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AN EXPLORATORY STUDY REGARDING THE RELEVANCE OF BUDGETS AMONG ROMANIAN COMPANIES

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Abstract: *Budgets always played an important role in the business companies over the years. Budgeting is used for many purposes: planning, performance appraisal, employee motivation, allocation of the company resources, control. In the current literature studies, there is a debate if the budgets are still relevant or not for companies, some authors lean towards a management without budgets and others are proposing that budgets should be improved and used together with other controlling instruments. The purpose of this paper is to examine the current trends regarding the budgeting practice among the Romanian companies. Is the traditional budgeting approach predominantly used by the firms? Is there a tendency to abandon this tool? Is budgeting still adding any value to the companies? Are companies taking into account a management without budgets? To answer to all of these questions a survey was used as research method. Results show that Romanian companies are still using budgets, for planning aspects, control (means performance evaluation) and resource allocation. Fixed budgeting model is still used by most of the companies, followed by rolling budget and incremental budgeting. The budgeting process is still adding value in reaching the company goals. Budgets are still important for management during the decision making process especially for costs purposes, invests and strategic aspects. Companies do not want to abandon budgets as a tool but are also open to make some improvements to the classical approach.*

Keywords: *budgets, budgeting models, survey*

JEL classification: *M41*

1. Introduction

Nowadays budgeting process is used all over the world for management control, performance appraisal and for strategy implementation; budgets are employed for giving financial values to the goals and plans and allow the transformation of strategic ideas into operative actions appraisal (Cardos, 2014). Budgets can be seen as a system that is essential in a company for planning, coordination, control and evaluation (Kung et. al., 2013). Historically the budgets always played an important role in the organizations (Libby, Lindsay, 2010); the business budgeting is a post-war outcome, developed in the United States (Theiss, 1937).

Therefore we can mention some of advantages of the traditional budgeting like helping the companies to establish and plan realistic objectives, promote coordination and communication of activities between employees, evaluate the company's performance (De Waal et al. 2011, cited by Cardos, 2014).

During the years also the criticism to budgets has increased such as (Libby, Lindsay, 2010, Cardos, 2014):

- they are time-consuming and not flexible.
- represents a barrier to change for companies.
- they have no strategic orientation and no longer satisfy the manager's needs.
- they are not oriented towards creating value, but towards reducing costs.
- have lost their relevance in the modern business environment as they cannot keep up with today's world changes and unpredictable environments.

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Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

- no longer satisfy the manager's needs.

These disadvantages led today to another main debate, trend of a „management of companies without budgets" (Sponem and Lambert, 2010). Is it clear that the role of budgeting is changing in order to adapt to the business environments (Lohan, 2013).

In this context, the following question arises: are budgets still relevant and useful nowadays for the company's performance and strategies? To answer this question a survey was used, as research method, among Romanian companies.

2. Methodology and modelling design

The purpose of this paper, the main objective, is to examine the current trends regarding the budgeting practice and its relevance among the Romanian companies. Subsequently, secondary objectives can also be formulated as following:

- the degree of use of budgets.
- budget usefulness in relation to strategies, performance, decisions.
- the value added of budgeting.
- approaches and methods used by practitioners.
- budgets and adaptation to unforeseen changes.
- the phenomenon of „management without budgets".
- how open are the companies to the new budgeting planning models.
- test and validate a research model.

Based on these, we can formulate the working hypotheses, stated as below:

H1: The level of satisfaction regarding budgeting influences the degree of use of this tool;

H2: Management strategies have a significant influence on budgets;

H3: Measuring, evaluating the financial performance has a significant impact on the budget system;

H4: Measuring, evaluating the non-financial performance has a significant impact on the budgeting system;

H5: Management decisions have a significant impact on budgets;

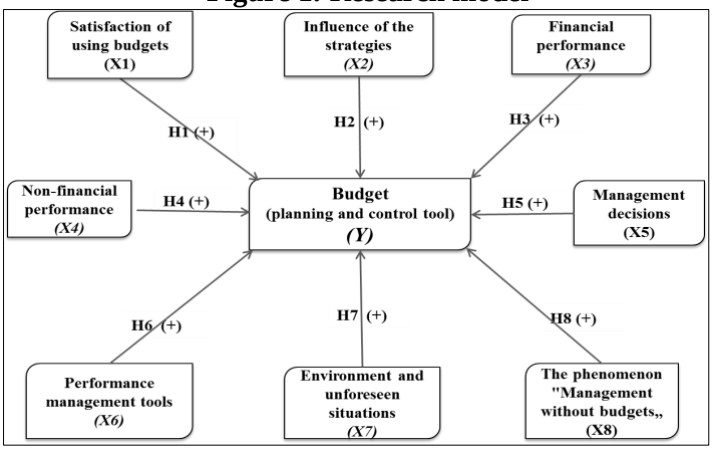
H6: The efficiency of the budget system (in order to track the achievement of the company's objectives) depends on their integration with other management tools;

H7: The external environment and unforeseen situations have a significant influence on budgets;

H8: The phenomenon, the perspective "Management without budgets" exerts a significant influence (has an impact) on the classical budget system.

In the Figure 1 we can observe the research model that contains the dependent variable (Y), the independent variables (X) and the research hypotheses.

Figure 1: Research model



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Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

We can also reproduce the research model written as an equation:

The budget system (Y)=H1 Satisfaction with the use of budgets (X1) + H2 Influence of strategies (X2) + H3 Financial performance (X3) + H4 Non-financial performance (X4)+ H5 Management decisions (X5) + H6 Management tools of performance (X6) + H7 Environment and contingencies (X7) + H8 "Management without budgets" phenomenon (X8); where Y=dependent variable, X=independent variable, H=research hypothesis.

Based on this model, we can proceed in building the questionnaire with the following main sections: general information about the respondents, dimensions and characteristics of the budgets, budget control and performance, budgets and the decision-making process, integration of budgets with other performance management tools, integration of budgets with company strategies, budgets and adaptation to change and criticism.

The questionnaire's items are in the form of multiple choices, choice of a single answer and items based on the Likert scale. The Likert scale was introduced by R. Likert in 1932 and usually (but not necessarily) uses 5 scales, such as: "Strongly agree", "Agree", "Neutral", "Disagree", "I don't agree at all." The advantage of this scale is that it allows the evaluation of the respondents' attitude and its weight (Premysl and Mazo, 2020). The questionnaire was completed by 103 respondents, 102 responses were validated and 1 eliminated.

3. Literature Review

The budget always played different roles within the companies, such as: coordination and communication, forecasting, delegating the activities and motivation. The budget is also an essential component of the control system. Budgets are widely used in private companies worldwide, in the public sector, in NGOs, due to their versatility for various purposes such as: planning, forecasting, controlling, resource allocation, communication between employees and management, evaluating the performance of the company but also of employees and managers (Murat, 2022). Budgets can also be seen as a process that must be developed to establish clear objectives, use historical data, monitor performance, analyse scenarios, allocate resources efficiently, ultimately positioning the business for sustainable growth (Vuong, 2023).

The word budget comes from the Latin *"bulga"*, which means leather bag. The modern meaning of this word dates back to medieval time in France, where the custodian, called *"budgeter"*, was responsible for managing the funds, which were kept in a leather bag called in French *"bougette"* (Flesher D.L. & T.K., 1979).

Budgeting activities can be traced in the 18th century, in the England government where budgets were used as a supply of funds. After, the American state started to use the budgets for the cities administration, followed by states and the federal government (Flesher D.L & T.K, 1979).

Regarding the *business budgeting* development, on the other side, we can track the main stages below (Theiss, 1937, Badem, 2016):

- first budgeted items within companies were the luxury expenses, such as advertising, research and development;
- while the industry activity was increasing, it became necessary to standardize the production operations, in order to calculate the production costs such as labour and material;
- standard costs development in the production activity; this continued to evolve to the current forecasting form of a budget.

The basic idea of the business budgeting was to increase the business profit, therefore, this motivated the companies to develop more and more the business budgeting. Technically, the budgets provide a scientific technique in order to forecast the business operations (Theiss, 1937). Budgeting started to be seen as a management tool in 1920 by Alfred Sloan and Donaldson Brown at the General Motors Company (Berland, Ronge, 2019). In 1922, J.O McKinsey published "Budgetary Control" by

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

covering the industrial budgeting area (Flesher D.L. & T.K, 1979); this writing represents the first comprehensive book on business budgeting (Mattessich, 2008).

In the 1930s although (during the Great Depression), budgets started to become a "symbol of negativeness", as the companies were operating in a hostile environment and drastic cost reductions were needed (Flesher D.L. & T.K, 1979).

During the post-war, the main focus of the companies was to establish a competitive position on the market, so budgeting became a main management tools to coordinate the activities (Flesher D.L. & T.K, 1979).

Since then, budgets have many roles: planning and forecasting, control, managerial role, strategic role, performance evaluation (Sponem and Lambert, 2015). In 1999, almost 99% of the companies were using this instrument according to a study published by the Association of Financial Directors and Management Control (Berland, Ronge, 2019). If back then budgeting was developed in a certain context: markets and value chains were stable, competitors were known and the life cycle of products and strategies were spread over time (Berland, Ronge, 2019), nowadays the traditional budgeting is considered a "relic of the past" (Cardos, 2014), meaning it cannot keep up with the current changes (De Waal, 2011, cited by Cardos, 2014). Budgets are being criticized for having a conservative perspective in an uncertain, constant changing environment; budgets become inflexible and do not support innovation (Sponem and Lambert, 2015).

The current main debates regarding budgeting in the literature are the „management of companies without budgets" trend (Sponem and Lambert, 2010) and budgeting based on artificial intelligence, means data collection automation and resource allocation optimization by analysing historical patterns and anticipate future needs (Jain, Kulkarni, 2023).

4. Survey Results

We will continue now with the analysis of the survey results, by each section; further we will test the hypotheses and validate the model.

Section 0: Expression of consent. All respondents expressed their agreement regarding their participation when filling out the questionnaire.

Section 1: General information about respondents. Regarding the gender of the respondents, it is predominantly female with a share of 65%, followed by male with 34%. Only one respondent did not want to answer regarding this aspect, choosing the option "I prefer not to answer". The position of the respondents in the company is 62% execution and 38% management. In the table 1 we can also see a small analysis regarding the number of female and male respondents and the position in the company. It results that the female gender registers a higher number in the execution positions (44) compared to management (22) and for men the level is kept almost at the same level, management 17 and execution 18 respectively.

