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**EFFECT OF BUDGETARY CONTROL PRACTICES ON
FINANCIAL PERFORMANCE OF
CHL COMPANY**

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**EFFECT OF BUDGETARY CONTROL PRACTICES ON
FINANCIAL PERFORMANCE OF
CHL COMPANY**

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Master of Banking and Finance Programme (MBF)

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ABSTRACT

This thesis's primary objectives were to investigate the impact of budgetary control techniques on financial performance and to investigate the role that human factors play in mediating the connection between budgetary control procedures and financial performance of CHL Company. In the course of the research, consideration was given to both the practices of budgetary planning, coordinating, monitoring, and controlling as independent factors, as well as the independent factors of financial performance, which included the human factor as an intervening effect in that relationship. The primary data came from the responses of seventy-two employees of CHL Company who are responsible for the budgetary control procedure. The findings of the study indicate, on the basis of linear regression analysis, that coordinating activities and budget management are key factors for budgetary control procedures in CHL Company. [Citation needed] However, the planning of the budget does not have a substantial relationship with the human factors that operate as a moderating influence. However, the research indicates that human elements have a vital role in the coordination, monitoring, and control procedures that are utilized in the budgetary control practices. Given that the human factor intervention effect reveals a strong mediating effect, this study infers that the human factor interruption is one of the primary intervening variables, the absence of which makes good financial performance impossible.

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CHAPTER 1

INTRODUCTION

A plan for the upcoming period of time is represented by a budget. The judgments that managers make regarding the many aspects of the company are based on a budget, and those decisions influence the activities that managers take. Every operation carried out by the company is subject to a budget that is always planning for the future.

It is prepared well in advance of the allotted time. Since 2005, the official language of the Chartered Institute of Management Accountants (CIMA) has defined the term "budget" as the "quantitative expression of a plan for a specific period of time." This definition of "budget" was introduced in 2005. (CIMA, 2005). It might consist of anticipated cash flows, revenues, and expenses, as well as assets and liabilities. Therefore, a plan that is measured in terms of money is called a budget. The primary objective of budgeting is to ascertain whether or not an organization possesses sufficient resources to accomplish the goals it has set for itself.

There are a few distinct forms of budgeting, each of which places an emphasis on a certain set of considerations when developing a financial strategy. Among these are the zero-based budgeting method, the static budgeting method, the incremental-based budgeting method, the activity-based budgeting method, and the value proposition budgeting method.

A key concept in financial management is known as "budgetary control," and it refers to the process through which a corporation examines and controls both its expenses and its real requirement of financial resources. Following the completion of an in-depth analysis of all the expenditures, the subsequent budget is established, and the management of the spending is carried out accordingly. Despite the fact that it is unable to forecast whether the firm will earn a profit or a loss, it can assist in developing a budget plan by using historical data or facts, which can be of use to the organization.

In the process of budgetary control, the amount that was planned for, taking into account the present state of the market and the company's operations, is compared to the amount that actually occurred. Because of its restrictions, it is more useful as a tactic than as a piece of hard evidence. Management of cash flow encompasses all other facets of business management as well, such as profitability, management of capital and finances, and management of other financial aspects. If it is done correctly, budgetary

control can be beneficial in a variety of different ways. The performance of each department is reported to the top management, which makes it possible to introduce management by exception. Budgetary Control is a technique for monitoring performance that gives comparisons between the budget and actual and deviations determined (Thuita & Kibati, 2016). According to Carr and Joseph (2000), the implementation of short-term plans and monitoring actions aimed at complying to those plans is how budgetary controls assist management teams in creating future plans. When it comes to managing their spending activities, organizations place a significant amount of reliance on budgetary control. This method is also utilized by the public sector, the private sector, as well as private individuals, such as heads of households, who want to ensure that they are living within their means (Dunk, 2009).

Through the use of budgets, managers are able to organize their efforts in such a way that the goals of the organization are compatible with the goals of its components. Control makes ensuring that the goals, which are outlined in the budgets, are actually accomplished (Churchill, 2001). Forecasting strategies that make use of budgetary controls can be utilized by organizations in order to create plans and budgets for the future (Epstein and McFarlan, 2011). Estimating a company's expenditures and revenues under typical operating conditions requires the utilization of both of the department services offered by the management department (Suberu, 2010).

To realize the organization's overarching objective, each and every effort is pooled together. Each department has been assigned a goal that must be accomplished. The work is being done with the intention of accomplishing a certain set of goals. The management of various organizations should put into place measures to solve the problems with the budgetary control system. These measures should include enhancing a better understanding of budgetary control techniques, their behavior, and institutional dynamics among the staff, developing strong financial integration with performance management, quarterly revision of the financial plan to redirect resources at frequent intervals, and improved engagement between organizational leaders, managers, and finance professionals (Mohamed et al., 2015).

The subjective measurement of how efficiently a firm uses its assets and earns income is known as its financial performance. It is an analysis of the company's current financial status, taking into account a variety of factors, including assets, liabilities, equity, expenses, and revenues. Incredible potential exists for the improvement of an organization's financial performance with the use of budgetary control as part of profit

planning. It is possible to use it to balance out the amount of money spent with the amount of money earned in order to create a profit. The only thing that can justify the continued existence of many organizations in today's world is the success that they have achieved financially. Therefore, for businesses in this position, anything that can increase their financial performance is something that should be considered valuable.

In 2015, the company CHL was established. Within the CHL corporation, the procedures for controlling the budget are designed to achieve the goals of regulating the organization and reviewing the outcomes of the budget once it has been used. Controlling the budget at the CHL company requires conducting an analysis of the difference between the planned amount for accounting purposes and the actual accounting figures for the various departments. These figures were originally estimated. The use of budgetary accounting serves not only to control a deficiency of working capitals but also an excessive amount of outstanding fees in construction projects carried out by the CHL company. This also entails responsibility accounting, in which each employee's level of accountability is determined either on the basis of their target performance or their achievements. During the process of recording their performance, if it is discovered that their performance differs from the budget, decisions regarding the promotion and demotion of employees, as well as the investigation of the reasons why employees do not reach the targets, will be made. Being able to control the budget, if the financial performance is good due to budget control, a bonus is provided to the employees, and it was found that the employees are doing more budget control. This is due to the fact that the employees are controlling the budget.

1.1 Rationale of the Study

The purpose of this study is to investigate the impact that the budgetary control procedures that were implemented by CHL firm had on the company's overall financial performance. Every decision that is made about the budget has an effect on the many different aspects of society that are dependent on the programs that the government provides. When it comes to management in the public sector, budgeting and accounting were once considered to be a means of planning and reporting. On the other hand, as a result of management changes, these procedures are now seen more as a method of command and control (Olson et al., 1998). It is important to investigate whether there are any challenges in order to determine how they affect the ability of management to make effective decisions and to optimally utilize the resources of the department. If

there are any challenges, it is important to investigate whether or not there are any challenges. In addition, the growth of the private sector is a precondition for the establishment of a prosperous society that can be maintained over time. Private interests are much more equipped to handle the commercial administration of businesses, which should be kept separate from political considerations. For this to be possible, the company's financial performance must be strong, and it can only be strong if the budgetary control criteria are put to good use inside the company. Only then will the company have the ability to achieve what has to be done. The process of budgetary control needs to be implemented, regardless of the kind of organization, in order to effectively distribute costs and make the most of available benefits. According to the definition provided by Brown and Howard, budgetary control is "a system for controlling costs that includes the preparation of budgets, coordinating the department, and establishing responsibilities, comparing actual performance with the budgeted, and acting upon results to achieve maximum profitability." Since it was established in 2015, CHL has had the ability to weather both the COVID issue and the political crisis. This corporation engages in the processes of budgetary control. The respective budget holders began working on the plan of action for the budget about three (3) months before the beginning of the budget year. The preparation of the budget took place during this time. All of the CHL Company's departments were tasked with the responsibility of putting the company's policies into action in order to realize the organization's social, economic, and political goals, and they did so with a focus on budgeting. The assumptions and estimates used for the periods and the business expansion are used to determine both the income and the expenses. The Company will frequently develop both short-term budgets (on a monthly or quarterly basis) and long-term budgets (on an annual basis), with the short-term budget undergoing constant revisions to guarantee that the long-term budget remains on target. The effect of the Covid-19 epidemic and the influence of political copping in Myanmar continue to be hurdles for the financial performance of the CHL company. The CHL Company strengthens its budgetary control techniques so that there are not excessive outstanding fees, uncontrolled capital expenditures, and so that it may continue to operate while having negative working capitals.

The purpose of this study was to investigate the elements that influence the effect that budgetary control practices have on financial performance. For the fiscal year 21-22, this particular business provided its more than 720 staff members with both

their customary wages and bonus payments. The purpose of this study is to determine whether or if there is a connection between healthy financial performance and good budgetary control methods at the CHL company. These activities include budgetary planning, monitoring, and control, as well as budget implementation and coordinating. This study will give the departments the ability to comprehend the various causes of the variance that occurs between the expected budget and the actual costs on an annual basis thanks to the findings of this investigation.

1.2 Objectives of the Study

In this study, the objectives are as follows:

- (1) To identify the budgetary control practices of CHL Company.
- (2) To examine the effect of budgetary control practices on the financial performance of CHL Company.
- (3) To analyze on meditation effect of human factors on the relationship between the Budgetary Control practices and Financial Performance

1.3 Scope and Method of the Study

The techniques of budgetary control and the financial performance of CHL Company are the primary objectives of this study. The practices of the company's budgetary controls (planning, coordination, and Control) are considered to be the independent variables in this analysis. The dependent variables are referred to as Financial Performance, and the intervening variables are referred to as Human factors. The gathering of information includes both primary and secondary sources of information. The primary data were gathered from the individuals who were actively involved in the planning and control activities of the company's budget. The samples include 72 out of a total of 128 workers who work in departments across the organization and hold supervisory or higher roles. There are 32 department heads, operation managers in each of the operation departments, and supervisors in all of the departments. Within the scope of this study, participation from the sample population reached 56.25 percent. Secondary data are compiled from a wide variety of sources, including but not limited to pertinent textbooks, reference books, information about CHL company, and internet websites.

1.4 Organization of the Study

This research consists of a total of five chapters. Chapter I is the introduction, the rationale of the study, the Scope and method of the study, and the organization of the study. Chapter II is about the theoretical background of the study. Chapter III is the background information of CHL Company. Chapter IV is dedicated to research design, data analysis, and interpretation. The last chapter (Chapter V) includes findings and discussions, suggestions and recommendations, and needs for further studies.

CHAPTER II

THEORETICAL BACKGROUND

This chapter presents the theoretical review on budgetary, and it is divided into five parts: the first part is titled "Concept of Budgetary Control and Financial Performance," the second part is titled "Theories for Budgetary Control," the third part is titled "Types of Budgeting," and the fourth part is titled "The Practices of Budgetary Control." In the final section, there is a study model that was developed by the researcher and taken from evaluations of pertinent literature concerning budgetary control procedures and financial performance..

2.1 Concept of Budgetary Control

A plan that is quantified in monetary terms, planned and approved prior to a predetermined length of time is what is meant by the phrase "budget." This is an estimate of the earnings (revenues) and expenses that will be incurred over a particular time period in the future period, and it is re-evaluated on a regular basis. Budgetary control refers to a system that consists of controlling costs, which is involving preparation of budgets, coordinating the departments, which is necessary in controlling budget and establishing responsibilities, comparing actual performance with that budgeted, and acting upon results to achieve maximum profitability. Budgetary control refers to a system that refers to a system that refers to a system that refers to a system that refers to a system that A committee is going to be put together in an organization to look over the budgets, make any necessary changes, and then provide their stamp of approval. The name given to this committee is the budget committee. The budget is based on a time period, often known as the "life of a budget," which begins with preparation and ends with evaluation. This budget cycle typically spans a duration of twelve months (Ganti & Boyle, 2022). On the other hand, the time period covered by the budget could be longer or shorter depending on the activities carried out by the organization.

The administration of one's income and outgoing funds is referred to in the world of finance as "budgetary control." This indicates that on a consistent basis, a comparison should be made between actual income or spending and planned income or expenditure (University of Cambridge, 2023). The results of the budgetary control are analyzed by managers to determine whether or not corrective action or amended

budgeting is necessary. Ganti and Boyle describe the budget as a notion from microeconomics that illustrates the trade-off that occurs when one good is swapped for another. In the event that the account has a deficit, the department will be required to locate an additional source of funding. As a result of having a budget plan and, as a result, being able to afford one's monthly costs, one will not go into debt. And for this reason, budgeting is essential (Ganti & Boyle, 2022).

