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Expenses Mastery: Thriving on Thrift for Sustainable Budgeting and Elevating Finnov

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Abstract. The purpose of this study was to examine the relationships between factors influencing business expense management and their impact on mastering expenses in the context of fostering sustainable budgeting and financial innovation (Finnov). The research focused on identifying critical elements that contribute to expense optimization and financial sustainability within corporations. The study employed a quantitative research design using data collected from treasurers and financial managers of 200 corporations in the Western Balkan Countries between 2020 and 2023. Analytical methods, including exploratory factor analysis, reliability analysis, and multiple regression analysis, were used to explore the relationships between various factors and their impact on expense management practices systematically. The findings revealed significant statistical relationships between expense management practices and sustainable budgeting. Key factors such as transparency, timely reimbursement, and clear communication emerged as critical for optimizing expense management. Additionally, flexibility in financial processes, enhanced financial communication, and the integration of financial and business management performance were identified as drivers of financial sustainability and innovation. This study contributes novel insights into the interplay between expense management and financial innovation, emphasizing actionable strategies for achieving financial sustainability. The results provide valuable guidance for businesses aiming to refine their expense management frameworks, support sustainable budgeting, and foster innovation in financial practices.
Keywords: expenses mastery; sustainable budgeting; elevating Finnov; Western Balkan Countries; strategic finance & KSI (Knowledge, Strategy and Innovation).

1. Introduction

Effective business expense management is essential for companies aiming to maintain financial stability and promote sustainable growth in the current dynamic economic environment. As companies face increasing pressure to optimize their financial practices in dynamic market conditions, cost mastery becomes essential for operational efficiency

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that drives financial innovation (Finnov) and ensures long-term sustainability. Despite the importance of this topic, current research lacks a comprehensive exploration of the relationships between key factors such as *Effective Business Expense Management* (EBEM), *Efficiency and Responsibility in Expense Management* (EREM), *Flexibility and Financial Communication of Expenses* (FFCE), *Financial and Business Management Performance* (FBMP), and *Optimizing Control and Transparency of Business Expenses* (OCTBE). Narain (2022) emphasizes the critical role of credit management for financial stability and successful business development, while Handoyo et al. (2023) highlight that firms adopting proactive financial strategies tend to outperform those employing defensive spending strategies. Pies and Schultz (2023) introduce a new ergonomic approach to managing financial model innovation and expense mastery, by using a sustainable cube as an innovative corporate governance tool. This study is guided by the following research questions: (1) *How do the identified factors interrelate to influence effective expense management?*; (2) *What is the impact of each factor on the overall mastery of expenses?*; and (3) *Are there statistically significant relationships between these factors and at least one determinant variable?* Recent research highlights key factors driving business performance and innovation. Zhu et al. (2023) show that managerial expectations influence expense structures, focusing on effectiveness, responsibility, and control. Mendoza et al. (2023) complement this finding by identifying 14 innovative business models that support sustainable financial systems. Similarly, Rafiki et al. (2023) emphasize that entrepreneurial orientation and personal values, especially innovation, significantly impact SME growth.

2. Review of Literature and Hypothesis Development

Effective business expense management is essential for achieving sustainable budgeting and fostering financial innovation (Finnov) within organizations. This study examines key factors influencing expense management, including EBEM, EREM, FFCE, FBMP, and OCTBE, through the lens of cost management theory. According to McCrie and Lee (2022), efficient resource allocation and stringent cost control directly enhance financial performance, forming the theoretical foundation for this research. Expanding on this, Strielkowski et al. (2022) emphasize Finnov's role in promoting business growth via strategic tax management and budgeting. Complementing this, Lulaj and Minguez-Vera (2024) identify optimization strategies, effective working capital management, sound financial decisions, and technological advancements as crucial drivers of positive cash flow and cost containment. Financial and organizational innovation further supports sustainability, as demonstrated by Sonmez Cakir and Adiguzel (2023), who link Finnov and organizational innovation to an improved sustainability performance. This aligns with Firmansyah et al. (2024), who underscore financial strategies as key to sustainable business models. Transparency in accounting practices also plays a vital role in maintaining budget sustainability (Merello et al., 2022), while employee adaptability, captured by the FFCE factor, enhances firm competitiveness (Lulaj et al., 2023). Consumer behavior significantly influences sustainable profit growth; thus, Lulaj (2023) argues that businesses should