Table 1: Crosstab analysis

Cross tabulation					
		Sex respondent			
		Female	Male	I prefer not to answer	Total
Position in the company	Management	22	17	0	39
	Execution	44	18	1	63
Total		66	35	1	102

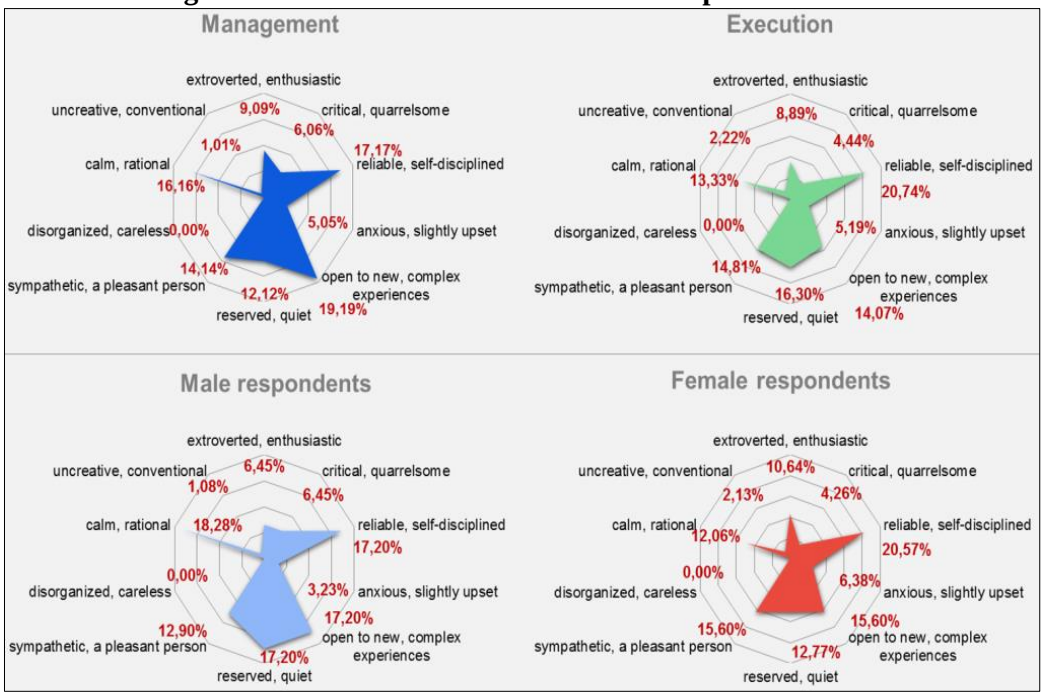
Source: SPSS processing

Personal characteristics of the respondents. We were curious to analyse the personality traits of the respondents, using the model proposed by the authors Rouwelaar and Bots (2017); they followed in their study the influence of the personality traits of management controllers on managerial decisions. To carry out the study, the authors used the questionnaire as a data collection method and used to measure personality the instrument called "Ten-Item Personality Inventory" developed by the

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

authors Gosling (2003, cited by Rouwelaar and Bots, 2017). From the analysis of the answers, it follows that the respondents in a leadership or execution position are mainly open to new experiences, calm and rational, reliable and self-disciplined, pleasant, reserved and quiet people. They consider themselves less extroverted, critical and argumentative, anxious and not at all disorganized and careless. Between these categories, as we see in the radar graphs 1.3, the results are similar, with small differences. Those in management are more rational and open to new experiences and those in execution are more reserved and quiet, reliable and self-disciplined. From the male or female perspective analysis, it follows that male respondents are predominantly reliable, reserved, quiet and open to new experiences and pleasant people. They consider themselves less extroverted and enthusiastic, critical and argumentative, anxious and not at all disorganized, careless. Female respondents have a higher share on the part of confidence and self-discipline, sympathy, enthusiasm and extroversion.

Figure 2: Personal characteristics of the respondents



Source: own processing

Most of the respondents have a seniority between 1 and 3 years (30 respondents), followed by 19 respondents who have a seniority between 3 and 5 years and between 5 and 10 years we have 16 people. There are 15 respondents with less than one year, 8 employees with more than 10 years and 14 with more than 15 years.

The position held is predominantly financial analyst, 37, followed by controller, with 12 people. 10 respondents have the position of head of department and economic director. The position of economic director belongs to 9 people, another executive position was chosen by 8 people and another management position by 5 people. The rest of the functions (like Accountant, Project manager, Business Partner, Financial Director) belong to only 1 respondent.

The sector in which the companies operate is mainly production, 52% and services 43.1%; there are companies that operate in both sectors with a share of 4.9%.

Section 2: Dimensions and characteristics of budgets. We wanted to see the share of budgeting use among the Romanian companies. The results show that 99,03% of the sample use budgets within the company and only 0,97% do not use budgets.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

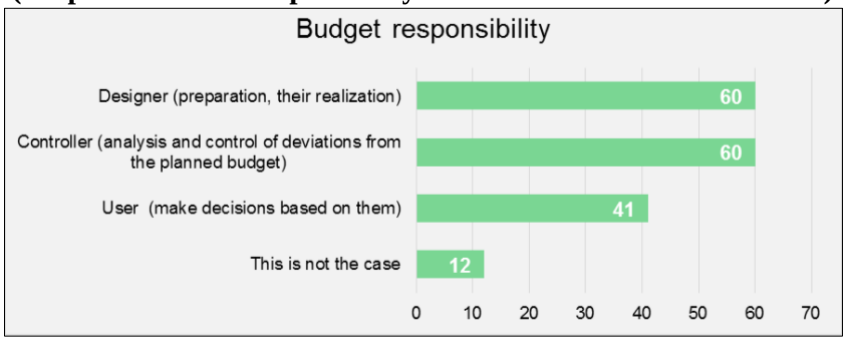
Figure 3: Share of the budgeting use among companies

The budget use among companies	
Yes, budgets are used	99,03%
No, budgets are not used at all	0,97%
Total	100%

Source: own processing

Regarding budget responsibility, the vast majority of respondents are budget designers, planners (means they take care of the planning and data), budget controllers (they take care of the analysis of budgeted vs. realized) and a smaller portion are budget users (they take decisions based on the budgeting output).

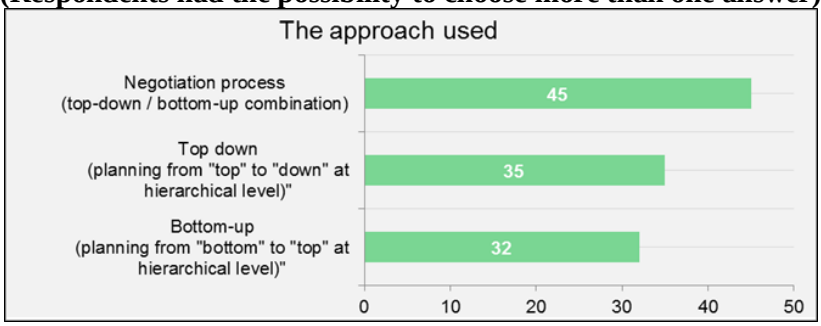
Figure 4: Budgets responsibility
(Respondents had the possibility to choose more than one answer)



Source: own processing

The approach used for drawing up the budgets is mainly the negotiation process (consists in using both top-down/bottom-up approach), followed by the top-down approach (from management to lower hierarchical levels) and then bottom-up (from the bottom, up to the higher hierarchical level). Also the conclusions of the study by the authors Shastri et. al., 2008 were similar, where with a share of 69.2%, the respondents stated that they use the negotiation process in order to achieve budgets objectives.

Figure 5: Approach used in budgeting
(Respondents had the possibility to choose more than one answer)

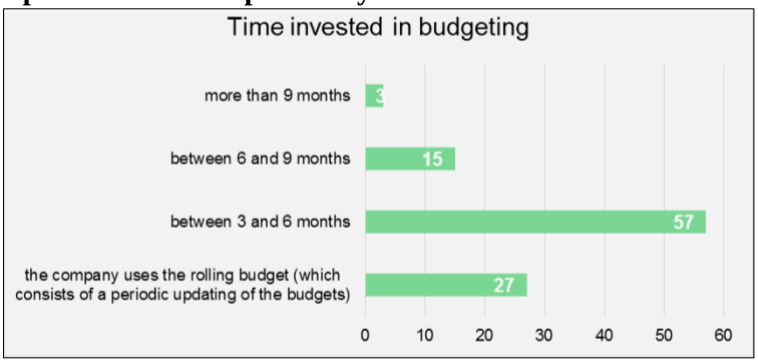


Source: own processing

How much time do companies spend on budgeting? According to the answers, mainly between 3 and 6 months are invested to finalize the budgets and other companies also use the continuous, rolling budgeting (which consists in a periodic updating of the budgets data). Other respondents chose 6-9 months, which means they invest quite a lot of time for budgets and only 3 respondents chose more than 9 months.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 6: Time invested in budgeting
(Respondents had the possibility to choose more than one answer)

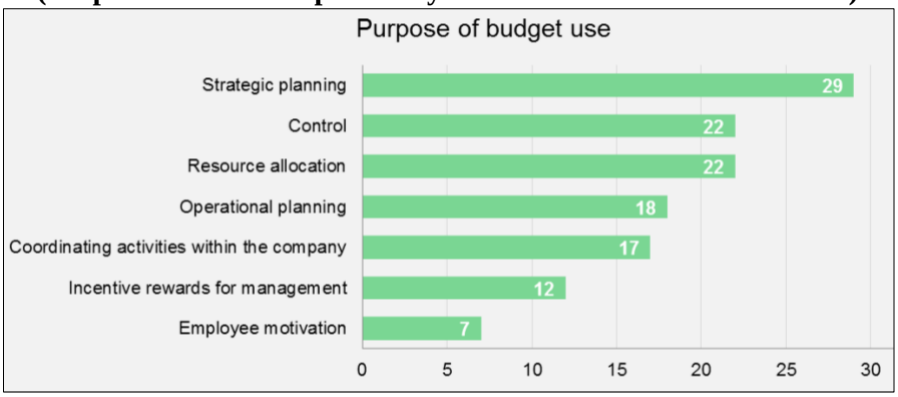


Source: own processing

We liked to discover if companies use ERP (enterprise resource planning) technologies or not, to develop and review budgets. With a share of 52.4%, companies use such technologies and also 39.5% of them use the Microsoft Office - Excel package. A small part of the respondents, 8.1%, do not use ERP technologies.

Regarding the purpose of using budgets in the company, the vast majority use the budget for strategic planning (for planning and implementing strategies), for control (assessing the firm's performance), allocating resources, operational planning (short-term) and coordinating activities. A lower weight is given to rewards (for reaching the budgeting goals) and motivation of employees; this is also confirmed by the study by the authors Per Stale and Trond (2020) with reference to the purpose of using budgets, where rewards occupied the last place.

