



# The History of the Business Budgeting to the Present: A Literature Review

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## Abstract

Budgets always played an important role in businesses and the current paper aims to present a brief history of budgeting, by conducting a literature review. Nowadays researchers and practitioners are mentioning that there is a need to change the way we budget within the companies and in order to understand these current trends and principles, we need to investigate the budgets' origins, evolution and context. This paper is relevant because it shows the evolution of budgets from the origins to the present compared to other studies that are limited to investigate a certain time period. The concept of budgets can be traced back to the Babylonians, Egyptians and Romans, but the first modern budgeting started to develop in England (1760) as a tool for the government to control the expenditures. The term „budget” was initially used in the United States, when this tool was brought here from Europe. Budgets were used in companies only for specific departments with the purpose of restricting the expenditures, such as advertising, research and development, personnel. The budgets, in the business field, developed mainly between 1895 and 1920 due to the evolution of the industrial engineering and cost accounting. There are several factors that contributed the budgeting usage into the companies, such as: industrial development, production standardization, development of standard costs, budgetary literature increase and competition on the market. Even if this tool is used by most of the companies, budgeting is changing in order to adapt to the constant changing environments. As a response, new models are developed and proposed such as modern budgeting, better budgeting, advanced budgeting, beyond budgeting.

**Keywords:** budgeting, business budgeting history, management accounting history

## Introduction

Nowadays budgets are used all over the world for management control and performance appraisal (Cardos I. R., 2014), for strategy implementation, they give financial values to the goals and plans and allow the transformation of strategic ideas into operative actions (Hanninen, 2013, cit. by Cardos I. R.,

2014). Budgets represents a tool that provides the estimation of the future revenues, expenses and cash flow (Badem A.C., 2016).

The main **objective** of the current paper is to present a brief history of the business budgeting development from its beginnings until today.

First applications of budgeting can be found in the 18th century, in England, not in business but in the government. So, a first definition of a budget can be stated as a supply of funds (Flesher D. L., Flesher T.K, 1979).

American governments started also to use budgets, where cities were the firsts that implemented this system and then states and the federal government (Flesher D. L., Flesher T.K, 1979). The business budgeting is actually a postwar outcome, developed for the first time in the United States (Theiss E., 1937). Industrial engineering contributed to its development followed by the cost accounting discipline. Initially budgets were seen as a positive concept where funds were covering expenditures, but during the 1930s users changed their view to a negative one, as was the main tool used to eliminate as much as possible the expenditures. World War II marked again the development of the business budgets as firms were facing material shortages and delivery schedules as well as cost control became one of the main focuses.

After the post-war, one of the main foci of the companies was to establish a competitive position on the market, so the budgets became one of the main management tools to coordinate the activities (Flesher D. L., Flesher T.K, 1979). In the next years, new budgetary concepts were developed such as Zero Base Budget in 1969 and Activity-Based Budgeting in the 1990s (Berland, Ronge, 2019).

In the current literature, the traditional budgeting is considered a “relic of the past”, meaning it cannot keep up with the current changes (Cardos I. R., 2014), is incapable of meeting the demands of the environment, and the resource allocation through this tool is inefficient (De Waal et. al., 2011, cit. by Cardos I. R., 2014). Therefore researchers developed new trends such as beyond budgeting, better budgeting, modern budgeting, advanced budgeting and rolling budgets to overcome the shortcomings of traditional budgeting.

The **paper is structured in 3 parts**. First, the research methodology used for this study is presented followed after by the literature review of the budget development from its beginnings to modern budgeting. Final, the conclusions and future research proposals are described.

The **author's contribution** is represented by performing a literature review of the budgeting

development from the origins to the present, compared to other studies, that are limited to the research of certain time periods or topics.

## Research Methodology

In order to fulfil the objective of the current research paper, i.e., to present the history of the business budgeting development, a literature review was conducted.

Why do we need a review of the literature? Actually, in order to create new knowledge in the current literature, we need to connect the past information with the new scientific research (Massaro et al., 2016). For a literature review, there are many methods we can use: systematic review, meta-analysis, rapid review, literature review, narrative review, research synthesis and structured literature review (Massaro et al. 2016). A literature review helps us to understand the development of knowledge on what authors wrote (Silverman, 2013, cit. by Massaro et al, 2016).

