THE IMPLICATIONS OF GIG WORKERS, COVID 19 PANDEMIC, FINANCIAL BUDGET AND BUDGETARY CONTROL ON DIGITAL TRANSFORMATION IN NIGERIA HIGHER EDUCATION INSTITUTIONS

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Abstract

Financial budget and budgetary control do not only help in providing a blue print for businesses to move forward but also checks the performance of operational efficiency of business activities. Accordingly, an organization should be well prepared to meet its long term and short term expenses and goals, thereby enabling the managers to monitor organizational functions. During the coronavirus pandemic of 2020, many organizations adopted the GIG economy and digital transformation. People work remotely in part-time or temporary positions as a staff in an organization, making work cheaper and more efficient services being provided. Justly, a proper coordination of the GIG workers and digital transformation amidst the changing economic situation is necessary for making financial budgets and budgetary control a success. The study investigates the implication of GIG workers and digital transformation on financial budgets and budgetary control. The study collected primary data through a survey research design from institutions in Ogun State, Nigeria. The paper explored finding from accounting officers in the institutions. Purposive sampling technique was used to select 40 well completed questionnaires from the participants in selected institution. The study adopted both descriptive and inferential statistics in analyzing results. The result indicates that a positive significant relationship exists between GIG workers and Covid-19 improves digital transformation in HEI. It is therefore recommended that a GIG worker should be a strategy to budgetary control of financial budget in the case of pandemic or any emergency within the HEI. This doesn't mean that GIG workers should replace or displace the employee of the institution as assumed by few. When abnormal becomes normal then normal way of life should not be seen as abnormal rather it should be an advantage to leverage of skills acquisition and digital transformation as observed and experienced in this study.
Keywords: GIG Workers; Digital Transformation; Financial Budget; Budgetary Control; Higher Education Institution

INTRODUCTION

Financial budget is a very powerful tool to achieve the long term goals of any institution. Financial budget keeps the stakeholders updated about the functioning of the institution (Thankgod, & Fyneface, 2017). Budget of this type normally incorporate aspects of other types of budgeting such as the budgetary control which make it possible to consider various evolving plans and still stay within the budget. In the work of Omolaye (2015), budgetary control is the process of determining actual events with budgeted figures for the enterprise. However, as COVID-19 pandemic evolves round the world, many businesses, organizations, and institutions have resolved to adopt GIG workers by digitizing the organization's operating model. The uncertainty presented by COVID-19 pandemic require organizations to create and renew their capabilities (Nwachukwu & Vu, 2020) as well as speed and strategic flexibility to deal with this uncertainty and remain competitive (Brozovic, 2018; Nwachukwu, Zufan, & Chládková, 2019). The digital transformation is a technology that plays an important role in the adoption of GIG workers (Adetunji & Oyewobi, 2020). According to Mukah (2018), GIG workers and digital transformation system (GIG economy) affects different businesses in different ways in delivering its longterm goals of work. From this perspective, financial budget and budgetary control becomes a powerful tool for measuring how well an institution is doing and being able to periodically report to stakeholders plan on changes to the world of work and in a timely manner. Thus, to better understand the different effects of GIG economy, there is need to assess a range of indicators including assessing the implication of digital transformation on financial budget and budgetary control before institutions can claim to have a fully authoritative grasp of the GIG economy in higher education institutions. Hence, the study investigates the implication of GIG workers and digital transformation system on financial budgets and budgetary control of higher education institutions in Nigeria.