Figure 7: Purpose of budget use
(Respondents had the possibility to choose more than one answer)



Source: own processing

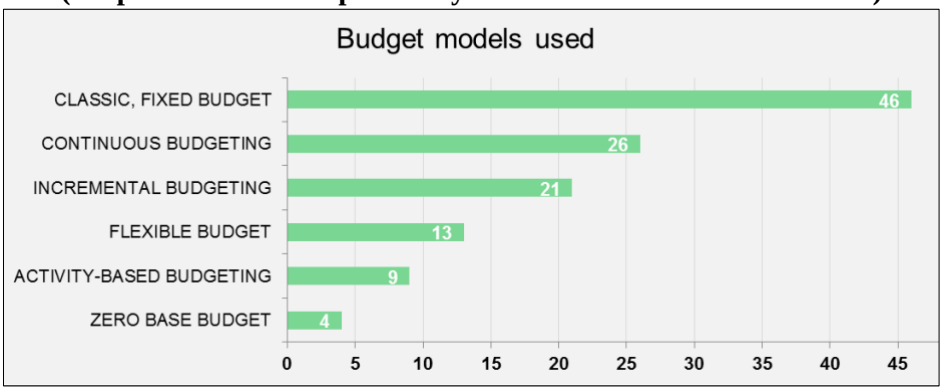
With regard to the budgeting models used within companies, the classic budget is predominantly used (means for an anticipated, pre-established level of activity, for 1 year), followed by continuous, rolling budgeting (means the preparation of the budget on certain period, followed then by a periodic update). On third place we have incremental budgeting (the data are taken from the previous year on which companies make just small corrections). The flexible budget was chosen by 13 respondents (it is used for several scenarios for production capacity planning), followed by the activity-based budgeting (which consists in redesigning budgets by rethinking the way resources are allocated , based on processes and activities, not volumes or departments). The last place is occupied by the zero-based budget (where data from previous years are not used as a benchmark; planning starts from scratch justifying each element of the budget).

Similar results were also obtained by the authors Maduekwe and Kamala (2016), where the most used budgeting methods, in terms of frequency of use, are: fixed budgeting (50%), followed by

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

flexible budgeting (47%), incremental budgeting (27%) and zero base budgeting (27%). Also the studies of the authors Shastri et.al. (2008) showed that 69.5% of companies use classic budgets.

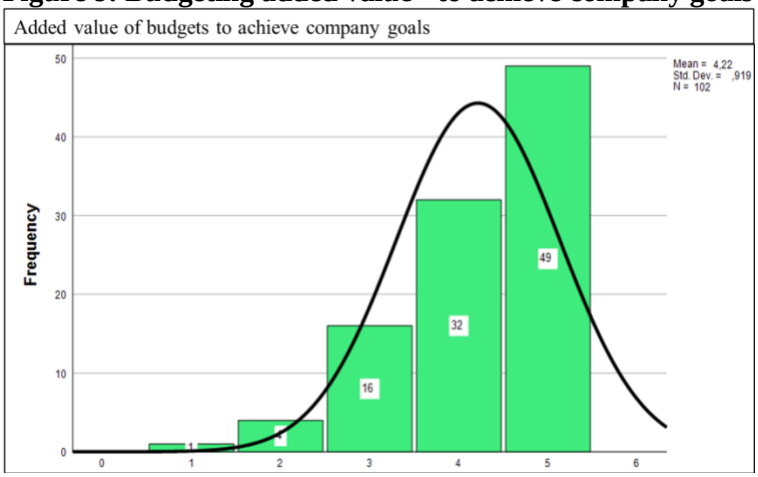
Figure 8: Budgeting models
(Respondents had the possibility to choose more than one answer)



Source: own processing

We asked the respondents if they believe that the use of budgets adds value to the company, in order to achieve the objectives (financial and non-financial). The figure 9 shows that the majority of respondents consider that budgets add value to the company. Different results are found in the study provided by the authors Shastri et.al. (2008) where only 23% of respondents felt that budgets add value. On the other side, the studies of the authors Libby and Lindsay (2010,) show that 90% of the respondents gave a high score in terms of the added value of the budgets.

Figure 9: Budgeting added value - to achieve company goals

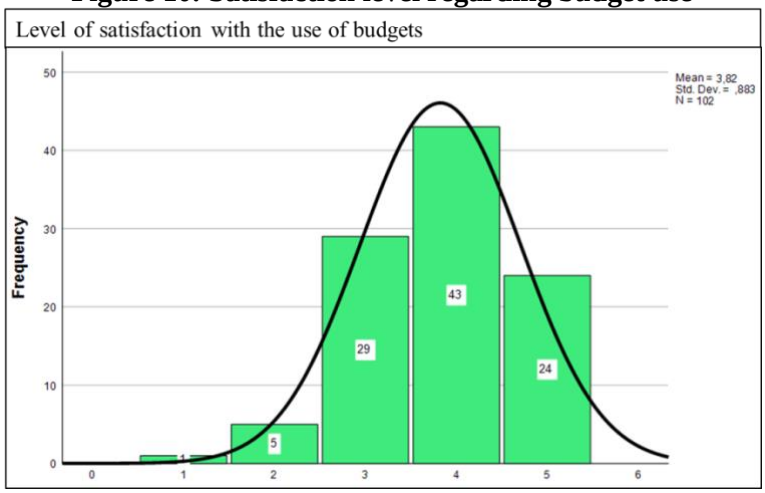


Source: SPSS processing

Regarding the satisfaction level of using budgets, the average of the responses is 3.82, which means that the satisfaction is neither maximum nor minimum when it comes to use this tool. The study by the authors Shastri et.al. (2008) showed that 40% of respondents are satisfied with the budget process.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

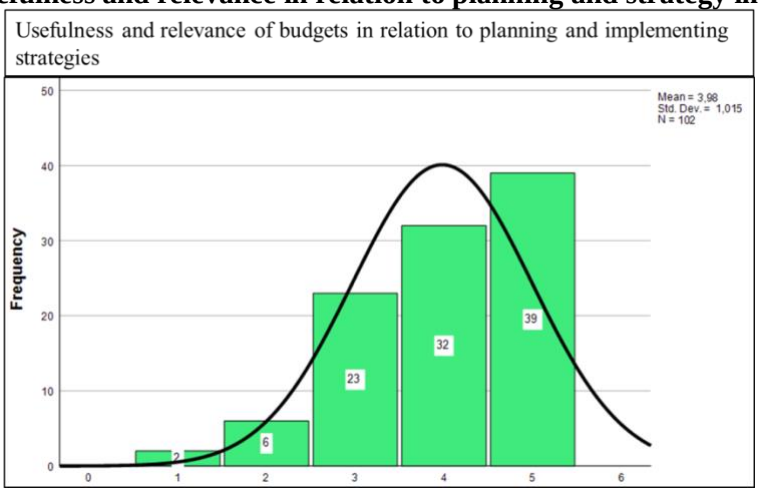
Figure 10: Satisfaction level regarding budget use



Source: SPSS processing

For the usefulness and relevance of budgets, the respondents believe that budgets are useful and relevant in relation to the planning and implementation of management's proposed strategies within companies (such as cost reduction strategies, investment strategies and so on).

Figure 11: Usefulness and relevance in relation to planning and strategy implementation

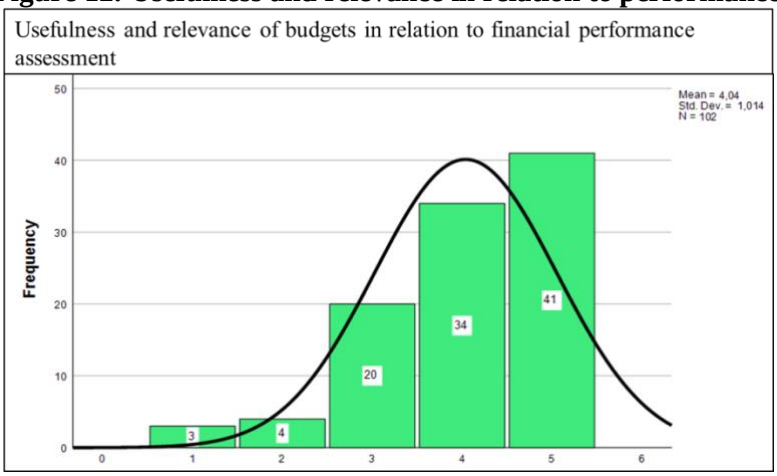


Source: SPSS processing

With an average of 4.04, respondents believe also that using budgets for the financial performance assessment is useful and relevant. By financial performance we refer to the achievement of the proposed objectives (like profit, turnover, costs).

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 12: Usefulness and relevance in relation to performance



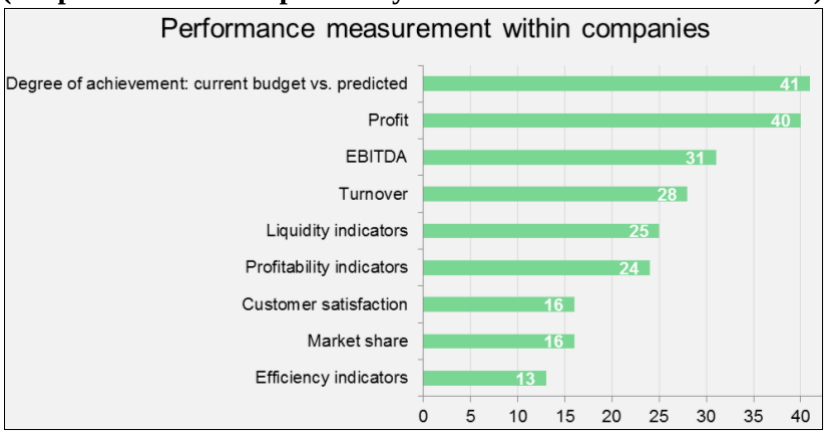
Source: SPSS processing

The results of the author Tănase (2015) were similar, where 54.55% of respondents believe that budgets contribute to company performance and 54.55% believe that they contribute to performance, if the budgeting process is done correctly (the rest 9.09% do not believe that budgets help to the company performance).

Section 3: Budget control and performance.

We were curious to see how performance is measured within the companies. On the first place we have the indicator of the degree of achievement: budgeted vs. realised, followed by profit, EBITDA, turnover, liquidity indicators, profitability indicators (ROCE, ROE, ROA), customer satisfaction, market share and efficiency indicators (such as asset turnover, inventory turnover). Also the conclusions of the authors Dokulil et. al. (2017) regarding performance measurement are that the most common indicators used are the achieved-budget analysis. The results of the author Tănase (2015) showed that companies use to measure performance turnover (63.64%), net profit (90.91%), customer satisfaction (45.54%), profitability rates (27.27%), others (9.09%).

