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Budget Management: A Key Lever for Strategic Decision-Making

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A B S T R A C T

This article provides an in-depth analysis of the essential role of budgetary management as a classic management control tool while highlighting its significant implications in public and private organizations. By tracing its historical evolution from its origins in England to its widespread adoption in the private sector, the study demonstrates the growing importance of budgetary management as an essential instrument of strategic decision-making. The fundamentals of the budget system highlight the entire budget process, its alignment with organizational strategies, controllability, and its link to the decision-making system. Control by exception is a crucial approach for efficient budgetary management. As a strategic planning, coordination, and communication tool, it facilitates the achievement of organizational objectives. In addition, budget management acts as a powerful lever for controlling and monitoring achievements, allowing managers to make informed decisions. It also helps motivate and involve employees, thus promoting the company's or public organization's overall performance. By emphasizing that budgetary management is an essential management control tool, going far beyond its simple financial planning function. Its successful integration into the organization's decision-making processes helps improve performance and achieve strategic objectives. Adopting appropriate budgeting methods is essential to maximize its effectiveness, ensuring efficient budget management and the achievement of organizational ambitions.

Keywords
Budget control, Management control, Budget management

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1. Introduction

The evolution of large American industrial companies in the early 1930s created considerable management challenges. The increase in decentralization has created the need for a decision-support tool to maintain the effectiveness and efficiency of organizations. This is how management control appeared, an essential function that allows managers to influence the implementation of company strategies. Management control was initially based on analytical accounting and budgetary management, adapted to the context of the Scientific Organization of Work (SOW). Since then, it has continued to evolve, becoming an essential performance lever for modern organizations. Despite the plurality of definitions given to this concept by different authors, a vision emerges: management control is a strategic process that guides the management of companies toward their objectives.

At the heart of this arsenal of management control tools is budgetary management, one of the first and most classic. It occupies a central place, sometimes confused with management control itself. Indeed, according to Meyer (1983), cost prices, ratios, dashboards, and budgetary management define management control. Theoretical vocabulary related to budget management is varied, encompassing terms such as budget system, procedure, budget process, budgeting, budget control, and budgets, among others. We will adopt a technical approach using the synonyms budget, budget tool, or budget technique in this context.

This research focuses specifically on the importance of budgetary management as a management control tool. For this, it is necessary to deepen the study of emerging budgetary principles and new budgeting practices and examine the regulations aimed at optimal budget execution. Our objective is to highlight the conceptual framework of budget management and analyze its strategic role in a constantly changing organizational environment. In short, this scientific article explores budgetary management as a management control tool. By examining its historical evolution and current importance, we seek to demonstrate its central role in informed decision-making, business performance, and its success in facing contemporary market challenges. Through the following issue: How has budgetary management become an essential pillar of management control, promoting the performance and competitiveness of companies?

2. Budget Management: State of the Art

A. Historical evolution and foundations of budgetary management

1) British government: first user of budget management

Historically, the use of budgeting techniques has developed both in the public sector and in private companies. D. Solomons, cited by Boyns, highlights the example of the British government, which has used budgets and budgetary control for centuries to manage its public finances (Financial procurement). In public management, budget management is initially used in budgets to guide state policies and control public finance. Subsequently, in the 1930s, French companies began with the first approaches to budgeting and budgetary control (Berland, 1999). At the same time, dashboards again appeared during this period, already containing operational data (Pezet, 2009).

Budgetary management has established itself as one of the classic tools of management control, to the point of sometimes being confused with it. According to Meyer (1983), cost prices, ratios, dashboards, and budgetary management are the instruments that define management control. Meyer emphasizes that budgeting is anticipating expenses plans, and programs into numbers. Gervais (2000) adds that budget management, as a short-term forecast management system including budgets, constitutes a budget control process.

2) Principles of public budget management

Any budget is an essential process that must comply with rigorous budgetary principles considered the golden rules of public finances. These principles aim to guarantee effective and relevant management of organizations, as well as clear, coherent, and regular use of public resources.

The principle of annuity is fundamental because it divides the financial life of the State into annual tranches delimited by a budget year running from January 1 to December 31. Therefore, all budgetary operations must be to a specific financial year. Expenditure and revenue forecasts are for each budget year and are authorized only for that financial year. This principle ensures temporal management of resources, allowing better planning and allocation of funds.

