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Research Paper

MEASURING THE FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN COIMBATORE REGION

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ABSTRACT

Financial performance is used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. This paper deals with financial performance of small and medium enterprises in Coimbatore region. It outlines the various indicators of measuring financial performance on the basis of 5 point rating scale. This paper identifies the variation in measuring the financial performance among the small and medium enterprises in Coimbatore region. This paper concludes with some interesting findings.

KEYWORDS: Financial performance, financial health, small and medium enterprises

INTRODUCTION

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. There are many different ways to measure financial performance, but all measures should be taken in aggregation. Line items such as revenue from operations, operating income or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt.

There are many different stakeholders in a company, including trade creditors, bond holders, investors, employees and management. Each group has its own interest in tracking the financial performance of a company. Analysts learn about financial performance from data published by the company in Form 10K, also known as the annual report. The 10K is a required legal document that must be published by all public companies. The purpose of the report is to provide stakeholders with accurate and reliable financial statements that provide an overview of the company's financial performance. In addition, these statements are audited and signed by the leadership of the company along with a number

of other disclosure documents. In this way, the 10K represents the most comprehensive source of information on financial performance made available for investors on an annual basis. Included within the 10K are three financial statements, the balance sheet, the income statement and the cash flow statement. The balance sheet is a snapshot in time. It provides an overview of how well the company is managing assets and liabilities. Analysts can find information about long-term vs. short-term debt on the balance sheet. They can also find information about what kind of assets the company owns and what percentage of assets are financed with liabilities vs. stockholders' equity. The income statement provides a summary of operations for the entire year. The income statement starts with sales or revenue and ends with net income. Also referred to as the profit and loss statement, the income statement provides the gross profit margin, the cost of goods sold, operating profit margin and net profit margin. It also provides an overview of the number of shares outstanding as well as a comparison against prior year performance. The cash flow statement is a combination of both the income statement and the balance sheet. For some analysts, the cash flow statement is the most important financial statement because it provides reconciliation between net income and cash flow. This is where analysts can see how much the company is spending on stock repurchases, dividends and capital expenditures. It also provides the source and uses of cash flow from operations, investing and financing.



REVIEW OF THE LITERATURE

Armstrong (1994) says that the aims of performance management and human resource management are similar, namely, to achieve sustained improved performance of organizations and employees to ensure that people develop and achieve their fullest capacity and potential for their own benefit and that of their organization. Furthermore, performance management empowers people in a way that latent potential can be realized, and to strengthen or change positively the organization's culture.

Fletcher, (2001) provides for three models of performance management namely; Organizational Performance Management: Managing the performance of the organization. Employee Performance Management: Managing the performance of the employees and Organizational Employee Performance Integration: Integrating the management of organizational and employee performance. According to Armstrong and Baron (1998), Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

Radnor and Lovell (2003) explain the term performance measurement system as a means of gathering data to support and coordinate the process of making decisions and taking action throughout the organization. According to Chang and Young (1995), performance measurement provides organization with focus, direction, a common understanding and knowledge for making better business decision besides providing feedback on the organizational improvement efforts. Because performance measurement is always linked to a goal or an objective, it gives the management the means to maintain control and monitor the progress of the organizations towards achievement of their overall vision. Eccles (1991) argues that these new strategies and competitive realities require new measurement systems because traditional systems that stress on the financial indicators can no longer justify the need of the modern business entities.

Brown (1996), will ensure the future success of the organizations. As a result, there is an increasing awareness among today's well-trained managers on the need to search for an integrated performance measurement system that can both strategically measure the financial and operational aspects of their businesses. Waggoner, Neely, and Kennerley (1999) argued that performance measurement in business serves the purposes of monitoring performance, identifying the areas

that need attention, enhancing motivation, improving communications and strengthening accountability. Adair et al. (2003) has demonstrated that empirical research is comprised mostly case studies and survey methods, with very few progressive research methods. Lebas (1995) characterizes performance management system as the philosophy supported by performance measurement. It is the organization-wide shared vision, teamwork, training, incentives, etc. that surround the performance measurement activity. Holloway (2001) reports that much of the literature exists on particular models and frameworks for performance measurement but they do not include the much evidences of failed systems describing and analyzing of problems of performance measurement.