Figure 13: Performance measurement
(Respondents had the possibility to choose more than one answer)

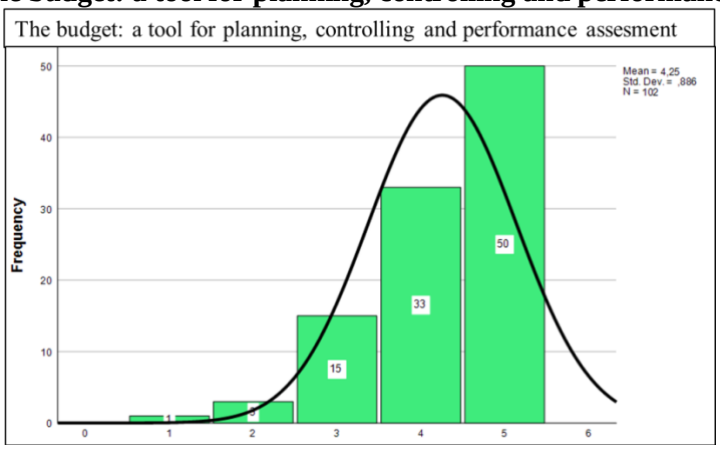


Source: own processing

Respondents consider the fact that the budget represents a tool for planning, control and performance assessment (average 4.25). In the questionnaire, by financial performance we referred to the fulfilment of the proposed objectives (like profit, turnover, costs). The results of the authors Libby and Lindsay (2010) show that companies use budgets for control and performance evaluation with a percentage of 80%.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

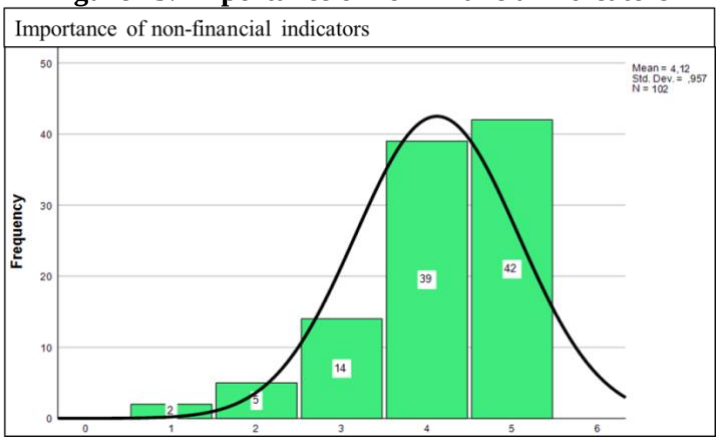
Figure 14: The budget: a tool for planning, controlling and performance assessment



Source: SPSS processing

Non-financial indicators (such as market share, customer satisfaction, employee satisfaction, product quality etc.) are important when planning and analysing budgets. We asked the respondents if they believe that these ones are important in evaluating the company's performance, and predominantly the answer is towards a high importance (average 4.12).

Figure 15: Importance of non-financial indicators

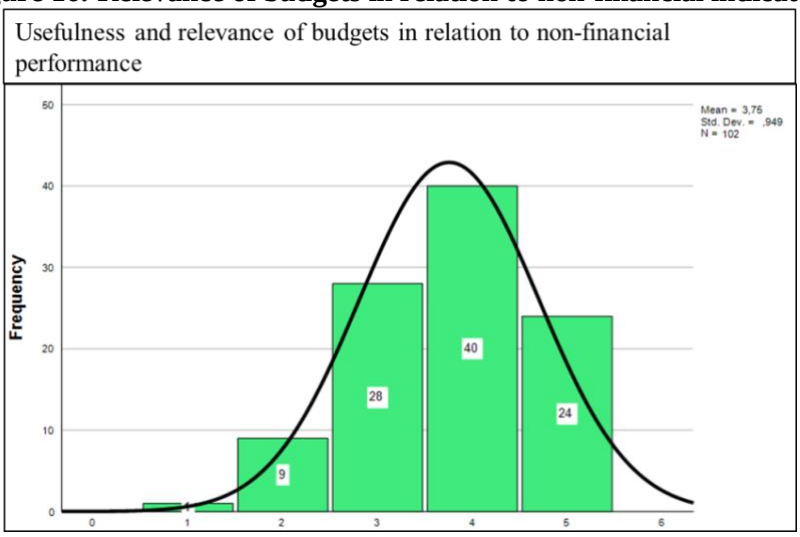


Source: SPSS processing

In relation to the question above about non-financial indicators, we asked in the questionnaire whether budgets are considered useful and relevant in relation to non-financial performance. The respondents' answer is somewhere in the middle, with an average of 3.75.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 16: Relevance of budgets in relation to non-financial indicators

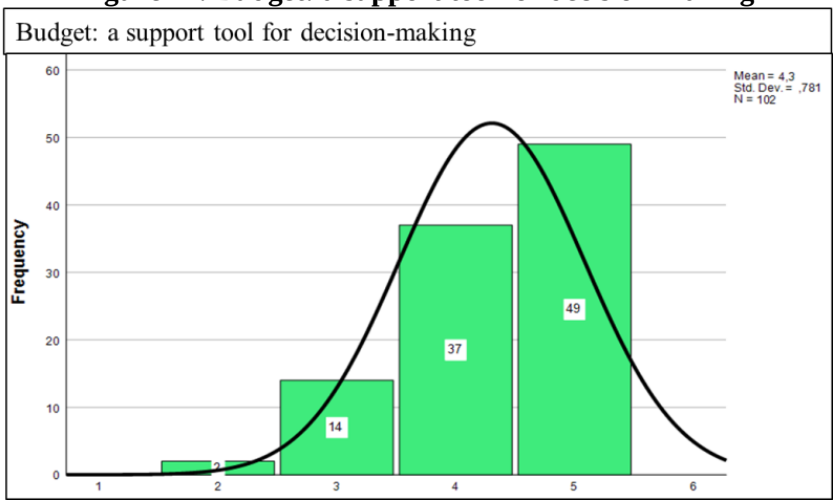


Source: SPSS processing

Section 4: Budgets and decision-making.

From the perspective of management decisions, we asked respondents if they consider the budget to be a useful, supportive tool in the management decision-making process (such as strategic decisions, cost-related decisions, personnel decisions etc.). From the figure 17 we can see that the budgets are mainly considered to be an useful tool for the management decisions.

Figure 17: Budget: a support tool for decision-making

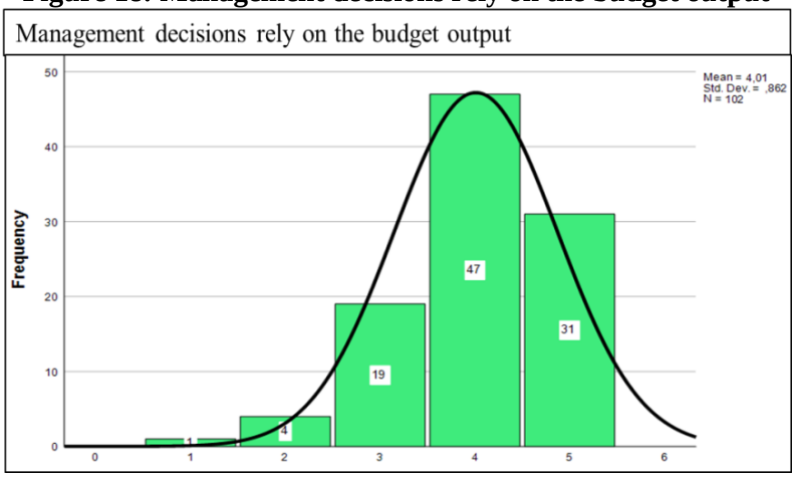


Source: SPSS processing

We wanted to see if, in order to achieve the company's objectives, the management's decisions are dependent on the results from the budgets. With a mean of 4.01, management decisions rely on budget data output and information provided.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

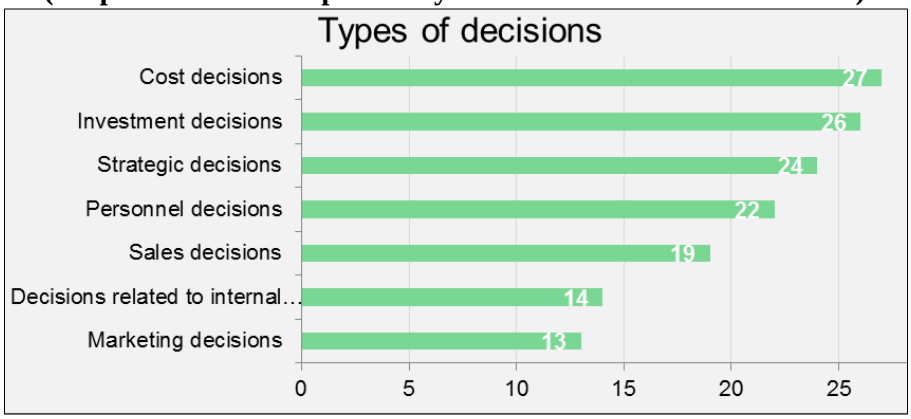
Figure 18: Management decisions rely on the budget output



Source: SPSS processing

We asked respondents to express their opinion on whether they believe that information from budgets supports certain types of decisions within the company (adapted from Rouwelaar et. al, 2018). According to their answer, budgets primarily support cost, investment, strategic, personnel, and sales decisions. Less weight is given to decisions related to internal processes and marketing.

Figure 19: Budgets: support for certain types of decisions
(Respondents had the possibility to choose more than one answer)



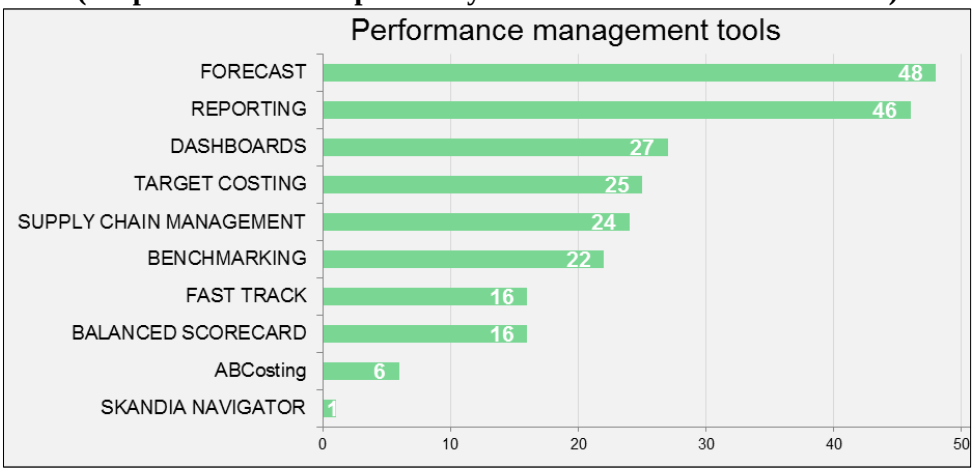
Source: own processing

Section 5: Integrating budgets with other performance management tools

Performance management tools help us to track the degree of achievement of the strategic, tactical and operational objectives. The respondents were asked to choose the management tools they use in the company they work. The first one that was chosen is the Forecast tool that consists in the replanning of the original budget throughout the year. In second place is the Reporting, which represents the company's standardized reports, followed by the Dashboard (a set of indicators that provide essential information on the company's activity). Target costing ranks fourth and represents a tool with which the product cost can be adjusted to the market price, the main objective being the cost reduction. The 5th place is occupied by the Supply Chain Management, followed by Benchmarking through which the internal performance of products and processes is compared with competitors. Fast Track was chosen by a smaller number of respondents and it is used to get new resources in a timely manner, it is not integrated within the budgeting process, but before. The Balanced Scorecard was chosen by only 16 respondents and represents a tool for integrating strategic and operational planning, followed by ABCosting, which assigns overhead and indirect costs to products and services. The last place is occupied by Skandia Navigator which is a performance tool and based on intellectual capital.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

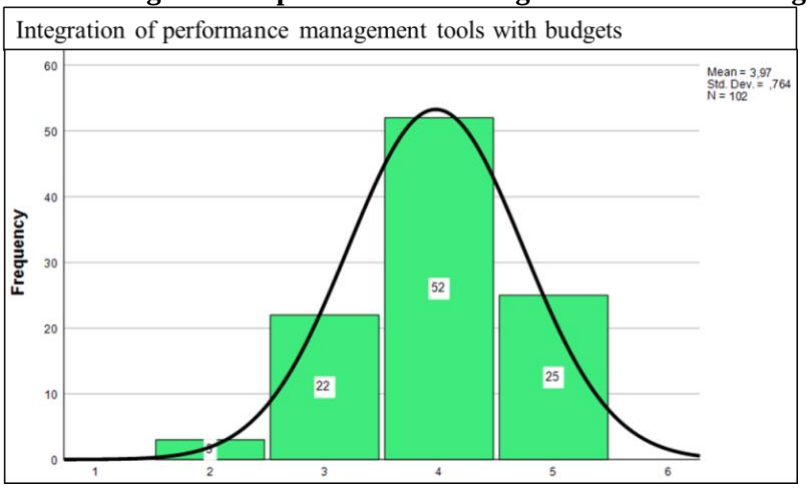
Figure 20: Performance management tools
(Respondents had the possibility to choose more than one answer)



Source: own processing

We asked the respondents the level they appreciate the integration of management tools with budgets. By integration we mean the implementation and monitoring of strategic objectives with the help of these tools (Horvath & Partners, 2009). It turns out that half of the respondents appreciate the integration of budgets with management tools, 25 of the respondents gave the maximum score and the rest scored 2 and 3 (average 3.97).