align pricing, product quality, and transparency with consumer expectations. Additionally, Sharma et al. (2024) find that financial well-being mediates the relationship between fintech adoption and small business sustainability, highlighting the importance of integrated financial technologies. Integrated reporting and integrated thinking offer frameworks to support sustainable business models, though they are often viewed primarily as compliance mechanisms (Di Vaio et al., 2021; Tseng et al., 2021). Emerging financial fields such as decentralized finance and sustainable finance, are reshaping financial innovation trends (Ozili, 2023), while ethical and green finance research further broadens sustainability discussions (Paulsy & Madhu Lal, 2024). Team models and open innovation positively impact employee efficiency, which is crucial for cost management (Trzeciak & Banasik, 2022). Adapting to technological trends is equally important, with Bakhtina et al. (2023) highlighting the value of software-driven, data-based decision-making approaches. Digital transformation accelerates financial innovation, with software playing a central role in operational excellence (Tang et al., 2023; Sokiyna & Aqel, 2020). Regarding internal factors, Liu et al. (2024) show that, by managing EREM and FFCE factors effectively, businesses can reduce R&D costs and diversify risks through alternative investments. Sarhan and Gerged (2023) emphasize the positive link between internal communication and employee engagement, while Lee (2023) highlights internal awareness as key to fostering customer loyalty. What concerns external factors, such as FBMP and OCTBE, Liu et al. (2023) note growing consumer demand for transparency, which, as Ho et al. (2023) suggest, can be met by developing comprehensive information disclosure systems that enhance market functioning. Lulaj (2025a–c) highlights that cost efficiency, strategic financial management, and digitalization collectively drive sustainable budgeting and financial innovation. Cost and operational efficiency enhance investment and development, strategic management ensures revenue precision, and digital tools improve transparency and decision-making, thereby forming a foundation for effective expense mastery and Finnov growth. Moreover, Kuzey et al. (2023) observe that financially distressed firms with greater visibility are more likely to produce sustainable reports, follow reporting guidelines, and seek external verification, thereby reinforcing accountability and trust.

Building on these insights, the following hypothesis is proposed: Hypothesis (H): A statistically significant relationship exists between the factors EBEM, EREM, FFCE, FBMP, and OCTBE, and at least one determinant variable, demonstrating their impact on mastering expenses, supporting sustainable budgeting, and promoting financial innovation (Finnov).

Generalized Model: $\hat{y} = \alpha_0 + \sum_{i=1}^{5} \beta_i X_i + \mu \neq 0$ (1)

where X_i represents represent the determinant variables for each respective factor (EBEM, EREM, FFCE, FBMP, and OCTBE), and μ, represents the error term.

The purpose of this hypothesis is to test statistically significant relationships between key business expense management factors, such as effective expense management (EBEM), efficiency (EREM), flexibility (FFCE), financial performance (FBMP), and transparency (OCTBE), and their respective determinant variables.

3. Methodology

3.1. The purpose of the paper

This paper aims to explore the relationships among different factors related to business expenses management (EBEM, EREM, FFCE, FBMP, OCTBE) and their impact on mastery expenses in the context of thriving on thrift for sustainable budgeting and elevating financial innovation (Finnov), as well as to determine if there is a statistically significant relationship between each factor and at least one determinant variable.

3.2. Data analysis

With the objective to assess the significance of the model and to confirm the Hypothesis (H), data analysis was performed by using *Exploratory Factor Analysis* (EFA), reliability analysis (Cronbach's alpha), and multiple regression analysis; SPSS software (64-bit) was used. Initially, EFA was performed to reveal the underlying structure of the data, by using the Kaiser criterion (Kaiser>1). Following Kaiser (1974), EFA was used to assess the construct validity of the measurement instrument of this study. Reliability analysis assessed the internal consistency of the factors (EBEM, EREM, FFCE, FBMP, and OCTBE), based on Cronbach's (1951) original work on coefficient alpha and further developed through generalization theory in order to better understand reliability in mastery of expenses.

3.3. Data collection and sample selection

Data were collected from 200 financial professionals (treasurers and financial managers) across Western Balkan companies via online surveys and interviews (2020–2023). The sample size complies with accepted standards for factor and regression analyses, thereby ensuring reliability. Companies were purposively selected to represent diverse industries, sizes, and locations. The participants rated key financial practices on a 5-point Likert scale. Constructs (Table 1) were developed from an extensive literature review to enhance reliability.