LITERATURE REVIEW

Financial Budget and Budgetary Control

According to Onho and Zayol (2017), budgeting is used by businesses as a method of financial planning for the future. Budgets are prepared for main areas of the business purchases, sales (revenue), production, labour, trade receivables, trade payables, and cash and provide detailed plans of the business for the next three, six or twelvemonths. Budgeting is a set of procedures by which governments ration resources among claimants and control the amount each claimant spends (Kiringai, 2002). Oyewobi (2020) opined that within the context of government, the budget can be used for three purposes: as an instrument of economic policy; as a tool for economic management; and as an instrument for accountability. The budget is an allocation mechanism that attempts to maximize the contribution of public expenditure to national welfare (Margah, 2005). This can be achieved by ensuring that the budget process successfully allocates scarce resources so that the marginal unit of expenditure achieves the same marginal benefit in each category of expenditure. According to Scarlett (2008), budgetary controls refer to the principles, procedures and practices of achieving given objectives through budgets. The budgetary control system helps in fixing the goals for the organization as a whole and concerted efforts made for its achievements. It enables economies in the enterprise. Preetabh,(2010), highlighted the benefits of budgetary control as profit maximization; a budgetary control aims at maximization of profits or an organization through, proper planning and co-ordination of different functions, proper control over various capital and revenue expenditures and putting resources into best use. Coordination; achieved through working of different departments. Waren (2011) noted that within an organization, different departments have a bearing on one another, this therefore makes coordination of various executive and subordinates necessary in achieving of budgetary targets. Other budgetary benefits as indicated by Preetabh (2010) include; Specific time aims; the plans, policies and goals are decided by the top management. All efforts are put together to reach the common goal of the organization (Adetunji & Oyewobi, 2019). Every department is given a target to be achieved. The efforts are directed towards achieving some specific aims. If there is no definite aim, then the efforts will be wasted in pursuing different aims. As a tool for measuring performance, budgetary controls provide comparisons between the budget targets and actual targets and deviation determined (Akintoye, 2008). Performance of each department is reported to the top management which enables introduction of management by exception. Margah (2005) asserted that budgetary controls are important tools for a business growth. This is because it allows planning for spending thus facilitating systematic costs. Finances are put into optimum use, extending the benefits to stakeholders. This reduces wastage of wealth. A budgetary control could help in determining organizational weaknesses and strengths. According to Merika (2008), the deviations in budgeted and actual performance will enable the determination of weak spots. This enables an organization to concentrate on those aspects where performance is less than stipulated. The management moreover takes a corrective action measures whenever there is a discrepancyin performance.

GIG Worker and Digital Transformation

Andy (2019) disclosed that the result of a GIG economy is cheaper and results in more efficient services. People who don't use technological services such as the internet may be left behind by the benefits of the GIG economy. Cities where GIG economy is adopted tend to have the most highly developed services and are the most entrenched in the GIG economy (McKinsey 2020). A wide variety of positions fall into the category of a GIG. The work can range from driving for Lift or delivering food to writing code or freelance articles. Adjunct and part-time professors, for example, are contracted employees as opposed to tenure-track or tenured professors. Colleges and universities can cut costs and match professors to their academic needs by hiring more adjunct and part-time professors. Oyekan, Adetunji and Bafeto (2020) make a claim that the assumptions that all lecturers are digital literate are false. In the claims they found that while majority of the lecturers and staff of the universities own laptops and other electronic devices that can be used to aid delivery or teaching in the university, many of them do not know how to operate or adopt it as a teaching aids. In view of this the introduction of GIG from human resource point of view is to create free market system in which temporary positions are hired from the pool of expect who are competent and skillful enough to meet the needs and demand of organization. The GIG economy is the finding of discrete parcels of work by direct connection between individual providers' between and customers and clients through a digital platform (Heddy, 2016). Heddy also explained that, a GIG worker is a person who works temporary jobs typically in the service sector as an independent contractor or freelancer. GIG workers have freedoms that most full-timers only dream of, setting their own hours, working from home, being their own bosses. According to Lawrence Katz and Alan (2015), the GIG economy comprised 16 percent of all workers by 2015. Andy (2019) opined that in addition to having more stable space, the affluent often has greater latitude to remain inside it. They can work on Zoom, shop on Amazon. There is no agreed definition of the gig economy, although researchers can start to sketch out some of the factors. The gig economy has been described as the economic sector consisting of freelance workers who survive by taking on a series of small jobs, particularly when those jobs are arranged using a website or application (Olurankinse & Oloruntoba, 2017). McKinsey's (2020) has rather more prosaically described the GIG economy as consisting changing the contingent of work that is transacted on a digital marketplace. So, we have the notion of freelancers and others undertaking small and discrete parcels of work through digital technologies that connect providers and customers. This still rather general definition has given rise to a lot of confusion about the users and how best to measure the gig economy. However, the gig economy is a relatively recent phenomenon, so it might be that a more recent period would show some more consistent changes in its definition to employment. Thus, many of these modifications can be explained by other factors to which the growth of the gig economy is likely to be a contributory factor.

