due while maintaining sufficient resources to support operational activities. Okoye (2023) describes cash management as a critical financial function aimed at balancing liquidity and operational efficiency.

The major components of cash management include cash budgeting, cash flow forecasting, receivables management, disbursement control, and liquidity management. These activities assist organisations in maintaining financial stability and avoiding cash shortages.

Cash management practices contribute to organisational performance by ensuring uninterrupted operations, improving financial stability, reducing liquidity risks, and facilitating timely execution of organisational programmes and activities. Institutions with effective cash management systems are better able to sustain service delivery and achieve long-term organisational objectives.

4 Internal Control Practices

Internal control practices refer to the policies, procedures, and mechanisms established by an organisation to safeguard assets, ensure accuracy of financial records, promote operational efficiency, and ensure compliance with applicable regulations and organisational policies. Internal controls serve as important governance tools for preventing fraud, detecting errors, and promoting accountability in financial management.

Major components of internal control systems include segregation of duties, authorisation procedures, internal audits, documentation and record-keeping systems, supervision, monitoring activities, and compliance reviews. These mechanisms help organisations maintain transparency and accountability in financial operations.

Effective internal control practices enhance organisational performance by reducing financial irregularities, protecting organisational assets, improving regulatory compliance, and strengthening governance structures. In public institutions, robust internal controls contribute significantly to accountability and public trust.

5 Organisational Performance

Organisational performance refers to the extent to which an organisation achieves its goals and objectives through the efficient and effective utilisation of available resources. Organisational performance is often used as an indicator of an institution's success in delivering services, satisfying stakeholders, and sustaining operations over time.

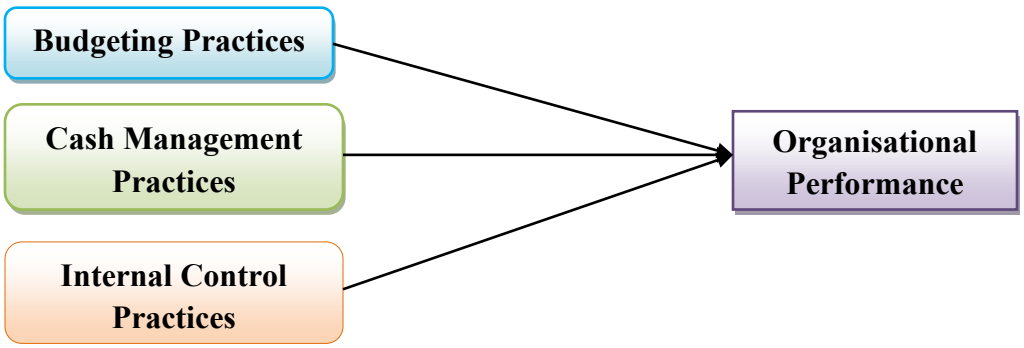
Key dimensions of organisational performance include operational efficiency, service quality, financial accountability, institutional sustainability, goal attainment, and stakeholder satisfaction. These indicators provide a comprehensive assessment of organisational effectiveness beyond purely financial outcomes.

In public tertiary institutions, organisational performance reflects the institution's ability to provide quality academic and administrative services while maintaining accountability, transparency, and prudent management of public resources. Strong organisational performance is therefore closely associated with effective financial management practices.

Conceptual Framework

Independent Variable
(Financial Management Practices)

Dependent Variable
(Organizational Performance)



Source: Researcher's Conceptualisation (2026)

The conceptual framework illustrates the relationship between financial management practices and organisational performance in non-profit institutions, specifically Federal Polytechnic of Oil and Gas Bonny, Rivers State. The framework identifies financial management practices as the independent variables and organisational performance as the dependent variable.

The independent variables consist of:

1. Budgeting Practices
2. Cash Management Practices
3. Internal Control Practices

These variables are expected to influence organisational performance directly and positively.

Relationship Between the Variables

Budgeting Practices and Organisational Performance

Budgeting practices influence organisational performance by ensuring proper planning, allocation, and control of institutional resources. Effective budgeting enhances accountability, supports efficient utilisation of funds, improves project implementation, and promotes operational efficiency within the institution.