METHODS AND MATERIALS

This study will identify the indicators of Managerial practices towards achieving organizational financial performance. This study examines the areas of measuring organizational financial performance. The aspects of financial performance are identified under exploratory research method. The identified variables will be cross tabulated with the socio economic status of the entrepreneurs and it constitutes the analytical frame work of the study. Thus this study is partly exploratory in nature and partly analytical in nature. This study covered 200 small and medium textile industries in Coimbatore region. The relevant data are collected from the respondents with the help of questionnaire method. The collected data are classified and tabulated with the help of computer programming. The data interpretation is done with the help of ANOVA two way test, t test and averages.

RESULTS AND DISCUSSION

This section deals with respondents' rating on financial performance. It can be assessed with the help of 25 factors on a 5 point rating scale. These include high profit margin, assets creation, enhancement of asset value, reduction in overhead cost, operating surplus, approving expenses, reduction in administrative cost, high return on assets, accounting regulations, maintaining accounts record, low cost of buying inputs, maintaining bank account, accounting entries are supported by appropriate documentation, low interest coverage ratio, taxes have less impact on financial performance, separation of responsibility in the receipt, payment and recording of cash, keeping all invoices and expense documentation, adequate internal control in the organization, high benefit low cost ratio, high return on equity, standard benefits and bonuses related to market share, managing cash, comparison of budget with actual interest, low cost of production and established line of credit.

Table 1 Enterprise Wise Respondents Rating on Financial Performance

Variables	Small Enterprise	Medium Enterprise	Mean
Managing cash	2.11	2.51	2.31
Maintaining bank account	3.08	3.47	3.28
Approving expenses	3.64	3.92	3.78
Keeping all invoices and expense documentation	2.62	2.86	2.74
Maintaining accounts record	3.21	3.59	3.40
Operating surplus	3.76	3.92	3.84
Established line of credit	1.82	2.13	1.98
Comparison of budget with actual interest	2.04	2.43	2.24
Adequate internal control in the organization	2.55	2.79	2.67
Accounting entries are supported by appropriate documentation	3.03	3.33	3.18
Separation of responsibility in the receipt, payment and recording of cash	2.68	3.11	2.90
Low cost of buying inputs	3.12	3.56	3.34
High benefit low cost ratio	2.21	2.98	2.60
Low cost of production	1.97	2.17	2.07
Accounting regulations	3.34	3.72	3.53
Standard benefits and bonuses related to market share	2.21	2.56	2.39
Taxes have less impact on financial performance	2.88	3.15	3.02
Assets creation	3.76	4.28	4.02
Enhancement of asset value	3.64	4.27	3.96
Reduction in administrative cost	3.47	3.94	3.71
Reduction in overhead cost	3.32	4.48	3.90
High return on assets	3.45	3.75	3.60
High return on equity	2.24	2.68	2.46
Low interest coverage ratio	2.98	3.26	3.12
High profit margin	4.02	4.18	4.10
Average	2.93	3.32	3.13

Source: Computed from the Primary data

T Statistical Value 9.35, Df 24, T Critical Value 1.71

Data presented in table 1 indicate the enterprise wise respondents' rating on measurement of financial performance. It could be noted that out of the 25 financial performances, the respondents rate the high profit margin as their first level financial performance indicator and it is evident from their secured a mean score of 4.10 on a 5 point rating scale. Assets creation is rated at second level financial performance indicator and it is estimated from the respondents' secured a mean score of 4.02 on a 5 point rating scale. The respondents' rate the financial performance by the way of enhancement of asset value as their third level observed event. It is evident from their secured a mean score of 3.96 on a 5 point rating scale. The respondents rank the fourth level financial performance indicator by citing the fact that the reduction in overhead cost and it is observed from the respondents' secured a mean score of 3.90 on a 5 point rating scale. Operating surplus is rated at fifth level financial performance indicator and it could be known from the respondents' secured a mean score of 3.84 on a 5 point rating scale.

