

**THE IMPACT OF BUDGETARY MANAGEMENT PROCESS ON  
FINANCIAL PERFORMANCE OF APPAREL INDUSTRY IN  
SRI LANKA**

By



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## ABSTRACT

The budgetary process has been a part of management control system of the organization. This process encourages managers to plan, consider the stakeholders involved, provides information for improved decision making, increases and enhances communication and coordination among departments, and for evaluation. This study attempted to evaluate budgetary management process of apparel industry in Sri Lanka (BPA) and see whether budgetary management process has significant impact on performance of such industry. This research was a descriptive type research with a quantitative prospective and the population of the study consist of all the apparel industries in Sri Lanka. Data collection has been undertaken as an anonymous survey during the two weeks of time period. Based on the stratified random sampling method selected the sample of 100 which covered four districts namely Colombo, Gampaha, Kurunegala and Anuradhapura.

The budgetary management process of apparel industry was assessed by using five dimensions such as planning, coordination, control, communication and evaluation. The performance of apparel industry in Sri Lanka was examined by using financial indices and determinants. In order to come up with findings related to this study, descriptive statistical analysis, correlation analysis and regression analysis were used. Based on the data extracted from statistical analysis, correlation coefficients and regression analysis showed that budgetary management process have significant associations with the organizational performance of apparel industry in Sri Lanka. And also budgetary communication is the most impact on financial performance. This confirms that efficient apparel companies maintain high level of budgetary management process which contributes to higher levels of organizational performance.

**Keywords:** budgetary management process, organizational performance, apparel industry

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