Cash Management Practices and Organisational Performance

Cash management practices contribute to organisational performance through effective monitoring and control of cash inflows and outflows. Efficient cash management improves

liquidity, facilitates timely payment of obligations, supports uninterrupted institutional operations, and enhances financial stability.

Internal Control Practices and Organisational Performance

Internal control practices improve organisational performance by promoting accountability, safeguarding institutional assets, and reducing financial irregularities. Effective internal controls strengthen compliance with financial regulations, prevent fraud, and enhance transparency and governance within the institution.

Organisational Performance

Organisational performance refers to the institution's ability to achieve its objectives efficiently and effectively. In this study, organisational performance is reflected through service delivery efficiency, financial accountability, operational effectiveness, institutional sustainability, and stakeholder satisfaction.

Dependent Variable: Organisational Performance

The dependent variable in the framework is organisational performance, which refers to the institution's ability to achieve its objectives effectively and efficiently. Organisational performance in this study is reflected through:

1. Efficient utilisation of resources
2. Timely achievement of institutional goals
3. Quality academic and administrative service delivery
4. Financial sustainability
5. Stakeholder satisfaction

The framework suggests that improvements in budgeting practices, cash management practices, and internal control practices will collectively enhance these dimensions of organisational performance.

Theoretical Framework

1 Underpinning Theory: Agency Theory

Agency Theory was propounded by Jensen and Meckling (1976). The theory explains the relationship between principals and agents within organisations. In public institutions, management acts as agents entrusted with the responsibility of managing institutional resources on behalf of stakeholders. The theory emphasises accountability, transparency, and prudent financial management. Agency Theory is considered appropriate for this study because it explains the need for effective budgeting systems, cash management procedures, and internal control mechanisms within public tertiary institutions.

2 Supporting Theory: Stakeholder Theory

Stakeholder Theory argues that organisations have responsibilities to multiple stakeholder groups including employees, students, government agencies, regulators, and the public. Within public tertiary institutions, effective budgeting, transparent financial reporting, prudent cash management, and strong internal controls serve as accountability mechanisms through which stakeholder interests are protected. The theory therefore provides a useful explanation for how financial management practices enhance institutional transparency, resource stewardship, and stakeholder confidence.

Empirical Review

Several empirical studies have examined the relationship between financial management practices and organisational performance across different sectors and institutional settings.

Adeyemi and Yusuf (2019) investigated the effect of management control practices on financial performance among non-profit organisations in Nigeria. The study adopted a survey research design and collected data from 180 employees of selected non-governmental organisations in Lagos State. Data were analysed using multiple regression analysis. The findings revealed that management control practices significantly improved financial performance, accountability, and operational efficiency. A major strength of the study was its focus on non-profit organisations, making it relevant to public institutions. However, the study was limited to NGOs and did not examine educational institutions. Consequently, the findings may not be fully generalisable to public tertiary institutions. The study is relevant to the present research because it demonstrates the importance of financial management systems in enhancing organisational performance.

James and Akande (2020) examined the role of management control systems in enhancing the financial performance of non-profit organisations in Nigeria. Using a descriptive survey design, data were collected from 215 management and finance personnel across selected non-profit organisations. The study employed correlation and regression analyses to test the proposed relationships. The findings indicated that internal control systems significantly improved accountability, transparency, and financial performance. Although the study provided valuable insights into management control mechanisms, it focused primarily on non-governmental organisations and did not consider public tertiary institutions. This creates a contextual limitation that justifies further investigation within educational institutions. The study is relevant because internal control practices constitute one of the major variables examined in the present study.

Okoye (2023) conducted a conceptual study on financial management practices and organisational performance. The study relied on existing literature to explain how budgeting, cash management, and financial control mechanisms influence organisational outcomes. The study concluded that effective financial management practices improve organisational sustainability, accountability, and operational effectiveness. While the study provides a useful theoretical foundation, it lacked empirical evidence because no primary data were collected or analysed. Therefore, the findings cannot establish causality. Nevertheless, the study is relevant because it identifies key financial management dimensions that influence organisational performance.