The respondents' rate the approving expenses in the company as their rated sixth level financial performance indicator and it is revealed from their secured a mean score of 3.78 on a 5 point rating scale. Reduction in administrative cost is rated at seventh level financial performance indicator and it observed from the respondents' secured a mean score

of 3.71 on a 5 point rating scale. The respondents' rate the High return on assets and it is their eighth level ranking. It is evident from their secured a mean score of 3.60 on a 5 point rating scale. The respondents hold the ninth level financial performance by citing the event that accounting regulations as per their secured a mean score of 3.53 on a 5 point rating scale. Maintaining accounts record is rated at tenth level financial performance indicator and it is evident from the respondents' secured a mean score of 3.40 on a 5 point rating scale. The respondents rate the low cost of buying inputs as their eleventh level financial performance indicator and it could be known from their secured a mean score of 3.34 on a 5 point rating scale. Maintaining bank account is rated at twelfth level indicator of financial performance and it is reflected from the respondents' secured a mean score of 3.28 on a 5 point rating scale. The respondents rank the thirteenth level indicator of financial performance by citing the fact that accounting entries are supported by appropriate documentation. It is evident from their secured a mean score of 3.18 on a 5 point rating scale. The respondents rank the fourteenth level indicator of financial performance by citing the fact of low interest coverage ratio and it is clear from their secured a mean score of 3.12 on a 5 point rating scale. Taxes have less impact on financial performance and it is rated at fifteenth level indicator of financial performance as per the respondents' secured a mean score of 3.02 on a 5 point rating scale.

The respondents' rate separation of responsibility in the receipt, payment and recording of cash as their sixteenth level indicator of financial performance and it could be known from their secured a mean score of 2.90 on a 5 point rating scale. Keeping all invoices and expense documentation is rated at seventeenth level indicator of financial performance and it is reflected from the respondents' secured a mean score of 2.74 on a 5 point rating scale. The respondents' rate the adequate internal control in the organization as their rated eighteenth level indicator of financial performance and it is revealed from their secured a mean score of 2.67 on a 5 point rating scale. High benefit low cost ratio is rated at nineteenth level indicator of financial performance and it observed from the respondents' secured a mean score of 2.60 on a 5 point rating scale. The respondents' rate the high return on equity and it is their twentieth level ranking. It is evident from their secured a mean score of 2.46 on a 5 point rating scale. The respondents hold the twenty first level indicator of financial performance by citing the event that standard benefits and bonuses related to market share as per their secured a mean score of 2.39 on a 5 point rating scale. Managing cash is rated at twenty second level indicator of financial performance and it is evident from the respondents' secured a mean score of 2.31 on a 5 point rating scale. The respondents' rate the

comparison of budget with actual interest and it is their twenty third level ranking. It is evident from their secured a mean score of 2.24 on a 5 point rating scale. The respondents hold the twenty fourth level indicator of financial performance by citing the event that Low cost of production as per their secured a mean score of 2.07 on a 5 point rating scale. Established line of credit is rated at twenty fifth level indicator of financial performance and it is evident from the respondents' secured a mean score of 1.98 on a 5 point rating scale.

The medium enterprise group respondents' rank the first positions in their overall rated indicator of financial performances as per their secured a mean score of 3.32 on a 5 point rating scale. The small enterprise group respondents' come down to the second position in their overall rated indicator of financial performances and it is estimated from their secured a mean score of 2.93 on a 5 point rating scale.

The T test is applied for further discussion. The computed t value 9.35 is greater than its tabulated value at 5 per cent level significance. Hence there is a significant difference between medium enterprise group respondents' and small enterprise group respondents' in their overall rated financial performance.

