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A Review of the Management Process with the Mediating Role of the Budget Process on the Performance of Vietnamese SMEs

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Abstract: The SME sector has a large representation within Ho Chi Minh City (HCMC)-Vietnam and it provides a significant contribution in supporting the socio-economic benefits. SMEs in the manufacturing sector within HCMC that participate in the global markets, should embrace and adopt enhanced performance to maximize the overall benefits and outcomes. This will promote the efficient management of the enterprises' overall internal resources in providing competitive equality with global corporations. Therefore, this empirical study analyses and reviews the management process that has adopted the mediating role of the budget process on the SMEs' performance. Based on the review of theories and related studies, it is evidenced that, the management process has incorporated the core-factors namely; business planning, organizational commitment, strategy implementation, managerial control with mediating role of the budget process; these applied core-factors contribute significantly in supporting the SMEs performance within the manufacturing sector of HCMC. Additionally, the outcomes of this empirical study will provide the key-procedures for SMEs such as; high-value knowledge and concepts to restructure their overall management, to gain growth in performance, improve their management capacity, develop their enterprises' sustainability into the new era.

Keywords: SME; Performance management; management process; budget process; sustainable development; Vietnam.

Introduction

Within this period of global economic integration, Vietnam is eagerly participating with international organizations to successfully negotiate a number of Free Trade Agreements which will realize fruitful opportunities relative to its socio-economic development (Ngo, 2016). Additionally, international economic integration has become one of the significant driving forces for; socio-economic development, increasing national synergy, improving the competitiveness of its economy, and gradually gaining beneficial positioning for Vietnam within the international arena and promoting Vietnam to potential investors (Pham, 2019). In the current global economy, SMEs are viewed as the core-sector in providing sustainable economic development in both developed and developing countries (Prasanna, Jayasundara, Naradda Gamage, Ekanayake, Rajapakshe, & Abeyrathne, 2019). According to Thanh Nien Newspaper (2018), it is noted from analyzed statistics from the SMEs Union, there are approximately 600,000 SMEs, this equates to 97.5% of total active enterprises. Derived from the total registered capital of SMEs is approximately $121.00 billion, this has contributed to; 40% of GDP; 30% of expenditure was utilized in the national budget, 33% of industrial productivity value, 30% of the value of export products, and utilizes 60% of the overall workforce, etc.

The results derived from earlier research studies have noted that economic integration brings both advantages and disadvantages for SMEs (Macmillan, 2008; Parida, 2012; Rahman & Ramos, 2010; Spithoven, 2013; Tran, 2015). SMEs need to realize that a constant periodic review of an enterprise's performance is required given the constantly

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changing environment of the current world economy (Taouab & Issor, 2019). Tran (2015) recognized that there is an abundance of suitable policies to assist the SMEs, but a resulting positive outcome was not achieved due to the imbalance derived from the shortcomings of the SMEs management skills and abilities. According to Tran (2015), SMEs have common issues experienced that have resulted in significant limitations; (1) knowledge and skills of employees; (2) lack of management capabilities, and (3) access to markets, restrictions on access to financial capital. Due to the relevant issues, SMEs are required to update and apply an enhanced management capacity and contribute positively toward its overall performance management, this will assist in adapting with the changes of current markets.

Additionally, to maintain its competitive advantages in today's business environment, SMEs are required to constantly focus on maximizing its effectiveness and efficiency within the budget control process (Yee, Khin, & Ismail, 2016). The management process with the mediating role of the budget process requires the focus directed at the improvement of SME performance (Nguyen, 2019). To achieve sustainability within the global markets, the Vietnamese SMEs should adopt key-improvements to; management systems and processes, growth, and notable improvement to business management, this is facilitated by maintaining its current levels to global trends (Nguyen, 2019).
Shamsudeen, Keat, and Hassan (2016), the contribution of SMEs is a key element within the development of the economy, this sector poses many challenges and is evidenced with a diverse array of issues such as; accessing appropriate finance, viable business plan, low level of entrepreneurial skills, and inadequate equity capital, high rate of enterprise mortality, poor infrastructural facilities, shortage of skilled manpower among others. Performance management (PM) is another key-process tool, providing greater competitiveness that can optimize the organizational efficiency and remains a key success factor for industry (Na-Nan, Chaiprasit, & Pukkeeree, 2017). Companies that strive to increase their ranking within the highly competitive business environment, it is imperative that companies seek to outperform their rivals within the industry (Berberoglu, 2018). Companies should adopt a competitive level of performance to ensure their survival within the current markets (Taouab & Issor, 2019). Historically most SMEs have only focused on profits, the revenues, and the overall financial performance of the enterprise. It is now relevant to consider the entire overall picture of the SMEs; the non-financial elements are now considered a key factor as well, not just the financial performance (Nguyen, 2019).

As noted in the above analysis, Vietnamese SMEs have notable advantages and disadvantages in operating within the international global market. In HCMC the significant number of enterprises is the SME sector, this sector provides a critical role in supporting the Vietnamese socio-economic development. Additionally, these domestic markets are considered highly-competitive with an influx of rival foreign corporations. It is noted that currently, SMEs have limitations on their capacity for effective performance management, this requires review and the adoption of beneficial improvements to its overall management. Due to these issues, this empirical study will analyze the role of the management process and the mediating effect of the budgeting process on SMEs' performance in HCMC. This study will support the new concepts of the management process to support the SME management in HCMC to reference, restructure, and apply towards their overall management within their enterprises.

