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## *Full Length Research Paper*

# **Assessment of Budgetary Allocation to Public Owned Media Houses : A case study of the Herald Newspaper**

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**This study is designed to find out the factors influencing budgetary allocation to public owned media houses. The factors considered are government priority, revenue generation drive, the size of personnel ,infrastructural development, Accountability, economics of the nation, commissioner' influence and house of assembly. The objectives is to determine if revenue generation drive influence budgetary allocation and to also determine if the educational orientation of the government influence budgetary allocation to parastatals. Thirty two questionnaires were administered to the respondents by the researcher. The data collected were analysed using frequency count, percentages and regression and correlation statistical technique. The analysed data revealed that revenue generation drive and educational orientation of the government influence budgetary allocation to parastatals. Based on the findings it was recommended that in addition to government subvention, media administrator should look for alternative sources of fund for media development.**

**Keywords:** Budgetary, Allocation, Revenue, Media houses.

## **INTRODUCTION**

Media houses both electronic and print all over the world have become a veritable tool to educate, entertain and inform the public. They are regarded as the forth realm of the estate in the society. The print media continues to remain relevant despite the advert and popularity of the electronic media. Nigeria is a country of many annual bureaucratic routine, of those annual routine includes the national budget. According to Kazeem (2001), budget is

an economic and financial document. It highlights government policies which are designed to promote economic growth. Full employment and enhance the quality of life of the citizen. The role of budget in an economy is enormous. This is because budget is an important instrument of national resource mobilization, allocation and economic management. It is an economic instrument for facilitating and realizing the vision of government in a given fiscal year. For a national budget to serve as an effective instrument for promoting growth and development of a country there must be proper linkage and management of all the stages of budgeting. A budget as to be well designed, effectively and efficiently

implemented, adequately monitored and its performance well evaluated.

Like all other organizations, budgeting is an activity embarked upon by media houses administrator. According to Fagbemi (2002) budgeting has from the nineteenth century become a financial management technique, she went further to say that, historically, budgeting was treated a device to limit expenditure, and modern development had made budgeting a tool for allocating resources efficiently effectively and economically. Adigun (2001) observed that budgeting is a periodically financial projection whose success is determined not only by ability to forecast income and expenditure correctly, by discipline for strict implementation in accordance with established guideline contained therein.

Akinyele (2002) views budget as a political document couched in figures and as in politics opinions are bound to differ but the socio economic welfare of people should remain the cardinal objective of all concerned, the government and the governed.

### **Statement of the problem**

Allocation of budget to ministries and parastatals varies from one ministry to the other. Budget allocation to ministry and parastatals is influenced by a lot of factors. This paper seeks to find out the reasons for the variation in percentages of budgetary allocation to ministries and parastatals. The disposition of the state government at a particular time and year may influence the allocation to the sector. This paper seeks to find out answer to the following questions.

- 1) What is responsible for the variation in budgetary allocation to parastatals and ministries?
- 2) What are the factors that determined budgetary allocation?
- 3) Which of these factors plays a dominant role in budgetary allocation
- 4) What relationship exist among the factors?

### **Objectives**

The main objective of the study is to assess budgetary allocation to public owned media houses while specific objectives include:

- 1) To investigate factors responsible for variations in budgetary allocation to parastatals
- 2) To examine the critical factors in budgetary allocation.
- 3) To examine the interrelationship of factors that determine budgetary allocation to parastatals

### **Conceptual Framework**

The significance of communication for human life cannot be overestimated. This is true because beyond the physical requirement of food and shelter man needs to communicate with his/her fellow human beings. This urge for communication is a primal one and in our contemporary civilization a necessity for survival. That is to say without communication no society can exist, much less develop and survive.