The principle of unity requires that all expenditures and revenue be subject to the same rules. It is easier to understand the overall financial situation of the budget and allows users to have a global view of the use of public funds.

The principle of comprehensiveness prohibits the allocation of identified revenue to specific expenditures. Thus, the budget must present a complete catalog of expenses and resources, and all revenues must cover all this. This rule of non-compensation and non-allocation aims to avoid accounting manipulation and to guarantee fair and transparent use of public funds.

The principle of specialty plays a role in requiring that each budgetary appropriation be to a well-defined and specific destination. Allows precise allocation of resources according to defined objectives, thus avoiding any dispersion of funds and ensuring better budget management.

The principle of a balanced budget is prudence and efficiency. It prohibits the presentation of an unbalanced, where expenses exceed expected income. This rule aims to maintain financial stability and avoid the accumulation of deficits, thus contributing to sound and responsible management of public finances.

Finally, the principle of sincerity is of capital importance by requiring that finance laws present faithfully and transparently all of the State's resources and expenses. This sincerity is on available information and realistic forecasts, and stakeholders have a faithful image of the financial situation. Regular monitoring of State accounts thus guarantees responsible and informed financial management.

By respecting these budgetary principles, public organizations can ensure rigorous and transparent management of their financial resources, thus promoting the effective use of public funds in the service of the general interest.

3) The emergence of budgetary management in the private sector

The emergence of budgetary techniques in public structures is historically remarkable. An in-depth theoretical work on state budgetary practices is proposed by Leroy-Beaulieu, highlighting the factors that gave rise to public budget practices. These factors include the sheer size of revenues and expenditures: The larger the government revenues, the more crucial it is to manage them effectively to avoid waste. The development of budgets then becomes a necessity, the delegation of public finance management responsibilities to a government: Budgetary management makes it possible to effectively delegate finances to a government level, thus facilitating informed decision-making and the fluctuating nature of public: Due to economic fluctuations and economic policies put in place, public revenue accordingly to ensure financial stability.

On the other hand, in the private sector, the idea of combining the logic of budgetary control applied by public accounting with the double entry of private accounting was as early as 1871 by the Viennese accounting professor Joseph Schrott. However, this innovative idea was at the time. The emergence of budgetary techniques in French and European private companies, in their current form, really took root in the 1930s. According to Berland, the massive diffusion of budgetary techniques in the private sector during the 1930s rapidly gained importance. Several factors have contributed to this emergence: The creation of complex decision-making structures: With the growth of companies and the diversification of their activities, it has become necessary to put in place more elaborate decision-making structures to effectively manage financial resources, the growth of business size and diversification of activities: This development has led to an increase in complexity, necessitating the use of budgeting techniques for more efficient management and decentralization and delegation of power: Increasing decentralization within businesses has required the establishment of budgetary mechanisms to ensure efficient allocation of resources and optimal coordination between the different organizational units.

Thus, budget management has become a tool for public and private organizations to plan, coordinate, control, and optimize their financial and operational performance. Budgetary principles, such as annularity, unity, comprehensiveness, specialty, a balanced budget, and sincerity, play a fundamental role in budgets and the transparent and responsible management of public funds. Likewise, the historical evolution of budget management has been marked by its adoption in both the public and private sectors, thus becoming a fundamental tool for management and informed decision-making.

B. Basic principles of the budget system

To guarantee the budgetary system, it must be on fundamental principles, encompassing its development, operation, and structure. These principles provide the essential foundations that underpin a robust budgeting process and enable organizations to make informed decisions and optimally achieve their strategic objectives.

1) Principle of the totality of the budgetary system

All company activities must be integrated into the budget process, clearly defining the missions of each management unit and setting precise objectives. No activity should be outside of budgetary responsibilities. However, when introducing budget management, it may be wise to start with budgets for a part of the company (a function, a division, etc.) to facilitate the generalization of the system through the effect of training.)

2) Principle of coupling of the budgetary system with the decision-making system

The budget system is not limited to global figures for the entire organization. Budgetary must be the distribution of responsibilities and decision-making power. Each budget center thus becomes a decision-making center with its budget.

3) Principle of controllability of budget elements

A budget center is for consumption over which it has control. It is between controllable elements, the responsibility of the person responsible for the budget, and non-controllable elements, on which the person responsible has no action.