Literature review

Vietnamese SMEs and its role for the socio-economic development

It is evidenced that Vietnamese SMEs are major contributors to the socio-economic development of the country (Ngo, 2016; Nguyen, 2019; Tran, 2015). A high percentage of SMEs contribute within the Vietnamese economy accounting for 98% of all enterprises with approximately 40 % of GDP (Samuel, 2019). It is evidenced that Vietnam's SME sector

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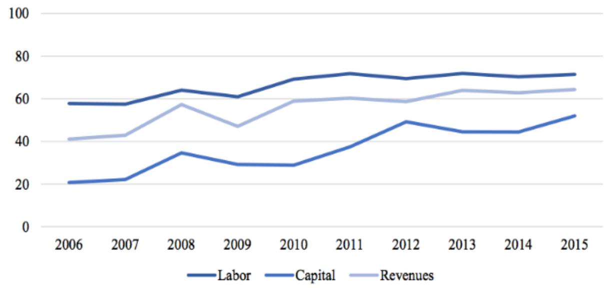
is a major contributor to the continued development of its society in providing more jobs and reducing poverty. They are a significant supporting factor within Vietnam (Nguyen, 2019). Whilst the Vietnamese Government has made numerous reforms, SMEs continue to encounter many challenges relating to; appropriate levels of credit, human resources, market access, the added competition faced with foreign firms (Samuel, 2019).

The below figure is the evidence as contributions of SMEs to the business sector in Vietnam, 2006-2015:

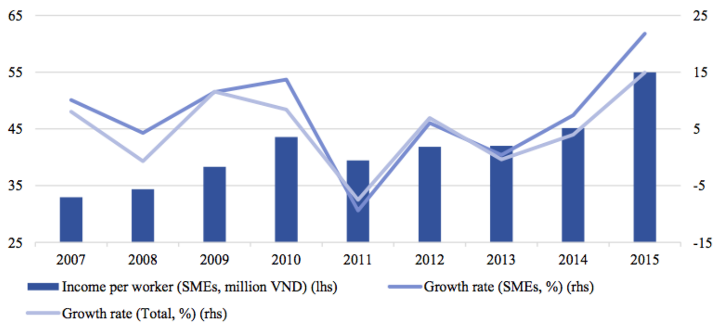


Notes: Business sector denotes SMEs (micro-enterprises not included) and large enterprises.

Figure 1. Contributions of SMEs to the business sector in Vietnam, 2006-2015 (%) (Pham & Nguyen, 2017)

The data from Figure 1 provides an analysis of the Vietnamese SME sector. It is evidenced by the resulting figures that Vietnam has experienced remarkable growth in its numbers in the nominated period 2006-2015. Specifically, the number of employees working in the SME sector in 2006 has experienced a growth of approximately 60%. The number continued to experience higher levels of growth of over 70% in 2015. Considering its capital and revenues for the SMEs were approximately 20% and 40% respectively in 2006. Results for 2015, increased around 50% and 62% respectively.

The below figure is the evidence the income per worker of SMEs in Vietnam, 2007-2015:



Notes: Total denotes SMEs and large enterprises. Income measured in constant 2010 VND.

Figure 2. The income per worker of SMEs in Vietnam, 2007-2015 (Pham & Nguyen, 2017)

The data from Figure 2, nominate that the average income from the SME sector employees was approximately 34 million VND in 2007. This average income figure continued to grow to 44 million VND in 2010, in 2011 there was a significant fall in this figure to approximately 37 million VND. The average income per employee recovered to 45 million VND in 2014 and continued to attain a level of 55 million VND in 2015. In general, the results show an upward trend for the average income per employee in the SME sector in the period 2007 to 2015.

Recently, the SMEs in Vietnam are considered important contributors for the ongoing socio-economic development that generates a higher level of employment and additional opportunities for the citizens in Vietnam (Chu, 2015; Lam, 2017; Ngo, 2016; Nguyen, 2019 Nguyen, Khuu, & Nguyen, 2018; Tran, 2015). Similarly, Cao (2013), Nguyen, (2019), and Phan, Nguyen, Mai, and Le (2015) stated that SMEs contributed to job creation, enhanced incomes for the Vietnamese, this is recognized as critical elements and provides benefits for the encouragement of various social resources, for investment and development as well as the reduction in local poverty. Additionally, the reviewed statistical data has indicated that there is a significant number within the SME sector of HCMC. According to the Electronic Investment Newspaper (2019), the data has indicated that the population of SMEs in HCMC accounted for 42,900 enterprises. While Small-sized enterprises accounted for 18,330 and Medium-sized enterprises accounted for 24,570 enterprises. Therefore, the SME sector in HCMC plays a pivotal role in the contributions to the national economy and its social development. The SMEs in HCMC needs to continue studying to support local development.

The theory of performance management

The definition of performance management is the systematic application of processes for management, it is focused on optimizing the performance within an enterprise (Warren, 1982). Performance management has been defined as a systematic process that allows enterprises to define its; goals, set standards, implement and evaluate work, and distribute rewards (Varma, Budwhar, & DeNisi, 2008). There are many schools of thought toward performance management research; current thinking is that they should not only consider the practice aspect but now include their focus toward the theoretical aspect (Wang, 2012).