Controlling one's organization's budget is essential to both the day-to-day operations and the long-term prospects of any given business. It is helpful in cost control and contributes to improvements in efficiency when it is positioned carefully. There are additional considerations, such as standard costing, which is likewise a component of it. When we compare the activities of one period to that of another, budgetary control helps us determine the specific reasons for any differences that may have occurred. Because in today's cutthroat competition, organizations are always striving for excellence and best practices, and budgetary control helps identify and attain those policies and practices, budgetary control helps organizations in today's cutthroat competition always strive for excellence and best practices.

2.2 Theories for Budgetary Control

The history of the budget dates back to the 1920s, when it was initially established as a tool and technique for large-scale businesses to use in order to better manage their costs and cash flows. According to the estimations made by academics from the past, the use of budgeting tactics began to spread into organizations in the 1960s. Beginning in the 1970s, budgetary methods were evaluated based on performance rather than effectiveness as a metric of performance. The following are some of the hypotheses that attempt to explain why organizations choose to implement budgeting as one of the management tools available to them in their own organizations.

2.2.1 Punctuated Equilibrium Theory of Budgeting,

The Punctuated Equilibrium Theory (PET) postulates that over time, public policy will shift gradually but will also go through periods of significant upheaval. The concept of punctuated equilibrium refers to a notion in which the process of evaluation takes place predominantly through brief outbursts of extreme speculation, which are then followed by extended periods of equilibrium or stability. The Political Economy of Transition (PET) is an agenda-based framework that provides a theoretical underpinning for significant budget transitions (Jordan, 2003). PET highlights that the

static, progressive structure of agendas is occasionally disrupted by punctuations (Jordan, 2003). (Jordan, 2003). It's possible that the operational budget, the capital budget, the functional budget, and any number of other kinds of budgets have experienced either incremental change or punctuated change in their budget expenditure. The use of a flexible budget is common since some budget categories are subject to significant increases or decreases.

Institutional friction and unequal information processing have been proposed as possible explanations for punctuation. In a world that changes quickly, companies are attempting to strike a balance between maintaining policies of stability and the ability to adapt and react to changing circumstances (Flink, 2017). In order to accomplish this, an organization needs to have an understanding of the elements that contribute to the rate of policy change. This understanding is one of the primary goals in the process of developing a budget. A new theory of the policy process known as PET came into existence as an alternative to incrementalism and blended it with the expectation of significant shifts. Baumgartner and Jones (2010) propose a model in which they connect the formulation of public policy to occurrences studied in the physical sciences, such as earthquakes and landslides.

2.2.2 Agency Theory

A contract is formed when one or more parties (referred to as the principal(s)) hire the services of a third party (referred to as the agent) to carry out a specific service on behalf of the principal. This service comprises giving the agent some decision-making authority and delegating some of your decision-making responsibilities (Jensen & Meckling, 1976). The assertion that the interests of principles and agents are distinct serves as the agency theory's linchpin statement. The principle restricts the agent's ability to act in their own self-interest by providing adequate incentives. In a corporation, the management and board of directors can both be thought of as agents acting on behalf of the shareholders. This makes them the corporation's agents. On the basis of this notion, stakeholders possess the authority to either reward or punish managers. It is required for publicly traded companies to hold annual general meetings, also known as AGMs. These meetings serve as a form of control mechanism for the shareholders, helping to resolve agency issues by giving shareholders the ability to participate in decision-making and thereby reducing the amount of power held by management. A study and approval of the company's financial accounts, a discussion

on dividend distributions, as well as a review and approval of the company's budget and capital expenditures are all part of the activities that take place at the AGM meeting (Roberta, 2010).

2.2.3 Control and Responsibility Accounting Theory

Control refers to the process that involves making comparisons between the expected level of performance and the level actually achieved. Control provides a framework for establishing the appropriate responses to real operating outcomes by making these comparisons and using them as a guide (Simiyu, 1979). Administrative controls, social controls, and self-controls are the three types of controls that can be applied to one's work (Hopwood, 1976). Different sizes of organizations require different approaches to accounting theory and practice. When a company is on the smaller side, it is more simpler for management to have daily interactions with staff members and to implement social controls, which may be more prevalent. When an organization grows larger, the problems it faces get more complicated. As a result, the senior management team needs to learn to share responsibility and decision-making authority with its subordinates as the business grows. Nevertheless, regardless of the size of the organization, these controls are essential for ensuring that the various divisions and units are doing their duties in line with the overall objectives of the company. Budget planning and monitoring system become the controls system for management (Hopwood, 1976).

2.3 Types of Budgets

When it comes to budgeting, there are numerous sorts of budgets that assist businesses in increasing their income and making the most efficient use of their available resources. A firm is typically organized into a number of departments, each of which is responsible for a specific purpose. It is required that each department develop a departmental budget, which is an estimate of the expenditures and income that are anticipated to be incurred over the course of a given time period. The documents in question are referred to as budgeted financial statements. A strategy that documents the financial statements, cash flow forecast, financial plans, and capital investments is called a master budget. A master budget can be defined as the aggregation of all the lower level budgets, which are calculated by various functional areas of the business. A master budget is also known as an umbrella budget (Vaidya, 2022). The master budget provides organizations with the support they need to make educated decisions on the distribution of their assets and resources across their many activities while also keeping in mind what they need to set aside for unexpected events in the following fiscal year (Vaidya, 2022).

A master budget is comprised of three primary elements in total. Budgets for operations take into account both the revenue and costs of running the business. The budget for capital expenditures covers the costs of projects and assets that have a longer lifespan. Cash flows and other financial data of the organization are accounted for in financial budgets.

Operating Budget

A company's operating budget takes into account the company's expenses, expected costs, and estimated income for a given period of time, typically quarterly or annually. It is the responsibility of the accountant to develop the operating budget prior to the beginning of the accounting period in order to incorporate predictions of projected income and costs. Due to the fact that the operating budget is for the entire year, it has been further broken down into a quarterly plan and a monthly plan in order to facilitate more precise spending management by the managers. The acquisition of raw materials, the cost of processing those materials, the interest on a loan, the salaries of the personnel, the upkeep of the office, and administrative charges are some examples of what an operating budget might encompass.

Financial Budget

Financial budgets are financial plans that are structured to detail projections on incomes and expenses on both a long-term and a short-term basis (Tatum, 2023). These budgets are financial plans that are structured to detail projections on incomes and expenses for a long-term as well as a short-term basis. In these financial budgets, the include a detailed budgeted balance sheet, a cash flow budget and addresses the receipt of income and the flow of expenses on an annual, semi-annual, and a monthly basis.

Capital Expenditure Budget

A capital expenditure budget, sometimes referred to as a CAPEX budget, is a financial plan that defines a company's long-term investment in assets such as property, equipment, and machinery. Another name for this type of budget is a capital expenditure budget. It is a forecast of the amount the company will spend on capital expenditures throughout the next year or years. The budget for the company's capital expenditures, or CAPEX, is often kept distinct from the operating budget, which is responsible for covering the company's day-to-day spending. Simply due to the fact that they do not have an endless supply of funds, businesses are required to create capital expenditure budgets. Each company has a finite amount of available funds. When a company has limited resources, one of its primary objectives is to maximize the amount of value it derives from those resources. As a result, businesses adopt measures to guarantee that they will only make investments in areas that are suitable for meeting the strategic requirements of the organization. In order to accomplish this goal, a company will make use of a variety of qualitative and quantitative decision factors. One variety of financial budget is known as a budget for capital expenditures.

Cash Flow Budget

A cash flow budget is more about managing the cash of the business. The cash flow budget determines whether the accounts payable and accounts receivable are dealt with timely. It ensures that the inflow of cash is regular and timely. This budget is important as it helps the managers determine the cash shortage period. And accordingly, take necessary action towards it. A cash flow budget also enables the business to know whether it would be able to handle new projects efficiently or not.

2.4 Methods of Budgeting

Budget is a written projection in which it shows the financial projection of a particular department and financial performance of a specific project for the period under consideration. There are various types of control an organization can implement budget control. They are aiming to control day-to-day business operational matter, capex like buying machinery or constructing a building, and cash flow in term of the working capital requirement and cash management. The common types of budgets that companies use: (1) traditional budgeting, (2) incremental budgeting, (3) bottom-Up Budgeting, (4) activity-based, (5) value proposition, (6) zero-based. These four budgeting methods each have their own advantages and disadvantages.

Traditional Budgeting

Traditional budgeting is a method that depends on the same year's spending to do the budgeting for the current year. The only benefit of going for this sort of budgeting is simplicity. If a company follows this type of budgeting, it doesn't need to rethink every item on the list. This type of method is used for the preparation of the budget by the company for the specific period under consideration where the budget of the previous year is considered as the base using which budget of the current year is prepared, i.e., the current year budget is made by making changes in budget of last year (Srivastav & Vaidya, 2022).

Incremental budgeting

A approach known as incremental budgeting is one in which the executives create the budget for the upcoming year by making adjustments to the budget from the previous year. The modifications are in the form of the addition or decrease of expenses to last year's budget. When using incremental budgeting, the budget for the previous period serves as the basis for the preparation of the new budget for the current term. The method of budgeting does not place any emphasis on the activities that are essential to running a firm. We only make the necessary adjustments to the budget from the previous year, taking into account the impact of inflation. This is a quick and straightforward approach of preparing budgets

Incremental budgeting takes last year's actual statistics and adds or subtracts a percentage to generate the current year's budget. Because it is straightforward and straightforward to comprehend, it is the most frequent sort of budget. If the fundamental cost drivers remain the same from one year to the next, incremental budgeting is the method that should be utilized. However, there are a few issues that arise while

employing the method: A approach known as incremental budgeting is one in which the executives create the budget for the upcoming year by making adjustments to the budget from the previous year. The modifications are in the form of the addition or decrease of expenses to last year's budget. When using incremental budgeting, the budget for the previous period serves as the basis for the preparation of the new budget for the current term. The method of budgeting does not place any emphasis on the activities that are essential to running a firm. We only make the necessary adjustments to the budget from the previous year, taking into account the impact of inflation. This is a quick and straightforward approach of preparing budgets

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Bottom-Up Budgeting

Bottom-up budgeting is a budgeting method that starts at the department level, moving up to the top level. Each department within the organization is required to compile a list of the things it needs, the projects it plans to carry out in the next financial period, and cost estimates. The estimates of all the departments are then summed up to get the overall company budget. The managers of each department are required to give their input since they know the cost estimates for the projects to be implemented (CFI Team, 2022). The basic process includes followings: The first stage is to identify the individual components of the business, it is listing the components and projects and establish the estimated cost to be incurred. Get a sum of cost projections of each department, sum up the budgets of all departments, and then Submit for approval. some of the benefits include better accuracy and employee motivation. When employees are involved in the budget-making process, they are motivated to work hard to achieve the organization's goals.

Activity-based budgeting

This method is a kind of a top-down type of budget that regulates the amount of input resources required to support the targeted outputs already set by the organization. For instance, an organization sets a target of \$100 million outputs as in sales revenues. In that case, the organization required to first decide the activities that need to be undertaken to meet the sales target, and then find out the costs of carrying out these activities. In each activity, it calculates the cost incurred and the budget is the expected total costs of these activities involving in meeting set target.

Value Proposition budgeting

In value proposition budgeting, the budgeter considers the factors.

Value proposition budgeting is really a mindset about making sure that everything that is included in the budget delivers value for the business. Value proposition budgeting aims to avoid unnecessary expenditures – although it is not as precisely aimed at that goal as our final budgeting option, zero-based budgeting.

Zero-based budgeting

As one of the most commonly used budgeting methods, zero-based budgeting starts with the assumption that all department budgets are zero and must be rebuilt from scratch. That is, the current year's budget preparation begins from scratch without considering the budget of the previous year. Managers must be able to justify every single expense. No expenditures are automatically "okayed". a new budget is prepared to take the base as zero, and resources allocated to each department are justified according to the expenses of that particular period. Zero-based budgeting is very tight, aiming to avoid any and all expenditures that are not considered absolutely essential to the company's successful (profitable) operation. This kind of bottom-up budgeting can be a highly effective way to "shake things up".