Figure 21: Integration of performance management tools with budgets



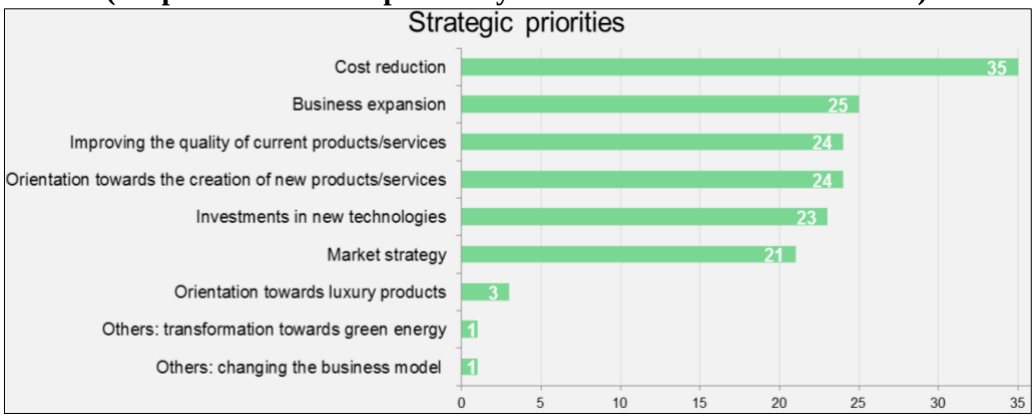
Source: SPSS processing

Section 6: Integrating budgets with company strategies

We first wanted to analyse what are the strategic priorities of the companies at the moment, and it turns out that cost reduction takes first place, followed by business expansion, improving the quality of the current products/services, orientation towards the creation of new products and services, investments in new technologies, market strategy (like focus on a certain market segment), orientation towards luxury products. Respondents could also fill in other strategies in the section „Others" of the question survey. They added the transformation to green energy sources and the update of the current business model as a result of the changes in the market.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

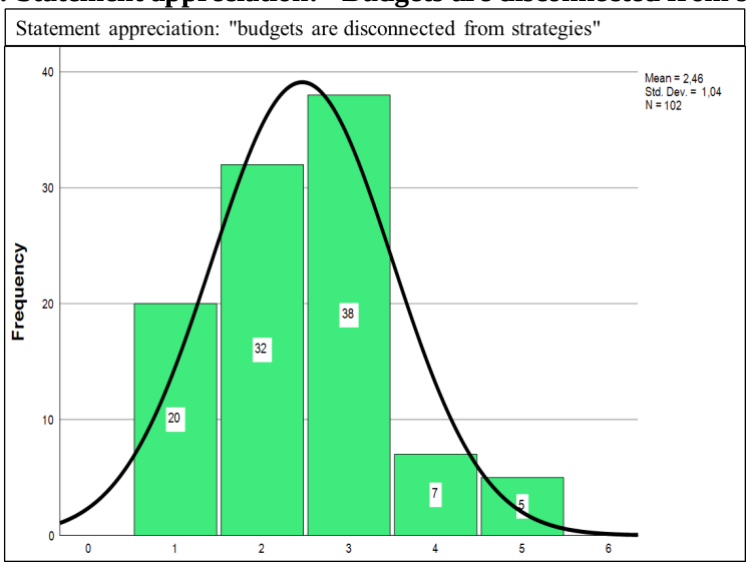
Figure 22: Strategic priorities of the companies
(Respondents had the possibility to choose more than one answer)



Source: own processing

In the current literature, it is mentioned that "budgets are disconnected from the company's strategy, like there is no connection, relation between them" (Libby and Lindsay, 2010, Cardos, 2014, Hope and Fraser, 2003). We asked to appreciate this statement and according to the respondents opinion, 90 of them believe that budgets are not disconnected from strategy and only a small part of them (12) believe that budgets are disconnected from the company strategy.

Figure 23: Statement appreciation: "Budgets are disconnected from strategies"



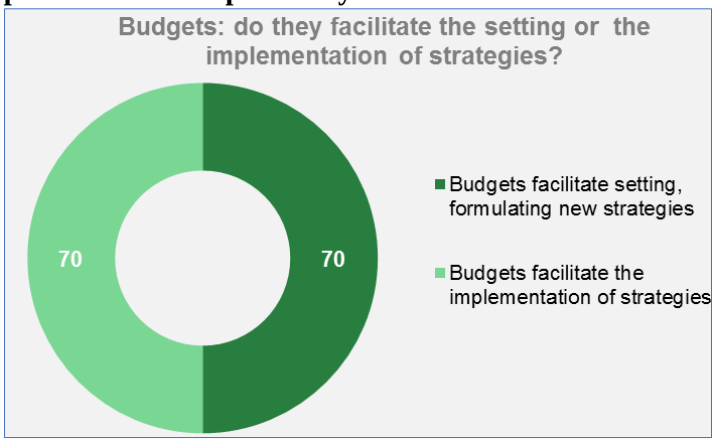
Source: SPSS processing

In the literature, when budgets are used to formulate company strategies, then they have an interactive role, and when they are used to implement strategies, then they have a diagnostic, monitoring role (Hofmann et. al., 2012). The opinion of the respondents, regarding the idea of whether budgets facilitate, support the formulation or implementation of strategies, shows the fact that they consider their impact equally important, either for the setting or for the implementation of strategies.

Similar results are also obtained by the authors Hofmann et. al. (2012), where both the interactive (R^2=0.232) and monitoring (R^2=0.427) use of budgets contribute to the realization and implementation of strategies.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 24: Budgets: do they facilitate the setting or the implementation of strategies? (Respondents had the possibility to choose more than one answer)

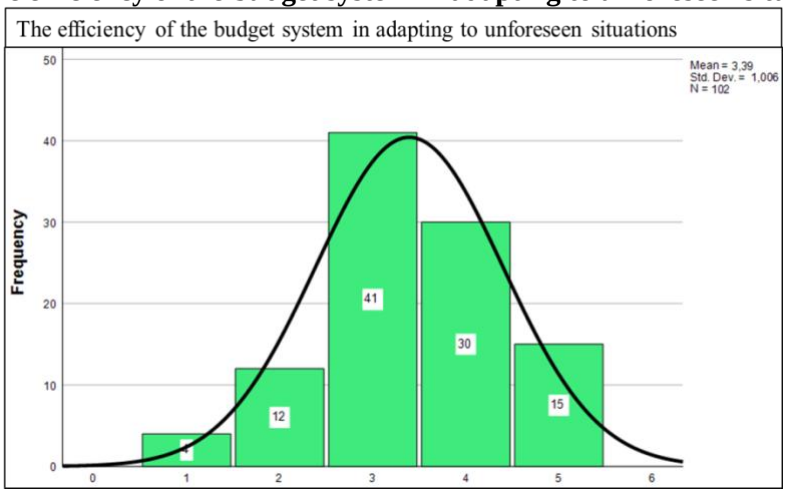


Source: own processing

Section 7: Budgets and adaptation to change

The efficiency of the budget system in adapting to unforeseen situations and events (such as the COVID pandemic, wars, material crisis, inflation etc.), is somewhere in the middle (average 3.39). The study conclusions of the authors Popesko et. al. (2017) regarding the effectiveness of budgeting in adapting to market changes was also neutral.

Figure 25: The efficiency of the budget system in adapting to unforeseen situations/events

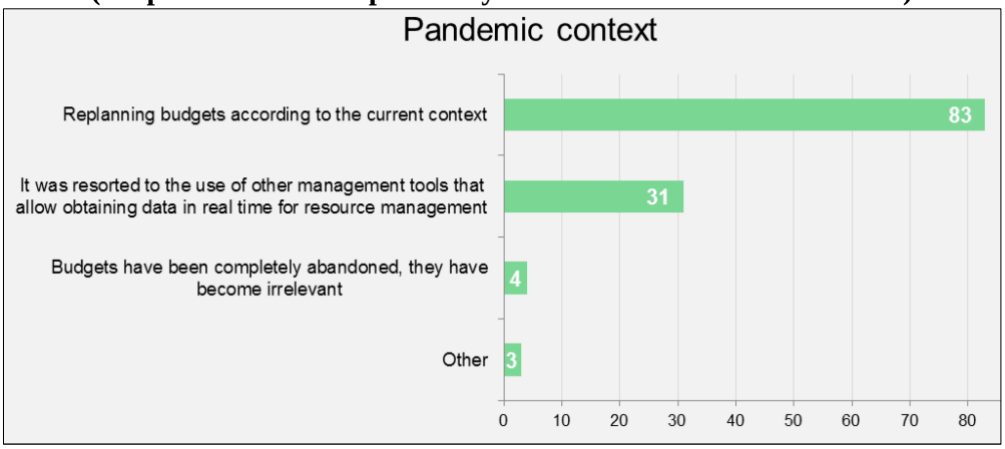


Source: SPSS processing

We asked the respondents how they managed activities and risks with the help of budgets, in the pandemic context. Companies opted for a replanning of budgets according to the current context or, with a smaller weight, resorted to the use of other management tools that allowed obtaining real-time data for resource management. Very few respondents stated that budgets have been completely abandoned as they have become irrelevant at that time.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 26: Managing budget activities during the COVID19 context (Respondents had the possibility to choose more than one answer)