Table 1. Explanation and characterization of study variables

Items	Construct: Sustainable Budgeting and Elevating Financial Innovation (Finnov)	Source
	Factor 1 **Effective business expenses management (EBEM)**	
EBEM1	*The company adequately supports employees in managing business travel expenses*	Lulaj et al. (2024a) Azadda et al. (2024) Lulaj et al. (2024b)
EBEM2	*The process for reviewing and approving expense reports is transparent*	
EBEM3	*The company encourages employees to find cost-effective solutions when incurring business expenses*	

Items	Construct: Sustainable Budgeting and Elevating Financial Innovation (Finnov)	Source
Factor 2 Efficiency and Responsibility in Expense Management (EREM)		
EREM1	*The company's expense management system functions well and is efficient*	Lulaj et al. (2025); Ghauri (2023)
EREM2	*The expense reporting system effectively prevents fraudulent activities*	
EREM3	*The company provides clear and sufficient information about its expense policies and guidelines*	
EREM4	*The company values the responsible and prudent use of financial resources*	
EREM5	*The reimbursement process is timely and free of unnecessary delays*	
Factor 3 Flexibility and Financial Communication of Expenses (FFCE)		
FFCE1	*The company's expense policies are flexible enough to meet different business needs*	Lulaj et al. (2024c); Yu et al. (2023); Lulaj (2024)
FFCE2	*The company's approach to expense management aligns with its overall values*	
FFCE3	*Expense management processes contribute positively to the overall success of the company*	
FFCE4	*The company effectively communicates changes and updates to expense policies*	
FFCE5	*The company provides sufficient support to employees who often incur business expenses*	
Factor 4 Financial and Business Management Performance (FBMP)		
FBMP1	*The company reviews expense reports fairly and objectively*	Lulaj and Brajković (2025); Manresa et al. (2019)
FBMP2	*The company provides appropriate tools and software for expense management*	
FBMP3	*The company's expense approval process is consistent and predictable*	
Factor 5 Optimizing Control and Transparency of Business Expenses (OCTBE)		
OCTBE1	*The expense reporting system allows for easy corrections or adjustments to submitted budget reports*	Lulaj (2025a); Zhang et al. (2024)
OCTBE2	*The company considers employee feedback when updating expense policies*	
OCTBE3	*The company provides adequate training to employees on how to properly submit, document, report, and control business expenses*	

Source: prepared by the authors (2023–2024)

Table 1 shows the study variables categorized into five factors related to expense mastery in the context of thriving on thrift for sustainable budgeting and elevating Finnov for five factors (EBEM, EREM, FFCE, FBMP, and OCTBE).

3.4. Demographic and organizational analysis

Table 2 summarizes respondent demographics. Statistical analyses confirmed the absence of any significant differences in responses across these groups, thereby supporting the robustness and generalizability of the findings.

4. Results

Analyses such as descriptive analysis, factor analysis (EFA), multiple regression analysis, and Cronbach's Alpha for factors (EBEM, EREM, FFCE, FBMP, and OCTBE) were completed as presented and elaborated as follows:

Table 2. Demographic and organizational statistics

Category	Position	Type of Business	Business Size	Number of Employees	Gender	Age
	Treasurers (38.5%)	Manufacturing (34.5%)	Small Business (30.5%)	1–50 employees (45.5%)	Male (53.0%)	18–35 years old (30.5%)
	Financial Managers (61.5%)	Service (41.0%)	Medium Business (48.5%)	51–100 employees (38.0%)	Female (46.0%)	36–55 (46.0%)
		Commercial (24.5%)	Corporate (21.0%)	Over 100 employees (16.5%)	Prefer not to answer (1.0%)	Over 55 (23.5%)
Total	200 (100%)					

Source: prepared by the authors (2023–2024)

Table 2 shows the demographic and organizational statistics related to expense mastery in the context of thriving on thrift for sustainable budgeting and elevating Finnov. The data show that 61.5% of the respondents are financial managers whereas 38.5% are treasurers. The majority of businesses operate in the service sector (41.0%), followed by manufacturing (34.5%) and commercial (24.5%). Most organizations are medium-sized (48.5%) with 1–50 employees (45.5%). The gender distribution is nearly balanced, with 53.0% male and 46.0% female respondents. In terms of age, 46.0% are 36–55 years old, while 30.5% are 18–35 years old, and 23.5% are over 55 years old.