This research paper is the result of literature studies and the technique used is the critical analysis of each author's view. The paper contributes to the existing literature in the management accounting field and management accounting history.

## Litterature Review

### Origins of the term budget

The word budget comes from the latin language “*bulga*”, which means leather bag. The modern meaning of this word goes back to medieval France, where a custodian, named “budgeter”, was in charge of handling the funds of a company that were kept in a leather bag, in french “*bougette*” (Flesher D. L., Flesher T.K, 1979).

Also the words “etat”, “livre”, “aperçu” were used in France between the 17th and 18th century as referring to the budget term. Also the usage of the word “balance” was suggested by Jean-Baptiste Say (French economist and businessman), instead of budget, but didn't work. The English name budget started to be used during the 17th century as of today and this word was used for the first time also in France in 1816 (Badem A.C., 2016).

The word “budget” suggests initially the idea of supply and not a restriction of expenditure.

Therefore, the budgeting concept is positive and not negative, ignored by many officials and business men, when setting up the budgets (*Theiss E., 1937*).

### ***Development of Budgetary procedures***

#### ***Budget concept in the beginning of history***

Even though the word budget was firstly used in the medieval period and the first real budgets were used in England, the concept can actually be traced in the beginning of history. **Babylonians** and **Egyptians** were using elaborated control systems over grain supplies and money. Also the **Romans** were implementing estimates of incomes and expenses in order to set taxes (*Flesher D. L., Flesher T.K., 1979*).

One of the Roman's innovations was the use of an annual budget, through which they were trying to coordinate the Empire's financial enterprises, to limit the expenditures to the amount of estimated revenues and levied the taxes in a manner that took into account the ability of the citizens to pay (*Alexander J.R., 2002*).

Even in the **Bible** we can trace concepts as forecasting when Joseph, the Prime Minister of Egypt, predicted the seven poor years that are going to come, in his interpretation of a dream (*Flesher D. L., Flesher T.K., 1979*).

#### ***Budgets as a Tax Control Measure***

The first use of the modern budgets can be dated to when **King Henry I** reigned from 1100 to 1135, who had a voice when it comes to financial matter (*Flesher D. L., Flesher T.K., 1979*). Further, in 1760, budgets were used as a tool for the government to **control the expenditures**, where the Chancellor was presenting the national budget to the Parliament at the beginning of the year. This budget usually was including (*Theiss E., 1937*):

- a report of the past year regarding the governmental expenditures;
- an estimation of the future expenditures for the next year;
- methods to collect the taxes as funds for the estimated expenditures.

Therefore the word budget was firstly used as a meaning of the documents showing the annual

estimation of the governments including incomes and expenditures (*Badem A.C., 2016*). England adopted these budgetary procedures in order to (*Theiss E., 1937*):

- a. check the king's power in term of tax collection upon his subjects (during the 18th century the king had an unlimited power in terms of taxation);
- b. control the money spent by the public officials.

The budget in the end was also a means to protect the taxpayers against excessive taxation and represented a step forward into the development of the democratic government. These budgets, which were prepared by the Chancellor, can be seen as the first connection between accounting and budgeting (*Flesher D. L., Flesher T.K., 1979*).

#### ***Budgets in The New World: the United States***

If in England modern budgeting were firstly introduced and used, the term "budget" was actually used in the **United States** instead of estimation of expenditure, as was used by the English (*Flesher D. L., Flesher T.K., 1979*).

The English immigrants were then the ones that brought the idea of governmental budgeting into the United States, especially in towns and cities (*Theiss E., 1937*).

In the United States, the first evidence of using the budgets are the budgetary statements submitted by the Secretary of State in 1790, to the House of Representatives, as a report that included an estimation for the services of the current year named "A Report on Public Credit" (*Flesher D. L., Flesher T.K., 1979*).

Due to the fact that larger cities (New York, Boston, Chicago, Philadelphia, Cleveland) began to take budgets seriously and they set up budgetary systems; by 1920 all American towns were adopting this tool for improving city administration (*Theiss E., 1937*).

The **first national budget** was actually adopted a century later, more concrete in 1921 the federal government adopted a complete budget to the Congress and the bureau of the budget in the Treasury Department was established (*Flesher D. L., Flesher T.K., 1979*). There were 3 kinds of state budgets: executive (with a budget director represented by the governor),

commission (a board was given the final authority), and legislative (the State legislature was preparing the budget and putting it into effect).