Badamasi, Abubakar, and Gbolagade (2024) investigated the effect of financial management practices on the performance of small and medium enterprises (SMEs) in Katsina State, Nigeria. The researchers adopted a survey research design and collected data from 250 SME owners and managers. Multiple regression analysis was employed for data analysis. The findings revealed that budgeting practices, cash management practices, and financial monitoring systems significantly improved business performance. The study's major strength lies in its empirical examination of multiple financial management dimensions simultaneously. However, the study focused exclusively on profit-oriented SMEs, making its findings difficult to generalise to non-profit institutions. The study remains relevant because it demonstrates the collective effect of financial management practices on organisational outcomes.

Ihenyen and Ekpoamumemi (2024) examined the relationship between budgeting frameworks and financial performance of organisations in Bayelsa State, Nigeria. The study employed a survey design and gathered data from finance and administrative personnel across selected organisations. Regression analysis was used to test the hypotheses. The findings revealed that comprehensive budgeting systems significantly enhanced financial accountability,

expenditure control, and organisational performance. A major limitation of the study is that it focused primarily on budgeting practices without considering other financial management dimensions such as cash management and internal control systems. The study is relevant because budgeting practices constitute one of the key explanatory variables in the present study.

Ahmed and Muktar (2020) investigated budgeting control reforms and public sector performance in Nigeria. The study adopted a descriptive research design and utilised data obtained from public sector institutions. The findings showed that effective budget implementation and monitoring significantly improved accountability and service delivery. However, the study focused broadly on public sector institutions and did not specifically examine tertiary educational institutions. This limits the applicability of the findings to the educational sector. The study nevertheless provides useful evidence regarding the importance of budgeting systems in enhancing institutional performance.

Sooriyakumaran, Thrikawala, and Pathirawasam (2021) examined the effect of financial management practices on organisational performance in Sri Lanka. Using a survey research design, the study collected data from managers and finance officers across various organisations. Statistical analysis revealed that financial management practices significantly influenced organisational effectiveness and sustainability. Although the study provides international evidence supporting the financial management-performance relationship, differences in institutional structures and economic environments limit direct generalisation to Nigerian public tertiary institutions. The study remains relevant because it reinforces the global importance of financial management practices.

The reviewed studies generally support the view that financial management practices positively influence organisational performance. Specifically, budgeting practices, cash management practices, and internal control systems have been found to enhance accountability, operational efficiency, financial sustainability, and organisational effectiveness. Despite this consensus, important gaps remain in the literature.

First, a contextual gap exists because most previous studies focused on private organisations, SMEs, or non-governmental organisations rather than public tertiary institutions. Second, a geographical gap exists because very few studies have been conducted in Rivers State, particularly within the Federal Polytechnic of Oil and Gas, Bonny. Third, a methodological gap exists because several studies examined individual financial management dimensions separately rather than integrating budgeting practices, cash management practices, and internal control practices within a single analytical framework. Fourth, an institutional gap exists because limited empirical evidence is available regarding how these financial management practices jointly influence organisational performance within Nigerian public polytechnics.

Therefore, this study seeks to fill the identified contextual, geographical, methodological, and institutional gaps by examining the combined effect of budgeting practices, cash management practices, and internal control practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

Methodology

1 Research Design

The study adopted a descriptive survey research design. The survey design was considered appropriate because it enabled the researcher to collect quantitative data from respondents regarding financial management practices and organisational performance at the Federal Polytechnic of Oil and Gas Bonny.

2 Population of the Study

The population of the study comprised academic and non-academic staff of the Federal Polytechnic of Oil and Gas Bonny. According to records obtained from the institution's registry department, the total staff population was 486.

3 Sample and Sampling Technique

The sample size for the study was determined using the Taro Yamane (1967) formula for finite populations:

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

Where:

n = sample size
N = population size (486)
(e)^2 = margin of error (0.05)

Substituting the values into the formula:

$$n = \frac{486}{1 + 486(0.5)^2}$$

$$n = \frac{486}{1 + 486(0.0025)}$$

$$n = \frac{486}{1 + 1.215}$$

$$n = \frac{486}{2.215}$$

n = 219.4 ≈ 220

Therefore, a sample size of 220 respondents was adopted for the study.