4) Principle of non-questioning of company policies and strategies

The budget represents a crucial step in the strategic planning process of any organization. Budgeting makes it possible to detail the action program, assign responsibilities, and define each person's tasks while allocating the necessary means to achieve the objectives set within the framework of the company's overall strategic policy.

5) Principle of budgetary coupling with management style and personnel policy

The budgeting process must be consistent with the management style and personnel policy. In a highly centralized structure, objectives are defined by top management, and budgets use a top-down approach. On the other hand, in a decentralized and participatory structure, budgets are negotiated in a bottom-up and iterative manner.

6) Principle of control by exception

Analyzing gaps between budget forecasts and achievements makes sense if it allows corrective measures to improve the organization's overall performance. Control by exception allows attention to be focused on significant deviations, thus facilitating reactive and proactive management.

C. Role of budget management

The budget plays a central role in management control by enabling the evaluation of the actual performance of planned objectives, identifying deviations, and directing corrective actions. As a communication and alignment tool, it ensures a common understanding of financial objectives within the organization. In short, the budget is a multifunctional tool that contributes to operational efficiency, strategic planning, and strict financial control, thereby improving performance. Berland (1999) offers a complete synthesis of the different functions attributed to the budget in the second half of the 20th century. Among these essential functions, we can identify the following:

These functions can be into four main categories:

Planning and forecast management: The budget to anticipate the future and its environment. It makes it possible to predict future challenges, choose activity programs, simulate different environmental conditions, and consider alternative solutions.

Coordination and communication: As an instrument of coordination, the budget promotes harmony between the different departments, functions, and divisions of the organization. Management can communicate with the entire organization via budgets by specifying the overall objectives, responsibilities, and for gap analysis to personnel.

Control and monitoring: Control represents one of the main functions of the budget. They compare achievements to forecasts and take corrective action in the event of deviation. From a cyber perspective, control aims to keep the organization on the right trajectory. From an organizational point of view, decentralization becomes essential when the company reaches a size to monitor delegated responsibilities.

Motivation of individuals and social animation: A fourth function is linked to the behavioral aspects of the budget tool. It is about the motivation of managers and employees in budgets defined by the hierarchy without consultation. Since the 1970s, we have been about budgetary participation as a solution to remedy the lack, by involving individuals more in the development of budgets.

In summary, a budget is a versatile tool that provides planning, coordination, control, and motivation within the organization. It promotes proactive and reactive management while strengthening the commitment of individuals to achieving set objectives. In addition, the budget plays a role in making informed decisions.

D. Budget management process

The budget system is a short-term management approach that enables managers to utilize available resources to achieve strategic goals set by management, according to M. Fatoke (2007). It encompasses several stages, including the conceptual approach, the budgeting process, the synthesis and development of budgets, and budgetary control, which is proactive and planning. According to Hutin, budgetary control includes three distinct phases:

. Control before action: This phase aims to improve the action by evaluating the consistency between the budget construction hypotheses and the medium and long-term strategic objectives defined in the strategic and operational plans.

. Control during action: This involves regular control during budget execution, making it possible to quickly detect significant discrepancies between forecasts and achievements to take corrective measures during the budget year.

. Ex-post control: Generally carried out at the end of the budgetary year, this phase aims to evaluate performance by analyzing the gaps between forecasts and achievements and the reliability to improve future processes.

In his work Budget Control in the Company, H. Bouquin presents five steps for the overall articulation of the budgetary system in companies:

. Determining management's expectations of each person responsible for action plans, programs, and budgeting by defining quantified objectives and communicating the major economic hypotheses to be accounted for.

Preparation of the pre-budget can take two forms: a simulation by the management controller based on the initial proposals from operational staff.

. Preparation of detailed budgets for responsibility centers by management controllers, taking charge of administrative and accounting operations.

. The negotiation and final approval of the budget by the board of directors, followed by the monthly updating of the budget to make it a continuous reference for action, and the initial updating of the budget at the beginning of the year to reflect the data. These steps make it possible to put a complete budget system, ensuring proactive and coherent management of resources to achieve the organization's objectives.