According to Smith (2010) mass media aims to reach a very large market, such as the entire population of the country. By contrast, local media covers a much smaller population and area, focusing on regional news of interest. Some local media outlet which cover state or provincial news may rise to prominent news. The Guardian, formerly known as Manchester Guardian, for example. is a nationally respected paper in England which started as a regional daily. He said further that the biggest criticisms of the mass media is that it is too typical. When a media outlet is forced to cover national and international news, it cannot address numerous interesting local stories because these stories are not of interest to very many viewers. For example the residents of a community might fight against development they seem very critical, but the story would only attract the attention of the mass media if the fight became controversial or if precedent of some form were set.

In recent years, the explosion of news media particularly the internet- has caused new anxieties. The advent of the new digital media has brought the conditions of the old technologies into sharper relief, and made us suddenly conscious of our media environment.

### **The development of mass media**

Development of mass media became inevitable in the nineteenth century as a result of economic, political and social expansion, which posed some difficulties to traditional methods of communication. In attempting to solving these problems, alternative communication methods were developed and the press became the first medium identified as a capable medium of reaching a mass audience through a combination of technological improvement in the production of distribution of newspaper. At first, it was the invention of wire communication system, telephone, cinema, to graph and the like until the invention of radio and television was actualized. Broadcasting currently has, however gone beyond radio and television as other technologies like satellite, computers, internet, fax e.t.c have found their way into information and communication industry. Regardless of the number of mass media we may identify, they can be grouped into two classes:

### 1) Print media 2) Electronic media

Most of the newspaper was initially set up by non-Nigerians. They were mostly Africans from Sierra Leone, Ghana (then called Gold coast), Ivory Cost (New Cote' D Voire) and others. But later some Nigerian took up the challenge and venture into the business behind as they had to establish their own Newspaper to counter the nationalist propoganda to protect their interest

The development of media houses in Kwara state as in other parts of Nigeria hitherto, has been largely promoted by agencies of government as one of the social services in the connection, Kudos must be given to post and present chief executive of the state for their meaningful contribution towards the development of media houses in the state.

### The role of mass media

The press worldwide is getting to a cross road and facing a crisis of role definition and relevance. The African journalist operates from a position of disadvantages and the survival of the African press is essentially a testimony to resilience improvisation (Ajakaye 2007). Mass media refers to channel of communication aiming at millions of billions of readers, listeners or viewers throughout the world. The media include the newspaper, television, books, radio, magazine, and recently cable satellite communication in that order from the above definition, media itself can be said to be the plural of medium meaning agency or instrument of communication. The media, therefore have enormous importance to conflict resolution because they are the primary and frequently only sources of information regarding conflict. If a situation doesn't make the news, it simply does not exist for most people. When peaceful options such as negotiation and other collaborative problem solving techniques are not covered, or not likely to be considered or even understood as possible option in the management of a conflict (Jennifer 2005).

Nigerian if face with the challenges of transforming the society into a learning environment does not stop at any particular level of schooling but rather, is continuous. Therefore any agent that can help achieve this goal is essential. The media is one of those agents. The development and transformation of education in Nigeria can no longer be left to the traditional partners of school and ministries of education. Education in one way or the other impact on the entire society. Therefore it is necessary to have all stakeholders and sectors of the society involved in shaping and if possible the delivery of that ability to play a vanguard role in transforming and developing education in the various territories.

### Meaning and Scope of Budgeting

According to Kazeem (2001), a budget is an economic and financial document, it highlight governments policies which are designed to promote economic growth, full employment and enhance the quality of life of the citizenry. Fagbemi (2002), point that budget has from the nineteenth century become financial management techniques which are very important to government she went further to say that, historically budgeting was treated as a device to limit expenditure, but modern development had made budgeting a tool for allocating resources efficiently, effectively and economically.

Akanni (2000), defined budget as a summary of statement of plans, expressed in quantitative terms and it guides individual or an accounting entity in reaching financial or operational goals. Morfarland (2002) describes a budget as planning and control devices. Also it is a planning instrument while manager are creating it and a standard for comparing progress and evaluating result after it is established therefore budgets does not only show financial statement of income for operators like media administrators to know how much to spend and what is the limit of their spending.