A stratified random sampling technique was adopted. Staff members were first grouped into academic and non-academic strata before proportionate random selection was conducted.

Table 1: Sample Allocation Respondents

Category	Population	Sample
Academic Staff	286	129
Non-Academic Staff	200	91
Total	**486**	**220**

Source: Establishment Unit, Federal Polytechnic of Oil and Gas, Bonny (2026); Researcher's Computation (2026).

4 Sources of Data

Primary data were used for the study. The data were collected through administration of structured questionnaires to respondents.

Instrument for Data Collection

The instrument used for data collection was a structured questionnaire divided into two sections. Section A focused on demographic information such as gender, age, educational qualification, and years of experience. Section B contained questions relating to budgeting practices, cash management practices, internal control practices, and organisational performance.

Responses were measured using a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). The questionnaires were administered personally by the researchers using a direct-contact approach. Respondents were approached within their respective departments and given sufficient time to complete the instrument. To enhance participation, the researchers conducted repeated follow-up visits and maintained direct communication with departmental representatives throughout the data collection period. All 220 questionnaires distributed were retrieved and found suitable for analysis, resulting in a response rate of 100 percent. Although such a response rate is uncommon in survey research, it was achieved because the questionnaires were administered and collected physically within the institution, and respondents completed the instruments before or shortly after retrieval visits. No questionnaire was discarded due to incompleteness or substantial missing responses.

5 Validity and Reliability

The questionnaire was subjected to face and content validity by experts in accounting and management sciences. Cronbach Alpha reliability test was used to determine the reliability of the instrument.

Table 2: Reliability Statistics

Variables	Cronbach Alpha
Budgeting Practices	0.81
Cash Management Practices	0.79
Internal Control Practices.	0.84
Organisational Performance	0.76

The reliability coefficients exceeded the acceptable threshold of 0.70, indicating that the instrument was reliable. According to Nunnally's reliability threshold of 0.70, all constructs demonstrated acceptable internal consistency.

The reliability test was conducted using responses obtained from a pilot study involving 20 staff members drawn from departments excluded from the main study. The exclusion of these participants from the final survey helped to prevent response contamination and ensured the independence of the reliability assessment.

6 Model Specification

The regression model for the study is expressed as:

$$\mathbf{OP = \beta o + \beta_1 BP + \beta_2 CMP + \beta_3 ICP + \varepsilon}$$

Where:

OP = Organisational Performance

BP = Budgeting Practices

CMP = Cash Management Practices

ICP = Internal Control Practices

Bo = Constant

B1-B3 = Regression Coefficients

ε = Error Term

7 Method of Data Analysis

The data collected were analysed using Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics were used for demographic analysis, while Pearson Product Moment Correlation and Multiple Regression analyses were used to test the hypotheses. The hypotheses were tested at 0.05 level of significance.

Data Presentation and Analysis

Table 3: Demographic Characteristics of the Respondents

Variables	Categories	Frequency	Percentage (%)
Gender	Male	126	57.3
	Female	94	42.7
	Total	**220**	**100**
Age Distribution	20–29 Years	39	17.7
	30–39 Years	96	43.6
	40–49 Years	58	26.4
	50 Years and Above	27	12.3
	Total	**220**	**100**
Educational Qualification	OND/NCE	34	15.5
	HND/B.Sc.	104	47.3
	M.Sc./MBA	57	25.9
	Ph.D.	25	11.3
	Total	**220**	**100**
Years of Experience	Less than 5 Years	51	23.2
	5–10 Years	97	44.1
	Above 10 Years	72	32.7
	Total	**220**	**100**

Source: Field Survey (2026)

The demographic analysis revealed that the majority of the respondents were male staff representing 57.3%, while female staff accounted for 42.7% of the respondents. This indicates moderate gender representation within the institution. The age distribution showed that most respondents were between 30–39 years, representing 43.6%, followed by respondents within 40–49 years representing 26.4%. This suggests that the institution is largely dominated by economically active and experienced staff members. In terms of educational qualification, respondents with HND/B.Sc. qualifications constituted the highest proportion at 47.3%, while respondents with postgraduate qualifications also formed a significant percentage. This implies that the institution possesses a relatively educated workforce capable of understanding financial management processes. The analysis of years of experience indicated that 44.1% of respondents had between 5–10 years working experience, while 32.7% had above 10 years of experience. This demonstrates that most respondents possess adequate institutional experience and familiarity with the financial management practices of the Polytechnic.