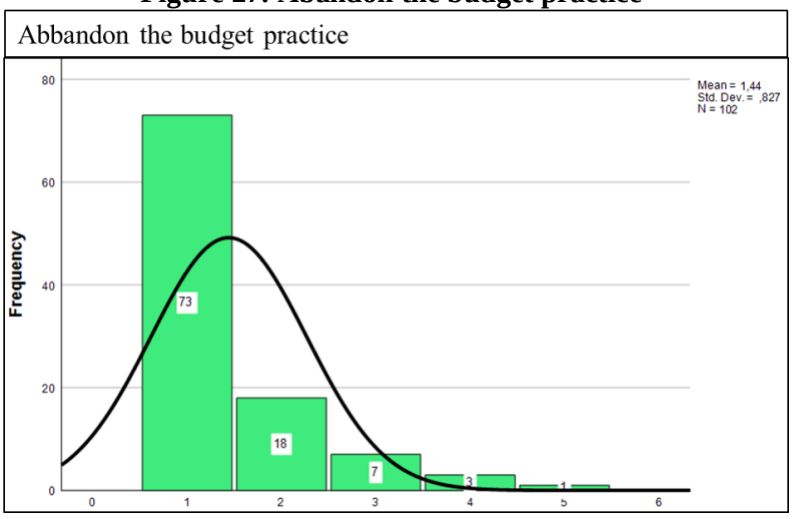


Source: own processing

Section 8: Criticisms of Budgets

Regarding the action of abandoning the budget practice, the vast majority of respondents do not consider appropriate to completely abandon the use of budgets as a planning and performance control tool in the next 2-3 years. This result was also found in the study conducted by Popesko et. al. (2017), in which only 2.55% of companies had the intention of abandoning the practice of budgets. This can be explained by the lower rate of adoption of modern performance management models (Popesko et. al., 2017). Authors Libby and Lindsay (2010) have similar results, where the respondents who intend to give up budgets are in a 1% share, and 6%, respectively, of those who answered that they might make changes.

Figure 27: Abandon the budget practice

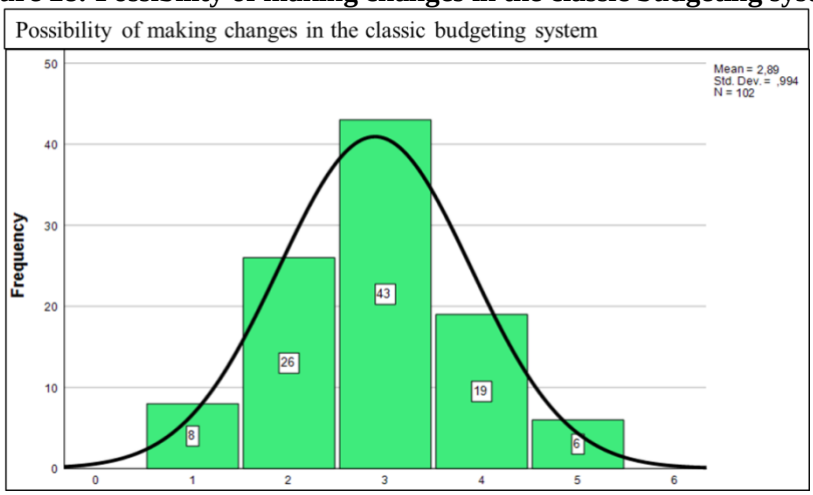


Source: SPSS processing

The opinion of the respondents regarding the possibility of making changes in the classical budgeting system, in the current context of activity (Pandemic, wars, material crisis, inflation, etc.), is somewhere in the middle (for 43 of them). 34 of the respondents do not consider that they will make any change and 25 of them consider possible this aspect.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

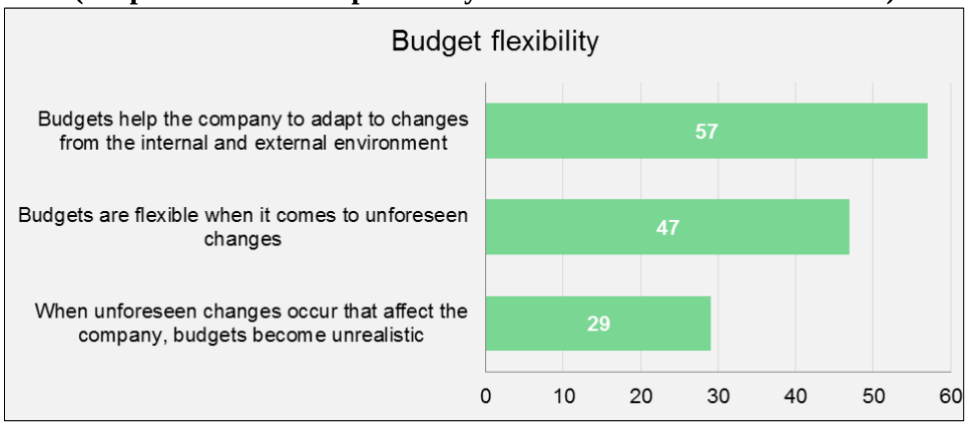
Figure 28: Possibility of making changes in the classic budgeting system



Source: SPSS processing

We also wanted to find out how practitioners appreciate the flexibility of budgets in unforeseen working contexts; the majority believe that budgets help the company to adapt to changes coming from the internal and external environment, in second place is the opinion that budgets are flexible when it comes to unforeseen changes and with a smaller weight the opinion is that when unforeseen changes occur that can affect the company, budgets become unrealistic.

Figure 29: Budget flexibility during unforeseen events/contexts
(Respondents had the possibility to choose more than one answer)



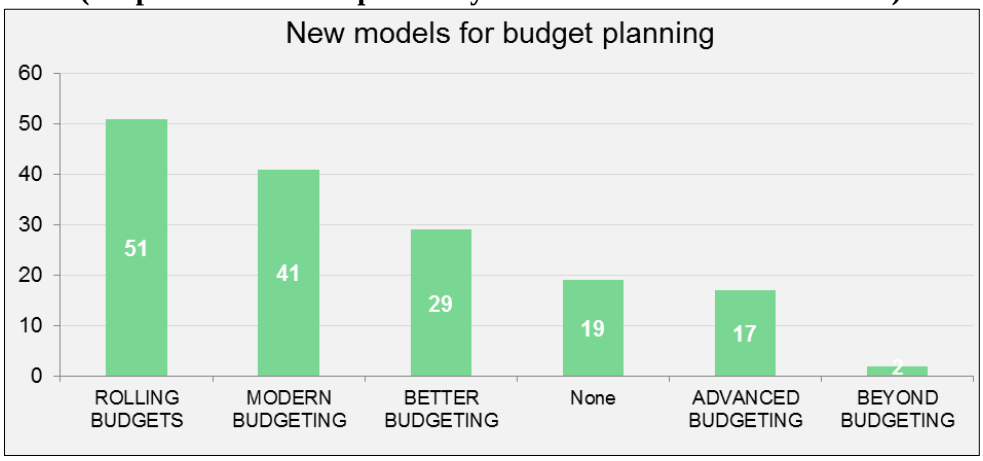
Source: own processing

Current literature is proposing new concepts to optimize, improve the traditional budgeting (Hope and Fraser, 2003, Valerian, 2018, Cardos, 2014, Libby and Lindsay, 2010). So we asked the respondents to choose which new models of budget planning, proposed by authors and practitioners, are familiar to them. The first place is given to the Rolling Budgets model (budgets are planned in a fixed time interval, then regularly updated for the following periods), on the second place is Modern Budgeting (which considers a better integration of budgets with operational objectives and strategic). In third place is Better Budgeting (which starts from the idea of improving classic budgeting processes), followed by Advanced Budgeting (emphasizes the idea of abandoning annual budgets and replace them with continuous planning) and Beyond Budgeting (is developed based on the concept of a "management without budgets" within the company). A study carried out by CIMA (2009, cited by Maduekwe and Kamala P., 2016) on 439 companies from different countries, demonstrated that the least popular model (less than 20% of companies) was also Beyond Budgeting. We can say that based on the respondents' answers, there is tendency to choose models that take into account the use and

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

improvement of budgets rather than those models that support the removal of budgets. 19 respondents expressed the fact that none of the listed planning models are known to them.

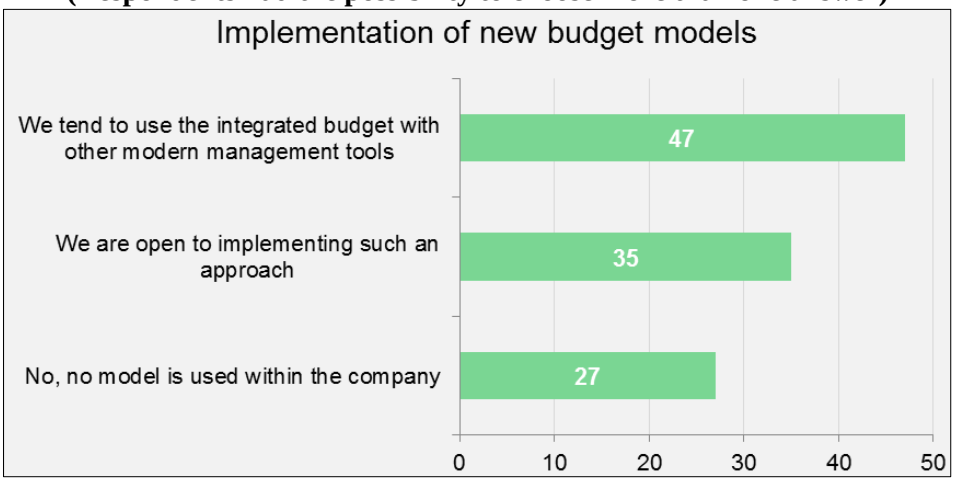
Figure 30: New budgeting models
(Respondents had the possibility to choose more than one answer)



Source: own processing

We further wanted to see whether or not the companies use one of the models listed above and it turns out that practitioners (47) tends to use the integrated budget with other modern management tools (dashboard, balanced scorecard etc.) and other companies are open to implement such approaches (35). 27 respondents state that no model is used.

Figure 31: Implementation of new budgeting models
(Respondents had the possibility to choose more than one answer)

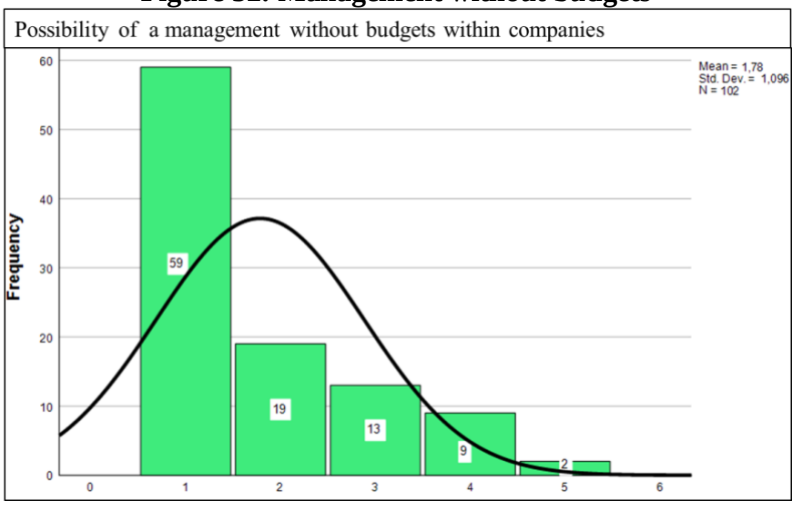


Source: own processing

To the management without budgets question, predominantly, the respondents do not see a management without budgets possible within the company where they work (average 1.78).