Table 3 validates key Business Expense Management (BEM) factors through Exploratory Factor Analysis (EFA) and Cronbach's Alpha, confirming reliability and significance. The EBEM factor (α=.828, KMO=.827) ensures cost efficiency and accountability, with strong subfactor loadings (λ=.794, .790). EREM (α=.897, KMO=.809) reinforces financial discipline (λ=.771, .749). FFCE (α=.812, KMO=.817) enhances flexibility and transparency (λ=.798, .798, .796). FBMP (α=.739, KMO=.890) strengthens financial strategy (λ=.739), while OCTBE (α=.827, KMO=.799) optimizes control and transparency (λ=.826). These findings confirm the model's robustness in ensuring financial efficiency, discipline, and accountability.

Table 3. EFA and Cronbach's Alpha

Effective business expenses management (EBEM)			
Item	λ	KMO and α	Interpretation
EBEM1	.794	KMO=.827 χ^2= 333.099 df=10, Sig.=.000 α = .828	Valid results
EBEM2	.790		
EBEM3	.771		
Efficiency and Responsibility in Expense Management (EREM)			
EREM1	.771	KMO=.809 χ^2= 269.860 df=10 Sig.=.000 α = .897	Valid results
EREM2	.749		
EREM3	.745		
EREM4	.740		
EREM5	.707		
Flexibility and Financial Communication of Expenses (FFCE)			
FFCE1	.798	KMO=.817 χ^2=309.280 df=10 Sig.=.000 α =.812	Valid results
FFCE2	.798		
FFCE3	.796		
FFCE4	.706		
FFCE5	.677		
Financial and Business Management Performance (FBMP)			
FBMP1	.739	KMO=.890 χ^2=244.043 df=10, Sig.=.000 α = .876	Valid results
FBMP2	.692		
FBMP3	.668		
Optimizing Control and Transparency of Business Expenses (OCTBE)			
OCTBE 1	.826	KMO=.799 χ^2=121.140 df=3, Sig.=.000 α = .827	Valid results
OCTBE 2	.797		
OCTBE 3	.790		

Source: prepared by the authors (2023–2024)

Note: KMO – Kaiser-Meyer-Olkin, χ^2 – Chi-Square, df – degrees of freedom, ***p<0.01, α=Cronbach's Alpha, λ – Factor Loading, BT – Bartlett's Test

Table 4 summarizes the regression models analyzing key factors influencing business expense management (BEM) at a 0.01 significance level. All five factors (EBEM, EREM, FFCE, FBMP, and OCTBE) show strong positive relationships with their respective variables. EBEM, EREM, FFCE, and OCTBE display high R-values (≥0.908) and R^2 values (≥0.824), indicating their strong explanatory power. FBMP, while slightly lower (R=0.761, R^2=0.579), remains statistically significant. Durbin-Watson test results (ranging from 1.607 to 2.009) confirm no autocorrelation across all models, supporting their reliability. These results underline the importance of these factors in driving effective expense management and financial strategy.

Table 4. Model Summary

Model Summary	EBEM	EREM	FFCE	FBMP	OCTBE
R	.908[a]	.993[a]	.998[a]	.761[a]	.999[a]
R^2	.824	.987	.995	.579	.998
A-R^2	.820	.986	.995	.568	.998
S.E	0.424	0.000	0.000	0.0083	0.000
R^2 Change	0.824	0.987	0.995	0.579	0.998
F	182.053	2875.907	7964.781	53.392	29820.923
df1	5	5	5	5	3
df2	194	194	194	194	196
Sig.	.000*** [a]	.000*** [a]	.000*** [a]	.000*** [a]	.000*** [a]
Durbin-Watson	1.890	1.607	1.981	2.009	1.770

Source: prepared by the authors (2023–2024)

Note. ***p<0.01, [a]Predictors: (Constant), A – Adjusted

Table 5 presents the coefficient results for effective business expenses management (EBEM) and its variables (EBEM1–3) at a 0.01 significance level. The analysis highlights that EBEM1-3 significantly impacts EBEM. Specifically, company support for managing travel expenses (EBEM1), transparency in reviewing and approving reports (EBEM2), and cost-effective solutions (EBEM3) positively influence EBEM, with Beta coefficients of 0.342, 0.371, and 0.327, respectively. These findings validate hypothesis, reinforcing the link between expense management, budget sustainability, and financial innovation (Finnov).