The national budget was not drawn up only to plan the expenditures and incomes, but also has another objective, that of measuring the efficiency of governmental services (Theiss E., 1937).

### **Business Budgeting development**

When it comes to Business, planning is one of the most important processes. We can mention that the planning, during evolution, has progressed from dreaming to guessing to scientific forecasting (Flesher D. L., Flesher T.K, 1979).

We can track three main stages that contributed to the early development of business budgeting, as below (Theiss E., 1937):

1. Luxury expenses were initially budgeted and the methods were taken from governmental budgeting;
2. Industrial engineers managed to develop a scientific methodology for standardizing the production operations in order to calculate and estimate the production costs and to measure the efficiency by comparing standard with actual performance;
3. In order for the industrial engineers to improve a method for standard costs' reduction, they worked together with the cost accountants that provided the cost records and attempted to develop the standard costs in production. Standard costs continued to evolve until forecasting costs in the form of a budget. In the United States, before World War I, budgets were used in companies but just by specific departments for some expenses such as advertising, research and development, personnel with the purpose of restricting the expenditures (effectiveness was not measured yet).

The early history of the budgets, in business, is closely connected to the development of cost accounting and the **industrial engineering**. In 1880, a group of industrial engineers criticized traditional accounting and pleaded for new ways in **measuring the business results** (Flesher D. L., Flesher T.K, 1979).

In 1896, at the "Meeting of American Society of Mechanical Engineers", H. M. Lane presents the

idea of budgets and variance analysis (Badem A.C., 2016).

In 1903, the engineer Henry Hess developed the idea of break-even analysis beside the profit planning that was used. In 1907, C. U. Carpenter, another engineer, carried further the Hess'concepts and introduced the idea of **budgetary control** and the **budget variance analysis**. We need to understand that these new ideas derived also from the *social and economical environment at that time*, which was marked by overproduction and recession.

In 1911, Frederick Taylor was the one that standardized the production costs in order to allow the control of the production process, as the reduction of costs was an important request at that time for the industrial engineers. This work represented an important step in the development of cost accounting that led further to the idea of **cost standard**, which is a major factor in developing the business budget. In this way, the prediction of the budgets became more scientific (Flesher D. L., Flesher T.K, 1979). Estimated costs appeared initially and secondly the cost standard, as cost accountants got experienced in developing the cost system for the production costs. This led to a standardized business activity including the budgeting process (Badem A.C., 2016).

In 1920, the budget was firstly used as a **management tool** by Alfred Sloan and Donaldson Brown at the **General Motors** company (Berland, Ronge, 2019).

Author F. G. Donner published in 1932 a paper called "General Motors Budgetary Control" where the budget implementation and usage is described. The main highlights are that the operational control is done via the budget standards and also it serves as a base for forecasting operations for the future. More than that, General Motors, by using the budget tool, could manage to decrease the costs, increase the turnover and manage the inventories.

After the 1920s, when World War I ended (Badem A.C., 2016), we can see a rapid growth in terms of budget usage (Flesher D. L., Flesher T.K, 1979), as industrial business was growing in number and capacity. This phenomenon also increased competition and led to testing various budgeting procedures (Badem A.C., 2016).

In 1922, it was actually G. Charter Harrison who named the standard costs as we still use the term today, it used to be named “scheduled costs” (D. Solomons, 1994, *cit. by Badem A.C., 2016*).

When it comes to **capacity changes**, the standard costs system was found unsatisfactory and again a group of engineers and accountants developed the idea of “**flexible budget**”. H.H. William published the first article in 1922 about this and named it “A Technique for the Chief Executive” (G.H. Newlove, 1975, *cit. by Badem A.C., 2016*).

In the same year, 1922, J.O McKinsey published “**Budgetary Control**” with the purpose to cover the **industrial budgeting area** (Flesher D. L., Flesher T.K, 1979). McKinsey is considered as an American pioneer work in the budgeting field and his book as the first comprehensive book on business budgeting (Mattessich R., 2008).

Studies about business budgeting started to grow and between 1923-1927 around 300 articles were published in managerial and industrial journals (R.K. Fleischman 1992, *cit. by Badem A.C., 2016*).

Also many books relevant for the business budgeting area were published between 1930-1940 such as: “Profit Engineering” (C.E. Knoepfel, 1933), “The Flexible Budget” (J.H. Williams, 1934), “Variable Budget Control” (F.V. Gardner, 1940).