Correlation Analysis

Pearson Product Moment Correlation analysis was conducted to examine the relationship between each dimension of financial management practices and organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

Table 4: Correlation between Financial Management Practices and Organisational Performance

Variables	BP	CMP	ICP	OP
Budgeting Practices (BP)	1			
Cash Management Practices (CMP)	.482**	1		
Internal Control Practices (ICP)	.417**	.395**	1	
Organisational Performance (OP)	.701**	.618**	.586**	1

****Correlation is significant at p < 0.05 (2-tailed).**

The Pearson Product Moment Correlation analysis revealed positive and significant relationships between the dimensions of financial management practices and organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State. The result showed that Budgeting practices exhibited the highest positive correlation with organisational performance ($r = 0.701$, $p < 0.05$), indicating that effective budgeting systems contribute substantially to efficient resource allocation, accountability, and institutional effectiveness. Cash management practices also demonstrated a positive and significant relationship with organisational performance ($r = 0.618$, $p < 0.05$). This implies that proper management of cash inflows and outflows enhances operational stability and financial sustainability within the institution. Similarly, internal control practices exhibited a positive relationship with organisational performance ($r = 0.586$, $p < 0.05$), suggesting that effective internal control systems improve transparency, reduce financial irregularities, and strengthen institutional governance. Overall, the correlation analysis confirms that sound financial management practices significantly enhance organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

Regression Analysis

Multiple regression analysis was conducted to determine the effect of financial management practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.706	0.498	0.491	0.854

Source: Field Survey (2026)

The model summary result indicates that financial management practices explained 49.8% of the variation in organisational performance. This suggests that effective financial management systems significantly contribute to institutional performance, accountability, and operational effectiveness at the Federal Polytechnic of Oil and Gas Bonny, Rivers State.

Table 6: Multiple Regression Coefficients for the Effect of Financial Management Practices on Organisational Performance

Variables	Unstandardized Coefficients (B)	Std. Error	t-Statistic	Sig.
Constant	1.287	0.214	6.014	0.000
Budgeting Practices (BP)	0.372	0.061	6.102	0.000
Cash Management Practices (CMP)	0.248	0.058	4.276	0.000
Internal Control Practices (ICP)	0.197	0.054	3.648	0.001

Source: Field Survey (2026)

The multiple regression result revealed that budgeting practices, cash management practices, and internal control practices each have positive and statistically significant effects on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State. Budgeting practices recorded the highest beta coefficient ($\beta = 0.372$, $p < 0.05$), indicating that effective budgeting systems significantly enhance institutional accountability, resource allocation, and operational efficiency. Cash management practices also showed a positive and significant effect on organisational performance ($\beta = 0.248$, $p < 0.05$), implying that efficient management of cash inflows and outflows contributes to financial stability and operational continuity. Similarly, internal control practices significantly influenced organisational performance ($\beta = 0.197$, $p < 0.05$), suggesting that strong internal control mechanisms improve transparency, reduce financial irregularities, and strengthen institutional governance. The findings therefore confirm that

effective financial management practices collectively enhance organisational performance within the institution.

Table 7: ANOVA Result for the Effect of Financial Management Practices on Organisational Performance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	78.426	3	26.142	35.827	0.000[b]
Residual	157.574	216	0.730		
Total	**236.000**	**219**			

a. **Dependent Variable:** Organisational Performance (OP)
b. **Predictors**: Budgeting Practices (BP), Cash Management Practices (CMP), Internal Control Practices (ICP)

Source: Field Survey (2026)

The ANOVA result indicates that the regression model is statistically significant with an F-value of 35.827 and a probability value of 0.000, which is less than the 0.05 level of significance. This implies that financial management practices jointly have a significant effect on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State. The result further confirms that budgeting practices, cash management practices, and internal control practices collectively contribute to institutional effectiveness, accountability, and operational sustainability.