Financial Budget and Budgetary Control in Higher Education Institution

According to Gibson (2009), the budget process ideally brings the institution's administrators together in support of the organization's mission and goals. He reported that this can only be done if there is extensive communication between upper management and all cost center administrators (accounting officers) before, during, and after the budget process. Although, in a study carried out by Adetunji and Oyewobi, (2020), they observed that it has been established beyond every reasonable doubt that private education institution during the Covid-19 total lockdown continued to adopt a GIG workers philosophy even when it was not pronounced because private educational institutions need to work for their money. These categories of institution have seen budgetary and budgetary control as paper work that can be manipulated, hence disclosure become difficult. Adetunji and Oyewobi also asserted that accounting officer must assist the institution in backing budgetary and budgetary control of finances up in other to protect the institution strategic objectives. This communicated vision will inform the cost center administrators of where top management expects the institution to be in the next three to five years and what they hope the institution will achieve. In return, accounting officers must communicate their particular needs, assumptions, expectations, and goals back to top management (Mckinsey's, 2020). In a college/university, each department or school within the college/university will prepare a budget (Andy, 2019). There will also be a budget for the library, food service, dormitories, plant service area, computing center, and administrative offices. Irrespective of the names of the cost centers, the budgetary control brings all the pieces together so that it ultimately incorporates the financial budget into one comprehensive picture of the organization's plan for the year (Mckinsey's, 2020). But this annual plan must be tied to a strategic plan because the annual budget is merely the short-term action plan which will carry the organization toward reaching its long-term goals. As such organizations need robust strategy to deal with serious challenges posed by environmental dynamism and competition to achieve superior performance (Nwachukwu, Chládková & Olatunji, 2018). Merika (2008), financial budget and budgetary control involves people. Ideally, everyone involved in the budget process is moving toward the same goal i.e., to achieve the organization's strategic objectives. But because each individual brings their own needs and assumptions to the budgeting process, there are bound to be genuine disagreements over the projected budget, the importance of particular expenditures, the division of resources among the cost centers, and even the strategic goals. It is this human element that can make the budget process fun. The same human element can also lead to frustration and game-playing, especially when anticipated revenues fall short of proposed expenditures (Gibson, 2009).

METHODOLOGY

The study adopts field survey research design with the use of a well-designed structured close-ended questionnaire to obtain data from the targeted accounting officers from private tertiary institutions in Ogun State. Ogun State was selected because it has more private higher education institutions. The population of this study consists of 161 accounting officers in the private tertiary institutions operating during the Covid-19 lockdown. By means of descriptive and inferential statistic, this study investigated the relationship between GIG workers and digital transformation in education institutions. This method was considered appropriate by the researcher as it measures the type of relationship between two variables (dependent and independent variables). A purposive sampling technique was used in selecting a sample size of 65 accounting officers in the selected private institutions. The study adopted the use of primary data only which was extracted from administered questionnaires of the selected institutions. 40 well completed questionnaires were selected from 65 returned questionnaires for this analysis. The statistical methods used for this analysis includes the t-statistic and Pearson regression coefficient. The model employed to investigate the relationship between GIG workers, COVID 19 pandemic, financial budget and budgetary control and digital transformation in the higher education institutions is stated as:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \mu$

Where;
Y = Digital Transformation.
X1 = Financial Budgeting;
X2 = Budgetary Control
X3 = Covid-19
X4 = GIG Workers.

In the model, $\beta 0$ = the constant term while the coefficient βii= 1….4 was used to measure the sensitivity of the unexplained variations in the model.

4. Presentation and Analysis of Data

Table 1: Descriptive statistic

	Mean	Std.Err	Median	Std. Dev.	Sam.Var.	Kurtosis	Skewness	Min.	Max.	Count
DT	10995	111	10943	703	494462	-0.572	0.7168	10147	12216	40
FB	32116	594	30250	3759	14133410	-1.7033	0.3033	27713	37201	40
BC	21677	352	20166	2229	4968596	-1.7826	0.4647	19725	24801	40
C19	6015	152	5829	964	928888	-0.3294	1.0203	5118	7771	40
GW	4920	125	4768	788	621844	-0.3281	1.0215	4188	6358	40

The descriptive statistic for the study presented in table1 was from a sample of 4 institutions in Ogun State that were involved in online teaching during the covid-19 lockdown between March 2020 and February 2021. In reference to the explanatory variables, FB refers to the Financial Budget which represents the mean of Financial Budget for the period under consideration. BC represent the budgetary control while C19 and GW were used to represent the Covid-19 and GIG workers respectively.

Table 2: Model summary

Indicators	Coefficients
R	0.999983
R Square	0.999967
Adjusted R Square	0.999963
Standard Error of Estimate	4.269075
Observations	40

In order to establish the statistical significance of the independent variables on the dependent variable (digital transformation) regression analysis was employed. The results indicated that the independent variables; financial budget, budgetary control, covid-19 and GIG workers are significant in explaining the improvement of higher education institutions. No wonder, Merika (2008), postulated that financial budget and budgetary control involves people. Therefore, the finding was supported by Merika postulation since R square is 0.9999.