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Figure 32: Management without budgets



Source: SPSS processing

Respondents were given an open question to express their opinion regarding the possibility of managing the activity without budgets. In the table 2 we can show most relevant opinions, where the main conclusion is that is not possible to manage the activities without budgets.

Table 2: Most relevant respondents' opinions regarding the possibility of managing the company activity without budgets

Do you think it is possible to manage companies without budgets?
Budgets are relevant in the activity and development of companies both in the short term and in the long term.
I believe that it is possible for a company to operate without budget management, but it is not recommended at all! For a good long-term results and careful monitoring, a company needs a strategy, over a period of time and a well-defined budget!
I believe that no activity can be carried out (cost reductions, design, investments, etc.) without a well-planned budget.
From my point of view, it is very important to plan and track the budget within a company because it indicates the degree of performance and helps you make certain decisions regarding business strategies. Therefore, I don't think a management without budgets is possible when you want to achieve a certain business performance.
It's a bit difficult not to have an agreed and sustainable starting base such as the budget. Of course, one can also start from the actuals of previous years, but this depends on many factors.
I don't see how a correct and predictable management would be possible without budgets.
No, I don't think it is advisable to manage a business without knowing what you want to do and with what.
No, because there would no longer be a record/control.
No, production planning is based on budgets.
No, the budgets represent a necessary benchmark for the continuous monitoring of the company's activity.
It is not possible, even less in the context of the organizations in Romania, where in the case of a need to adjust costs in the area of labour contracts, it requires advance planning. Also, do not follow the performance of a project through the view of expectations versus achieved, it cancels from the start the idea of performance and learning, optimization, understanding the differences between expectations, planning and results.
It's not possible. In a company, the budget is very important because it facilitates the implementation of the strategy and the achievement of the set objectives.
Although it seems an outdated method, budgeting can help to forecast and, implicitly, fine-tuning some decisions. Of course, its influence is decreasing compared to previous decades. In conclusion, management without budgets is possible, especially in the case of small companies, but it is not desirable.
For the production area, budgets are essential for planning investments, footprint, materials, lead time suppliers and staffing.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

The planning of the activity and the allocation of resources consists in the realization of the budget. A company cannot develop without planning - even if this is "continuous"; each participant in the economic process must know what we are planning, how we fulfil our objectives and how our performance is measured. Even if the budgeted indicators are not achieved, they are the basis of a complex performance improvement analysis.
The budget is relevant and important for a company, perhaps less relevant in exceptional situations (like war, pandemic, etc.). A well-crafted budget is not only a financial planning tool, but also a mirror of a company's vision and values.
No, I believe that there must be a control of budgets in order to understand the cause of material deviations and prevent them in the future.
Hard to say yes. Even if it is not the only indicator, the budget is the most important indicator of the company's performance; without a budget you have no history and no forecasts.
Yes, it is possible. However, the budget is a tool that helps track a company's performance against expected results. It can also serve to identify the causes that determined the final result to be below or above expectations. "Those who have a plan do better than those who don't, even if they rarely follow it."
Yes, with a well-designed strategy, it is possible.
Yes it's possible; there are various tools today that facilitate this. I don't think many companies are open to such a thing. Most make budgets and then forecasts.
It is possible to reduce the dependence on the human factor (through automatization, AI, etc.) and the company's activities can be standard and predictable.

Source: own processing based on the respondents' opinion

5. Analysis of the relationship between variables, hypothesis testing and model validation

In addition to validating the survey answers, we also need to check the reliability of the data. This can be done with the help of Cronbach's Alpha analysis, which is the most well-known indicator for measuring the consistency of a scale. Before calculating Cronbach's Alpha, we need to check if the sample size is sufficient for testing this coefficient. The minimum sample size is calculated according to the following formula (Hair, 2006, cited by Ngoc and Nguyen, 2020):

$N = 5*m$, where N represents the sample size, m represents the number of items and 5 represents the number of scales used, in our case 5.

The result is: $N = 5*15 = 75 < 102$, which means the sample size is sufficient.

Note that we will also take into account this result for the regression analysis used in hypothesis and model testing.

Now let's go back to the ***Cronbach's Alpha*** coefficient. The variation of this coefficient is between 0 and 1, the closer it is to 1, the better the consistency of the scale. A small value indicates low data reliability. A value of 0.7 or higher is interpreted as accepted and with high consistency (Premysl and Mazo, 2020). Our study has a coefficient of *0.756*, a limit accepted as very good; the result was obtained by using SPSS software.

Further we will continue with the analysis of the link between the variables (correlation and regression analysis), hypothesis testing and model validation.

Correlation analysis shows us the intensity of the link between the variables; this can be calculated using the Pearson correlation coefficient. The Pearson coefficient shows us how close the relationship is between the variables (Premysl and Mazo, 2020) and takes values between -1 and +1, and the sign of the coefficient indicates the meaning of the link between the variables (Jemna, 2009, p. 67), a positive number indicates a positive, direct association, while a negative number indicates a reverse association.

In order to analyse such an intensity between the dependent and independent variable, we used as dependent variable the item of the survey "Budget: a control and performance evaluation tool", measured via Likert scale, and for the independent variables the needed items of the survey measured also via Likert scale. In the table 3 we can find the correlation matrix obtained with SPSS and the results are as follows:

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

- between budgets and level of satisfaction regarding their use there is a positive but moderate association of 0.57;
- between budgets and planning/implementation of strategies there is a positive and direct correlation of 0.69;
- between budgets and financial performance evaluation there is a positive but moderate association of 0.62;
- between budgets and non-financial performance evaluation there is a positive but moderate correlation of 0.55;
- between budgets and the decision-making process there is a positive and direct correlation of 0.68;
- between budgets and performance management tools there is a positive but not very close association of 0.47;
- between budgets and environment/unforeseen situations there is a positive but not very close correlation of 0.42;
- between budgets and the phenomenon "Management without budgets" there is an inverse and negative association of -0.3.

Table 3: Correlations Matrix

Correlations		1	2	3	4	5	6	7	8	9
1. Budget: planning and control tool	Pearson Correlation	1	,576**	,699**	,628**	,558**	,688**	,479**	,420**	-,300**
2. Satisfaction level	Pearson Correlation	,576**	1	,747**	,671**	,409**	,523**	,462**	,591**	-,306**
3. Strategies influence	Pearson Correlation	,699**	,747**	1	,809**	,458**	,620**	,472**	,483**	-,342**
4. Financial performance	Pearson Correlation	,628**	,671**	,809**	1	,329**	,560**	,436**	,450**	-,331**
5. Non-financial performance	Pearson Correlation	,558**	,409**	,458**	,329**	1	,543**	,455**	,423**	-0,128
6. Management decisions	Pearson Correlation	,688**	,523**	,620**	,560**	,543**	1	,580**	,515**	-,351**
7. Performance management tools	Pearson Correlation	,479**	,462**	,472**	,436**	,455**	,580**	1	,440**	-,256**
8. Environment and unforeseen situations	Pearson Correlation	,420**	,591**	,483**	,450**	,423**	,515**	,440**	1	-,327**
9. "Management without budgets" phenomenon	Pearson Correlation	-,300**	-,306**	-,342**	-,331**	-0,128	-,351**	-,256**	-,327**	1

***. Correlation is significant at the 0.01 level (2-tailed).*

Source: SPSS processing

Table 3 shows significant correlations for a 1% significance level. Checking the hypotheses H0: $r = 0$ and H1: $r \neq 0$, and taking into account the fact that this coefficient has values between [-1; 1], the resulting positive but also negative values determine the rejection of the H0 hypothesis and the acceptance of the H1 hypothesis, means the variables are significantly correlated.

The regression analysis involves estimating a model that shows how the dependent variable is influenced by the independent variable (Jemna, 2009, p. 67). The regression analysis was carried out with the help of the SPSS program, which already provides us with the calculation of coefficients and

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

tests. Next we will continue with the testing of each hypothesis (already presented at the methodology and modelling design section) and model validation.

Model 1. The **satisfaction level** regarding **budget use**, has a **positive** and **direct influence on budgets** for b=0.578, t= 7.053 and Sig.=0.001. Parameters testing of the regression model: H0: β=0 and H1: β≠0. It follows that t= $\frac{bi}{s\beta i}$, where bi=estimate of the parameter, s=estimate of the standard deviation of the estimator, → t= 0.578/0.082=7.048, Sig (t)=0.001<0.05 → H0: β1 = 0, H1: β1 ≠ 0 → hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: β = 0, β1=0 (the model is not significant);
H1: β ≠ 0, β1 ≠ 0 (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05 → hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate for the studied reality.

The correlation coefficient R is 0.57 and shows that there is a positive relationship between the 2 variables. The R Square (R^2) is 0.332, which means **33.2%** of the **variation in budgets is explained by the level of satisfaction** regarding the use of this tool.

Table 4: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1(Constant)	2,044	,322		6,352	<,001
Satisfaction level regarding budget usage	,578	,082	,576	7,053	<,001
R	,576				
R Square	,332				
F (ANOVA)	49,742	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Satisfaction level regarding budget usage					

Source: SPSS processing

Model 2. The **management strategies have a positive and direct influence on budgets** for b=0.611, t=9.779 and Sig.=0.001.

Parameters testing of the regression model: H0: β=0 and H1: β≠0. It follows that t= 0.611/0.062=9.085, Sig (t)=0.001<0.05 → H0: β1 = 0, H1: β1 ≠ 0→ hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: β = 0, β1=0 (the model is not significant);
H1: β ≠ 0, β1 ≠ 0 (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05 → hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0.699 and shows that there is a positive relationship between the 2 variables. The R Square (R^2) is 0.489, means that **48.9% of the variation in budgets is influenced by the variation in the management strategies**.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

Table 5: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
2 (Constant)	1,823	,257		7,107	<,001
Strategies influence	,611	,062	,699	9,779	<,001
R	,699				
R Square	,489				
F (ANOVA)	95,623	Sig.= <,001b			
a. Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Strategies influence					

Source: SPSS processing

Model 3. **Financial performance has a positive and direct influence on budgets** for b=0.549, t=8.062 and Sig.=0.001.