The zero-based approach is good to use when there is an urgent need for cost containment, for example, in a situation where a company is going through a financial restructuring or a major economic or market downturn that requires it to reduce the budget dramatically. Zero-based budgeting is best suited for addressing discretionary costs rather than essential operating costs. However, it can be an extremely time-consuming approach, so many companies only use this approach occasionally.

These days zero base budgeting is popular technique of budgetary control. In this technique, every next year budget is made on nil base. It can only be possible, if your estimated income will be equal to the estimated expenses. At that time, difference

between estimated income and estimated expenses will be zero. If there is any excess, it will be adjusted.

2.5 The Practices of Budgetary Control

Budgetary control is the control which is based on the prepared-budget. It is a kind of tool of management in planning and control to carry out all of the functions of the business correctly. The following are the practices involved in the budgetary control, which are shown in below.

Budgetary Planning

Being budget is an effective part of a company strategic analysis, long-term planning is used in the elaboration of long-term budgets. Budget is a plan of a firm expressing in monetary terms. For the short-term planning, the short-term budgets are used. Budgetary planning is the most visible use of accounting information. It is considered as a key factor of business planning and control policy (Todea & Calin, 2010). Being a budget is a management tool, it is also an accounting instrument for company on a basis to plan and control while satisfying their clients and secure their success on the market (Charles, Srikant, & Foster, 2006). Budget may reflect both financial and non-financial issues concerning the plan. Budget involves financial facets measures the administration's predictions regarding the profit, treasury's cash flows. The effectiveness of the budgeting process requires the strategic planning and implementing the plans.

Coordination

Coordination signifies the arrangement and trimming of all production or service factors from all economical functions in the most effective way to allow the company to achieve its objectives. Communication assumes that the personnel from all organizational subunits understands and accepts these objectives. Budget as a type of managerial control, it offers a framework of reference for performance evaluation which contributes to motivation and encourages the coordination and communication. With the coordination, it will increase the quality of predictions but also on the corrective measures taken.

Monitoring and Controlling

Budgetary control embraces the preparation of budget, coordinating the department with establishing responsibility, linking actual performance with budgeted,

and acting upon results to achieve maximum profitability. The budgetary control is a part of the overall system of responsibility accounting within an organization. Budget holder's responsibility is to analyze costs and revenues through permitting financial monitoring. It also involves reporting on the variations. The basic stages in that of the budgetary control processes include setting of pre-determined standards. Comparing with that standard, it measures actual performance against that standard. The budgetary control helps managers to monitor their plan and to control the use of resources in systematic and logical manner achieving the financial objectives. In an effective budgetary control, the manager responsibility must be clearly defined, well accounting record keeping, encouragement of top management, training of managers developing, implementing, and using the budgets, and flexibility (Egbunike & Unamma, 2017).

Human Factors in Budgetary Controls

Human factors in budgetary controls means that the degree to which organizations top management acceptance and their supports upon budget program (Adongo & Jagongo, 2013). These human factors involve managerial commitment, employees' motivation, employee training, competence and attitude related to budget control process (Miraji, 2017).

Managerial Commitment

To be successful budgeting, it depends on majorly on top management who must have enthusiastic and committed to the budgeting process (Perrin, 2012), The management team is needed not to use the budget to pressure employees or blame them when something goes wrong. Using the budgets in such a negative way will breed hostility, tension, and mistrust instead of being cooperating and productivity of organization. The budget must be highly achievable budget targets which are usually preferred when managers are rewarded when they achieve budget targets. In budgeting, the budget committee is responsible for overall policy with regards to the budget. The committee is also a coordinator in the preparation of budget. The committee is problem solver when a dispute arisen during budget preparation. Committee approves the final budget after reviewing all parties concerned. If the management shows not enthusiastic and committed to budget program because of its hardworking in budget to plan, then anyone in the organization is unlikely for its waste the time.

Employee Training

Training courses for accounting and budgeting is required for cost control in finance. Training and development are two words that are used interchangeably. The

difference is based on that of applications. Training can reduce turnover of employees. Budgeting and cost control training are required. Employee training is a difficult task as for management team. It is involving decision of a personal to involve in the process of targeting and achieving the objectives. The budget can be considered as a motivational factor for achieving objectives. Ability of managing budget is a significant skill of professionals. The participants in the budgeting process should have knowledge of financial analysis which is a primary skill in creating budget plans. Through this knowledge of financial analysis, the budget management team uses analytical thinking to evaluate a business' financial status and performance.

Employee Attitude

Being a budget is an assurance of financial control, employees become motivated to work harder. This means, employees are trying to achieve the budget amount and thus budget enables employees to improve efficiency, develop discipline, and improve productivity. Budget includes focusing the outcome of project, employee feels motivating by making financially sound decisions. The people who are in a supervisory role creates and monitors a budget that allows supervisor to facilitate the growth of a business and promote its financial stability by accurately managing monetary resources (Hellen, 2020). In such a way that, budget is useful tool to motivate employees.

2.6 Financial Performance

The ability of a company to effectively manage its finances can be quantified by looking at the company's financial performance. The efficiency of a company's finances can be evaluated using any one of a wide variety of approaches. The return on investment (ROI), profits before interest and tax (EBIT), and gross profit margins are major metrics that can be used to evaluate a company's profitability. Growth is measured in terms of growth in market share as well as growth in sales. Return on sales (ROS), return on equity (ROE), and efficiency are all measures of effectiveness (Adongo & Jagongo, 2013). The utilization of these benchmarking approaches makes for a good jumping off point for performance evaluation. A high level of performance is the direct result of management that is both successful and efficient in its use of the company's resources.

The topic of discussion that pertains to how efficiently a business may utilise its assets is known as financial performance. It is an overall measurement of a company's

overall financial health over a certain period of time determined by the company. It entails contrasting the organization in question with other businesses operating in a comparable sector. It is to secure the financial stability, which can range from allowing an organization to have sufficient resources for quality service delivery, to maximizing the potential of service delivery, to improving the ability to pay personnel, vendors, and creditors on time, to maintaining a good credit risk. It is generally accepted that the financial success of an organization is an important component to consider when evaluating the organization's overall performance. Important management tasks such as communication, determining corporate goals and objectives, resource allocation, and appraising performance functions all have an impact on the performance of a company, including its financial performance.

Numerous companies plan and carry out their financial management in such a way as to make a constructive contribution to the value they are making for their corporation (Kiringai, 2002). The outcome of the performance of the company's finances is determined by a trade-off between liquidity, solvency, and profitability (Lazaridis & Try Fonidis, 2006). The financial ratios serve as the foundation for the evaluation of the company's financial performance. It indicates that return on sales yields how much of a firm earns in relation to its sales, return on assets determines an organization's ability to make use of its assets, and return on equity reveals how much return investors receive for their investments in the company. In past times, the effectiveness of a production system or a corporation was judged according to financial metrics (Hope & Frazer, 2003). It is both the ease of calculation and the fact that definitions are standardized across the globe. The degree to which an organization is profitable is determined by the extent to which it makes a profit off of its three primary factors of production: labor, management, and capital.

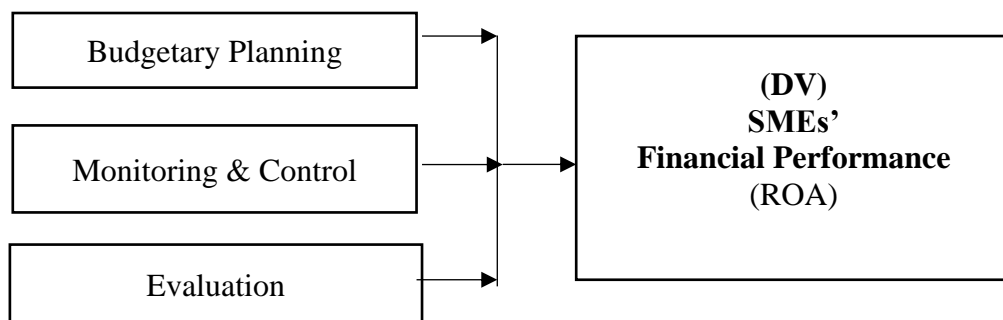
2.7 Previous Studies

A study was carried out by Hatharasinghe and Karunarathne (2017) to investigate the effects that budgetary control has on the financial performance of small and medium-sized businesses in Sri Lanka. Their research on SMEs in Sri Lanka is connected to the fact that SMEs make up a significant portion of the economy in Sri Lanka. The research focused on forty different SME numbers as the sample size. Due to the fact that this was a primary focused study, a structured questionnaire was created and given out to the financial managers, financial directors, marketing directors, and

accountants who participated in the research. The company's financial statements served as references for the secondary data that was collected. Planning, monitoring and controlling, and assessment are the three factors that will be the primary emphasis of this discussion. On the other side, the Return on Asset is the metric that is used to evaluate the success of the company (ROA). According to the findings, there is some evidence to suggest that a favorable association exists between sound fiscal management and good financial performance. The significance of this research lies in the fact that it demonstrates the utility of budgetary control, which leads to improved levels of organizational financial performance. Figure (2.1) illustrates the findings of research by Hatharasinghe and Karunarathne (2017) about the budgetary control procedures and the financial performance of SMEs.

Figure (2.1) Study of Budgetary Control Practices and SMEs' Financial Performance

Budgetary control practices (IDV)

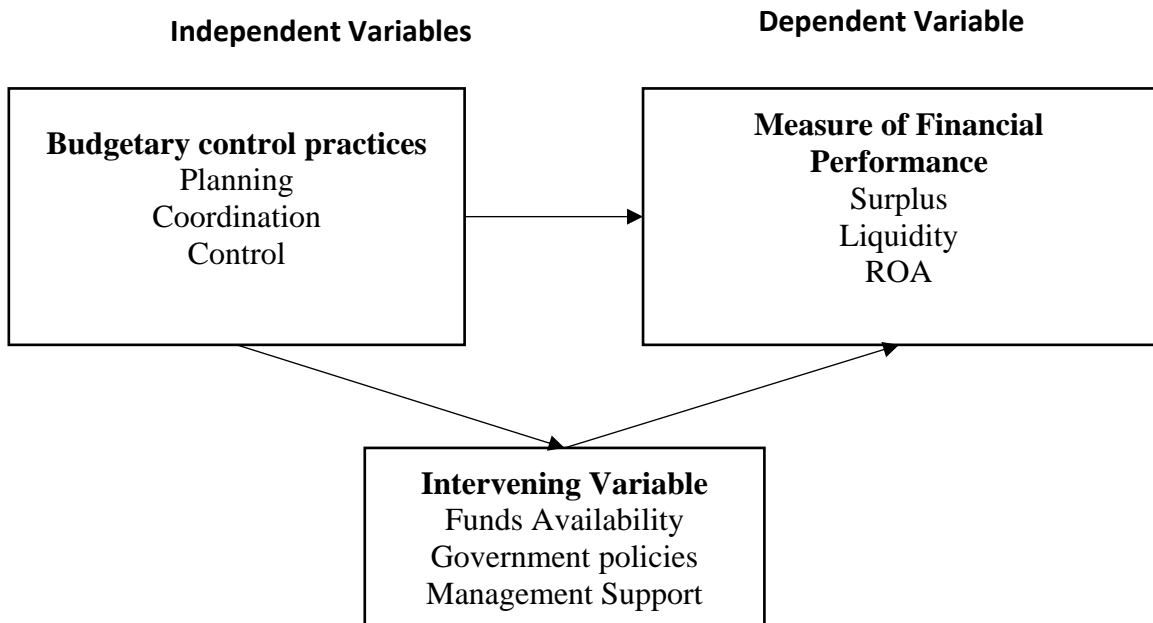


Source: Hatharasinghe & Karunarathne, 2017

Odero (2019) conducted a study to examine the effect of budgetary control uses that effect on financial performance of public universities in Kenya. In this study, the budgetary control practices refer to the managers use budgets to monitor and control cost as well as the operations within a specific period of time. The main objective of the study is to establish the effect of budgetary control practices on financial performance of Public Universities in Kenya. The specific objectives guiding the study were; to establish the relationship between Planning and Financial Performance, to establish the association between Coordination and Financial Performance, and, to establish the relationship between Control and Financial performance of Public

Universities in Kenya. Figure (2.2) presents the study model of Odero (2019), as follows.