During the **Great Depression** (1929–1939), all firms started to adopt the **budget as a tool**, as was essential for profitability planning.

In the 1930s, production budgeting was really well established (Richard F., McLean T., 2020) and the writing about budgeting was at its peak, as it was seen as a remedy, a solution for all the difficulties. In an environment of cost reductions, personnel reduction, the budget became a “*symbol of negativity*” and many suspicions of today, regarding budgeting, could be traced to that period, as budgets were firstly and largely introduced to Americans in that period of time.

In 1930, the engineer Walter Rautenstrauch published “The Successful Control of Profits” where he developed the concept of **breakeven chart**.

C. E. Knoepfel (another engineer) used the concept of **flexible budgets** in his book “**Profit Engineering**” that was published in 1933, and he illustrated the concept of “profitgraph”, that was actually the flexible budget seen as a graphic representation.

In 1934, the engineer John H. William wrote the book “**The Flexible Budget**” and was the first one that tried to **separate the cost accounting from budgeting**, as he stated that any businessman should understand budgets without knowing accounting. Furthermore, in his opinion budgets represents a *foresight* and cost accounting a *hindsight* outcome (Flesher D. L., Flesher T.K, 1979).

Between 1920-1935, cost accounting was revolutionized and studies regarding standard cost were the subject for much research. Standard costs were used in the measurement of production and became a useful tool for the **budget control** as well. Further, budgets were not just simple estimation tools but also a control tool (Badem A.C., 2016).

The concepts of business budgeting began to be spread also in Europe after an international conference organized by The International Management Institute, in Geneva, Switzerland, in 1930. Also in the accounting events, the idea of budget implementation started to be discussed. The Fifth World Congress of Accountants that took place in 1938, Berlin, Germany, is the first time business budget functions were discussed (Badem A.C., 2016).

A further event marked again the development in the business budgeting, this is **World War II** (1939-1945) when the government started to sponsor the defense programs. This means that also the business planning started to change as the U.S government was manifesting a growing interest in competitive offers. Companies were facing a **material shortage increase** and this is where **budgetary control** became one of the main components of production planning and activity scheduling (Flesher D. L., Flesher T.K, 1979).

After the end of the Korean War, the companies began to adopt a realistic evaluation of the budget and its techniques. After the **post-war** demands, reestablishing a **competitive position on the market** became one of the main focuses for the firms. Now the budgets are seen as a **main management tool to**

**coordinate all the activities**, and, in the 1950s, Chris Argyris published the book "Impact of Budgets on People" when the behavioral studies, regarding budgeting, started to enlarge (Flesher D. L., Flesher T.K, 1979).

One of the most significant events of the 1980s, that impacted also the budgeting practice, was the appearance of spreadsheet-simulation for the personal computer. Initially, budgeting and financial practices were handled manually, but now this can be done faster through ready-made programmes (Mattesich R., 2008).

The conventional traditional approach of budgeting, also called *incremental budgeting*, consists in preparing the next annual budget based on the past and current activities but the main disadvantage is that the tool remains unchanged during any unforeseen changes (Lohan G., 2013). In order to overcome these limitations, in the following years new budgetary concepts were developed in order to reform the budget process, such as Zero Base Budget and Activity-Based Budgeting (Berland, Ronge, 2019).

**Zero-Based Budgeting** was used for the first time by the Department of Agriculture in the US in 1964. After, in 1969 the company **Texas Instruments** took over this concept and developed it to the form that is known today by **Pete Pyhrr** (Flesher D. L., Flesher T.K, 1979) and, in the 70s, the first paper was published (Badea, Dobrin, 2006) by Pyhrr at the Harvard Business Review named „Zero-base budgeting“ (Coyte R. et. all, 2022).

The Zero-Based Budgeting is a tool for restructuring companies (Berland, Ronge, 2019) and adapting to any changing environment (Lohan G., 2013).

In theory, zero-based budgeting relies on the idea that, for the budget creation, it won't be taken into account all past costs as references (Callaghan et al., 2014, cit. by Brîndușe, Bunget, 2021).

When companies have to deal with a hostile uncertain environment, the traditional budgeting practice becomes insufficient, therefore "zero-based budgeting" helps the management to better define the organizational targets needed to be achieved and to establish the actions to be performed (Berland, Ronge, 2019).