Table 1: The functions of the budgetary system (according to Berland, 1999)

Studies	***Budget functions***
R. Baudet [1941]	*Forecasting and establishing, the activity program continuous, observation of events capable of Change forecast researching, the causes of deviations, determining responsibilities, coordination between different services accounting, control of standard cost, planning forecast*
G. Hofstede [1967]	*Measuring results*
A.Hopwood [1974]	*Coordination* *Delegation of authority* *Planning* *Motivation*
EM Barrett, LBFraser [1977]	*To plan* *Coordinate Motivate* *Educate* *Asses*
DT Otley [1977]	*The budget is objective and serves as a motivational instrument* *Budgets are forecasts* *They are a way of communicating* *Budgets are standards for evaluating performance and are a way to increase job satisfaction through participation*
L.Samuelson [1986]	*Coordination* *Control of results* *Determining financial goals* *Performance comparison* *Motivate finance* *Help with the decision-making* *Thinking of finance logic*
P. Bunce and al. [1995]	*Financial forecast* *Allows control of operating costs and investment* *Cash flow management* *Setting objectives for the company but also on a personal level* *planning and resource allocation* *Evaluation of performances* *Communication tools* *increases visibility* *Establishment of transfer prices* *Useful determining standard costs*
H.Bouquin [1997]	*Coordination and communication instrument* *Essential forecast management tool* *Delegation and motivation tool*

Source: Komar. E (2008)

3. Budgetary Method: An Approachs and Developments

A. The budget control systems

Budget management: An essential tool for relevant and effective management of organizations, it plays a role in the entire organizational process: setting objectives, choosing means, monitoring achievements, measuring deviations, corrective measures, and distribution of resources. Tasks and coordination between the different entities of the organization to achieve pre-established objectives. The emergence of budgetary techniques in companies: The roots of the budget technique go back to the practices of French and European private organizations in the 1930s. It spread massively during the period 1930-1940, favored by the creation of decision-making structures complexities, growth in business size, and diversification of activities, as well as through decentralization and delegation of power.

1) *Zero-Based Budgeting (ZBB)*

A technique from the American Planning, Programming, and Budgeting System popularized by Peter in the 1960s. In the 1970s, the application of research budgets was integrated into the Management by Objectives (MBO) approach. This also extended to other functions within the organization, particularly with the inclusion in the 1971 Georgian state budget by P. Pyhrr. The BBZ requires managers to justify their budget about the objectives, without reference to past achievements, following a four-step process: division of functions into decision-making centers, analysis of the current situation, budget proposal, classification, and choice of selected proposals.

2) *The Participatory Budgeting method by the Responsibility Center (PBR)*

They are used in well-structured organizations, adopting participatory management by objectives with a delegation of responsibilities and having a management control function. Each unit manager creates a budget based on the organization's strategy. Budget plans are negotiated with management and become a contract binding both parties to achieve the set objectives.

3) *Activity-Based Budgeting (ABB)*

A recent method is applying the ABC method to budgets and preparing a budget for costs or objectives based on the planned activities. The budgeting process is comprehensive, involving everyone responsible for the activities within the center.

B. Towards activity-based management control approaches

Since the 1980s, the business environment has transformed, with increasingly intense competition. To face these economic and competitive challenges, managers have had to rely on innovative tools to make optimal and relevant decisions. Two crucial factors played a decisive role in this progress. On the one hand, production methods have been modified, giving increased importance to upstream operations such as supply, preparation, and study. On the other hand, companies have adopted product differentiation strategies to stand out from the competition and uniquely meet customer needs. These changes have redefined the perception of businesses, moving from a model based on resource efficiency to that of a set of interconnected activities forming networks called processes. This process-based approach has led to the development of management tools such as total quality management, activity-based management, benchmarking, decision-making information systems, and agile project management approaches. These tools allow managers to understand their value chain, improve decision-making, and remain competitive in a constantly changing environment (Chauvin E. and Neureuther B., 2009; Schonberger, 1990).

1) *The ABC method*

In the 1980s, traditional methods of allocating overhead costs led to the emergence of a new approach: Activity-Based Costing (ABC) method is a cost accounting technique that aims to deepen the analysis and control of costs by specifying the nature of indirect costs and overheads depending on the type of activity (Savall-Ennajem C., 2011; Cooper and Kaplan, 1988; Bouquet, 2006).

