EVALUATING THE EFFECTIVENESS OF BUDGETING PRACTICES ON COST CONTROL IN INNOGEN PHARMACEUTICAL INC.

ABSTRACT

AUTHORS
Jeremy Albaña
Chriztyne Lorriane Asugas
Hazel Angela Demesa
Christian Matalang
Danica Jane Moreno

RESEARCH ADVISER
Eugene Bayani, MBA

AFFILIATION
Bestlink College of the Philippines

DISCIPLINE
Business Administration

KEYWORDS
departmental challenges · revenue growth · operational flexibility · financial focus · client satisfaction · company priorities · budgeting effectiveness; budgeting practices; practices cost; cost control

ARTICLE ID
AASGBCPJMRA-B45160

Although many companies are aware of the regulatory and compliance risks inherent in their operations, they often face challenges in effectively addressing and mitigating these risks. Strategic diversification serves as a proactive measure, not only to reduce exposure to regulatory uncertainties but also to strengthen long-term profitability and operational sustainability. By stabilizing revenue streams and spreading risk, diversification supports more effective financial forecasting and facilitates consistent, reliable budgeting over time. This quantitative study, guided by a descriptive research design, aims to assess the effectiveness of budgeting practices in enhancing the company's financial control mechanisms. To ensure fairness and reduce sampling bias, the researchers employed a random sampling technique, granting all individuals within the target population an equal chance of selection. This approach not only improved the representativeness of the data but also ensured logistical convenience by focusing on respondents accessible within the study area. The findings of this research are expected to provide valuable insights into how budgeting practices contribute to operational efficiency and informed financial decision-making. Data were collected through structured in-depth interviews and analyzed using the Likert scale and ranking methods. Findings indicated that Innogen employees perceive the company's budgeting practices as generally effective. Among the key areas assessed, managing the cost of production received the highest composite mean of 3.62, followed by resource allocation (3.47) and inventory management (3.39). Despite these strengths, employees reported several recurring challenges. These include difficulties in handling unforeseen expenses, preparing accurate budgets under time constraints, and ensuring clear communication and coordination among departments during the budgeting process. These insights highlight the need for continuous refinement of budgeting systems and improved internal collaboration to enhance overall financial efficiency. The study reveals that various departments within the company encounter unique challenges. A key finding is the organization's strong emphasis on financial performance and revenue growth, which tends to overshadow the need for greater operational flexibility. Interestingly, client satisfaction emerged as the least concerning issue, suggesting that customer-related needs are being effectively addressed.

RECOMMENDED CITATION

Albaña, J., Asugas, C. L., Demesa, H. A., Matalang, C., & Moreno, D. J. (2025). Evaluating the Effectiveness of Budgeting Practices on Cost Control in Innogen Pharmaceutical Inc. *Ascendens Asia Singapore – Bestlink College of the Philippines Journal of Multidisciplinary Research Abstracts, 7*(6), 33.