A budget is a list of all planned expenses and revenue. It is a plan for saving and spending. A budget is an important concept in microeconomics, which uses a budget line to illustrate the tradeoff between two or more goods. In other terms, a budget is an organizational plan stated in monetary term (Wikipedia 2010). Douglas (2011) said budgeting is the process of gaining control over the use of every dollar you earn. it is the process of striking a balance between income and expenditure.

### Types of budget

Wikipedia (2010) identifies the following types of budget:

#### 1) Business start – up budget

The process of calculating the cost of starting a small business begin with a list of all necessary purchases including tangible assets. The budget should contain narrative explaining how you decide on the amount of the reserve and a description of the expected financial results of business activities.

#### 2. Corporate budget

The budget of a company is often compiled annually but may not be. A finished budget, usually require considerable effort, is a plan for the short term future, typically one year.

#### 2. Personal or family budget

In personal or family budget all sources of income

(inflows) are identified and expenses (out flow) are planned with the intent of matching outflow (making ends meet)

Steven (2003) identifies 7 types of budget:

1. Sales budget
2. Production budget
3. Cash flow budget
4. Marketing budget
5. Project budget
6. Revenue budget
7. Expenditure budget

Aliyu (2002), identified four types of budgeting

1. Operating budget
2. Capital budget
3. Contingency budget
4. Cash budget

### **Characteristic of budget**

Lucey (1996) identifies the following as the characteristic of budgets. These are:

1. A budget is stated primarily in monetary terms
2. It covers most of the time a one year program
3. Total commitment by the management is necessary to achieve the budgeted objectives
4. Budget are prone to change
5. During the year to which the budget applies actual performance are compared to budgets performance.

### **System of budgeting in media houses**

Towards the end of the year (as the fiscal year is same as calendar year) each department is instructed to prepare their budget for the coming year. Each department head will be informed about the guideline and limitations, as instructed by the ministry of budget and planning through the ministry of information. The subordinate and the departmental heads will put their heads together to come out with their respective budget. The department heads will be armed with these document and try to defend the budget at a meeting with the General Manager. It is at this meeting that some of the programmes may start falling out, as the General Manager will try to stress on line the budget. The resultant document of this meeting will be sent to the ministry of information for ratification, approval and onward transmission to the ministry of budgeting and planning for final approval.

Finally, the document is now presented at 'Budgetary meeting' to be conducted by the ministry of finance (budget and planning) it is as this meeting that the final

approval is given after considerable amount of items might have been dropped.

### **Theoretical framework**

Walker (2012) used one framework to begin systematic comparison of budgets, but it is probably walker's descriptive theory that the budget allocation decision are based on external comparisons and competition that serves better to foreshow contemporary approaches and challenges. Walker's theory that community has a standard of living and aspires to improve that standard, has some contemporary implications. For him the balance between current services provided and service desired was a question of proportion and responsiveness. Budgeting is incremental, not comprehensive Aaron Wildavsky (1964) suggested that the beginning of wisdom about an agency budget is that it is almost never actively reviewed as a whole every year – instead it is based on last year's budget special attention given to a narrow range of increases or decreases.

### **Summary of Review Literature**

From the reviewed literature, it could be clearly seen that the power of media cannot be undermine in the scheme of things for a country that wants to belong to the 'giants of nation' media wise, it must therefore give adequate attention to media, financial wise. It is in the light of this ,the researcher advocates for a well packaged budgetary allocation that will take care of the personnel needs, updating our equipment and facilities to meet the taste or tie, adequate motivation and in service training for staff to equip them with modern knowledge in media. Lastly, the need to computerize our various media organization cannot be de-emphasized.

### **METHODOLOGY**

The primary sources of data collection was used. Primary data refers to data obtained from a particular investigation which are usually through personal interview, sample survey e.t.c however for the purpose of this research work the researcher employed questionnaire to collect the required data. The completed questionnaire was collected from the respondents for data analysis.