Figure (2.2) The Relationship between Budgetary Control and Financial Performance of Public Universities



Source: Odero (2019)

In the research conducted by Odero (2019), there was a total of forty individuals who participated as respondents. These individuals were targeted as follows: Finance Officers, Deputy Finance Officers, Accountants, and Accounts Assistants. The location of Nairobi County can be determined by the number of major Public Universities that are situated inside its borders. The survey questionnaire was used to acquire the necessary data. The secondary data for the dependent variable of financial performance were taken from audited financial statements of public universities for the three fiscal years that fell between 2014 and 2017. These years were 2014, 2016, and 2017. According to the findings, there is a substantial connection between Budget Planning, Budget Coordination, Budget Control, and the Financial Performance of Public Universities in Kenya.

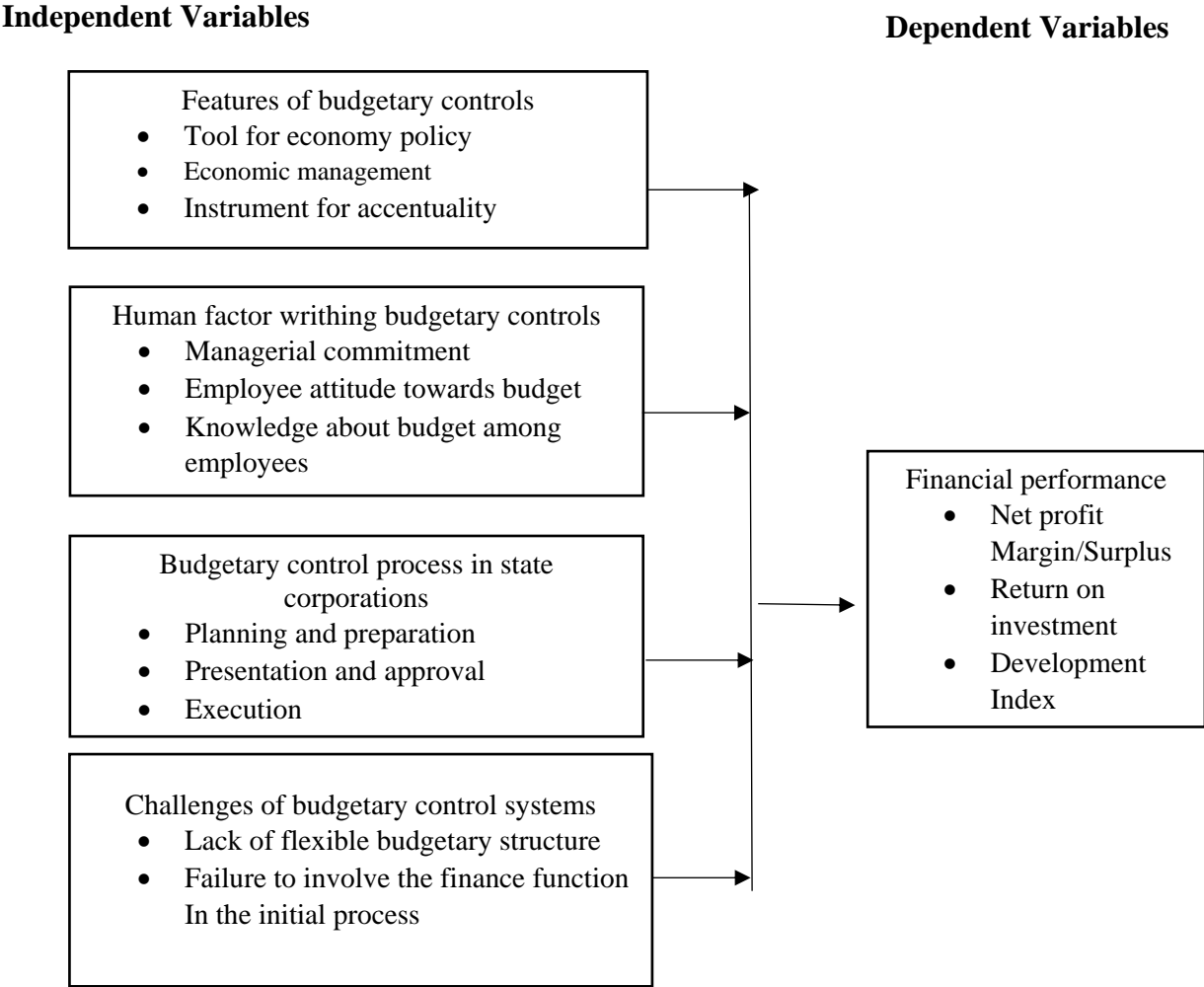
An investigation on the use of budgetary control as a measure of financial performance was carried out by Adongo (2013), with the primary focus being placed on state businesses in Kenya. Strong financial stability is one of the most important factors in determining whether or not an organization will be able to function effectively and to what extent it will be able to take advantage of opportunities to

provide services. This study investigates the elements that influence the practices of budgetary control. It establishes the human factors within budgetary controls, establishes the process of budgetary control in public organizations, and determines the challenges that affect budgetary control in order to investigate the impact that budgetary control has on the financial performance of public institutions or state corporations in Kenya. The study has 42 participants, including corporate services managers, finance managers, and budget officers from each of the 14 companies that are participating in the study. The total number of companies involved in the study is 138. The findings point to the existence of a positive and significant association between the control of state businesses' budgets and the financial performance of those corporations. The ability to forecast businesses' future financial milestones can be seen in the details of their budgets. The process of controlling the budget is impacted by human variables, including managerial commitment, employees' motivation, employee training, competence, and attitude, among other things. Following is an explanation of the study model that Adongo and Jagongo (2013) have presented in Figure (2.3). In the research conducted by Odero (2019), there was a total of forty individuals who participated as respondents. These individuals were targeted as follows: Finance Officers, Deputy Finance Officers, Accountants, and Accounts Assistants. The location of Nairobi County can be determined by the number of major Public Universities that are situated inside its borders. The survey questionnaire was used to acquire the necessary data. The secondary data for the dependent variable of financial performance were taken from audited financial statements of public universities for the three fiscal years that fell between 2014 and 2017. These years were 2014, 2016, and 2017. According to the findings, there is a substantial connection between Budget Planning, Budget Coordination, Budget Control, and the Financial Performance of Public Universities in Kenya.

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Figure (2.3) Budgetary Control as a Measure of Financial Performance

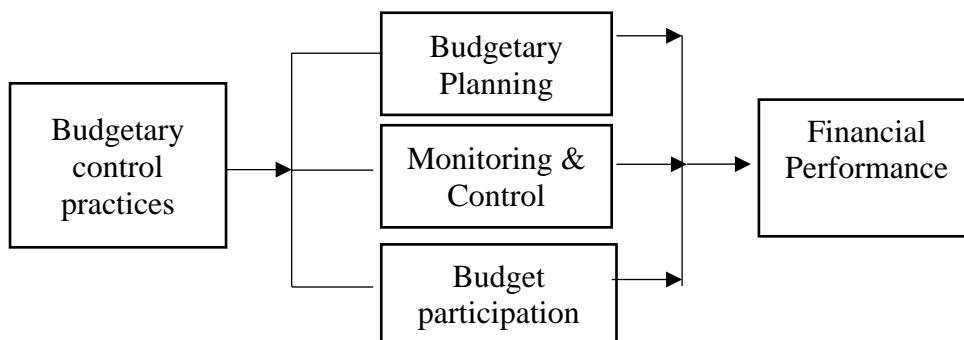


Source: Adongo & Jagongo, 2013

Budgetary control process exhibited a positive significant influence on financial performance of state corporations through influence on financial objectives, the allocation of funds as well as investment ventures that organization undertakes.

Ng’wasa, (2017) examines the relationship between budgetary control and financial performance of financial institutions in Tanzania. This case study focuses on national microfinance bank (NMB). The focus area is to ascertaining the relationship between budgetary planning and financial performance, to assess the link between budget monitoring and financial performance and ascertaining the relationship between budgetary participation and financial performance at NMB. The sampling method is the purposive sampling technique by selecting 88 sample size of this study. Figure (2.4) presents the study model of Ng’wasa (2017), as follows.

Figure (2.4) Relationship between Budgetary Participation and Financial Performance at NMB



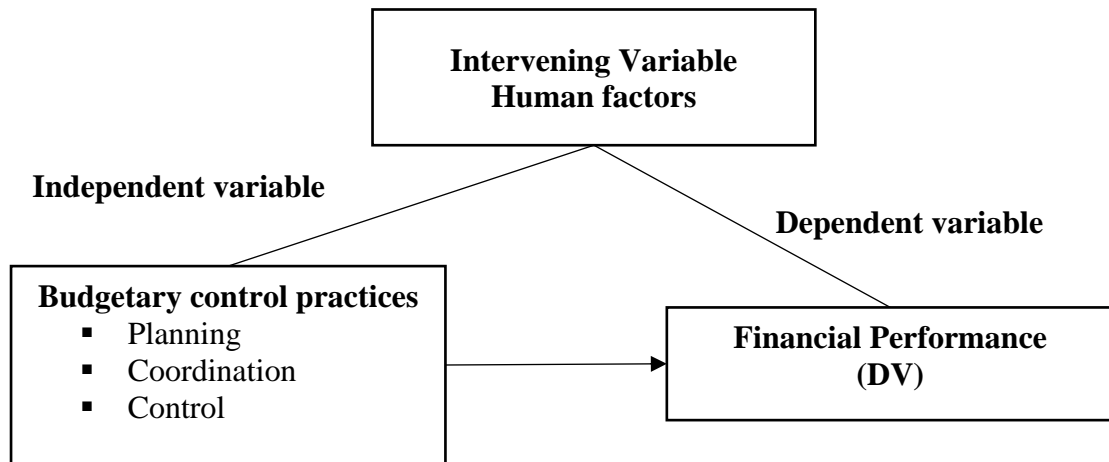
Source: Ng’wasa, 2017

In the collection of data, documentary review and questionnaires were used. The descriptive research method and regression analysis are used. Study findings showed that there was no any significant relationship between budget monitoring and financial performance. There is also no any significant relationship between budgetary participation and financial performance. However, there has significant relationship between budgetary planning and financial performance in that of selected National microfinance bank (NMB)

2.8 Conceptual Framework

Referring to the previous literature, a compilation is made to construct the study model used in this study. Figure (2.5) reports the study model of the effect of budgetary control practices on firm performance of CHL company with the intervening effect of the human factor, as follows.

Figure (2.5) Conceptual Framework of the Study



Source: Own Compilation, 2023

The above conceptual framework is to examine the effect of budgetary control practices on the financial performance and to analyze on mediation effect of human factors on the relationship between the Budgetary Control practices on Financial Performance of CHL Company. In this study model, budgetary control practices are the independent variable that effect on dependent variable of financial performance. This independent variable of budgetary control practices is assessed in terms of three dimensions: the budgetary planning, coordination practices, and budget control practices. In this study, the intervention effect is also measured. It measures whether the consideration of human factor involvement is also important consideration along with the influence of budgetary control practices on financial performance.

Planning

CHL Group board of directors gives direction for master budget plan of companies conducted by budget committee and all parties have to review and mandate the expenses associated with its construction projects of building and interior decoration programs, operation functions with respect to estimated incomes from rent-space, which are needed to approve final master budget plan.

Coordination

CHL Company assigns a person to coordinate the budget among all departments. Major responsibility is to coordinate the actual expenses when one section has big spending and the coordinator confirms that the operation has a budget to carry out the activity. If necessary, the other sections will have to revise their budget amounts. Budget coordinator further reported to senior management team the use of big spends is within the budget or not.

Control

The accountant department reports financial calculations that contain how spending will result in benefits, called cost-benefit analysis report. The use of budgets are documented into a knowledge management system in according to organization/s document control practices.

Human factors in the CHL Company for Budgetary Control

Human factors in relation to managerial support and their commitments, training to employees, and the degree to which how employee feeling of budgetary control practices. Managerial commitment to budgetary controls has increased the profitability of our organization. The participants in the budgeting process should have knowledge of financial analysis which is a primary skill in creating budget plans. Employees are trained to have well on budgetary control practices. Being a budget is an assurance of financial control, employees become motivated to work harder. This means, employees are trying to achieve the budget amount and thus budget enables employees to improve efficiency, develop discipline, and improve productivity. Employees' meaningful participation in budgetary control has resulted in increased profitability.