According to Wang (2012), research conducted on the subject literature has provided evidence that there are two major groups of theories when considering the effects of performance management: (1) the first aspect consists of system theory, cybernetics, information theory, and management control theory. It has been noted that the essence of a performance management system is to control performance via the acquisition and the implementation of performance data. This has seen the performance management model become a natural element within the overall management control system. Management control theory has been adopted as the theoretical basis of performance management practice (Li, 2003; Xu, 2005). (2) The second aspect is relative to the basic key-organizational behavior theories such as goal setting theory, work motivation theories, etc.

Performance represents achieving the highest levels that can be gained referenced against the enterprise's goals and objectives (Lidia, 2015). Lebans and Euske (2006) state that Performance is consideration given to financial and non-financial data and its indicators, providing results based on what is achieved referenced against objectives and results. Bartoli and Blatrix (2015) have indicated that the possible definition of performance may be achieved via the consideration of elements such as piloting, evaluation, efficiency, effectiveness, and quality. According to Selvam, Gayathri, Vasanth, Lingaraja, and Marxiaoli (2016), many elements will affect the enterprise's performance such as; profitability performance, growth performance, market value performance, customer satisfaction, employees' satisfaction, environmental performance, environmental audit performance, corporate governance performance, and social performance.

Performance management requires an on-going procedure for reviewing the goals and objectives. Linking these adjustments which form the core elements of the enterprise with strategic adjustments and objectives within an enterprise to provide and sustain a higher-efficiency in performance (Na-Nan, Chaiprasit, & Pukkeeree, 2017). These challenges have provided an increase in the enterprise's ability to increase its performance in the areas of; finances, customer base, internal business systems and processes, internal innovation, and learning perspectives (Ahmad & Mohamed, 2018). The industry standard for the assessment and benchmarking of business performance is critical in keeping the

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enterprise appraised of its current results to provide the ability for optimization, effective and efficient levels (Taouab & Issor, 2019). Management practice and the enterprise's performance display a positive cross-sectional correlation (Bloom & Van Reenen, 2007; Ichniowski, Shaw, & Prennishi, 1997;). SMEs must provide more; creativeness, innovativeness, increase their management capacity, and to embrace the new culture.

The SMEs performance measurement

An enterprise's performance can consist of financial and non-financial indicators that provide the data to achieve the noted objectives and the results (Lebans & Euske, 2006). Man (2006) determined that measures of performance are divided into four categories: Financial, non-financial, tangible, and intangible. The preferred procedure for the measurement of performance is a standard procedure consisting of a defined set of measures (financial or non-financial) this procedure supports the decision-making process of an enterprise by gathering, processing, and analyzing quantified data of performance information (Gimbert, Bisbe, & Mendoza, 2010).

According to Nguyen (2019), when assessing the collective results of an SME performance, the assessment requires the inclusion of both the financial performance and non-financial performance. The financial performance relates to the increase in profits, ROA, ROE, etc. The non-financial performance relates to the improvement in management, innovation in product, employee and customer satisfaction, etc. Therefore, based on the above synthesis analysis, the SMEs' performance should include both the financial performance and the non-financial performance measurement.

Table 1. The synthesis review of the firm performance

The synthesis review of the Firm performance	References
Relative to the 60s and 70s, enterprises initiated new procedures to evaluate their overall performance. In this era when an enterprise was evaluating its performance, it was noted that the enterprise had a high ability to utilize and exploit its environment and engaging lean use of its resources.	Yuchtman and Seashore (1967)
When assessing the concept of success and its effectiveness within the enterprise, the KPIs of the enterprise, and how it is implementing the strategies to meet their goals.	Cherrington (1989)
When an enterprise effectively utilizes a balanced scorecard, it will provide the data relative to the enterprises' strategies, there are a series of linked performance measures based on four perspectives including customers, finance, internal processes, employee learning, and growth.	Kaplan and Norton (1992)
Performance measurement is the key focus for the performance management process, the key elements to the effective and efficient procedure of performance management.	Bititci, Carrie, and McDevitt (1997)
The inter-relationship of the procedure for a performance-based enterprise is highly complex, seven crucial performance elements must adhere to effectiveness, efficiency, quality, productivity, quality of work, innovation, and profitability.	Rolstadas (1998)
Enterprises need to monitor and evaluate their performance as the relative data is a key contributor toward the assessment of its performance, report progress, improve motivation and communication, and identification of issues	Waggoner, Neely, and Kennerley (1999)
The targeted procedure can provide the interaction of these concepts of the enterprises with other concepts such as; management, leadership, profitability, predictability, economic-financial indicators, plus measurement systems.	Lansiluoto and Jarvenpaa (2008)
The use of a multi-dimensional indicator of performance measures incorporating many aspects; financial performance,	Qi (2010)