### **Population**

The population of the study consists of employees of some selected ministries and parastatal, these included

**Table 1:** Bio-data of respondents.

<b>Sex distribution</b>		
Attribute	Frequency	Percentage
Male	10	50
Female	10	50
Total	20	100
<b>Age distribution</b>		
Attribute	Frequency	Percentage %
40- 45	3	15
45- 50	9	45
50- 55	2	10
55- 60	5	25
60- 65	1	5
<b>Status Distribution</b>		
Attribute	Frequency	Percentage %
Director	5	25
Permanent secretary	13	65
Commissioner	2	10
Total	20	100

<b>Experience Distribution</b> Attribute	Frequency	Percentage %
10- 15	5	25
15- 20	2	10
20- 25	3	15
25- 30	3	15
30- 35	7	35
Total	20	100

Source: Researcher's Computation 2013

<b>Model</b>	<b>Sum of square</b>	<b>Df</b>	<b>Mean square</b>	<b>f</b>	<b>Sig</b>
Regression	31.663	4	7.916	14.593	.000
Residual	8.137	15	0.542		
Total	39.800	19			

Source: Researcher's Computation 2013

<b>Model</b>	<b>Sum of square</b>	<b>df</b>	<b>Mean square</b>	<b>f</b>	<b>Sig</b>
Regression	33.831	6	5.638	1208	000
Residual	5.969	13	479		
Total	39.800	19			

Source: Researcher's Computation 2013

the top management in ministry of finance, ministry of information and communication, ministry of planning and economic development and the Herald Newspaper.

### Sample and Sampling Technique

32 employees of the Herald Newspaper were purposively selected. These staff were purposively sampled in order to get more valid responses Daramola (1999) described procedure in which a researcher purposively selects certain groups as sample because of their relevance to investigation under consideration.

The questionnaire technique were used to elicit information from the respondents. The questionnaire consist of two sections. Section A comprises of items on the personal data of the respondents while section B seeks information on the factors influencing budgetary allocation to the Herald Newspaper.

### Research Hypothesis

The hypotheses used in this research was tested based on the data drawn from the research question. Based on the research problem the following null research hypotheses were formulated:

**Hypothesis one:**

Ho: Revenue generation drives does not influence budgetary allocation to parastatals

**Hypothesis two**

Ho: The educational orientation of government does not influence budgetary allocation to parastatals

**METHOD OF DATA ANALYSIS**

In this research work, two hypotheses were tested using regression and correlation analysis. The multiple correlation was used, which shows the degree of relationship existing between two or more variables. When a linear regression equation is used, the coefficient of linear multiple correlation is used unless otherwise specified, whenever multiple correlation is referred to, it shall imply linear multiple correlation. In term of  $r_{12}$ ,  $r_{13}$  and  $r_{23}$  (B) can be

$$R_{1\ 23} = \frac{\sqrt{r_{2\ 12} + r_{3\ 13} - 2r_{12} r_{13} r_{23}}}{1 - r_{2\ 23}}$$

A coefficient of multiple correlations, such as  $R_{1,23}$  lies between 0 and 1, the closer it is to 1 the better is the linear relationship between the variable. The closer it is to 0 the worse is the linear relationship. If the coefficient of multiple correlations is 1 the correlation is called perfect although a correlation coefficient of 0 indicates no linear relationship between the variables, it is possible that a non-linear relationship may exist.

**Data analysis**

The table indicate the sex distribution, age distribution, status distribution and the experience distribution of the respondents

**Test of the Hypothesis**

The hypothesis is tested as follows:

1. Ho: Revenue generation and budgetary allocation to parastatals.

The above hypothesis result is tested based on the result of the questionnaire

Table 2: Mean, Sum of Square and Regression of Revenue and Budgetary Allocation to Parastatals

In the statistical test carried out and as shown in table 2, The calculated f- value (14.593) is greater than the critical f-value of (5.20) at 0.05 level of significance, therefore the null hypothesis is thereby rejected meaning that revenue generation drive influences budgeting

allocation to parastatals: This finding is in positive relationship with finding of Fagbemi (2002) that state that modern development had made budgeting a tool for allocating resources efficiently, effectively and economically.