The reasons that motivated the appearance of the ABC method are summarized in three points by Trahand J et al. (2000, p: 35-36): firstly, the growth of indirect costs due to international competition has required efforts in the field of advertising, the costs as indirect at the product level. Second, indirect costs have evolved in their nature, becoming increasingly linked to the complexity, diversity, and quality of products, to the detriment of a variable linked more to production. Finally, the share of direct costs to direct labor has decreased in total cost, calling into question the relevance of using direct labor to distribute indirect costs.

Philippe Lorino is a precursor of the ABC method, which offers management control based on activities. This transversal approach differs from traditional methods and adopts a vertical vision of the organization. According to Dworaczek and Oger (1998), the ABC approach aims to measure better the consumption of resources linked to activities and processes and makes it possible to obtain more relevant costs. It involves all stakeholders in the organization and facilitates the collection, preservation, and dissemination of vital cost-related data. The contributions of the ABC method are multiple and can be applied at several levels. On an economic level, it makes it possible to obtain more relevant cost prices, present an explanatory model of cost behavior, and serve as a tool to stimulate and assist in setting sales prices. In terms of performance, ABC offers help for strategic orientation, detection of dysfunctions, identification of improvement levers, and implementation of improvement processes (Bouin X and Simon FX, 2000, p: 129).

2) *Cost optimization with Activity-Based Costing (ABC)*

With the use of the ABC method, it becomes possible to measure resource consumption and value activities by identifying those with added value and those without added value. In 1990, Kaplan, Johnson, and Cooper introduced an innovative approach. This approach aims to minimize costs, optimize the difference between value created and costs generated, and maximize the value of activities and products. Lorino (1996) highlights several ways to control costs through ABC, including re-engineering the business model to identify and rationalize non-value-added processes and activities.

Benchmarking, also known as competitive benchmarking, is a practice in activity-based management that facilitates the comparison of high-value activities with low-value activities. This enables companies to learn from industry leaders, continually improve, and accelerate change to enhance performance (Claude. A. and Sabine.S, 2010).

Another important action consists of acting on the cost drivers by grouping the activities and the corresponding costs into large families, based on common cost causes identified by the cost drivers. This approach allows us to better understand the determinants of the costs of an activity, by distinguishing between activity drivers, which trigger the activity, and cost drivers, which explain the consumption of resources (Lorino, 1996). The ABC methodology consists of several phases, ranging from the identification of activities to the selection of cost drivers and the calculation of costs. This complex, but relevant approach provides more accurate costs and improves the overall management of resources and performance of the organization.

C. Beyond the ABC method: Towards new methods focused on performance

1) "Performance Management" or "Activity Based Management (ABM)"

According to X. Bouin and FX Simon, focusing on business management is a means of improving the value received by the customer and the profile achieved by the company in providing this value. This method makes it possible to identify costs and activities without added value and to adapt services to the real needs of users. ABM stands for Activity-Based Management, which is a process analysis technique used to enhance an organization's performance. It involves a set of process analysis and management systems that focus on managing operational processes, and interrelationships, and connecting them to strategic processes. In simpler terms, ABM is a method of managing and optimizing activities to improve an organization's overall effectiveness. This approach can be associated with process management, which naturally relies on ABC-type accounting techniques. It is, therefore, a question of seeking the cohesion of the actors in common action and a shared vision of the objectives.

This management approach, with its emphasis on coordination, the management of individuals, and their skills, could constitute a management doctrine whose strength is built through experience and learning. Thus, we must not limit ourselves to management control based solely on the interrelations between objectives, resources, and results (Bescos et al., 1993). It is essential to prioritize the social and global understanding of the organization. From this perspective, the ABM method offers a possible alternative to traditional accounting methods by giving a central place to organizational processes (Lise. A. and Guy. S, 2008).

2) Time-Driven Activity-Based Costing (TDABC)

Time-Driven Activity-Based Costing (TDABC) was introduced in 2004 by Kaplan and Anderson. They present it as a simplified evolution of the ABC. The TDABC is characterized by its ease of use and its ability to take into account the complexity of cost consumption processes and measurement of underactivity. Instead of identifying resources consumed by activities, TDABC assigns resources to "resource groups," grouping activities that consume similar resources, typically a business unit of work. To determine the cost per unit of capacity for each resource group is necessary to evaluate the resources consumed by an activity. This standard cost is obtained by dividing the total costs of a group of resources for good activity by this capacity expressed in hours, usually using time equations. Finally, the amount of resources consumed for an activity is calculated by multiplying the times consumed, evaluated using time equations, by the standard cost of the group of resources concerned.