Table 2 Enterprise Duration Wise Respondents Rating on Financial Performance

Variables	5-10 years	10-15 years	15-20 years	20-25 years	Above 25 years	Mean
Managing cash	2.19	2.24	2.30	2.39	2.45	2.31
Maintaining bank account	2.97	3.21	3.29	3.42	3.52	3.28
Approving expenses	3.36	3.68	3.86	3.95	4.07	3.78
Keeping all invoices and expense documentation	2.48	2.62	2.75	2.88	2.97	2.74
Maintaining accounts record	3.28	3.32	3.39	3.49	3.52	3.40
Operating surplus	3.64	3.78	3.87	3.92	3.97	3.84
Established line of credit	1.81	1.90	1.99	2.05	2.13	1.98
Comparison of budget with actual interest	2.07	2.19	2.31	2.29	2.35	2.24
Adequate internal control in the organization	2.49	2.57	2.68	2.74	2.86	2.67
Accounting entries are supported by appropriate documentation	3.05	3.12	3.17	3.24	3.32	3.18
Separation of responsibility in the receipt, payment and recording of cash	2.69	2.76	2.85	2.98	3.24	2.90
Low cost of buying inputs	3.19	3.27	3.36	3.41	3.47	3.34
High benefit low cost ratio	2.37	2.49	2.62	2.73	2.81	2.60
Low cost of production	1.91	1.98	2.05	2.17	2.22	2.07
Accounting regulations	2.69	3.21	3.74	3.90	4.10	3.53
Standard benefits and bonuses related to market share	2.24	2.31	2.38	2.47	2.54	2.39
Taxes have less impact on financial performance	2.87	2.96	3.02	3.09	3.17	3.02
Assets creation	3.89	3.92	3.99	4.12	4.18	4.02
Enhancement of asset value	3.76	3.85	3.94	4.02	4.23	3.96
Reduction in administrative cost	3.59	3.63	3.72	3.78	3.82	3.71
Reduction in overhead cost	3.61	3.74	3.96	4.02	4.08	3.90
High return on assets	3.44	3.54	3.61	3.69	3.74	3.60
High return on equity	2.32	2.39	2.43	2.50	2.67	2.46
Low interest coverage ratio	2.88	2.97	3.16	3.26	3.35	3.12
High profit margin	3.98	4.02	4.12	4.19	4.20	4.10
Average	2.91	3.03	3.14	3.23	3.32	3.13

Source: Computed from the Primary data



ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>F crit</i>
Variation due to indicators of financial performance	51.98342	24	2.165976	208.3197	1.63128
Variation due to enterprise duration	2.603733	4	0.650933	62.60558	2.466476
Error	0.998147	96	0.010397		
Total	55.5853	124			

Data presented in table 2 indicate the company duration wise respondents' rating on financial performance. The respondents belong to the above 25 years company duration group rank the first position in their overall rated indicators of financial performances as per their secured a mean score of 3.32 on a 5 point rating scale. The respondents come under the company duration group in the range of 20-25 years register the second position in their overall rated indicators of financial performance as per their secured a mean score of 3.23 on a 5 point rating scale. The respondents included in the company duration group 15-20 years occupy the third position in their overall rated indicators of financial performances as per their secured a mean score of 3.14 on a 5 point rating scale. The respondents included in the 10-15 company duration group hold the fourth position in their

overall rated indicators of financial performance as per their secured a mean score of 3.03 on a 5 point rating scale. The respondents observed in the 5-10 years company duration group come down to last position in their overall rated indicators of financial performance as per their secured a mean score of 2.91 on a 5 point rating scale.

The anova two way model is applied for further discussion. The computed anova value 208.31 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the indicators of financial performance is statistically identified as significant. In another point, the computed anova value 62.60 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the company duration is statistically identified as significant as per the respondents expressed indicators of financial performance.

Table 3 Ownership Wise Respondents Rating on Financial Performance

Variables	Individual	Partnership	Co-operative	Mean
Managing cash	2.59	2.38	1.96	2.31
Maintaining bank account	3.66	3.35	2.83	3.28
Approving expenses	4.06	3.85	3.43	3.78
Keeping all invoices and expense documentation	3.12	2.81	2.29	2.74
Maintaining accounts record	3.78	3.47	2.95	3.40
Operating surplus	4.02	3.91	3.59	3.84
Established line of credit	2.16	2.05	1.73	1.98
Comparison of budget with actual interest	2.42	2.31	1.99	2.24
Adequate internal control in the organization	3.05	2.74	2.22	2.67
Accounting entries are supported by appropriate documentation	3.56	3.25	2.73	3.18
Separation of responsibility in the receipt, payment and recording of cash	3.28	2.97	2.45	2.90
Low cost of buying inputs	3.72	3.41	2.89	3.34
High benefit low cost ratio	2.98	2.67	2.15	2.60
Low cost of production	2.35	2.14	1.72	2.07
Accounting regulations	3.91	3.60	3.08	3.53
Standard benefits and bonuses related to market share	2.67	2.46	2.04	2.39
Taxes have less impact on financial performance	3.40	3.09	2.57	3.02
Assets creation	4.20	4.09	3.77	4.02
Enhancement of asset value	4.14	4.03	3.71	3.96
Reduction in administrative cost	4.09	3.78	3.26	3.71
Reduction in overhead cost	4.28	3.97	3.45	3.90
High return on assets	3.98	3.67	3.15	3.60
High return on equity	2.84	2.53	2.01	2.46
Low interest coverage ratio	3.50	3.19	2.67	3.12
High profit margin	4.18	4.07	3.95	4.10
Average	3.44	3.19	2.74	3.13