CHAPTER III

BACKGROUND INFORMATION OF CHL COMPANY

This chapter presents about background information of CHL Company. There are three sections to this chapter. It concludes historical background of CHL Company, Vision and Core Values, Organization structure of the company and Budgetary control practices of CHL Company.

3.1. Profile of CHL Company

With more than 2.3 million square feet of retail space now under management, CHL Company is the most successful retail space management company in Myanmar. We started managing shopping centers in 2006, when we took over the North Point Shopping Center, and we are proud to say that we have more than 17 years of experience in this field. The headquarters of CHL Company are located in Yangon, and the company now builds and manages 26 locations located throughout the country. CHL Company operates with 720 workers, including directors, general managers, operation managers, senior managers, and other staff level positions. The Chief Executive Officer is in charge of guiding the management to the Human Resources Department and any other relevant company committees.

The CHL Company is now delivering a multitude of services, including Center operation Management, Leasing and tenancy services, Project Management, and Ferry Service Management.

The CHL Company holds the following vision and core values dear to its heart:

CHL Company's vision is "To be the Benchmark of excellence in Developing and Managing Commercial and Residential Spaces," and to be the preferred business partner to our Contractors, Service Providers, Retail and Tenants because of our Integrity as The First-Choice Company. This will allow us to fulfill our mission of "To be the Benchmark of excellence in Developing and Managing Commercial and Residential Spaces." As the Responsible Company, we set the standard for excellence in responsible business practices. As the Innovative Company, we set the standard for excellence in enhancing the customer experience through innovative technologies.

The following is a list of the key values upheld by CHL Company: To have a "customer focus" means to concentrate on the requirements and contentment of our clients. Integrity means being honest with our contractors, service providers, retail

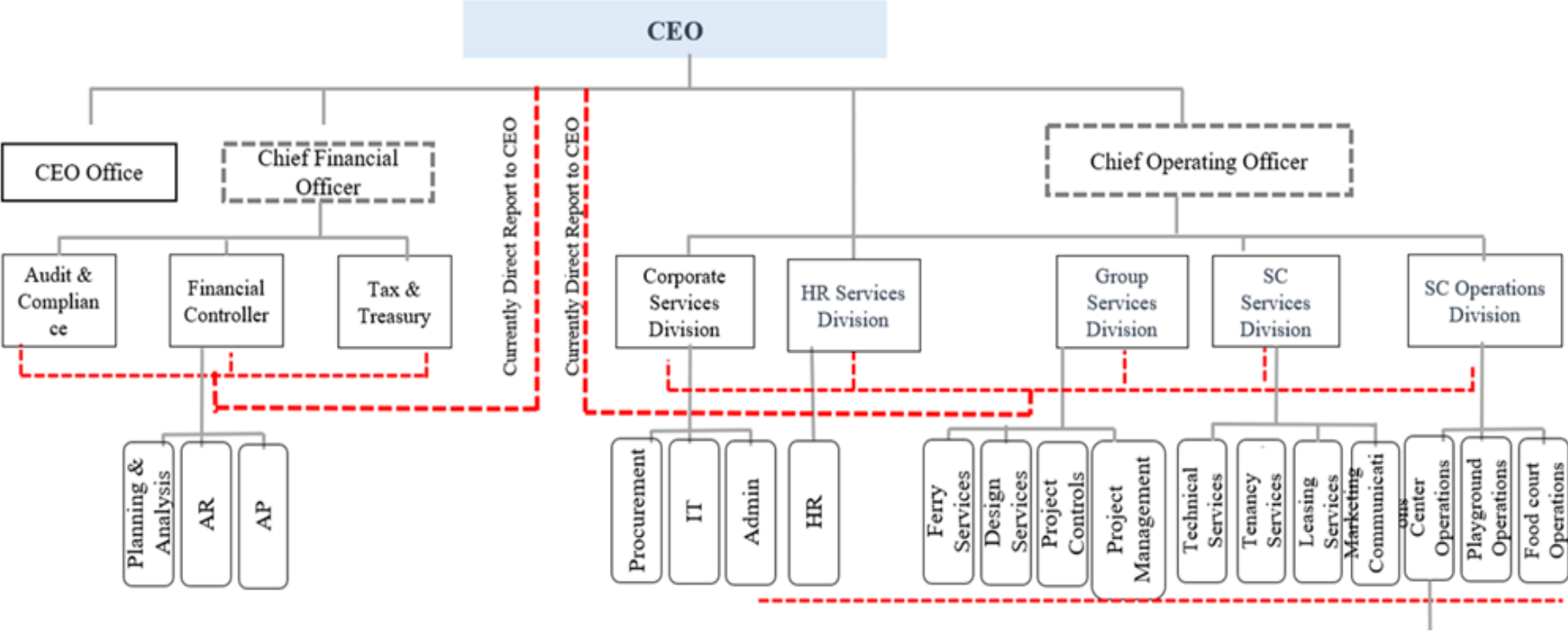
tenants, and also with our coworkers. Teamwork means doing great work together. Strive for excellence means being outstanding toward our goals. People development means improving our employees' existing skills and developing new ones. Teamwork means working well together.

3.2 Organization Structure of CHL Company

The organizational structure of the CHL Company consists of eighteen departments and four management committees, one of which is an independent Audit Committee. Additionally, the Chief Executive Officer is a member of all of these committees. The senior manager and the general manager make up the level of middle management, which is responsible for supervising each associated department.

The following is a list of the departments that make up the CHL Organization: The Budget Planning & Analyst section, the Accounts Payable section, and the Accounts Receivable section are all included in the Accounts Department. Both the Finance Section and the Tax Section are contained inside the Tax and Treasury Department. The Administration Department, the Information Technology Department, and the Procurement Department are all part of the Corporate Service Division (project procurement & operational procurement). The Training and Development Section, the Payroll Section, and the Recruitment Section are all Part of the HR Division. The Ferry Services, Design Services, Project Controls, and Project Management are all components of the Group Service Division. The various service divisions that SC (Shopping Center) provides include marketing communication, tenancy services, technical services, and lease services. The SC Operations Division is in charge of the center's operations as well as the playground and food court's operations. The chart below outlines the company's organizational structure in its entirety: Figure (3.1).

Figure (3.1) Organization Structure of CHL Company



Source: Organization Chart of CHL Company (2023)

3.3 The Budget Control Practices of CHL Company

Budgetary control refers to the business that manages the budget monitoring the actual budget and the results from that budget is a technique that enables prompt correction of any deviations. Firstly, all of budget are prepared.

3.3.1 Budget Preparation

Firstly, CHL Company defined the business strategy and then alignment with the group strategy. The budget plan is drawn up six months in advance. The relevant functional departments have to draw up a budget within a month or two, depending on the number of items to be sent. Then each department sends it to the Accounts & Finance Department. The Account Department combines and reviews the budgets of each department. The company uses what is known as the "negotiated budgeting strategy," which combines top-down and bottom-up budgeting techniques. CEOs may specify some of the goals they hope to achieve, but managers and staff members are equally responsible for creating the budget. Lower-level employees' increased involvement in the budgeting process may make it simpler to stick to budget goals.

It took another two months before they revised it to enter the amount, and they re-verified. After presentation and approval by our management team, before starting the budget, they brief the staff across the department with their departmental details and allocate the budget to meet the budgeted income. The organization prepares the budget plan according to the following Stage.

Table (3.2) Budget preparation Timeline

Stage	Description	Activity
Stage 1 (June 15)	Budget kick-off Briefing	<ul style="list-style-type: none">- GCFO (Group Chief Finance Officer) to provide high-level assumptions- GCFO share rolling forecast template (in advance)- GCFO to brief timeline and expectations

Stage	Description	Activity
Stage 2 (June 30)	Rolling Forecast Budget (High-level)	<ul style="list-style-type: none"> - To present high-level rolling forecast, completed with comments and assumptions. - Must submit /upload use provide template - Head office & Business Unit to discuss draft 2023 rolling forecast RF2023-1 to make improvement/ alignment
Stage 3 (Jul 30)	Business Unit (BU) CEO/Finance align before strategy meeting	<ul style="list-style-type: none"> - BU Finance team review and jointly forecast 2023 rolling forecast with CEO prior to BU Strategy meeting (for better insights from BU CEO) - BU Finance to submit RF2023-2 forecast with new/updated comments and assumptions
Stage 4 (Aug 15)	During strategy meetings, BU Finance to develop deeper budget insights	<ul style="list-style-type: none"> - Throughout the Sector Strategy meeting(s), BU Finance should think about how the discussions may impact on 2023 rolling forecast
Stage 5(Aug 24)	Rolling Forecast Budget (Draft)	<ul style="list-style-type: none"> - Rolling Forecast reflects the BU strategies draft (Strategy Alignment - Draft Budget reflecting strategy and bottoms up, drill down (to the extent complete) RF2023-3
Stage 6 (Sep 15)	Rolling Forecast Budget (Final)	<ul style="list-style-type: none"> - BU Finance to present final budget with full, bottom-up support after final BU strategies (Strategy alignment) - BU Finance to submit rolling forecast packet with GL account lines, if available - Identify costs as Must have, should do, and Like to Do when possible.

3.3.2 Budgetary Planning

The Company analyzing the basic objectives of policies and activity of each activity.

There are many practices of budgetary control in an organization, Budgetary control team of CHL Company discusses an appropriate budgeting strategy among many other budgeting practices for effective financial performance. The budget management team set the budget plan's general direction after receiving the board of directors' strategic direction.

Budgets in CHL Company are prepared by three separate budgets: Master budget (except Budgeted Balance Sheet), cash flow budget, and capital expenditure budget. Operating budget covers all expenditure of the organization.

Table (3.3) Types of Budgets and Responsibility Dept

Types of Budgets	Description	Responsibility Dept
Sales Budget	Projected unit base on occupancy of centers space	Leasing Dept
	Projected income base on the promotion plan, advertising Plan	Marketing Dept
Cost Budgets	Rental land & building expense	Tax & Treasury Dept
	Marketing & Promotion Expense (Promotion & Advertising plan)	Marketing Dept
	Repair & Maintenance expense (Air con, building, etc.)	Technical Service Dept
	IT related Exp (Repair & Maintenance of IT Accessories)	IT Dept
	Tax & Duty Exp, Transportation, other utilities expense	Admin Dept
	Training & Development cost, Safety, payroll & other benefit	HR Dept

Capital Expenditure Budget	Projected inflows and outflows for acquiring or selling capital assets	Technical Service Dept, Ferry Service Dept, IT Dept, Admin Dept, Project Dept
Types of Budgets	Description	Responsibility Dept
Cash Budget	Projected cash inflows, outflows, borrowing needs and cash balances	All functional Dept
Budgeted Income Statement	Projected income/expense based on the other projected budgets	Account Dept

3.3.3 Coordination

CHL Company assigns a person to coordinate the budget among all departments. Major responsibility is to coordinate the actual expenses when one section has big spending and the coordinator confirms that the operation has a budget to carry out the activity. If necessary, the other sections will have to revise their budget amounts. Budget coordinator further reported to senior management team the use of big spends is within the budget or not.

3.3.4 Monitoring and Control

The company performed the process of budget monitoring and control as follows: actual position, comparing actual with budget, calculating variances, finding reasons for variances and taking action to exert control. The accountant department usually provided the financial management report to CEO. To establish actual position, the budget holder to examine and understand the financial information. The use of budgets is documented into a knowledge management system in according to organization/s document control practices. The participants in the budgeting process should have knowledge of financial analysis which is a primary skill in creating budget plans.

CHAPTER IV
EFFECT OF BUDGETARY CONTROL PRACTICES ON FINANCIAL
PERFORMANCE OF CHL COMPANY

This Chapter presents the analysis of the budgetary control practices and its effect on financial performance of the focused CHL Company. It includes design of the research, demographic profile analysis, reliability analysis, descriptive analysis on the respondents' perception on budgetary control practices, and also the analysis of the effect of budgetary control practices on the financial performance, which all are stated as follows.

4.1. Research Design

This study finds out the effect of budgetary control practices on the financial performance at CHL company. This study uses both types of data are primary data and secondary data. Descriptive method is applied for this study. Primary data and secondary data are used. Primary data are collected through questionnaire using likert scales to explore the effect of budgetary control practices on the financial performance at CHL Company. Respondents of the survey are the employees who had been involved in budgetary control and planning practices at City Holding Company Limited.