This equation is:

$$Y = 8.535 - 0.379x_1 - 0.319x_2 + 0.734x_3 + 0.209x_4$$

Where

$X_1$  = Government priority

$X_2$  = national budget

$X_3$  = revenue generation drive

$X_4$  = The size of personnel

Ho: Educational orientation of government and budgetary allocation.

Table 3: Mean, Sum of Square and Regression of Educational Orientation of Government and Budgetary Allocation

In the table above the calculated f value of (12.280) is greater than the critical value of (5.20) at 0.05 level of significant the null hypothesis is rejected meaning that the educational orientation of government influences budgetary allocation to parastatals. The findings is in line with Kazeem (2001) which state that government policies are designed to promote economic growth full employment and enhance the quality of life of the citizenry.

The equation is

$$Y = 6.649 - 0.315X_1 - 0.147X_2 + 0.623X_3 + 0.236X_4 - 7.236X_5 + 0.160X_6$$

Where

$X_1$  = government priority

$X_2$  = national budget

$X_3$  = revenue generation drive

$X_4$  = infrastructural development

$X_6$  = educational orientation of the government

**DISCUSSION OF FINDINGS**

Based on the analysis of the data and the reviewed of related literature the data gathered are discussed below;

1. influence of revenue generation

The selected ministries and the Herald Newspaper strongly agree that funding has a major role to play when allocating budgets to the parastatals. The role of funding in any human endeavour cannot be over emphasized, that is also in line with the view of Igbamogo (1998) he identified funding as a very important aspect of media and seems to be the root of administrative problems confronting media development in developing countries most especially Nigeria, without sufficient funding, Facilitates and equipment cannot be provided and maintained. Also acknowledging the importance of fund in media development Oyedeji (2004) explained that apart from the fact that adequate budgetary allocating plays a significant role in general improvement of

facilities, equipment and supplies, it also serve as a source of motivation.

## 2. Influence of educational orientation of the government

Educational orientation of government significantly influences budgetary allocation to parastatals. The level at which the government in power is able to view the contribution of a parastatal to economic development will influence the budgetary allocation to such parastatal.

## 3. The null hypotheses were not significant to the study.

generation drive, and the educational orientation of the government does influence budgetary allocation to parastatals.

## RECOMMENDATIONS

The following recommendation is made based on the findings of the study.

1. The Kwara State Government should invest more on media so that they can achieve their position in the society, as they are regarded has the fourth realm of the estate in the society, with adequate fund they will be able to carry out their function as desired.

2. Government should invest more on media because it serve as a strong weapon for socio-political re-engineering.

3. Adequate financial and other motivational incentives should be given to journalist to enhance better performance.

4. In addition to government subvention, media administrator should look for alternative source of fund for media development, for instance non-governmental organization could be of immense benefits when approach to contribute towards a meaningful media development.

5. Retired and serving media administrators should involve themselves in meaningful politics so that they could influence government policies and decision in favour of media development

6. Periodic seminars, workshops and conferences should be organized by media administrators to keep the public abreast of happenings in the world of media.

## CONCLUSIONS

There is no doubt that the factors identified to be influencing budgetary allocation to public own media houses have a positive influence on parastatals. The research work shows that the media houses is presently

still growing and it is really contributing to the economic development in Nigeria but the federal government as well as the state government should try to support this media houses financially to enable them attain the standard that is operating in the emerging countries. Based on the findings of the study the following conclusion were made.

1. That revenue generation drive is an essential factor that is usually considered in allocating budget to the parastatals

2. That the educational orientation of the government in power significantly influenced budgetary allocation to the parastatals.

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