Hypotheses Testing

Hypothesis One

H_{01}: Budgeting practices have no significant effect on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

The hypothesis was tested using multiple regression analysis. The result revealed that budgeting practices have a positive and statistically significant effect on organisational performance (B = 0.372, t = 6.102, p = 0.000). Since the probability value is less than the 0.05 level of significance, the null hypothesis was rejected. The finding indicates that improvements in budgeting practices significantly enhance organisational performance through effective planning, resource allocation, expenditure control, and accountability.

Hypothesis Two

H_{02}: Cash management practices have no significant effect on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

The regression result showed that cash management practices have a positive and statistically significant effect on organisational performance (B = 0.248, t = 4.276, p = 0.000). Since the probability value is less than the 0.05 level of significance, the null hypothesis was rejected. This implies that effective cash management practices significantly contribute to organisational performance by improving liquidity management, operational continuity, and financial stability.

Hypothesis Three

H_{03}: Internal control practices have no significant effect on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

The regression analysis revealed that internal control practices have a positive and statistically significant effect on organisational performance (B = 0.197, t = 3.648, p = 0.001). Since the probability value is less than the 0.05 level of significance, the null hypothesis was rejected. The finding suggests that effective internal control mechanisms significantly improve organisational performance by enhancing accountability, transparency, compliance, and financial discipline.

Discussion of Findings

The study examined the effect of budgeting practices, cash management practices, and internal control practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State. The findings revealed that all three dimensions of financial management practices have positive and significant effects on organisational performance. This suggests that effective financial management remains a critical factor in achieving accountability, operational efficiency, and institutional sustainability within public tertiary institutions.

The study found that budgeting practices exert the strongest influence on organisational performance. This finding implies that institutions that engage in effective budget preparation, implementation, monitoring, and evaluation are better able to allocate scarce resources efficiently and achieve organisational objectives. In the context of the Federal Polytechnic of Oil and Gas, Bonny, budgeting serves as an important planning and control mechanism that guides expenditure decisions and promotes accountability in the utilisation of public funds. The finding is consistent with the studies of Ihenyen and Ekpoamumemi (2024) and Ahmed and Muktar (2020), who reported that effective budgeting systems significantly improve organisational efficiency, expenditure control, and financial accountability. The result further suggests that budgeting is particularly important in public tertiary institutions where funding constraints require careful prioritisation of institutional needs and programmes.

The study also revealed that cash management practices have a positive and significant effect on organisational performance. This finding indicates that effective management of cash inflows and outflows contributes to improved liquidity, timely settlement of financial obligations, and uninterrupted institutional operations. The result may be attributed to the fact that public tertiary institutions frequently operate within environments characterised by delayed government releases and increasing operational costs. Consequently, effective cash management enables institutions to maintain financial stability and continue delivering academic and administrative services. This finding supports the studies of Okoye (2023), Badamasi et al. (2024), and Sooriyakumaran et al. (2021), which found that prudent cash management practices enhance organisational effectiveness and sustainability. The finding underscores the importance of liquidity management as a prerequisite for institutional performance in resource-constrained environments.

Furthermore, the study established that internal control practices significantly influence organisational performance. This finding suggests that institutions with effective control mechanisms are better positioned to safeguard assets, prevent financial irregularities, ensure compliance with financial regulations, and promote transparency. The result aligns with the findings of James and Akande (2020) and Aliyu and Abdullahi (2021), who reported that effective internal control systems enhance accountability and organisational efficiency. Within the Federal Polytechnic of Oil and Gas, Bonny, internal controls appear to contribute to stronger financial discipline and improved governance processes, thereby enhancing institutional performance.

From a theoretical perspective, the findings provide empirical support for Agency Theory. The theory argues that managers and administrators act as agents entrusted with the responsibility of managing organisational resources on behalf of stakeholders. The significant effects of budgeting practices, cash management practices, and internal control practices indicate that financial accountability mechanisms help reduce information asymmetry and strengthen stewardship of institutional resources. The findings therefore reinforce the proposition of Agency Theory that effective monitoring and control systems improve organisational outcomes.

