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THE IMPACT OF BUDGET  
RELATED BEHAVIOUR ON THE  
PERFORMANCE OF COMPANIES  
IN SRI LANKA



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## ABSTRACT

Though budget related behavior has been the most widely studied issue in management accounting research in the world, it seems that non-of the research in Sri Lanka attempts to research this issue. Therefore this study is an attempt to investigate on associate of manager's budgetary behavior and company performance in Sri Lanka.

Conceptual framework and research hypotheses are developed from related findings in research in budgetary behaviors. Expectations in the conceptual framework are explored and hypotheses are tested with data gathered from fifty managers in private sector organizations. A structured questionnaire was administered to collect data, with follow-up interview with the company managers.

Data was evaluated using descriptive analysis, correlation analysis, simple regression analysis and multiple regression model. Stepwise regression has provided significant statistical support for the acceptance that budget related behavior is closely related with the business performance goals of the Sri Lankan companies. Hence, with these findings it is recommended that, budget related characteristic of budgetary participation, formality of communication and enabling change are related with company performance goals.