In this study, structured questionnaire has designed with dependent variable, independent variable, and intervening variable. The correlational analysis and regression analysis are used to find out the variations between the variables.

Budgetary control practices in terms of budgetary planning, coordination and control are taken account into independent variable while the financial performance by the result of these budgetary control practices are considered as dependent variable. Aiming to analyze the success of budgetary control, Management practices, training for well budget planning, and employee attitude are considered as intervening variable named human factor.

The secondary data are collected from theories of budgetary control and the previous literatures publications, papers and thematic report relating to budgetary control practices and financial performance from published and unpublished sources.

4.2. Demographic Profile of Respondents

The first analysis is the demographic profiles of the respondents who are selected from the total participants in that budgetary control practices of planning, coordination, and control process. The respondents' gender, age, marital status, educational level, their position levels, and working experiences, as follows.

Table (4.1) Demographic Profile of Respondents

Sr. No.	Particular	Frequency	Percentage
	Total	72	100%
1	Gender analysis		
	Male	32	44%
	Female	40	56%
2	Age of Respondents (Years)		
	18 to 25	1	1%
	26 to 35	29	40%
	36 to 45	35	49%
	46 to 55	4	6%
	Above 55	3	4%
3	Marital status of respondents		
	Single	23	32%
	Married	49	68%
4	Educational Level of Respondents		
	University graduate	10	14%
	Postgraduate	39	54%
	Master degree	23	32%
5	Position of Respondents		
	Senior Officer	29	40.3%
	Assistant manager	15	20.8%
	Manager	15	20.8%
	Senior Manager	2	2.8%
	Department Head	9	12.5%
	General Manager	2	2.8%

6	Working Experiences in Current Company		
	One to two years	7	9.7%
	Three to five years	17	23.6%
	More than five years	48	66.7%

Source: Survey data, 2023

According to the above Table (4.1), 32 respondents are male and 40 respondents are females. In the percentage wise, female participants is 56% with little more than male respondents. In the age analysis, only one respondent who are in the age range between 18 to 25 years old. There are 29 respondents who are fallen in the age range of 26 to 35 years old, 35 respondents who are fallen in the age range of 36 to 45 years old, 4 respondents who are fallen in the age range of 46 to 55 years old, and the three respondents with above 55 years old. In term of percentage, the 49% or the most participants of respondents are in the age between 36 to 45 years old, and followed by 40% of respondents are second most participants who are in the age range between 26 to 35 years old. By the demographic profile analysis, there are a little more female employees with the age between 26 years to 45 years old are taking part in the budgetary control process.

Their marital status shows that there are 23 respondents (32%) who are single status while 49 respondents with 68% are married persons. Educational analysis shows that no one respondents is undergraduate, 10 respondents are university graduate, 39 are with postgraduate, and 23 respondents are master degree. In terms of percentage, 54% or the most of participants are post graduate diploma and 32% of participants are with master degree level. The most educated people involved in the study could be assumed to yield more accurate replies to that survey questions.

The respondents' position level, 29 respondents (40%) are with senior officers ,15 respondents (21%) are with assistant manager, 15 respondents (21%) are managers positions, 2 respondents (3%) are senior manager, 9 respondents are departmental head position, and the rest 2 are general manager. In the analysis of the respondents' position levels, it is found that different levels of supervisory level to management level are involved in the budgetary control practices.

The respondents' working experiences, 7 respondents are one to two years working experiences in that CHL company, 17 respondents are three to five years working experience, and 48 respondents are more than five years working experiences.

In terms of percentage, the 67% or the most participants are with more five years working experiences. This means the working experience of respondents are mainly more than five years.

Respondents' awareness of budgetary control practices are also analyzed. Table (4.2) explains the result of the analysis on respondents' awareness of budgetary control practices in CHL Company, as follows.

Table (4.2) Respondent Experience of Budgetary Control Process

Sr. No.	Particular	Frequency	Percentage
	Total	72	100%
1	Year of experience in budget preparation (year)		
	Less than one year	21	29%
	2 years	10	14%
	More than 2 years	41	57%
2	Experience or reviewing the budget vs actual report		
	Yes	61	85%
	No	11	15%
3	Need for budget preparation		
	Yes	70	97%
	No	2	3%

Source: Survey data, 2023

According to the above Table (4.2), the respondents' involvement in budget preparation is showing that 21 respondents are involved less than one year, 10 respondents are involved for 2 years, and the majority of 41 or 57% have already involved in the budget preparation for more than 2 years. In their behavior of reviewing the budget compared to actual reports, the study explains that 61 out of a total of 72 respondents or the majority of respondents have to review the budget with respect to actual expenses. Regarding to the question of "Do you think that budget preparing is helpful for your organization?", almost all the respondents agree on that of the budget preparing which is helpful for their organization.

4.3. Reliability Test

Reliability test is required. It is necessary to test to the consistency of a measure and validity with respects to the extent to which a test or scale measures the construct it sets out to measure. On the other hands, the reliability analysis allows researcher to study the properties of measurement scales and the items that compose the scales. In this study, Cronbach's alpha value is interpreted as follows. The value over 0.9 is excellent consistency, the value between 0.7 and 0.9 is good consistency, 0.6 to 0.7 is acceptable, and 0.5 to 0.6 is weak, while the value less than 0.5 is unacceptable value (Cengiz, Altuntas, & Cengiz, 2020).

Table (4.3) Reliability Statistics

Sr. No.	Factors and Variables	Cronbach's Alpha	No of Items
1	Budget Planning	.879	5
2	Coordination	.849	4
3	Monitor & Control	.920	5
4	Human Factor	.829	6
5	Financial Performance	.777	6
	Total		26

Source: Survey data, 2023

According to Table (4.3), budget Planning factor is composed with 5 items, coordination factor is composed with 4 items, monitor and control factor is composed with 5 items, human factor is composed with 6 items, financial performance factor is composed with 6 items, all together 26 items are tested. From the reliability test statistics result, almost all of Cronbach's alpha values for the factors and variables are high values above 0.7, this indicates pass the reliability test. This could be considered as good and excellent data consistency in each variable and factor.

4.4. Descriptive Analysis on the Budgetary Control Practices

In the analysis of the budgetary control practices used in the CHL group of companies, the study sought to examines the perceptions of the supervisors, site managers, finance managers budget officers who are the participants in the budgetary control process, also asked to rate an establish the human factors within budgetary

controls. The budgetary control practices are focused on the budgetary planning, coordination, and control factors.

The mean value scales are interpreted by using the score level defined by Best (1977) in the following table (4.4).

Table (4.4) Scoring Range of Likert Scale

Range	Level
1.00-1.80	Very Low
1.80-2.60	Low
2.61-3.40	Average
3.41-4.20	High
4.21-5.00	Very High

Source: Survey data, 2023

4.4.1. Budgetary Planning Practice

Table (4.5) is the descriptive analysis on budgetary planning practices, study uses total five statements. Respondents have to rate their agreeable options on that of the goals of the budget is clear, being a long-term and short-term budget plans, each department practices of prior planning of the budget plan, is the budget plan covering all aspects of organization strategy, and sending practices regarding information of expenses to review monthly. Respondents' replies are listed in the Table (4.5), as follows.

Table (4.5) Employee Perception of Budgetary Planning Practice

Sr. No.	Budgetary Planning	Mean	St dev
1	The Budget cover all the aspects of organizational strategy and mission.	3.51	0.67
2	The Budget has clear goals and objectives.	3.51	0.71
3	Organization has a long-term and short-term budget plan	3.50	0.67
4	Each department of our organization prepares budget plans prior to budget periods.	3.53	0.71
5	The information in the budget plan is monthly sent so as the responsible staff can review their expenditures upon incomes.	3.44	0.73
	Overall Mean Value	3.50	

Source: Survey data, 2023

According to table (4.5), the received overall mean value for budgetary planning is 3.50, which is fairly high mean value (higher than neutral range of 2.61 to 3.40). It is indicating that the budgetary planning has fairly strong important practices in the budgetary control practices at CHL Company. The most important budgetary planning practices is the preparation by each department of CHL Company who prepares budget plans prior to budget periods. The mean score for its statement is 3.53 with highest mean value. The second most important budgetary planning practices is the 3.51 with standard deviation of 0.67 in the statement of the budgets which cover all the aspects of our organizational strategy and mission. The lowest mean score is 3.44 which is also a fairly high mean value upon the statement of information in the budget plan is monthly sent so as the responsible staff can review their expenditures upon incomes. Based on the highest mean value and lowest mean value, it can be concluded that budgetary planning is one of the important for budgetary planning at CHL Company.

4.4.2. Coordination Practice

Table (4.6) is the descriptive analysis on budgetary coordination practices. In this study, it uses total four statements total were used.

Table (4.6) Employee Perception of Coordination Practice

Sr. No.	Coordination	Mean	St dev
1	Budget coordinator (Accountant) closely coordinates with budget management team to review and check centralized control of the budget.	3.41	0.78
2	Budget alignment is achieved by coordinating the activities of the organization's various departments.	3.42	0.83
3	Financial Controller takes accountability for centralized control over the budget process, who must work closely with Top Management and departmental heads.	3.60	0.74
4	Account & Finance Department is responsible for centralized control over the budget process, who must work closely with top management and departmental heads.	3.67	0.67
	Overall Mean Value	3.52	

Source: Survey data, 2023

As shown in the above Table (4.6), the overall mean score of the value of 3.52 for budgetary coordination practices rated by the total 72 respondents is also fairly high mean value (greater than 3). The high mean value indicates that coordination is one of the important function at budgetary control practices at CHL Company. The highest mean value of 3.67 is received for the statement of “Account & Finance Department is responsible for centralized control over the budget process, who must work closely with top management and departmental heads”. This is indicating the account and finance department takes centralized control for over the budget process could be the highest coordination function among other departments. The second most high mean value of 3.60 for the statement of “financial controller takes accountability for centralized control over the budget process, who must work closely with top management and departmental heads”. This is indicating that the most respondent’s agreement on that of the financial controller who takes accountability to work closely between top management and departmental heads for coordinating the budget control practices. The least mean score of 3.41 has fairly high mean value which is for the coordination of budget coordinator (Accountant) who closely coordinates with budget management team to review and check centralized control of the budget.

4.4.3 Monitor and Control Practice

Table (4.7) is the result of the analysis of the monitor and control practices in the budgetary control practices by the use of Five-point Likert scale measure, as follows.

Table (4.7) Employee Perception of Monitor and Control Practice

Sr. No.	Monitor and Control	Mean	St dev
1	Control of the budget activities is done by heads of departments.	3.67	0.75
2	Budget and Actual variance reports are regularly prepared and reviewed by the account department and the other respective department.	3.58	0.75
3	Management always takes timely corrective actions when adverse variances are reported.	2.89	1.08
4	Adjustment in the budget is done whenever necessary	3.57	0.73
5	The perceived level of budget monitoring and control in organization is adequate.	3.56	0.75
	Overall Mean Value	3.46	0.72

Source: Survey data, 2023

As shown in the above table, the mean score for monitor and control in budgetary control practices is 3.46 which is fairly high (greater than 3). The fairly high mean value indicates the monitor and control practices is one of the important budgetary control practices in the CHL company. The most utilization of budget control activities is done by heads of departments for its received highest mean value of 3.67. The second most important practices in budget control practice is the regularly prepared and reviewed on budget and actual variance reports by the account department and the other respective department with the second most high mean value of 3.58.

4.4.4 Overall Mean Value of the Budgetary Control Practices

Descriptive analytical method was used to find out how budgetary control practices are important factors relating to financial performance. The following is the summary descriptive analysis on the results of the respondents' options upon the which is shown in Table (4.8) as follows.

Table (4.8) Summary for Budgetary Control Practices

Sr. No	Factors	Mean
1.	Budgetary Planning	3.50
2.	Coordination	3.52
3.	Monitor and Control	3.46
	Overall Mean Value	3.49

Source: Survey data, 2023

By the Table (4.8), the calculate overall mean value of budgetary control practices is 3.49. This mean value is fairly high mean value over 3, indicating the budgetary practices at CHL Company is fairly high important to promote the ability of financial performance of that association. This explains that responsible parties of the CHL Company accept that budgetary control is important and need to design budget to be with a system and procedure for the purpose of implementing the plan. Among the focused three budgetary control practices, coordinating activities would be the most significant activities at budgetary control practices, followed by budgetary planning practices and lastly monitor and control practices by the responses of a total respondents relating to financial performance.

