



# **A Proposed Accounting Model to Assess the Impact of Beyond Budgeting Model on the Organization's Performance “An Applied Study”**

A Dissertation Submitted in Fulfillment of the Requirements for the Degree of Doctor  
of Philosophy in Accounting

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

قَالُوا سُبْحَانَكَ لَا عِلْمَ لَنَا إِلَّا مَا عَلَّمْتَنَا إِنَّكَ أَنْتَ الْعَلِيمُ  
الْحَكِيمُ

"صدق الله العظيم"

"آية ٣٢ - سورة البقرة"



## **Declaration**

No Portion of the work referred to in this study has been submitted in support of an application for another degree or qualification for this or any other university or other institution of learning.





### **Abstract**

**Purpose-**Budgeting is considered to be one of the most important management tools in companies' management control systems. But in recent years, criticism against budgets has increased. The research aims to explore an alternative to budgeting so called "Beyond Budgeting". The purpose of this research is to study and describe the current status of applying beyond budgeting in Egyptian companies and to examine the relationship between application of beyond budgeting model and performance. The researcher also examines the application of beyond budgeting model in an Egyptian company.

**Design/methodology/approach-**The research is based on a questionnaire distributed to a sample of 80 respondents from Egyptian companies. The researcher also carried out a case study at Freight Way, an Egyptian logistics company headquartered in Cairo. Data is collected from interviews with managers, accountants and internal company reports. Descriptive statistics, correlation and regression techniques were used.

**Findings-**The researcher found that 94% of interviewed companies were dissatisfied with their current budgeting process. The Egyptian companies were applying very few beyond budgeting principles. There was a positive relationship between the application of beyond budgeting principles and performance. The analysis resulted in formulating a proposed accounting model to be applied in Egyptian environment, where the researcher has added two principles which are: enterprize risk management and monitoring and evaluation to enhance the implementation of beyond budgeting model and to ensure the continuous corrections of deficiencies and continuous improvement. The proposed model was designed and implemented at Company X, which is an Egyptian freight company.

**Research limitations**-The researcher depended only on ROE as an indicator for performance in survey. The research is subject to the usual limitations of case-based research. The results of this research should be further investigated in other Egyptian companies that are dissatisfied with their current budgeting process and trying to change their management control systems with inspiration of beyond budgeting. Some of beyond budgeting principles were unsuitable to be applied in the Egyptian environment.

**Practical implications**-The researcher shows that companies can operate without traditional budgets and still maintain strong management control systems. Beyond budgeting can be applied in the Egyptian environment in companies of different sizes and different types of industry. The only challenge is the need of continuous training and learning to be able to change the mindset and behavior to the one ideal for application of beyond budgeting.

**Originality / value** – The scarcity of Egyptian academic publications and applications concerning beyond budgeting model. The research is one of the few to investigate the status of beyond budgeting model in Egypt and as well among the few case studies in the academic literature that applied this model in an Egyptian company.

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## **Dedication**

This thesis is dedicated to my parents and my husband for their tolerance, encouragement and endless love. I also dedicate it to my lovely daughters who are my sunshine.



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