4. Budget Management: Literatur Review and Perspectives

Budget management is an essential practice in the field of management control, and many researchers have contributed to illuminating different aspects of this practice. Covaleski, M.A., & Dirsmith, M.W. (1983) proposed an innovative approach to the use of budgeting as a control tool in healthcare organizations, with emphasis on the area of nursing services. Their research challenges the traditional view of the budget as simply a means of top-down control and highlights the complexity of its use in a context where centralized control can be difficult to achieve.

The authors highlight the role of the budget as a negotiation tool used by mid-level managers to advocate for the needs of their subunits to hospital administration. This approach highlights the importance of considering management control systems more broadly, taking into account their control function and their use as a means of communication, in a language consistent with the desired image of the organization, towards its environment. The practical recommendations offered to managers and representatives of the health sector aim to promote flexible management, adapted to the specific challenges encountered in the field of nursing services while disconnecting the formal image of the structure from the technical functioning of the organization. This research thus offers relevant perspectives for improving the budgetary process, strengthening coordination and control, and responding appropriately to the specific needs of the health sector in a constantly evolving environment.

At the same time, the research carried out by Lise. A and Guy. S (2008) paved the way for an innovative approach to management control using the concept of organizational learning and knowledge. Their approach considers management control systems as cognitive and social technologies, thus emphasizing the importance of involving all company stakeholders in the process of development and application of these methods. Lise's work. A and Guy. S highlights the inadequacies of traditional management accounting and provides a better understanding of ABC and ABM as process-oriented management methods. This approach provides a better understanding of the management of activities and the coordination of processes within the organization while offering the potential to improve overall performance. Research on budgetary management has highlighted the importance of rethinking this practice in the current business context, by considering its interaction with performance measurement systems, taking into account the specificities of SMEs, and adopting a process-based approach and organizational learning. This work has contributed to enriching the understanding of budgetary management and has opened new perspectives for its improvement and optimization in the field of management control.

Still in the specific context of Small and Medium-sized Enterprises (SMEs), Ben Hamadi, Z. (2014) was interested in the complexity of budgetary systems and the profiles of managers in these organizational structures. His study made it possible to better observe budgetary practices in Tunisian SMEs and to understand the interest of managers in these tools despite frequent criticism. Ben Hamadi stressed the importance of taking into account structural, socio-professional, and cultural factors that can influence the establishment and use of budgetary systems in SMEs. With a focus on the profile of the CEO, his work has also shown how the manager's management style and preferences can influence the design and execution of budgets.

Thus, the research of Christophe Germain (2011) highlighted the evolution of performance measurement systems and their link with the role of budgets in companies. Despite criticism, budgets continue to be widely used alongside various performance measurement systems. Germain's work emphasizes the significance of comprehending the interaction between these two tools to maximize their benefits. To achieve their objectives and enhance their overall performance, companies must develop budgets that integrate effectively with performance measurement systems.

Furthermore, the study conducted by Ostergren, K., & Stensaker, I. (2011) focuses on the adoption of the “Beyond Budgeting” method in a large oil and energy company in Norway. This research examines the evolution of management control approaches by highlighting the limitations of traditional budgets and exploring the potential benefits of an alternative approach. The authors noted the emergence of alternative rules of action in the absence of budgets, emphasizing ambitious strategic targets, a holistic approach, and continuous allocation of resources for relevant projects. The study also reveals the impact of this change on interactions and power relations within the organization. Although the Beyond Budgeting approach appears to address some of the challenges of traditional budgets, the authors also highlight potential problems related to ambition, optimization games, and staffing adjustments. They emphasize the importance of taking into account the organizational and national context when adopting new management control approaches. Overall, this research offers a significant contribution to the practical understanding of the adoption of new management control approaches in multinational and multi-divisional organizations, while providing interesting insights for practitioners and researchers wishing to rethink management methods in response to the challenges of the constantly evolving business world.