non-financial performance. The managerial performance provides the overall results for the performance of SMEs. Financial performance: Growth of sales revenues & profit; Budget achievement & Motivation; Non-financial performance: Job involvement & Job satisfaction.	
Performance Dimensions includes Profitability; Market Value; Growth; Employee Satisfaction; Customer Satisfaction; Environmental Performance; Social Performance.	Santos and Brito (2012)
An enterprise's performance is measured using three proxies, ROE, ROA, and Tobin's Q. Those three performance elements were used as dependent variables in three different regression models.	Roudaki and Bhuiyan (2015)
The synthesis of the different dimensions of the organizational performance includes; Financial performance such as Profitability, Return on Assets, Return on Equity, Return on Sales and Operating Margin, Sales growth, Performance in relation to competitors, Revenues, Export volume, Satisfaction with respect to investment. Operational Performance such as new products (development, introduction and launching, Time-to-market, Productivity, Flexibility, Success of new products (relevance in total revenues), Operational cost, Customer loyalty, Number of customers and contracts, Meeting deadlines, Time of response to complaints, Inventory reduction, Reliability in the delivery of products, Innovation Pioneering, Intellectual production, Patents, Transfer of technology, Growth of activities. Plus, other performance factors such as; Achieved goals (financial and operational), Survival, Success in business.	Brito and Oliveira (2016)
The overall measure of an SME and its performance needs to incorporate both the financial performance and non-financial performance. The financial performance is relative to increased profits, ROA, ROE, etc. The non-financial performance is relative to the growth in management, development of its product, Productivity, employee, and customer satisfaction.	Nguyen (2019)

Analyzing the role of the management process on SMEs performance

The role that management plays in the overall process is the key-element in strengthening the enterprise's performance. The implementation of managerial theory within an enterprise is a key element for success in larger corporations (Olum, 2004). Expanding on this further, management provides the process for the development and design and long-term maintenance. It provides an ideal environment to nurture the process, the process of working together in groups, and to efficiently complete their required tasks (Koontz & Weihrich 1990). Initially management, systematically people carry out the managerial elements of providing planning, organizing, staffing, leading, and controlling. Secondly, management implements this into a diverse array of organizations. Thirdly, management then implements this throughout all levels of the organization. Fourthly, the focus of all managers is the same – to achieve an overall budget surplus. Finally, management is focused on productivity, this is relative to its effectiveness and efficiency.

It is noted, according to Na-Nan, Chaiprasit, and Pukkeeree (2017) there are (5) phases in performance management: (1) The required process promotes the interaction of employees in conjunction with the preparation of the information required for management, departmental and solo operations; (2) Performance planning phase provides the required objectives of the enterprise, departmental and solo operations; and

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realizes the capabilities needed for the operations and additionally, the developed scope for its capability; (3) The performance evaluation system defines the actual versus anticipated performance within a defined scope based on the nominated objectives; (4) The performance review system needs to include management and employees from all levels to discuss the performance, strengths, weaknesses, solutions and improvement areas; (5) The performance implementation phase provides the development of an enterprises plans, missions, strategies and HRM.

Research has revealed enterprises that have gained increased growth when adopting an outlook that is focused on; its resources, seeking gains in concise management through to the overall processes governing the enterprise (Koryak, Mole, Lockett, Hayton, Ucbasaran, & Hodgkinson, 2015; Peng, Mole, & Roper, 2019). However, global international markets have an increased competitive intensity not experienced previously in the local markets, this is seen as a limiting factor faced by the Vietnamese SMEs (Tran, 2015; Ngo, 2016; Nguyen, 2019). Research has shown that SMEs are limited in their management capacity to enhance the performance of the business, SMEs need to develop and adopt a higher level of capacity in the management processes to support the Vietnamese SMEs (Nguyen, 2019). It is recommended that there are significant benefits in studying the management process including the key-factors; Business planning, organizational commitment, strategy implementation, managerial control, and the mediating role of the budget process to support SMEs' performance to survive, adapt and develop sustainability in the current markets.

Analyzing the management process with the budget process on SMEs performance

There is a notable relationship between the management process with the budget process on the enterprise's performance. According to Drury (2000), there are objectives to be achieved in budgeting and in the business enterprise, benefits from this are; assistance in the planning of yearly operations; to coordinate the activities of departments of the entity, and to ensure that all the departments are in sync; effective communication of plans to the department managers; the motivation of department managers to attain the enterprises nominated objectives and goals; to maintain concise control of all tasks; performance evaluation of all department managers. Reviewing previous budgets assist in the development of forecast budgets and profitability, assigning department managers with specialized skills (Butz, 2010). Therefore, the budget process takes a mediating role to allocate all the key-factors including; business planning, organizational commitment, strategy implementation, managerial control to support the SMEs' performance.

Analyzing the role of the budget process on SME performance

The budget process forms an integral part of the management processes to support SMEs' performance. According to Tran (2012), developing budgets are an integral component of the overall process of performance management, this provides the tool to guide and manage an enterprise and realize the corporate objectives and its goals. In relation to performance management, it is a key-element in budgeting which provides support for its implementation, providing the conduit of assigning resources to defined tasks and promoting values. Tunji (2013) suggested that, if an enterprise has an effective budget plan and system, it will promote growth and increased performance within the enterprise's overall performance. Enterprises that didn't adopt these budget policies, achieved negative effects on their performance.

According to Gachoka, Aduda, Kaijage, and Okiro (2018), if an enterprise is seeking growth and improved performance, management needed to adopt financial budgeting and improved management systems. According to Gachoka et al. (2018), enterprises that do not accept or adopt improved budgeting processes and management systems have a greater risk only achieving a negative result on their performance. Relevant research has provided evidence of the additional benefits to performance when adopting the budgeting process (Gachoka et al., 2018).