4.5. Analysis on the Effect of Budgetary Control Practices on Financial Performance

In the analysis of the effect of budgetary control practices, it first analyzes respondents' aggregable options on that of financial performance by the Five-point Likert scale measures. After that, correlation and multiple regression analysis were conducted.

4.5.1. Descriptive analysis on financial Performance

In the analysis of the respondents' options upon the financial performance by the budgetary control practices is analyzed. The result of the analysis is as shown in the Table (4.9), as follows.

Table (4.9) Analysis on Financial Performance

Sr. No.	Financial Performance	Mean	St dev
1	Budget controls provide cash expenditure tracking and reduce operational costs.	3.83	0.69
2	Fitting budgetary control to an organization's situation reduces save costs.	3.85	0.69
3	The budgetary control measures put in place in our organization have a great influence on financial performance.	3.88	0.69
4	Well budgetary control practices help in reducing operation costs by eliminating wasteful expenditure.	3.83	0.67
5	Budgetary control provides an organization with avenues to invest in income generating ventures.	3.81	0.67
6	Budgetary control has led to cost effective procurement, thus surplus revenue.	3.82	0.70
	Overall Mean Value	3.84	

Source: Survey data, 2023

Based on the descriptive analysis result on financial performance, the above table shows that the overall mean value of 3.84 which is high mean value, indicating the most of respondent's agreement of there has an effective result upon the financial performance by the budgetary control practices conducted in CHL Company. The most of respondents have agreement that the measures by budgetary control that put in place in CHL Company which have a great influence on financial performance with the highest mean value of 3.88. The second most helpfulness of budgetary control is indicating that the fitting budgetary control to the organization that would reduce unnecessary costs and save to the organization. The least effectiveness on financial performance is that of budgetary control provides an organization with avenues to invest in income generating ventures. However, the lowest mean value of 3.81 is greater than neutral mean value, and thus, there have effective outcomes by the budgetary control practices used in CHL Company.

4.5.2. Relationship between Budgetary Control Practices and Financial performance

To analyze the relationship between Budgetary Control Practices and Financial performance at CHL Company, Pearson correlational analysis was calculated. Table (4.10) explains the result of the correlational analysis on budgetary control practices and financial performance, as follows.

Table (4.10) Relationship between on Budgetary Control Practices and Financial Performance

Factor	Sig. (2-tailed)	Pearson Correlation
Budget Planning	.000	.531**
Coordination	.000	.679**
Monitor & Control	.000	.713**

** . Correlation is significant at the 0.01 level (2-tailed).

Dependent variable = Financial performance

Source: Survey data, 2023

According to Table (4.10), the coefficient of correlation values expect from budgetary planning are higher correlation coefficient values. This means that the coordination activities, monitor and control practices have positive and strong association with and financial performance. The correlation between budgetary planning practices and financial performance is positive and moderate level correlation with financial performance in that chosen CHL Company.

4.5.3. The Effect of Budgetary Control Practices on Financial performance

In the study of the effect of the budgetary control practices on financial performance at CHL Company, multiple regression analysis was conducted. By the ANOVA result, the F (30.500) and with shown significant at 1% level. For that test result, the use of regression model of the effect of budgetary control practices on financial performance is valid study model.

Table (4.11) The Effect of Budgetary Control Practices on Financial Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.189	.301		3.950	.000		
Budget Planning	.006	.015	.032	.405	.686	.995	1.005
Coordination	.322**	.101	.351	3.178	.002	.513	1.947
Monitor & Control	.424**	.100	.467	4.235	.000	.515	1.941
R	.757 ^a						
R Square	.574						
Adjusted R Square	.555						
F	30.500**						

^a Dependent Variable: Financial Performance

** significant value at 1%

Source: survey data, 2023

According to Table (4.11), the overall significance of the model can be explained by the effect of budgetary control practices on financial performance at CHL Company in Myanmar.

By the multiple regression analysis, the result explains the significant relationship between budgetary control practices on financial performance by the R square value over 0.57. Since the value of adjusted R square is 0.555, it highlights that 55.5% of the variation of financial performance can be explained by the model which is predicted by the budgetary control practices of Budget Planning, Coordination, and Monitor & Control practices.

The survey results from the multiple linear regression analysis of Budget Planning practices have shown positive and poor result, but this value is not significant value at 1% ($p > 0.01$). The Coordination in budgetary control practices has positive and significant effect on financial performance ($r = .322$, $p < 0.01$). This means one unit or 100% more coordination among the parties in the budgetary control practices could have increased in 32.2% on financial performance.

The monitor and control in budgetary control practices has also positive and significant effect on financial performance ($r = .424$, $p < 0.01$). This means one unit or 100% more monitor and control in budgetary control practices could have increased in 42.4% on financial performance.

Correlation analysis shows that all the selected three factors of budgetary control practices have shown positive and significant relationship with financial performance. The regression analysis shows that the effect of coordinating activities and budgetary control practices could have more significant influence in budgetary control practices that has to increase more financial performance ability. The budget monitoring and controlling implementations practices could be the most budgetary control practices at CHL Company.

4.6. Analysis on Effect of Human Factor on Financial Performance

In this study, it extends to human factor intervention on that of the budgetary control and financial performance relationship. Firstly, it finds out the descriptive study on that of the human factor involvement level, as follows.

4.6.1. Analysis on Intervening of Human Factor in Budgetary Control Practices

In this study, it extends to examine the effect of human factor as intervening role on the relationship between budgetary control practices and financial performance. By the descriptive analysis, the respondents' options upon the human factor involvement is as shown in Table (4.12) as follows.

Table (4.12) Analysis on Human Factor

Sr. No.	Human Factor	Mean	St dev
1	Managerial commitment to budgetary controls is to achieve organizational goals related to financial of our organization.	4.25	0.80
2	The degree to which complete acceptance of top management is important that could lead to positive financial performance.	3.67	0.71
3	The assertion is that the human capability of budgetary planning and control does not lead to the mismanagement of funds.	3.56	0.82
4	Employees' meaningful participation in budgetary control has resulted in increased profitability.	3.38	0.83
5	Employee positive attitude in the practice of organizational budgetary plan to control	3.51	0.71
6	Employees are trained to have well on budgetary control practices.	3.61	0.70
	Overall Mean Value	3.67	0.82

Source: Survey data, 2023

Table (4.12), the high mean value is the received overall mean value of 3.67. (over 3). This provides evidence that the human component is one of the crucial factors in the practices of budgetary control and to be an effective financial performer in the chosen CHL Company. The commitment level of management to design, implement, and control budget plan in order to achieve organizational goals connected to the financial performance of the company has a mean value of 4.25, making it the most significant human component associated to budgeting. The degree to which top management believes in and completely accepts the use of budgetary control is the second most important human factor involvement. This belief and acceptance is what ultimately leads to the accomplishment of organizational goals, which in turn raises profits with the highest mean value of 3.67. The level of employees' meaningful participation in the control of the budget represents the human aspect at its most fundamental level. The human aspect is vital in both the practices of budgetary control and the good financial performance. This importance is based on the highest and lowest mean values.

4.6.2. Analysis on Intervening of Human Factor on Financial Performance

In the examination of the human factor intervening effect on financial performance, the use of multiple regression analysis as shown in the Table (4.13), as follows.

Table (4.13) The Effect of Human Factor on Financial Performance

Model	Unstandardized		Standardized	t	Sig.	Collinearity	
	Coefficients		Coefficients			Tolerance	VIF
	B	Std. Error	Beta				
(Constant)	1.376	.322		4.277	.000		
Human Factor	.673**	.087	.681	7.777	.000	1.000	1.000
R	.681 ^a						
R Square	.464						
Adjusted R Square	.456						
F	60.476**						

^a Dependent Variable: Financial Performance

** significant value at 1% by the SPSS 22 outputs

Source: survey data, 2023

As shown in the above table, the F test value result shows significant value of 60.476 at 1% ($F=60.476$, $p<0.1$). This means the significant relationship between human factor and financial performance. Since the value of the unstandardized Coefficient value form human factor is .673 and significant at 1% ($r=.673$, $p<0.01$), indicating 0.673 times increasement by the 1 time more involvement of human related factors in that budgetary process.

4.6.3. The Mediating Effect of Human Factor on the Relationship between the Budgetary Control Practices on Financial Performance

Lastly, the mediating effect of human factor is analyzed. These variables are termed mediator or intervening variables. In this proposed mediator and the interaction term (mean for budgetary control practices factors \times human factor) was adopted in order to test the mediating effects of human factor on the relationship between the budgetary control practices of CHL Company and financial performance.

Table (4.14) The Mediating Effect of Human Factor on the Relationship between the Budgetary Control Practices on Financial Performance

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Comment
	B	Std. Error	Beta				B	Std. Error	Beta			
(Constant)	1.189	.301		3.950	.000	(Constant)	2.432	.159		15.282	.000	
Budget Planning	.006	.015	.032	.405	.686	Hu > Plan	.000	.004	.003	.030	.976	No effect
Coordination	.322**	.101	.351	3.178	.002	HU_Coord	.055*	.026	.397	2.100	.039	Partial effect
Monitor & Control	.424**	.100	.467	4.235	.000	HU_Control	.052*	.025	.389	2.070	.042	Partial effect
R	.757 ^a					R	.769 ^a					
R Square	.574					R Square	.591					
Adjusted R Square	.555					Adjusted R Square	.573					
F	30.500					F	32.726					

^a. Dependent Variable: Financial Performance

** significant value at 1%, * significant at 5%

Source: survey data, 2023

According to table (4.14), there is no statistically significant value in the direct relationship that exists between budgetary planning and financial success ($r=.006$, $p>0.5$). The value of the indirect effect on the financial performance is also considered to be insignificant. This indicates that the human component does not play any role in mediating the relationship between budgetary planning techniques and financial performance. As a consequence of this, the mediating effect of the human factor does not have a substantial impact on the relationship between planning in budgetary control methods and financial performance.

It has been determined that there is a considerable value in the direct association that exists between coordinating practice and financial success ($r=.332$, $p>0.01$). The indirect association between the coordinating activity and financial success is likewise a significant value ($r=.055$, $p>0.05$); this indicates that the relationship is statistically significant. As a result, the human component plays a partial function as a mediator in the connection between the coordination of budgetary management methods and financial performance.

There is a considerable value in the direct relationship that exists between monitor and control in the context of budgetary control practice and financial performance ($r=.424$, $p>0.01$). The indirect association between the monitor and control budgeting procedures and financial performance is also a significant value ($r=.052$, $p>0.05$). As a result of the mediating impact, the value of the coefficient of correlation is lowered from $r=.424$ to $r=.052$, a significant decrease. Therefore, the human factor serves as a partial mediator in the relationship between the monitor and the control with regard to the practices of budgetary control and the performance of the finances.

CHAPTER V

CONCLUSION

In this conclusion section, it composed of three sections. The first section is the discussion of findings and conclusion, second section is the recommendations and suggestion, and followed by needs for further studies.

5.1 Findings and Discussions

The purpose of this research is to investigate the impact that adherence to budgetary control procedures has had on CHL Company's overall financial performance. The planning, coordination, evaluation, and management of the budget are the only aspects that fall under the purview of the procedures of budgetary control. The acquisition of original data is the primary focus of this investigation. The respondents were chosen from all of the people who took part in the process of planning, coordinating, and controlling the financial procedures. The examination of the respondents' demographic profiles reveals information about the respondents' gender, age, marital status, educational level, position levels, and years of experience in the workforce. The proportion of female respondents to this study is slightly higher than that of male respondents. It is believed that female respondents have a greater level of involvement in monetary policy monitoring techniques. They are between the ages of 26 and 45 and are actively participating in the process of financial control. Their ages range from 26 to 45 years old. The majority of them are adults who are married and have at least a bachelor's degree as well as a graduate or post-graduate diploma. These are selected from among all of the participants in the process of budgetary control, including the heads of departments, supervisors, site managers, finance managers, and budget officers. The outcome of the analysis on respondents' awareness demonstrates that everyone has already been involved in the process of budget preparation for more than 2 years, as shown by the findings of the study on respondents' awareness of budgetary control techniques. The vast majority of responders are tasked with analyzing the budget in light of their actual expenditures. According to the survey results, practically all of the people who responded believed that the budgeting methods are beneficial for their firm.