Table 3: Analysis of Variance from the Regression Output ***(ANOVA)***

Indicators	DF	SS	MS	F	Sig.
	4	19283374	4820844	264518.2	7.23E-78
	35	637.875	18.225		
	39	1928401			

Table 4: Regression coefficient

	Beta	Std.Error	t-stat.	P-value
Constant	6366.415	625.1709	10.18348	0.0205
Financial budgeting	0.144138	0.019337	7.45385	0.0603
Budgetary control	0.247432	0.031745	7.794284	0.0213
Covid-19	-0.606847	0.065707	-9.235896	0.0296
GIG Workers	-0.742047	0.080217	-9.250514	0.0284

Discussion and Interpretation of Findings

In this study, R-square value was found to be 0.999967. This implies that the combined effects of financial budgeting, budgetary control, Covid-19 and GIG workers explained 99% of the variation in the Digital Transformation of higher education institutions while the remaining 0.01 was due to the other variables not captured in this study. Digital transformation was found to be negatively correlated with GIG Workers. This result supports the findings of McKinsey (2020) which suggested that GIG economy as consisting changing the contingent of work that is transacted on a digital marketplace. In addition, Lawrence Katz and Alan (2015) found that the GIG economy comprised 16 percent of all workers by 2015. In view of McKinsey (2020); Lawrence Katz and Alan (2015) assertions, this study also found that digital transformation in higher education institutions maintained low GIG workers. Also for this same relationship, the t- statistic was -9.2505 which falls into the rejection region of the critical table tested at 10% level of significance, thus our alternative hypothesis which predicts a significant relationship between digital transformation and GIG workers was accepted. Furthermore, the relationship between digital transformation and financial budgeting was positive. This result was in disagreement with the postulation of Mckinsey (2020), he affirmed that irrespective of the names of the cost centers, the budgetary control brings all the pieces together so that it ultimately incorporates the financial budget into one comprehensive picture of the organization’s plan for the year. This implies that an increase in independent variable financial budgeting by one unit causes an increase in digital transformation by 0.1441. Furtherance to this, the t-statistic computed was 7.4539 while the critical value at 10% level of significance was 1.44, thus our alternative hypothesis which predicts a significant relationship between digital transformation and covid-19 is not rejected. Similarly, it was found that availability of digitalized equipments increases as budgetary control increases during the pandemic. This implies that an increase in budgetary control on digit equipments will leads to increase in teaching and learning aids in higher education knowledge and thereby leads to increase in digital transformation of education. The findings suggested a link between digital transformation and covid-19, as it was a boost to test run GIG workers in the HEI. The result suggested that teaching can be done remotely. However, it support the debated put forward by Merika that ideally, everyone involved in the budget process is moving toward the same goal i.e., to achieve the organization’s strategic objectives. This explains that whether teaching is done remotely or physical, the same human element can also lead to frustration and game-playing, especially when anticipated revenues fall short of proposed expenditures (Gibson, 2009). Then the implication on HEI is significant. The need for digital transformation was also perceived to be inversely related to the Covid-19, as the total lockdown distrust face-to-face teacher student relationship. Although, the relationship was statistically significant as supported by the t-value of 9.2357, it was not support by the existing literature, thereby create avenue for further research.

6. Conclusion

The purpose of the present study was to investigate the implication of GIG workers and digital transformation on financial budgets and budgetary control within HEI. 40 well completed questionnaires from the participants in selected institution were selected for the period of 12 months (Covid-19 total Lockdown period). The study relied on primary data from the questionnaires administered to accounting officers who took part in the studies. The study reveals that financial budgeting; budgetary control, Covid-19 and GIG workers were considered as independent variables while digital transformation was taken as dependent variable representing firm improvement. The results indicate a significant positive relationship between financial budgeting, budgetary control and HEI improvement. However, Covid-19 and GIG workers were found to be negatively correlated with budgetary control and financial budget. It is therefore recommended that cost management strategies that focus on reduction of Covid-19 and increasing GIG workers should be embarked upon by the education institutions if their financial budget and budgetary control will be maintained. Likewise, the result indicates that a positive significant relationship exists between GIG workers and Covid-19, these significantly improves digital transformation acceptability in HEI, which had been a gap unfilled by pass studies. It is therefore recommended that GIG workers should be a strategy to budgetary control of financial budget in the case of pandemic or any emergency within the HEI. This does not imply that GIG workers should replace or displace the employee of the institution as assumed by few.

Recommendation

The study recommends that;

1. To fully understand the gig economy, we need to develop a range of indicators including looking at business returns, small business statistics, more disaggregated analysis of particular markets and sectors, and regular surveys of digital platforms participants.
2. It would also be useful to do more work in understanding the potential linkages between the growth of some sharing economy activities, such as room rental, and the growth of GIG economy employment.
3. We also need to become cleverer at gathering accurate data and information to enables us to understand better the exact nature of economies powered by rapidly developing GIG workers and digital technologies and their impacts on employment, labour markets and individuals.

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