According to Nguyen (2019), adopting a budget process provides the conduit between management, operations, manufacturing, etc. in all business enterprises. The budgeting process is the forecasting of the departmental costs of each element within the enterprises such as; allocation for the manufacturing sector, allocation of costs associated with the business and manufacturing operations, etc. (Nguyen, 2019). Based on the above analyses and; Nguyen (2019) has indicated that the budget process takes a mediating role to support the SME performance. Therefore, the conclusion is given: There is a significant relationship between the budget process and SME performance.

Analyzing the role of business planning on SMEs performance

Business planning is an integral part of the overall management process to support SMEs' performance. According to Shamsudeen et al. (2016), planning is a key element of the organizing process as it resolves numerous issues that result from; unclear information and irregularity that exists in the discovery and exploitation of entrepreneurial benefits. A business plan describes the enterprise's vision, goals, and objectives with details of each plan and its processes that will be applied to achieve them. Developing a plan can provide the basis for operational budgets, targets, procedures, and management controls (Frien & Zehle, 2004). The utilization of business planning will realize the enterprise's objectives, strategies, and forecasted actions to ensure sustainability over a defined timeline. Business planning is focused on two key aspects; dealing with risks and making profits (Peterson, Jaret, & Schenck 2010). Daft and Marcic (2016) have evidenced a third element relative to the planning of an enterprise's performance as its commonness. Kabiru, Theuri, and Misiko (2018), those that support planning and the development of objectives and key-strategic plans utilizing key personnel within the enterprise are more likely to achieve there nominated strategic-goals and objectives as defined in strategic plans.

Kabiru et al. (2018), guidance is attained through good business planning from all departments of the enterprise, these will be decisions reflective of the nominated goals and objectives. The business planning will provide higher economic performance, as a majority of plans are based on achieving the highest level of efficiency with minimal cost outlay. Planning is focused on achieving the best outcome baselined on the enterprise's nominated goals and objectives. The basis of the plan is focused on; identifying the task, management and the coordination of all aspects of the planned procedure to ensure the enterprise's success in achieving the complete plan. Greater performance and a successful business is achieved through a good business plan (Shamsudeen et al., 2016). In summary from the details above synthesis analysis, the conclusion is given: There is a significant relationship between business planning and SME performance.

Analyzing the role of organizational commitment to SMEs performance

Organizational commitment is also considered a significant factor to support SME's performance. Organizational commitment is regarded highly by practitioners and researchers and has been accepted as a required element in task-related beliefs (Mowday, Porter, & Steers, 1982). Organizational commitment (OC), is defined as a known strength of its employees engaged in the specific roles within the organization (Mowday et al., 1982).

Organizational commitment has a significant effect on the enterprise's outcomes relative to work performance (Dirani, 2009; Yousef, 2000). Baptiste (2008) stated that there is a positive link between employee organizational commitment and improving its work performance. Organizational commitment is described as a state of mind attitude which reflects the relationship between employee and the enterprise, furthering the

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commitment to the organization's membership (Meyer & Allen, 1997). Benkhoff (1997) there is a noted relationship between OC and organizational performance when measured to sales targets attained and profit figures. Therefore, Organizational commitment is a diverse activity, involving employee commitment with the organization, employees that are motivated for the organization benefit, improving goals and objectives and similar values, happy with the organization, and seeking a long-term relationship with the organization.

Additionally, motivated employees are seen to easily adopt the enterprise's goals and values; are eager to put a higher-level of effort into the wellbeing of the organization; have a high level of desire to be retained with the current enterprise (Porter, Steers, & Boulian, 1974). Employees who have adopted a higher level of organizational commitment are thinking that their enterprise provides a higher level of performance than other enterprises that do not promote a similar level of commitment to its managerial processes such as; providing discipline and personnel recruitment (Perry & Wise, 1990). Organizational commitment is noted as a state of mind attitude that provides the relationship of the employee with the organization and decision to either remain with the organization or leave (Meyer & Allen, 1991).

Employees who are committed to their enterprise are more likely to be high level-performers compared to the less committed employees, these employees are more likely to expend more effort toward its enterprise and assist in achieving its goals and missions and promote added success (Jafri & Lhamo, 2013). Berberoglu and Secim (2015), Organizational commitment promotes the concept in relation to employee loyalty and the effectiveness of the organization. Organizational commitment promotes a higher bond with the enterprise, flowing onto the acceptance of its goals and values (Zefeiti & Mohamad, 2017). SMEs having a stable and strong resource base assists them in adopting an overall quality management system as the human element within production and distribution are critical in its success, adaptive strategy development to cater to the changing markets, and the ability to overcome the challenges posed by its competitors (Prasanna et al., 2019). Therefore, the role that culture plays in the SMEs is critical to the improvement of the overall activities within the business, management, and manufacturing.

According to Nguyen (2019), there is evidence that there is a lack of commitment from the management and the employees of the SMEs. There is a long-term commitment from management toward the enterprise but employees display less commitment toward the organization as they tend to have the attitude they are there just to earn a wage. To improve the overall performance of SMEs, there needs to be a commitment by both employees and management within SMEs. Organizational commitment will increase the level of employee retention with the SMEs and be motivated to complete their assigned tasks effectively and efficiently. Hence, as the analysis above, the conclusion is given: There is a significant relationship between Organizational commitment and SME performance.

