

The Impact of Budgetary Management Process on Organizational Performance: Special Reference to Small and Medium Enterprises in Hambantota District, Sri Lanka

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Abstract

The budgetary management process has been a part of management control system of the organizations. This process encourages Owners, Managers and Accountants to plan the stakeholders involved provides information for improved organizational performance. The purpose of this research was to examine the impact of budgetary management process on organizational performance in the Small and Medium Enterprises (SMEs) in Hambantota district. The researcher has collected data by using a structured questionnaire. Owners, Managers and Accountants have been selected as respondents to collect primary data for the research. The study was considered with four hypotheses which were constructed to reveal whether the independent variables of budgetary coordination, budgetary monitoring, budgetary communication and budgetary evaluation are significantly influence on the dependent variable of organizational performance of SMEs in Hambantota district. The regression results revealed that the budgetary coordination and budgetary monitoring have the highest impact level on organizational performance while the budgetary communication has the least impact level. Further regression results showed that budgetary evaluation has insignificant effect on organizational performance, while this confirms budgetary coordination, budgetary monitoring and budgetary communication have positive and significant impact on organizational performance.

Keywords:- Budgetary coordination, Budgetary Communication, Budgetary Monitoring, Budgetary Evaluation and Organizational Performance.