The notion "zero-based budgeting" doesn't mean that budgets starts from zero every time and year (Berland, Ronge, 2019), in fact, the company cannot ignore all the costs from the past years, but plan costs and allocate resources based and aligned with current strategy (Gartner, 2020, cit. by Brîndușe, Bunget, 2021).

More recently, since the 1990s, the Activity-Based Budgeting made its appearance (Berland, Ronge, 2019) as an approach to improve the traditional budget (Lohan G., 2013). This model rides under the influence of the Activity-Based-Costing. ABB is in a way an ABC upside down (Berland, Ronge, 2019). ABC has the efficiency in providing costs details and information about activities, therefore this approach was extended also into the budgeting planning (Cardos I.R., 2014).

The **Activity-Based Budgeting** aims to transform strategic planning in activities that are going to be implemented. Activity-Based Budgeting focuses more on activities than units, compared to traditional budgeting that usually doesn't participate in the value creation because it is focused on resources rather than on activities (Berland, Ronge, 2019). More specifically, ABB focuses on the budgeted activities' costs that are necessary to produce and to sell products and services (Horngren et al., 2012, p. 215).

ABB represents a new model of budgeting that provides companies more flexibility to react to unexpected situations (Hanninen, 2013, cit. by Cardos I.R., 2014) and to allocate the resources to their best of use (Lohan G., 2013). If ABB approach is computer-based, it can be easily updated according to new changes (Hansen 2011, cit. by Cardos I.R., 2014).

### ***The new trends: a management without budgets?***

Historically speaking, budgeting played an important role in the organizations (Libby T., Lindsay M.R, 2010), therefore De Waal et al. (2011, cit. by Cardos I.R., 2014) illustrate some **advantages** regarding the traditional budgeting:

- helps with the planning compelling and setting realistic goals;
- can promote activities' coordination and communication;
- performance evaluation;
- motivation around employees in order to achieve budget targets.

Over the years, the **criticism** towards the traditional budgeting increased and in the current literature we can find the following reasons as disadvantages (*Libby T., Lindsay M.R., 2010, Cardos I.R., 2014*):

- budgets are time consuming;
- budgets are not flexible;
- represent a barrier to change for the companies;
- budgets are not strategically oriented;
- budgets are not oriented towards value creation but cost cutting;
- budgets cannot keep with the changes of today's world and unpredictable environments;
- lost their relevance in the modern business environment;
- are not satisfying anymore manager's needs.

The budgets would be more criticized when the company operated in a higher uncertainty of the environment or when the new focus is to innovate the strategies (*Bescos et al., 2004, cited by Sponem, Lambert, 2010*).

While budgeting is still a main tool used by the companies, it is clear that the role of budgeting is changing in order to adapt to the modern and turbulent business environments (*Lohan G., 2013*).

This kind of problem represents today the main debate for the proponents of a management without a budget (*Sponem, Lambert, 2010*).

As a response, the literature is proposing many alternative budgeting models that can compensate for the shortcomings mentioned above in order for the companies to adapt to the new business environment, such as modern budgeting, better budgeting, advanced budgeting, beyond budgeting, rolling budgets.

Each approach improves organization profit and contributes in achieving the budget functions such as planning, prediction and performance evaluation (*Hansen 2011, cit. by Cardos I.R., 2014*).

We will briefly describe each model, emphasizing their main focus. **Modern budgeting** refers to improving the budgets in two ways: the first refers to the flexibility and simplicity of the processes and structures as