Parameters testing of the regression model: H0: $\beta = 0$ and H1: $\beta \neq 0$. It follows that t= 0,549/0,068=8,07, Sig (t)=0,001<0,05→ H0: $\beta 1 = 0$, H1: $\beta 1 \neq 0$ → hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: $\beta = 0$, $\beta 1 = 0$ (the model is not significant);
H1: $\beta \neq 0$, $\beta 1 \neq 0$ (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05→ hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0,628 and shows that there is a positive correlation between the 2 variables. The R Square (R^2) is 0,394, means that **39.4% of the budget variation is explained by the variation in financial performance.**

Table 6: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
3 (Constant)	2,039	,283		7,194	<,001
Financial performance	,549	,068	,628	8,062	<,001
R	,628				
R Square	,394				
F (ANOVA)	64,993	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Financial performance					

Source: SPSS processing

Model 4. **Non-financial performance has a positive and direct influence on budgets** for b=0.521, t=6.721 and Sig.=0.001. Parameters testing of the regression model: H0: $\beta = 0$ and H1: $\beta \neq 0$. It follows that t= 0,521 /0,078=6,67, Sig (t)=0,001<0,05 → H0: $\beta 1 = 0$, H1: $\beta 1 \neq 0$ → hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: $\beta = 0$, $\beta 1 = 0$ (the model is not significant);
H1: $\beta \neq 0$, $\beta 1 \neq 0$ (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05 → hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

The correlation coefficient R is 0,558 and shows that there is a positive relationship between the 2 variables. The R Square (R^2) is 0,311, means that **31.1% of the budget variation is explained by the non-financial performance variation.**

Table 7: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
4 (Constant)	2,297	,300		7,650	<,001
Non-financial performance	,521	,078	,558	6,721	<,001
R	,558				
R Square	,311				
F (ANOVA)	45,167	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Non-financial performance					

Source: SPSS processing

Model 5. Management decisions have a positive and direct influence on budgets for b=0.781, t=9.480 and Sig.=0.001. Parameters testing of the regression model: H0: $\beta = 0$ and H1: $\beta \neq 0$. It follows that t=0,781 /0,082=9,52, Sig (t)=0,001<0,05→ H0: $\beta 1 = 0$, H1: $\beta 1 \neq 0$ → hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: $\beta = 0$, $\beta 1=0$ (the model is not significant);
H1: $\beta \neq 0$, $\beta 1 \neq 0$ (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05 → hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0,688 and shows that there is a positive correlation between the 2 variables. The R Square (R^2) is 0,473, means that **47.3% of the budget variation is influenced by management decision variation.**

Table 8: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
5 (Constant)	,893	,360		2,479	,015
Management decisions	,781	,082	,688	9,480	<,001
R	,688				
R Square	,473				
F (ANOVA)	89,869	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Management decisions					

Source: SPSS processing

Model 6. Performance management tools have a positive and direct influence on budgets for b=0.556, t calculated 5.459 and Sig.=0.001. Parameters testing of the regression model: H0: $\beta = 0$ and H1: $\beta \neq 0$. It follows that t= 0,556 /0,102=5,45, Sig (t)=0,001<0,05 → H0: $\beta 1 = 0$, H1: $\beta 1 \neq 0$→ hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables. Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: $\beta = 0$, $\beta 1=0$ (the model is not significant);
H1: $\beta \neq 0$, $\beta 1 \neq 0$ (the model significantly explains the relationship between the variables).

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

It follows that Sig. (F) =0.001 <0.05→ hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0,479 and shows that there is a positive relationship between the 2 variables. The R Square (R^2) is 0,230, means that **23% of the budget variation is explained by the variation of performance management tools.**

Table 9: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
6 (Constant)	2,047	,412		4,969	<,001
Performance management tools	,556	,102	,479	5,459	<,001
R	,479				
R Square	,230				
F (ANOVA)	29,800	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Performance management tools					

Source: SPSS processing

Model 7. External environment and unforeseen situations have a positive and direct influence on budgets for b=0.369, t=4.621 and Sig.=0.001. Parameters testing of the regression model: H0: β = 0 and H1: β ≠0. It follows that t=0,369 /0,080=4,61, Sig (t)=0,001<0,05 → H0: β1 = 0, H1: β1 ≠ 0→ hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: β = 0, β1=0 (the model is not significant);
H1: β ≠ 0, β1 ≠ 0 (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05 → hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0,420 and shows that there is a positive correlation between the 2 variables. The R Square (R^2) is 0,176, means that **17.6% of the budget variation is influenced by the variation in the external environment and unforeseen situations**.

Table 10: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
7 (Constant)	3,002	,283		10,614	<,001
Environment and unforeseen situations	,369	,080	,420	4,621	<,001
R	,420				
R Square	,176				
F (ANOVA)	21,357	Sig.= <,001[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), Environment and unforeseen situations					

Source: SPSS processing

Model 8. The "Management without budgets" phenomenon has an inverse and negative influence on budgets for b=-0.242, t=-3.140 and Sig.=0.002. Parameters testing of the regression model: H0: β = 0 and H1: β ≠0. It follows that t= -0,242 /0,077= -3,14, Sig (t)=0,002<0,05→ H0: β1 =

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

0, H1: β1 ≠ 0→ hypothesis H0 is rejected and hypothesis H1 is accepted, means there is a linear relationship between the variables.

Model testing is performed using the Fisher test (ANOVA) by starting the hypotheses:
H0: β = 0, β1=0 (the model is not significant);
H1: β ≠ 0, β1 ≠ 0 (the model significantly explains the relationship between the variables).

It follows that Sig. (F) =0.001 <0.05→ hypothesis H0 is rejected and hypothesis H1 is accepted, means the model is adequate to the studied reality.

The correlation coefficient R is 0,30 and shows that there is a relationship between the 2 variables. The R Square (R^2) is 0,090, means that **9% of the budget variation is influenced by the variation of the phenomenon of "Management without budgets"**.

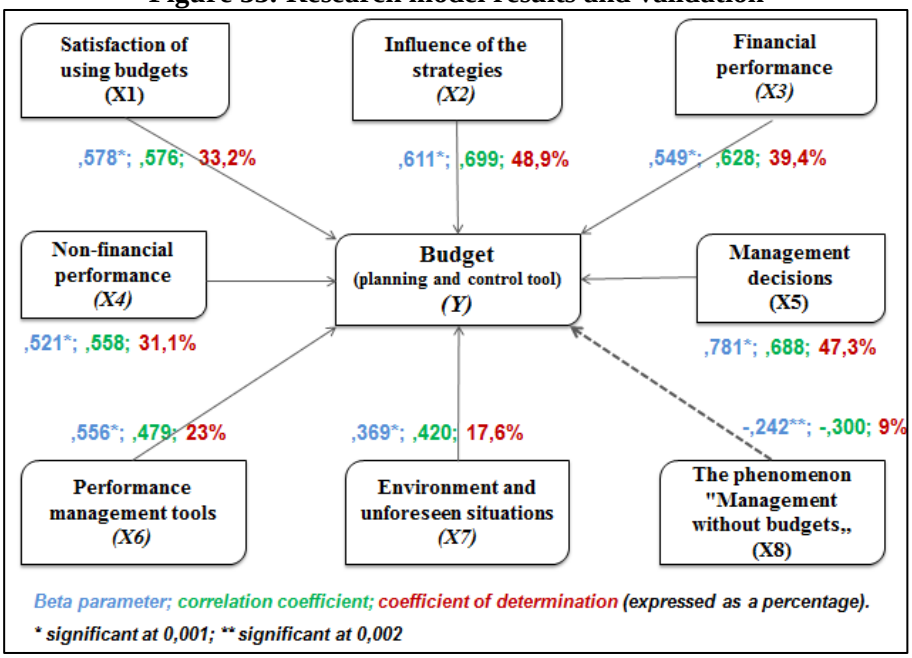
Table 11: Regression parameters, ANOVA, correlation and determination coefficient

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
8 (Constant)	4,687	,161		29,040	<,001
"Management without budgets" phenomenon	-,242	,077	-,300	-3,140	,002
R	,300				
R Square	,090				
F (ANOVA)	9,861	Sig.= ,002[b]			
a.Dependent Variable: Budget: planning and control tool					
b.Predictors: (Constant), "Management without budgets" phenomenon					

Source: SPSS processing

We can summarize that the level of satisfaction, management strategies, financial performance, non-financial performance, management decisions, performance management tools, external environment/unforeseen situations have a positive and direct influence on budgets. An exception is the "Management without budgets" phenomenon, which exerts an inverse and negative influence on budgets; we can see the overall results in the figure 33, means the model validation that contains the beta parameter, the correlation coefficient and the coefficient of determination.

Figure 33: Research model results and validation



Source: own processing

Vol. 76, issue 4 Year 2024
DOI: 10.56043/reveco-2024-0040

There is a positive correlation between the dependent variable (the budget) and the independent variables, except for the inverse and negative correlation between budgets and the ”Management without budgets phenomenon. Budget variation is predominantly influenced by strategies (48.9%), decisions (47.3%), financial performance (39.4%), user satisfaction (33.2%), non-financial performance (31.1%), other management tools (23%), environment and unforeseen situations (17.6%), the management without budgets phenomenon (9%).

6. Conclusions and Future Research

Budgeting outlines what needs to be achieved and the necessary actions, activities to be taken (Mazmanian and Beckman, 2018). Budgets help the companies in using the resources in an effective way for the next period (Murat, 2022). The budget is one of the most used management tool for strategic planning and for control (Beuren, 2021).

There were 3 main stages that contributed to the business budgeting development: budgets started to be used in companies for the luxury expenses, the standard costs calculation in order to control the overall costs and the need for standardized production operations (Theiss, 1937, Badem, 2016).

Authors and practitioners are illustrating the advantages of using budgets, like helping the companies to establish and plan realistic objectives, promote coordination and communication of activities between employees, evaluate the company’s performance (De Waal et al. 2011, cited by Cardos, 2014). But at the same time there are also some criticism to this practice such as they are time-consuming, they are and not flexible, do not adapt to change, have no strategic orientation they cannot keep up with today's world changes and unpredictable environments (Libby and Lindsay, 2010, Cardos, 2014).

In order to find out if nowadays the budgets are still relevant and useful for the company's performance and strategies, a survey was used as research method, among the Romanian companies. The results show that almost all entities are still using budgets, for planning control and resource allocation. The main approach for the budget planning is the negotiation one and the fixed budgeting model is still used by most of the companies. The budgeting process is still adding value in reaching the company goals and the satisfaction level is neither maximum nor minimum when it comes the usage of this tool. Budgets are still important for management during the decision making process especially for costs purposes, invests and strategic aspects. In case of unforeseen events such as Pandemic, wars, shortages, companies had a tendency to reforecast the budgets and use other tools that could support in offering real time data. Companies do not want to abandon the budgeting as a tool but are also open to make some improvements to the classical approach.

Although in this paper we presented a lots of ideas and information about budgeting, we didn’t cover the aspects regarding the influence of human behaviour on budgets, such as the manipulation of the budgeting data (budgetary slack and budgetary game phenomena), the dysfunctional behaviours generated by the use of budgets and the role of budgetary participation within the organization. Also aspects such as process automatization, Artificial Intelligence usage in budgeting were not included in the current survey. A proposal for the future research could be the usage of the questionnaire, as research method, to see the opinion of the respondents regarding such aspects.

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Vol. 76, issue 4 Year 2024
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Vol. 76, issue 4 Year 2024
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