Source: Computed from the Primary data

ANOVA

Source of Variation	SS	df	MS	F	F crit
Variation due to indicators of financial performance	31.05937	24	1.29414	142.7361	1.746353
Variation due to ownership	6.190467	2	3.095233	341.386	3.190727
Error	0.4352	48	0.009067		
Total	37.68503	74			

Data presented in table 3 indicate the ownership wise respondents' rating on indicators of financial performance. The individual company ownership respondents rank the first position in their overall rated indicators of financial performance as per their secured a mean score of 3.44 on a 5 point rating scale. The partnership company ownership respondents record the second position in rating the overall indicators of financial performance as per their secured a mean score of 3.19 on a 5 point rating scale. The co operative company ownership respondents' come down to the last position in their rated overall indicators of financial

performance and it is evident from their secured a mean score of 2.74 on a 5 point rating scale.

The anova two way model is applied for further discussion. The computed anova value 142.73 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the indicators of financial performance is statistically identified as significant. In another point, the computed anova value 341.38 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the company ownership is statistically identified as significant as per the respondents' rating on indicators of financial performance.

Table 4 Caste Wise Respondents Rating on Rating on Financial Performance

Variables	Forward caste	Backward caste	Most Backward caste	Scheduled caste	Mean
Managing cash	2.62	2.44	2.18	2.00	2.31
Maintaining bank account	3.59	3.41	3.15	2.97	3.28
Approving expenses	4.09	3.91	3.65	3.47	3.78
Keeping all invoices and expense documentation	3.05	2.87	2.61	2.43	2.74
Maintaining accounts record	3.71	3.53	3.27	3.09	3.40
Operating surplus	4.15	3.97	3.71	3.53	3.84
Established line of credit	2.19	2.11	1.85	1.77	1.98
Comparison of budget with actual interest	2.45	2.37	2.11	2.03	2.24
Adequate internal control in the organization	2.98	2.80	2.54	2.36	2.67
Accounting entries are supported by appropriate documentation	3.49	3.31	3.05	2.87	3.18
Separation of responsibility in the receipt, payment and recording of cash	3.21	3.03	2.77	2.59	2.90
Low cost of buying inputs	3.65	3.47	3.21	3.03	3.34
High benefit low cost ratio	2.91	2.73	2.47	2.29	2.60
Low cost of production	2.28	2.20	1.94	1.86	2.07
Accounting regulations	3.84	3.66	3.40	3.22	3.53
Standard benefits and bonuses related to market share	2.70	2.52	2.26	2.08	2.39
Taxes have less impact on financial performance	3.33	3.15	2.89	2.71	3.02
Assets creation	4.13	4.05	3.99	3.91	4.02
Enhancement of asset value	4.07	4.00	3.93	3.84	3.96
Reduction in administrative cost	4.02	3.84	3.58	3.40	3.71
Reduction in over head cost	4.11	4.03	3.77	3.69	3.90
High return on assets	3.91	3.73	3.47	3.29	3.60
High return on equity	2.77	2.59	2.33	2.15	2.46
Low interest coverage ratio	3.43	3.25	2.99	2.81	3.12
High profit margin	4.21	4.18	4.06	3.92	4.10
Average	3.40	3.25	3.01	2.85	3.13

Source: Computed from the primary data

ANOVA					
Source of Variation	SS	df	MS	F	F crit
Variation due to indicators of financial performance	41.60982	24	1.733742	476.521	1.669456
Variation due to caste groups	4.401315	3	1.467105	403.2355	2.731807
Error	0.26196	72	0.003638		
Total	46.27309	99			

Data presented in table 4 indicate the caste wise respondents' rating on financial performance. The forward caste group respondents rank the first position in their overall rated indicators of financial performance as per their secured a mean score of 3.40 on a 5 point rating scale. The backward caste group respondents register the second position in their overall rated indicators of financial performance as per their secured a mean score of 3.25 on a 5 point rating scale. The most backward caste respondents' record the third position in their overall rated indicators of financial performance as per their secured a mean score of 3.01 on a 5 point rating scale. The scheduled caste group respondents come down to

last position in their overall rated indicators of financial performance as per their secured a mean score of 2.85 on a 5 point rating scale.