well as the integration of strategic and operative planning (*Alexander Becker, Leyk and Riemer 2015, cited by Laval Valerian, 2018, p. 87*). The second improvement concerns the content of planning (transparency, planning based on targets, targets), (*Laval Valerian, 2018, p. 88*). **Better budgeting** consists in improving the current budget processes with the focus on the planning aspects (*Cardos I.R., 2014*), such as harmonizing, integrating data, improving IT and reducing detail in budgets (*Laval Valerian, 2018, pag. 86*). **Advanced budgeting** includes some of the directions of Better budgeting, but includes some additional measures for improving the efficiency and effectiveness of the planning process, such as the use of global budgets, replacing the reference of 1 year budget planning with continuous planning, focusing on financial but also on non-financial indicators (*Laval Valerian, 2018, p. 86*). **Beyond budgeting** proposes radical changes within the budgeting process with the focus on the performance aspects (*Cardos I.R., 2014*). The concept of "beyond budgeting" was introduced by *Hope and Fraser (2003 a,b)* and is not focussing on improving the budgeting process, but on introducing a philosophy of a management without budgets (*Laval Valerian, 2018, p. 88*), by using other tools such as Balanced Scorecard for performance measurement (*Horvath & Partners, 2009, p. 172*), rolling forecasts and KPI. This model is designed for the **information age** and suited for the organizations where they allow the employee autonomy and the power in the decision making (*Lohan G., 2013*). **Rolling budgets** and rolling forecasts are considered one of the main contemporary concepts in managerial accounting. A rolling budget represents a budget with a fixed time span, updated regularly for the upcoming periods (*Golyagina&Valuckas, 2012, cit. by Cardos I.R., 2014*), resulting in a more precise and up to date budget presenting the most accurate and current information (*Banovic, 2005, cit. by Cardos I.R., 2014*).

When highlighting that budgets cannot adapt anymore to uncertain environment (*Hope and Fraser, 2003b*), we need to take a look firstly at the industry in which a company operates. For example, the company field studied by Hope and Fraser (2003b) was banking where a revolutionary change was not needed (*Libby, Lindsay, 2010, p. 57*). The authors *Lau and Tan (2012)* are pointing out that budgets are an essential aspect of manufacturing entities and are likely to be prevalent in these kinds of fields.

## Conclusions and Future Research

In this paper, the main objective was to illustrate the history of the business budgeting development, therefore a literature review was conducted. This study contributes to the existing literature in the management accounting field and management accounting history. This research paper is the result of literature studies and the technique used is the critical analysis of each author's view.

The word budget comes from the latin language "bulga", which means leather bag. The modern meaning comes from the medieval France, where a custodian, named "budgeter", was in charge of handling the funds of a company that were kept in a leather bag, in french "bougette" (Flesher D. L., Flesher T.K, 1979).

The concept of budgeting can be traced back to in the beginning of history actually from Babylonians and Egyptians to the Romans.

In the past, budgets were considered initially only for the governmental administration, where the supervision over the public finances was needed (Badem A.C., 2016). Inspired by the benefits of the government budget, companies developed the business budgeting and this took place in the USA between 1922-1932 (Badem A.C., 2016).

Business budgeting was developed within the historical stages below (Badem A.C., 2016):

- departmental type - like the government budgets. Business budgets were prepared in order to limit the expenses such as advertising, research and development, personnel;

- production processes and studies. This consists in computing the production costs. While the competition in the industries was increasing, it became necessary to calculate the production costs such as labor and material;

- cost calculation system. Initially, cost accountants kept the costs records and reported them to the management. Further, the estimated costs were also developed, followed by standard costs.

The basic idea of budgeting is to increase the profit of a business, therefore this main idea has motivated the business budgeting development. In the end, the budgets provided a scientific technique to forecast the business operations (Theiss L., 1937).

In the 1920s, the business budget was firstly introduced as a management tool, since after the World War I industrial business was growing. It's during this period that the business budgeting developed the most.

On the other hand, in the 1930s (during the Great Depression), budgets were essential since companies were operating in a hostile environment and drastic cost reductions were needed. It in this period when budgets became a "symbol of negativeness" (Flesher D. L., Flesher T.K, 1979).

Another event, World War II (1939-1945), marked the budget evolution, since firms were facing a material shortage increase, therefore budgetary control became really important (Flesher D. L., Flesher T.K, 1979).

The traditional budgeting has some advantages such as: helping in the planning activities, performance tracking, target settings. On the other hand, the literature is pointing out also some disadvantages of the traditional budgeting, so new concepts were coming to light such as Zero Base Budget in 1969, and Activity-Based Budgeting, in the 1990s.

The main criticism is: traditional budgeting is time consuming, not connected with strategies, cannot adapt to unpredicted events. Currently, there are many alternative budgeting models that are trying to compensate for these shortcomings such as modern budgeting, better budgeting, advanced budgeting, beyond budgeting, rolling budgets.

A proposal for the future research could be to develop more the concepts of these current trends in budgeting, also by starting empirical research within the companies that managed to or have the intention to switch to a management without budgets. It's interesting also to research what other tools companies are using currently together with (or without) budgets in order to implement the strategies and keep a tracking of the business performance.



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