The use of a Likert scale with five points for measurement was carried out in the analysis of the budgetary control practices that were put into place at the CHL

Company. When it comes to the descriptive analysis of budgetary planning practices, there is a pretty high overall mean value for budgetary planning. This indicates that CHL Company's budgetary planning has fairly strong important procedures that are included in their budgetary control activities. Prior to the beginning of each budget period, the planning that takes place in each department of the CHL organization is characterized in budget plans. The responders are in agreement that budgets account for all aspects of the organization's strategy and mission. a reference to the CHL Group of Companies. In regard to the investigation into the procedures for budgetary coordination, the findings of the descriptive investigation indicate that the coordination procedures are also a fairly essential function in the procedures for budgetary management at the CHL Company. The department of accounts and finances, which assumes centralized control for over the budget process and ensures that other departments function in coordination with one another, is the one that plays the coordinating role that is most prominent. The second function that best exemplifies coordination is that of the financial controller, who is responsible for maintaining centralized control over the budget process and who also maintains tight relationships with both the top management and the heads of the various departments.

The fact that the study of the monitor and control practices in the budgetary control practices produced a result with a very high mean value suggests that the monitor and control practices are one of the most important budgetary control practices utilized by the CHL companies. These activities for controlling the budget are characterized by the accountabilities of the heads of departments on the practices for controlling the budget. Additionally, it is special since the account department and the other departments that are related to them constantly compile and analyze reports on budget and actual variances.

The respondents' alternatives on financial performance that was the outcome of the budgetary control practices are studied, and this is done with the knowledge that the main characteristic of the focused budgetary control practices. The findings of the analysis indicate that the majority of respondents are in agreement that the budgetary control techniques that are carried out within the CHL Group of Companies have an effective outcome upon the financial performance of the companies in the group. Following the descriptive analysis comes the correlation analysis between the independent variables and the dependent variable of financial success. According to the findings of the Pearson correlational analysis, the degree of correlation that exists

between each budgetary control practice and financial performance varies. This is the case even though both are related.

The linear regression analysis method used in the study of the effect of budgetary control practices on financial performance at CHL Company reveals that the result, the F test value, is with shown significant at the 1 percent level, and as a result, the selected model is a valid study model. This was discovered through the study using the linear regression analysis method. The in-depth research revealed a good and considerable influence brought about by the coordinating practices on the financial performance. Additionally, the monitoring and controlling of budgetary practices had a significant impact on the financial performance of the organization. It has been discovered that the monitor and control budgeting practices are the most influential practices in the budgetary control budgeting processes at the CHL Group of enterprises.

Due to the fact that there are numerous factors that influence the efficacy of financial performance, the intervening effect of the human component is also evaluated. A study that investigated the effect of human factors on financial performance came to the conclusion that there was a considerable variation in financial performance due to the participation of human factors. This was determined via the use of regression analysis.

The study concludes that the human factor does not play a substantial intervening function in the budgetary planning practices after conducting an analysis of the mediating effect of human factor on that of the relationship between budgetary control practices and financial performance. This indicates that the human component does not play any role in mediating the relationship between budgetary planning techniques and financial performance. However, the mediation impact of the human component does play a partial role in mediating the connection between the activities of coordination in budgetary control procedures and financial performance. The research also reveals that the human component has a partly mediating effect in the connection between the monitor and the control in the budgetary control practices and the financial performance.

5.2 Suggestions and Recommendations

According to the findings of the research that utilized the descriptive analytic approach on budgetary planning practices, it has been suggested that these budgetary planning practices may be a pretty important practice of budgetary management that is

associated to increasing financial performance. The examination of correlation also demonstrates that there is a robust and favorable association between budgetary planning and financial performance. It is strongly suggested that the process of building a budget be continued, and that once complete, the budget be used to direct and manage the activities of the CHL organization. The compilation of budget plans prior to budget periods by each department of the CHL organization, which is the most significant aspect of budgetary planning processes, is of the utmost significance. It is also suggested that the CHL group of companies continue to have crystal defined goals and objectives that are both in accordance with the mission of the organization and upon the budget plan. For the purpose of ensuring that the budget responsible person is able to conduct a more in-depth review of both the expenditures and the variations in the budget, it is possible to propose that all of the parties involved in the process of budgetary control should pay more attention to the budget plan on a monthly basis. However, the regression analysis does not provide a major value to the overall financial performance. In addition, there is no possible way that the budgetary planning efforts could be more focused than they now are.

It is advised, based on the findings of the study on the descriptive approach on coordinating in budgetary control procedures, that the budget coordinator is a key function for the CHL organization. It is highly advised that various activity units coordinate their efforts in order to guarantee that all aspects of the business are in harmony with one another and understand where they fit into the bigger picture. No matter whether the budget is constructed using the top-down or the bottom-up method, the functions of budget coordinators are critically vital. Their responsibilities begin with the formulation of project budgets within a plan and continue through the process of driving the projects toward a target. It is highly suggested that the post of financial controller be filled by those who are primarily responsible for maintaining centralized control over the budgeting process and who are required to maintain tight collaboration with both senior management and departmental directors. It is possible to propose that accountants be involved in order to have more closed coordination with the team in charge of the budget management, in order to examine and check the centralized control of the budget. If this is done, the efforts for budget coordination could potentially result in better budgetary planning procedures across all departments. According to the findings of a multiple regression study, which showed that the actions related to budget

coordination had a substantial impact on financial performance, it is strongly suggested that you do so.

The high mean value of control practices is to advised of the monitoring and control budget plan and actual as key budgetary control activities in the CHL companies. This conclusion is based on the survey findings of the descriptive analysis on budgetary monitoring and control activity. It is strongly advised that the activities in the control of the budget that are done by solely the heads of departments be key activities in the budgetary control practices of the CHL company. On the other hand, it is strongly urged that management needs to take corrective action in order to take early corrective actions when adverse deviations are recorded. It is strongly recommended that there has strong monitoring and controlling of CHL company in order for the company to have more favorable outcomes in terms of financial performance management. The reason for this is that the outcome of a multiple regression analysis also shows a substantial, powerful, and favorable result.

According to the findings of the research on the human factor invention rule analysis, the activities of budget coordinating and monitoring and control could have been influenced by the mediating effect of the human factor. The outcomes of this study are conclusive and applicable to all other organizations. Since then, planning and controlling the budget has become a key management tool in the process of managing the organizations' financial performance. It is strongly suggested that in the budgetary planning practices, it is the needs of considerations relating to human factors like the degree to which commitment of the organization management, the budget training programs, as well as the having of high positive attributive of the employees in the organization so as to success of financial performance by the well budgetary control practices. This is done so as to ensure the success of the organization's financial performance by the well budgetary planning practices.

5.3 Needs For Further Studies

The budgetary control procedures utilized by CHL firm are the primary topic of this study. Because there is a time constraint, the following is something that could be suggested and recommended. In this particular study, the respondents were picked at random from among the employees who are supervisory and above level workers comprising fifty percent of the workforce. The three practices of planning, coordinating, and controlling operations were used as a basis for conducting an

assessment of the focuses budgeting control processes. There are a lot of alternative procedures for controlling the budget. To accomplish this, additional research is required. In regard to the restriction placed on the total number of workers, additional research needs to be conducted on the remainder of the CHL company's managerial and higher level personnel. Further research is required to extend the application of budgetary control methods to other business organizations in Myanmar. This is due to the fact that these practices are widely implemented within many business organizations.

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APPENDIX

The Effect of Budgetary Control Practices on Financial Performance Survey Questionnaire

Dear Sir/ Madam,

I am a student from Yangon University of Economic. I am conducting a quantitative study regarding the “The Effect of Budgetary Control Practices on Financial Performance”. It would be very kind of you if you could participate in this questionnaire giving your valuable time. Surveys will be anonymous, and all the collected information will be stored in the secure place and access only by researcher. And the gathered data will be used for educational purpose only without any bias or dissemination. Please kindly answer the following questions.

Thank to share your valuable time in this survey.

Ms. NIN DO LUN

MBF II- 41 (MBF Day 3rd Batch)

Yangon University of Economics .

Section (A) Demographic Profiles of Respondents.

1. Please state your gender.

- Male
- Female

2. What is your age range?

- 18 to 25 years old
- 26 to 35 years old
- 36 to 45 years old
- 46 to 55 years old
- Above 55 years

3. What is your marital status?

- Single
- Married

4. What is your highest Education Level?

- University student
- University Graduate
- Post diploma degree
- Master degree
- Doctorate Degree

5. What is your position?

- Front line staff
- Junior supervisor level staff
- Senior supervisor level staff
- Assistant manager
- Manager
- Senior Manager/ Section Head
- General Manager
- Director

6. How many years have you been in this company?

- 1 to two years
- 3 to five years
- More than five years

Section (B) Analysis of the Budgetary Control Practices at CHL Company

This section aims to measure the degree to which employees' perceptions on the budgetary control practices by the use of 5-Point Likert scale measure. (Please tick (√) one box per statement according to the scale stated below)

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1. Year of experience in budget preparation

- One Year
 More than One Year
 Two Year
 More than two year

2. Experience or reviewing the budget vs actual report

- Yes
 No

3. Need for budget preparation

- Yes
 No

Employee Perception of Budgetary Planning Practice

Sr. No.	Particular	Agreeable Level				
		1	2	3	4	5
1	The Budget cover all the aspects of organizational strategy and mission.	1	2	3	4	5
2	The Budget has clear goals and objectives.	1	2	3	4	5
3	Organization has a long-term and short-term budget plan	1	2	3	4	5
4	Each department of our organization prepares budget plans prior to budget periods.	1	2	3	4	5
5	The information in the budget plan is monthly sent so as the responsible staff can review their expenditures upon incomes.	1	2	3	4	5

Coordination

Sr. No.	Particular	Agreeable Level				
		1	2	3	4	5
1	Budget coordinator (Accountant) closely coordinates with budget management team to review and check centralized control of the budget.	1	2	3	4	5
2	Budget alignment is achieved by coordinating the activities of the organization's various departments.	1	2	3	4	5
3	Financial Controller takes accountability for centralized control over the budget process, who must work closely with Top Management and departmental heads.	1	2	3	4	5
4	Account & Finance Department is responsible for centralized control over the budget process, who must work closely with top management and departmental heads.	1	2	3	4	5

Monitor and Control

Sr. No.	Particular	Agreeable Level				
		1	2	3	4	5
1	Control of the budget activities is done by only head of departments.	1	2	3	4	5
2	Budget and Actual variance reports are regularly prepared and reviewed by the account department and the other respective department	1	2	3	4	5
3	Management always take timely corrective actions when adverse variances are reported.	1	2	3	4	5
4	Adjustment in the budget are done whenever necessary	1	2	3	4	5
5	The perceived level of budget monitoring and control in our organization is adequate	1	2	3	4	5

Section (C) Analysis of the “Effect of Budgetary Control Practices on Financial Performance at CHL Company”.

Financial Performance

Sr. No.	Financial Performance	Agreeable Level				
1	Budget controls provide cash expenditure tracking and reduce operational costs.	1	2	3	4	5
2	Fitting budgetary control to an organization's situation reduces save costs.	1	2	3	4	5
3	The budgetary control measures put in place in our organization have a great influence on financial performance.	1	2	3	4	5
4	Well budgetary control practices help in reducing operation costs by eliminating wasteful expenditure	1	2	3	4	5
5	Budgetary control provides an organization’s with avenues to invest in income generating ventures	1	2	3	4	5
6	Budgetary control has led to cost effective procurement, thus surplus revenue	1	2	3	4	5

Human Factor

Sr. No.	Human Factor	Agreeable Level				
		1	2	3	4	5
1	Managerial commitment to budgetary controls has increased the profitability of our organization.	1	2	3	4	5
2	The degree to which complete acceptance of top management is important that could lead to positive financial performance.	1	2	3	4	5
3	The assertion is that the human capability of budgetary planning and control does not lead to the mismanagement of funds.	1	2	3	4	5
4	Employees' meaningful participation in budgetary control has resulted in increased profitability.	1	2	3	4	5
5	Employee positive attitude in the practice of organizational budgetary plan to control	1	2	3	4	5
6	Employees are trained to have well on budgetary control practices.					

Thank you for your kind contribution.