Furthermore, the study by Bufan, I.D. (2013) highlights the crucial importance of budget and budgetary control in the management process. The author emphasizes that budgets play a vital role in highlighting the financial implications of plans, determining the resources needed to achieve them, and providing a means of measuring, visualizing, and monitoring results against set goals. Despite the criticisms expressed by some managers regarding estimates and the additional effort required to establish a budget, the study demonstrates that budgets remain essential tools in companies. They then force managers to anticipate, study trends, and develop strategies necessary to achieve the set objectives. Budgets are also important communication tools, indicating operational and financial objectives for the period. They help communicate expectations from upper management to middle managers and convey management priorities to lower levels. Additionally, budgets serve as a basis for evaluating performance and setting prices for internal services. Budgetary control confirms or not the conformity of the results with the predetermined objectives, highlighting the deviations and their potential causes. It also allows costs, revenues, and actual performance to be compared with the budget, making it easier to review and take corrective action if necessary. The case study carried out in a Romanian company illustrates the importance of the budget in the planning and control of a company's activity. However, the study highlights that many managers in the country do not yet fully understand the importance of budgeting. The study aimed to demonstrate the importance of budgets in company management and decision-making. The results emphasize the importance of budget and budgetary control in business management, playing a crucial role in decision-making and can be vital for the survival of a business in a market economy. Using flexible budgets can help managers minimize gaps between forecasts and actuals, which is essential to ensuring business profitability. Despite the criticisms and challenges, budgets remain essential tools for effective and efficient management of resources within companies.

In another research, Lidia, TG (2014) proposed a synthesis of studies on the difficulties of the budgetary process and the factors that determine the adoption and use of this tool within economic entities. Despite the challenges in preparing and using budgets, the study results show that these tools remain useful and offer many practical benefits. Budgets play a crucial role in financial decision-making, planning, efficient allocation of resources, monitoring performance, and evaluating results. Although problems such as collecting reliable data and gaps between forecasts and actuals remain, the benefits brought by budgets outweigh these difficulties. Thus, their use remains essential to coordinate activities, anticipate problems, and empower managers and teams within economic organizations. By improving the budgetary process, these tools will continue to play an indispensable role in the management and long-term viability of economic entities.

Isaac, L., Lawal, and Okoli (2015) synthesized the literature on budget and budgetary control in government organizations, emphasizing their role in determining corporate objectives and profitability. The study focuses on the Nigerian National Petroleum Corporation (NNPC) to systematically examine the budget and budgetary control in this context. The results of the analysis show that budgeting and budget control are effective ways of planning an organization's activities and that the actual performance of an organization is directly related to the prepared budgets. Budgetary control helps in the decision-making and efficiency of organizational activities while preparing budgets facilitates cost control. However, budget planning and execution can lead to gaps and disparities in budget performance. The budget is a tool to compel managers to think and plan for the organization's future. Deliberate and faithful budget implementation is necessary to ensure effective budgetary control. Indeed, the budget and budget control play a key role in the functioning of government organizations, and the active involvement of all stakeholders in the budget process is essential to achieve overall objectives.

Another research by Radu, M., & Giju, GC (2015) highlights the importance of a flexible spending budget for an economic entity. The study focuses on indirect production costs, including variable and fixed costs, and explains how to budget for these costs differently. The first part of the article shows how to prepare a flexible budget for more predictable activity levels, while the second part explains how to recalculate budget expenditures for the actual volume of activity. The recalculated budget for the actual volume of activity allows an accurate comparison of planned expenses with those incurred for the same volume of activity. The article emphasizes that any activity requires knowledge of both the objectives to be achieved and the resources necessary to achieve them. Forecasting tools are essential for the control process, and among them, the budget is considered a management tool and management method. The budget makes it possible to manage a company's complex information system and meet the imperative need to plan. It highlights the distinction between the budgeted cost for budgeted production and the budgeted cost for the actual production quantity (recalculated cost). He explains that flexible budgeting, which adjusts budgeted amounts based on the actual level of activity, is essential for accurate analysis and control of resource efficiency and for identifying the causes of variances. This approach enables the neutralization of the effect of activity changes, leading to a better evaluation of economic entity performance.

The study by Nanzala, LI, & Alala, OB (2021) explores the influence of budgetary management on financial performance, manager behavior, and financial management practices in public universities in Kenya. The research indicates a positive correlation between fiscal management and financial performance, as measured by pre-tax profit, after-tax profit, and earnings per share. However, there are differing results regarding the impact on other measures of financial performance. The study emphasizes the importance of budgetary management in enhancing the performance of public universities and recommends increasing awareness among managers and staff of financial management practices and the significance of budget management in achieving financial objectives. It is also suggested to consider other financial performance indicators in addition to profitability. When it comes to manager behavior, research shows that budget management can influence certain aspects of behavior, such as managers' stress levels. This raises the importance of implementing budget management approaches that support the well-being of managers while maintaining effectiveness and efficiency.