The anova two ways model is applied for further discussion. The computed anova value 476.52 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the indicators of financial performance is statistically identified as significant. In another point, the computed anova value 403.23 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the caste status is statistically identified as significant as per the respondents expressed indicators of financial performance.

Table 5 Education Wise Respondents Rating on Rating on Financial Performance

Variables	Secondary	Higher secondary	Under graduate	Post graduate	Mean
Managing cash	1.95	2.13	2.49	2.67	2.31
Maintaining bank account	2.82	3.10	3.46	3.74	3.28
Approving expenses	3.42	3.70	3.96	4.04	3.78
Keeping all invoices and expense documentation	2.28	2.56	2.92	3.20	2.74
Maintaining accounts record	2.94	3.22	3.58	3.86	3.40
Operating surplus	3.43	3.76	4.02	4.15	3.84
Established line of credit	1.72	1.90	2.06	2.24	1.98
Comparison of budget with actual interest	1.78	2.06	2.42	2.70	2.24
Adequate internal control in the organization	2.21	2.49	2.85	3.13	2.67
Accounting entries are supported by appropriate documentation	2.72	3.00	3.36	3.64	3.18
Separation of responsibility in the receipt, payment and recording of cash	2.44	2.72	3.08	3.36	2.90
Low cost of buying inputs	2.88	3.16	3.52	3.80	3.34
High benefit low cost ratio	2.14	2.42	2.78	3.06	2.60
Low cost of production	1.61	1.89	2.25	2.53	2.07
Accounting regulations	3.07	3.35	3.71	3.99	3.53
Standard benefits and bonuses related to market share	2.03	2.21	2.57	2.75	2.39
Taxes have less impact on financial performance	2.56	2.84	3.20	3.48	3.02
Assets creation	3.66	4.04	4.20	4.18	4.02
Enhancement of asset value	3.76	3.98	4.10	4.14	3.96
Reduction in administrative cost	3.25	3.53	3.89	4.17	3.71
Reduction in overhead cost	3.64	3.92	3.98	4.06	3.90
High return on assets	3.14	3.42	3.78	4.06	3.60
High return on equity	2.00	2.28	2.64	2.92	2.46
Low interest coverage ratio	2.66	2.94	3.30	3.58	3.12
High profit margin	3.90	4.10	4.18	4.20	4.10
Average	2.72	2.99	3.29	3.51	3.13

Source: Computed from the primary data

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>F crit</i>
Variation due to indicators of financial performance	41.86758	24	1.744482	181.3538	1.669456
Variation due to educational status	8.882216	3	2.960739	307.794	2.731807
Error	0.692584	72	0.009619		
Total	51.44238	99			

Data presented in table 5 indicate the education wise respondents' rating on indicators of financial performance. The post graduate degree level educated respondents rank the first position in their overall rated indicators of financial performance as per their secured a mean score of 3.51 on a 5 point rating scale. The under graduate degree level educated respondents rank the second position in their overall rated indicators of financial performance as per their secured a mean score of 3.29 on a 5 point rating scale. The higher secondary level educated respondents rank the third position in their overall rated indicators of financial performance as per their secured a mean score of 2.99 on a 5 point rating scale. The secondary level educated respondents come down

to last position in their overall rated indicators of financial performance as per their secured a mean score of 2.72 on a 5 point rating scale.

The anova two ways model is applied for further discussion. The computed anova value 181.35 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the indicators of financial performance is statistically identified as significant. In another point, the computed anova value 307.79 is greater than its tabulated value at 5 percent level significance. Hence, the variation among the educational status is statistically identified as significant as per the respondents expressed indicators of financial performance.