The findings also support Stakeholder Theory, which emphasises the responsibility of organisations to satisfy the expectations of multiple stakeholder groups. Effective budgeting, prudent cash management, and strong internal controls enhance transparency, accountability, and efficient service delivery, thereby increasing stakeholder confidence in institutional governance. In the context of public tertiary institutions, stakeholders include students, employees, government agencies, regulatory bodies, and the wider public who expect responsible management of public resources.

Although the findings support previous studies that reported positive effects of financial management practices on organisational performance, they differ partly from the position advanced by Brown (2004). Brown argued that governance structures and board effectiveness are more critical determinants of organisational outcomes than financial control mechanisms alone. The apparent difference may be explained by variations in research context and analytical focus. Brown's study concentrated on governance effectiveness within non-profit organisations, whereas the present study specifically examined operational financial management practices within a public tertiary institution. Furthermore, governance effectiveness and financial management practices are not mutually exclusive; rather, they complement each other. Effective governance structures may enhance the implementation of budgeting systems, cash management procedures, and internal controls, thereby strengthening organisational performance. Consequently, the findings of the present study do not necessarily contradict Brown's position but instead demonstrate that financial management practices constitute important operational mechanisms through which governance objectives are achieved.

Overall, the findings suggest that improvements in budgeting practices, cash management practices, and internal control practices can significantly enhance organisational performance in public tertiary institutions. The results highlight the need for institutional administrators and policymakers to prioritise financial accountability systems as strategic tools for improving service delivery, operational effectiveness, and institutional sustainability.

Conclusion

This study examined the effect of financial management practices on organisational performance at the Federal Polytechnic of Oil and Gas, Bonny, Rivers State, with particular emphasis on budgeting practices, cash management practices, and internal control practices. The findings demonstrated that all three dimensions of financial management practices significantly and positively influence organisational performance. Budgeting practices emerged as the strongest predictor, followed by cash management practices and internal control practices. The results suggest that institutions that effectively plan, allocate, monitor, and control financial resources are better positioned to achieve operational efficiency, financial accountability, institutional sustainability, and improved service delivery.

The study makes an important theoretical contribution by providing empirical support for both Agency Theory and Stakeholder Theory within the context of public tertiary institutions. The findings reinforce the proposition of Agency Theory that effective monitoring, control, and stewardship mechanisms enhance organisational outcomes. Similarly, the results support Stakeholder Theory by demonstrating that transparent and accountable financial management practices contribute to meeting stakeholder expectations regarding resource utilisation and institutional performance.

From a practical perspective, the study provides evidence that strengthening budgeting systems, improving cash management procedures, and enhancing internal control mechanisms can significantly improve organisational performance in public educational institutions. The

findings therefore offer useful guidance to institutional administrators, governing councils, policymakers, and regulatory agencies seeking to improve accountability, transparency, and operational effectiveness within Nigeria's tertiary education sector.

Despite its contributions, the study has certain limitations. First, the study was restricted to a single institution, namely the Federal Polytechnic of Oil and Gas, Bonny, which may limit the generalisability of the findings to other tertiary institutions. Second, the study relied primarily on questionnaire data, which may be subject to respondent bias. Third, the cross-sectional nature of the study did not permit the examination of changes in financial management practices and organisational performance over time.

Future studies should extend the investigation to multiple public tertiary institutions across different states in Nigeria to enhance the generalisability of findings. Researchers may also consider incorporating additional dimensions of financial management practices, including financial reporting quality, audit effectiveness, and risk management systems. Furthermore, longitudinal studies are recommended to examine the long-term effects of financial management practices on organisational performance within public sector institutions.

In conclusion, effective financial management practices remain fundamental to achieving accountability, operational efficiency, and institutional sustainability in public tertiary institutions. Strengthening budgeting practices, cash management systems, and internal control mechanisms will enhance organisational performance and support the achievement of institutional objectives within Nigeria's higher education sector.

Recommendations

Based on the findings of the study, the following recommendations are made:

1. Establish quarterly budget monitoring committees and publish budget implementation reports.
2. Implement monthly cash flow forecasting and liquidity review meetings.
3. Strengthen internal audit functions and periodic compliance reviews.
4. Organise annual financial management training programmes for finance and administrative staff.
5. Develop performance indicators linking financial accountability measures to institutional performance outcomes.

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