Analyzing the role of strategy implementation on SMEs performance

Strategy implementation is a key-element within strategic management and organizational theory. Research has proven that the combination of both practical experience and academic theory indicates that strategy implementation has a major effect on the organizational performance (Hrebiniak & Joyce, 1984); and is a critical aspect to organizational effectiveness (Sproull & Hofmeister, 1986), and also is critical to the functioning of an organization (Schilit, 1987); Strategy implementation involves a focus from many aspects ensuring the transformation of strategic intentions into actual implementation (Miller & Dess, 1996); it is a key element within the formula for the success of any business or organization (Noble, 1999).

According to Wang (2012), the key to attaining a successful strategy implementation is to subdivide into three phases: (1) analysis each task to provide the procedure to execute the strategy; (2) the divided strategic tasks are then assigned to specific departments and relative employees to implement the tasks; (3) oversee the specific tasks for efficiency and effectiveness. The enterprise's performance is solely dependent on each of its employees' performance, personal performance needs to be focused and aligned with the enterprise's strategy to realize the desired outcomes.

Strategy implementation consists of converting its resources, its capabilities, and adapting them to attain the defined objectives and nominated targets. The management of such resources and capabilities requires not only the adaptation to the organization's internal environment but also to its external environment (Fedato, Pires, & Trez, 2017). Obiero and Genga (2018) show that strategy's implementation requires assigning the identified strategy and utilizing it, providing resources for the strategy, re-configuring the enterprise's culture, and its structure for the acceptance of the innovative strategy and change management. Implementation is the process that converts strategies and its plans into action plans targeted to accomplish specific strategic objectives, goals, and strategies.

Orugun, Nafiu, and Aduku (2017) show that successful strategies that are implemented have positive flow-on effects through to the organizational performance. Zaidi, Zawawi, Nordin, and Ahnuar (2018) present that a successfully implemented strategy provides the enterprises with an overall improvement in performance and strategy implementation, and this provides positive growth and higher competitive advantage (Zaidi et al., 2018). The role of strategy implementation provides the key-role in the improvement of the enterprise's performance. So, based on the above analysis, the conclusion is given: There is a significant relationship between strategy implementation and SMEs' performance.

Analyzing the role of managerial control on SME performance

Managerial control is an integral part of the management process towards SMEs' performance. According to Anthony (1965), the use of management control as the conduit that managers utilize in ensuring that resources are provided, used effectively, and efficiently in the achievement of the enterprise's objectives and goals. Managerial control is considered a tool in the development of performance measurement. Management control is a factor that connects the strategic planning to operational control (Otley, 1994). The effective use of management control has the ability in identifying errors and discrepancies between goals or reference elements and relative conditions and produce flow-on action plans. The objective of management control is to minimize costs, providing substitutes for less expensive materials, reduction or elimination of waste products, a lean process in becoming more efficient, these are all the effective outcomes desired on the organization's costs (Nickols, 2013). Management control is an individual process to which an organization strives to achieve the planned or desired results, or gained performance outcomes. Organizations have the option to use the various actions to minimize the negative outcomes from both the external and internal environments. Management control is a procedure for controlling an organization's performance (Šljivić, Skorup, & Vukadinović, 2015).

Utilizing the internal control systems procedure allows managers an effective way to evaluate the status of organization functionality and how effective its resources are operating. It is assumed when utilizing a current management control system which includes non-financial and multi-dimensional performance-based measurement, the enterprises still operate via financial statements. Management control is commonly linked through the planning function of management (Cambalikova & Misun 2017). According to Cambalikova and Misun (2017), managerial control provides the system and processes for ensuring the managers can provide and are engaged in their tasks efficiently and effectively to meet the enterprise's nominated goals. The factor of internal managerial control is an overall procedural system that incorporates the overall procedure, the

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methods and controls nominated by the enterprise lower the risk and increase the achievability of its business goals (Umar & Dikko, 2018). Managerial control is the overarching governance utilized by management and for its employees providing the ability in attaining the nominated goals: reliability of financial and no-financial statements, the effectiveness, efficiency, the controlled change management to objectives, and ensuring compliance with the nominated goals and objectives (Nguyen, 2019).

Additionally, according to Umar and Dikko (2018), internal control includes; controlling the environment, assessing the risks, information, and communication, controlling its activities, and monitoring outcomes. Utilizing these factors will enhance their chances of attaining higher-levels in performance management when considering both financial and non-financial performances. In the current economy, there is a higher risk from the industry rivals; managerial goals are affected by the increasing presence of risk, developing and implementing strategic internal controls, upgrading of performance internally, setting business strategies to minimize risk, attaining and improving operational goals and competitiveness (Nguyen, 2019). Therefore, based on the above analysis, the conclusion is given: There is a significant relationship between Managerial control and SME's performance.