Table 6 Gender Wise Respondents Rating on Rating on Financial Performance

Variables	Male	Female	Mean
Managing cash	2.53	2.09	2.31
Maintaining bank account	3.50	3.06	3.28
Approving expenses	4.00	3.56	3.78
Keeping all invoices and expense documentation	2.96	2.52	2.74
Maintaining accounts record	3.62	3.18	3.40
Operating surplus	4.06	3.62	3.84
Established line of credit	2.05	1.91	1.98
Comparison of budget with actual interest	2.46	2.02	2.24
Adequate internal control in the organization	2.89	2.45	2.67
Accounting entries are supported by appropriate documentation	3.40	2.96	3.18
Separation of responsibility in the receipt, payment and recording of cash	3.12	2.68	2.90
Low cost of buying inputs	3.56	3.12	3.34
High benefit low cost ratio	2.82	2.38	2.60
Low cost of production	2.19	1.95	2.07
Accounting regulations	3.75	3.31	3.53
Standard benefits and bonuses related to market share	2.61	2.17	2.39
Taxes have less impact on financial performance	3.24	2.80	3.02
Assets creation	4.14	3.90	4.02
Enhancement of asset value	4.18	3.74	3.96
Reduction in administrative cost	3.93	3.49	3.71
Reduction in overhead cost	4.12	3.68	3.90
High return on assets	3.82	3.38	3.60
High return on equity	2.68	2.24	2.46
Low interest coverage ratio	3.34	2.90	3.12
High profit margin	4.22	3.98	4.10
Average	3.33	2.92	3.13

Source : Computed from the primary data

T Statistical Value 23.48, Df24, T Critical Value 1.72

Data presented in table 6 indicate the gender wise respondents' rating on indicators of financial performance. The male respondents' rank the first positions in their overall rated indicators of financial performance as per their secured a mean score of 3.33 on a 5 point rating scale. The female respondents' come down to the second position in their overall rated indicators of financial performance and it is estimated from their secured a mean score of 2.92 on a 5 point rating scale.

The T test is applied for further discussion. The computed t value 23.48 is greater than its tabulated value at 5 per cent level significance. Hence, there is a significant difference between male respondents' and female respondents' in their overall rated indicators of financial performance.

CONCLUSIONS

It could be seen clearly from the above discussion that the respondents' have high level financial performances by citing the indicators of high profit margin, assets creation,

enhancement of asset value, reduction in overhead cost, operating surplus, approving expenses, reduction in administrative cost, high return on assets and accounting regulations as per their secured a mean score above 3.50 on a 5 point rating scale. The respondents' report the moderate level financial performance by stating the indicators that maintaining accounts record, low cost of buying inputs, maintaining bank account, accounting entries are supported by appropriate documentation, low interest coverage ratio, taxes have less impact on financial performance, separation of responsibility in the receipt, payment and recording of cash, keeping all invoices and expense documentation, adequate internal control in the organization and high benefit low cost ratio as per their secured a mean score in the range of 2.50 to 3.50 on a 5 point rating scale. The respondents' rate the low level financial performances by indicating facts that high return on equity, standard benefits and bonuses related to market share, managing cash, comparison of budget with actual interest, low cost of production and established line of credit as per their secured a mean score below 2.50 on a 5 point rating scale. It could be observed that the medium enterprise group respondents' rank the first position in their rated overall indicators of financial performance, and small enterprise group respondents' the last.

The result of company duration wise analysis reveals that the respondents belong to the above 25 years company duration group rank the first position in their overall rated indicators of financial performance, respondents come under the 20-25 years company duration group the second, respondents identified in the 15-20 years company duration group the third, respondents come under the 10-15 years company duration group the fourth and respondents observed in the 5-10 years company duration group the last.

The result of company ownership wise analysis reveals that the individual company ownership respondents' rank the first position in their overall rated indicators of financial performance, partnership company ownership respondents the second and co operative company ownership

respondents' the last. The result of caste wise analysis reveals that the forward caste group respondents rank the first position in their overall rated indicators of financial performance, backward caste group respondents the second, most backward caste group respondents the third and scheduled caste group respondents the last. The result of education wise analysis reveals that the post graduate degree level educated respondents rank the first position in their overall rated indicators of financial performance, under graduate degree holder respondents the second, higher secondary level educated respondents the third and secondary level educated respondents the last. The result of gender wise analysis reveals that the female respondents lag behind the male respondents in their overall rated indicators of financial performance.

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