

BUDGETING AND ITS IMPACT ON FINANCIAL PERFORMANCE: THE CASE OF NON-BANK FINANCIAL INSTITUTIONS IN GHANA

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ABSTRACT

Budgeting plays a significant role in the performance of businesses. In view of the fact that most firms want to improve performance, various systems and structures are put in place to ensure that a firm grows profitably. Budgets thus provide useful information for superiors to evaluate firm performance and inform financial allocation strategies across various components of a firm. This study assessed the impact of budgeting on firms' performance of non-bank financial institutions in Ghana. The study adopted a quantitative research strategy. Primary data was collected by use of questionnaires in order to ascertain the relevance of budgets as a financial management tool among non-bank financial institutions. The study applied the step-wise method to generate the models. Moreover, regression analysis was used to measure the degree and extent of the relationship between budgeting and firm performance. The findings of the study revealed that, budget coordination has a statistically significant moderate positive relationship on firm performance.

Keywords: Budgeting, financial performance, non-bank financial institutions.