There is a global comment regarding the potential impact on its performance by the enterprise's strategic governance, there is a wide range of performance measurement used to research the effect on the operational performance of the enterprise's strategic governance using market-based and financial-based measures. The following statement in Table 2, is the review of the relationship between the management process noting the key managerial factors affecting the enterprise's performance:

Table 2. The synthesis review of the relationship between the management process and enterprises performance

Contents	References
The research has been utilized to measure the effect on strategic corporate governing procedures on an enterprise's performance. The research was based on (398) listed companies from different countries such as the Philippines, Indonesia, Thailand, Malaysia, and Korea. The evidence has noted that there is a major effect on corporate governance on firm performance in 1997-1998 during the East Asian Crisis.	Mitton (2002)
Longitudinal analysis of relationships between planning and Performance in small Australian firms. The research was based on over (2,900) companies listed on the ABS data, this provides one of Australia's largest and most reliable samples, providing a strong base for general cross-section samples from across Australian companies. Results have shown that planning is being incorporated within the companies that have out-performed their rivals. Those companies that employ good regular planning are associated with those that attain a higher level in their overall performance incorporated in the timeline. When considering the major result outcomes, there is a strong case in favor of the idea that improved growth in performance comes before planning is introduced rather than commonly regarded that the planning will come before the improved performance.	Gibson and Cassar (2005)
The impact of the budgeting process on performance in SMEs in China. The research on the formal budgeting process incorporates Formal budget planning, Budget goal clarity, Budget goal	Qi (2010)

difficulty, Budgeting sophistication, Formal budgetary control, and Participation in Budgeting that impacts the overall performance of SMEs incorporating both financial performance and non-financial performance. The research notes that the formal budgeting process and budgetary participation pre-determines the improvement of the performance in SMEs. The impact of more formal budgeting planning has a higher impact in the growth of the overall sale revenues within SMEs; concise and detailed budget goals gain a better outcome on the budgetary performance of SMEs; Using a complex level of the budgetary procedure will result in lower profit growth of SMEs; A more formal budgetary control leads to higher growth of profit in SMEs; Greater budgetary integration will promote a higher level of managerial performance; Medium-sized firms gain a higher profit growth compared to small firms; State-owned enterprises gain a higher level of non-financial performance growth compared to smaller firms. The firm performance needs to consider both financial performance and non-financial performance.	
Research conducted in China discussed the link between corporate governance and operating performance. The results indicate a positive link between the enterprise's strategic governance measures and operational performance.	Sami, Wang, and Zhou (2011)
Research conducted on a sample of (292) Saudi-listed enterprises for the period from 2006 to 2009 shows the link between strategic corporate governance characteristics and the enterprise's performance. The outcomes from the research show that strategic corporate governance and firm values are positively linked.	Fallatah and Dickins (2012)
The performance of an enterprise is significantly impacted by the strategic corporate governance and its functionality, impacts are promoting investment and assists in the growth of the enterprise's financial status, strengthening the enterprise's foundations, with a flow-on effect of increasing the enterprises overall performance. Utilizing an effective strategic corporate governance system provides a higher level of assurance against potential financial risks and provides a higher level of growth, in summary implementing corporate governance plays a key role in the growth of the enterprise's performance.	Al-Matari, Al-Swidi, and Fadzil (2014)
Research on Bahrain listed companies has shown the effects of performance by corporate governance. The study found that corporate governance is a major link with firm performance.	Ahmed and Hamdan (2015)
Organizational Commitment and Perceived Organizational Performance Among Health Care Professionals: Empirical Evidence from a private hospital in Northern Cyprus. The focus of the study was to evaluate the hypothesized links between organizational commitment and the perception of organizational performance among health care professionals, the evaluation was conducted on a small-sized private hospital in North Cyprus as the setting.	Berberoglu and Secim (2015)

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The study revealed that there is a significant relationship between organizational commitment and perceived organizational performance and organizational commitment is affecting the perceived organizational performance of health care workers.	
The research conducted an empirical analysis of the strategy implementation process and performance of construction companies. The evidence from the research notes that there is a significant relationship between the strategy implementation process and construction companies' performances. The key element of the strategy implementation process is to provide sufficient training for employees which directly influences the construction companies' growth in profit and employees.	Zaidi et al. (2018)
The research was to investigate the influence of organizational commitment on work performed within the Omani Government organizations. A quantitative survey technique has been utilized providing a sample of (335) middle-level managers of Omani public civil service organizations. The empirical results have shown that all organizational commitment subscales (affective, normative, and continuance) have substantial impacts on work performance dimensions, contextual and task performance.	Zefeiti and Mohamad (2017)
The research on the impact of planning on the organizational performance of agricultural state-owned corporations in Kenya. Outcomes noted are; both in theoretical and practical analysis of data, it has evidenced that planning is a critical function in the management of any organization.	Kabiru et al. (2018)
Effects of Strategic Planning on Performance of Small and Medium Enterprises: The Case of SMEs in Nairobi. The basis of the research utilized a descriptive research design procedure in identifying the relationship link to strategic planning and performance of small and medium enterprises. The research concluded that SME managers need to ensure they develop; a strategic plan that incorporates annual objectives, establishes an effective organizational structure, setting of budgets, development, and implementation of a professional viable information system, and generally develops a work plan for job execution.	Akolo, Mulili, and Kiboi (2018)
The research demonstrates how a Management control system could be used by firms among developing countries to achieve better performance. The framework if empirically tested would value-add to the current literature that concentrated to a large degree on the contingency and the agency theory in assessing the enterprise's performance, this has a negative effect on an enterprise's potential in attaining a higher level of performance. When the enterprise adopts the good elements of management control it provides the enterprise the ability to assess both their internal and external environments to realize the redundant resources that can be utilized in achieving a higher level of performance.	Ahmad and Mohamed (2018)
The study of the Management process to enhance SMEs performance in Ho Chi Minh City.	Nguyen (2019)

The management process incorporates elements such as business planning, managerial control as well as the mediating role of the budget process and its effects on the SMEs performance. The performance is measured utilizing both financial performance and non-financial performance. The study concludes that the role of business planning, managerial control, and the mediating role of the budget process is vital for the enhancement of SME performance. SMEs need to focus on the overall performance to improve the status of SMEs and to develop a sustainable competitive advantage in the current markets.	