In the same vein, the article by Ouad, F., Asraoui, I., & Omari Alaoui, LZ (2020) examines the budgetary management of Moroccan universities, highlighting the influence of principles inherited from the 19th century. Budget management is based on the standardization of budgetary authorization, aiming to achieve the general interest while protecting public funds. Budget execution is dominated by the concern for control, requiring financial and technical operations to comply with homogeneous and precise rules. The article highlights the legal framework for budgetary management of Moroccan universities, the principles of budget authorization, execution of expenditure and revenue, as well as the responsibilities of university managers. It underlines public finance reform's importance in promoting efficiency, growth, and budget balance. The research presented in the article offers theoretical, methodological, and managerial contributions to the field of budget management. It also emphasizes that public finance reforms must be accompanied by solid governance to establish a socio-politico-economic consensus and ensure the proper functioning of the measures adopted. In summary, this article provides important information on the budgetary management of Moroccan universities and suggests avenues for improving this management in the broader context of public finances.

In 2018, Fadia, K. presented a proposal for public finance management reform in Morocco, inspired by best practices adopted by OECD (Organization for Economic Co-operation and Development) countries to modernize public administration and improve financial governance. The central objective of this reform is to move from budgetary management based on management means based on results, using public resources efficiently. To achieve this objective, the reform provides for the establishment of multi-year budgetary programming through the Medium-Term Expenditure Framework (MTEF), the substitution of a logic of results for a logic of means in budget choices, the consolidation of administrative deconcentrating, improvement of the transparency of public accounts thanks to integrated budgetary information systems, and reform of public expenditure control. This reform is part of a modernization process of the Moroccan public administration, supported by the World Bank and other multilateral donors, to stimulate sustainable economic growth and ensure macroeconomic viability over the medium term.

In a study carried out by Haoudi, A., & Ettijani, A. in 2019, the evolution of budget balances and Treasury debt in Morocco over a period from 1980 to 2017 was analyzed. The objective was to break down this period into significant phases to better understand the specificities of each sub-period and explain the evolution of the main budgetary indicators. The study highlighted the importance of analyzing other balances such as the primary balance, the ordinary balance, and the budget balance without privatizations to assess the trajectory of a budget policy. Despite the reforms and measures undertaken to improve revenues and rationalize expenditures, the results have not always been satisfactory. Expenditures have increased disproportionately relative to revenues, leading to a deterioration of budget balances and a high level of debt. Subsequent reforms have been implemented to address these issues, but a need remains to improve public financial management, ensure more efficient use of resources, and ensure long-term economic stability.

5. CONCLUSION

Budget management plays an essential role as a management control tool, whether within public organizations or private companies. Its historical evolution, from its origins in the British government to its widespread use in the private sector, demonstrates its growing importance in strategic decision-making. The fundamental principles of the budget system were carefully explored, highlighting the need to consider the budget as a whole, its articulation with the decision-making system, the possibility of effectively controlling its elements, and maintaining coherence with policies and strategies. Furthermore, the article highlights the importance of adapting budgetary management to management style and personnel policy, while adopting a control-by-exception approach to focus on significant deviations.

Budget management is essential at various levels: it constitutes an essential tool for strategic planning, coordination, and communication within the organization, monitoring achievements, and stimulating the motivation and involvement of employees. By detailing the budget management process, from the forecasting phase to control and monitoring, the article demonstrates how the budget plays a central role in strategic, managerial, and organizational direction. To maximize its effectiveness, the adoption of appropriate budgeting methods such as zero-based budgeting, participatory responsibility center budgeting, and activity-based budgeting is essential. These approaches ensure the optimal allocation of resources and facilitate stakeholder accountability.

In conclusion, budgetary management represents an essential lever for strategic decisions, contributing directly to the overall improvement of the performance of organizations and companies. This in-depth study provides a better understanding of the positive impact of budget management on the planning, execution, and monitoring of organizational objectives. By highlighting its crucial role in strategic decision-making, this article provides valuable insight for managers and decision-makers, thereby encouraging the adoption and optimal use of budgetary management in organizations of all sizes and sectors.

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