In summary of the synthesis review by many studies, as noted in Table 2, the management process with the key managerial factors such as business planning, organizational commitment, strategy implementation, managerial control, and the mediating role of the budget process are the key major factors that provide support for the enterprise's performance. Therefore, there is a need to develop, focus, and explore the use of these factors in supporting SMEs performance growth.

Methodology

This paper is a systematic literature review of the studies of Vietnamese SMEs investing in innovative management concepts, aiming to ensure the enhancement of its performance management. In this study, the objective of the study has focused on the SMEs within the manufacturing sector in HCMC- Vietnam.

The research utilizes the secondary data and the sources of the related studies to analyze the current issues of SMEs providing a general overview. Based on the theories of management and related studies, the researcher has identified and analyzed the management process that includes; Business planning, Organizational commitment, Strategy implementation, Managerial control while adopting the budget process as the mediating factor affecting SME performance. These key-factors take a vital role to support SMEs performance to improve its competitive advantages in the new era.

Key-findings

As discussed above, based on the review and analysis of its theories and the related studies, the management process with the mediating role of the budget process takes a vital role to support the SME performance. It is evidenced that the management process includes; Business planning, Organizational commitment, Strategy implementation, Managerial control with the mediating role of the budget process have a significant relationship with the SMEs performance. When SME management adopts the changes to these factors, they will realize an improvement in the level of performance in its enterprises. Therefore, the Vietnamese SMEs in HCMC need to focus on the management process and the mediating role of the budget process to improve their performance management.

Additionally, the financial performance measurement has a limitation that will not reflect the full values of SMEs. Therefore, based on the above review, it notes that the SMEs performance should measure both financial and non-financial performance. The financial performance includes Profit, increase in sales, ROA, ROE, the achievement in cost targets, etc. The non-financial performance includes: the innovation in process management, the delivery products or services on time, customer feedback score, production, or service output goals are achieved, etc. The Vietnamese SMEs in HCMC require a complete

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overview to effectively and efficiently manage their enterprises to achieve the overall performance.

Conclusions and recommendations

The key-findings above have indicated that; management process: business planning, organizational commitment, strategy implementation, managerial control with the mediating role of the budget process provides a vital contribution in supporting the SMEs' performance within the manufacturing sector in HCMC. It is evidenced that the SMEs in the manufacturing sector should focus on and implement these key-factors to gain improvement; performance growth in the business, operating, management and manufacturing, etc.

The findings of this study also revealed that the mediating role of the budget process has a significant relationship with the SMEs' performance. Therefore, SME management should focus on improving the budget process towards SMEs' performance. The SMEs management and employees within the manufacturing sector need to analyze, review, and develop the budget process to achieve the goals and objectives.

It is evidenced that the role of business planning provides the key-contribution of enhancing SMEs' performance and requires focus. Therefore, SME management needs to develop suitable business planning, define the appropriate goals and objectives that will adapt to the current market and their internal ability. Business planning for SMEs increases overall improvement and will support change management tasks targeting higher-levels of performance. When including the development and implementation of the business planning process, there is a need to analyze and review, adding more professionalism.

Additionally, it was identified that strategy implementation was the factor that had a positive impact on SMEs' performance. When SMEs develop and implement their management process, the role of strategy implementation should be focused as a priority to improve the overall SMEs' performance. Administrators should adopt the principles for; further study and review, enhance and improve the process of strategy implementation to provide improvement for the SMEs' performance.

The role of organizational commitment is a crucial factor in supporting SMEs' performance. In the corporate governance process within SME, there is a need to consider the role of organizational commitment to supporting SMEs' overall performance. Results noted that when the enterprise culture is achieved, the management and employees will demonstrate additional dedication to assigned tasks, plus a notable decrease in employees wanting to change jobs, the retention of employees improves a higher-level of performance to the SMEs within the manufacturing sector.

The role of managerial control is integral in contributing to SMEs' performance. The controlling process has to achieve the following fundamental aspects; ensuring the results to be aligned with SMEs’ targets; ensuring the organization’s resources to be used effectively, providing clear and concise expectations according to necessary directives; identifying and forecasting the main trends and essential changes with issues such as market, products, sources, facilities, etc. When enhancing management, it will enhance the level of performance for SMEs. Therefore, it should be a focus and develop to enhance SMEs' performance.

Finally, a financial indicator is an integral role in gaining additional benefits, maintaining the business, and providing sustainability to SMEs. Consideration of the non-financial indicator is also an equally important element, so review and consideration of both values are required by the enterprise. SMEs management should consider both financial and non-financial performance management when conducting all aspects of the operational activities in the management practice. The non-financial performance is the critical element in satisfying their employees, customers, stakeholders, the innovation of their management process as well as an exploration of all the intangible values to support SMEs to survive, develop and improve their competitive advantages in the global integration in the new era. Performance management requires an equally balanced framework that provides the focus to maximize outcomes from both the management, employees, customers, stakeholders, and the overall SME industry.

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