Table 5. Coefficients

Model	Constant	EBEM1	EBEM 2	EBEM 3	Interpretation
Beta	-	0.342	0.371	0.327	Statistically significant
t	-27.058	8.401	9.341	8.722	
Sig.	0.000***	0.000***	0.000***	0.000***	

Source: prepared by the authors (2023–2024)

Note: ***p<0.01

$$\hat{y} = \alpha_0 + \beta_1(EBEM1) + \beta_2(EBEM2) + \beta_3(EBEM3)$$
$$= -27.5 + 0.342x_1 + 0.371x_2 + 0.327x_3 + 0.176\mu$$

Based on the 95% confidence interval (two-tailed), the p-values for variables EBEM1-3 are below 0.01 (p<0.01). As a result, the hypothesis for EBEM is accepted for β_1, β_2, and β_3.

Table 6. Coefficients

Model	Constant	EREM1	EREM 2	EREM 3	EREM 4	EREM 5	Interpretation
Beta	-	0.574	-0.653	-480	-0.042	0.935	EREM1, 5 variables show significant positive effects; EREM2, 3, 4 variables show significant negative effects
t	-24.421	53.262	-64.251	-45.988	-4.084	94.133	
Sig.	0.000***	0.000***	0.000***	0.000***	0.000***	0.000***	

Table 6 presents the coefficient results for Efficiency and Responsibility in Expense Management (EREM) and its variables (EREM1–5) at a 0.01 significance level. All variables significantly impact EREM. A company's efficient expense management system (EREM1) positively influences EREM (Beta=0.574, t=53.262, Sig.=.000), while a timely and efficient reimbursement process (EREM5) has the strongest positive impact (Beta=0.935, t=94.133, Sig.=.000). Conversely, reduced fraud prevention (EREM2) negatively affects EREM (Beta=-0.653, t=-64.251, Sig.=.000), thus increasing fraudulent spending. Similarly, insufficient expense policy information (EREM3) and a lack of responsibility in financial resource use (EREM4) negatively influence EREM. These findings validate the hypothesis, while also highlighting the critical role of efficient expense systems in budget savings and financial innovation (Finnov).

$$\hat{y} = \alpha_0 + \beta_1(EREM1) + \beta_2(EREM2) + \beta_3(EREM3) + \beta_4(EREM4) + \beta_5(EREM5)$$
$$= -24.4 + 0.574x_1 - 0.653x_2 - 0.480x_3 - 0.042x_4 + 0.935x_5 + 0.013\mu$$

Based on the 95% confidence interval (two-tailed), the *p*-values for variables EREM1-5 are less than 0.01, leading to acceptance of $(\beta_1, \beta_2, \beta_3, \beta_4, \beta_5)$. It is advisable for businesses to increase their focus on contributing to β_2, β_3 and β_4.

Table 7. Coefficients

Model	Constant	FFCE1	FFCE2	FFCE3	FFCE4	FFCE5	Interpretation
Beta	-	0.090	0.123	-0.283	-1.057	0.707	FFCE1, 2, and 5 variables have significant positive effects; FFCE3 and 4 have significant negative effects.
t	99.558	13.581	18.127	-47.691	-155.577	117.635	
Sig.	0.000***	0.000***	0.000***	0.000***	0.000***	0.000***	

Table 7 presents the coefficient results for Flexibility and Financial Communication of Expenses (FFCE) and its variables (FFCE1–5) at a 0.01 significance level. All variables significantly impact FFCE. Positive contributors include flexibility in expense policies (FFCE1, Beta=0.090, t=13.581, Sig.=.000), alignment with company values (FFCE2, Beta=0.123, t=18.127, Sig.= .000), and employee support for business expenses (FFCE5, Beta=0.707, t=117.635, Sig.=.000), with FFCE5 having the strongest positive effect. Conversely, weak expense communication (FFCE4, Beta=-1.057, t=-155.577, Sig.=.000) and ineffective expense management processes (FFCE3, Beta=-0.283, t=-47.691, Sig. =.000) negatively impact FFCE, with FFCE4 showing the largest negative effect.

$$\hat{y} = \alpha_0 + \beta_1(FFCE1) + \beta_2(FFCE2) + \beta_3(FFCE3) + \beta_4(FFCE4) + \beta_5(FFCE5)$$
$$= 99.6 + 0.090x_1 + 0.123x_2 - 0.283x_3 - 1.057x_4 + 0.707x_5 + 0.005\mu$$

Based on the 95% confidence interval (two-tailed), it is observed that the *p*-values for variables FFCE1–5 are less than 0.01, which leads to acceptance of (β_1, β_2, β_3, β_4, β_5). It is advisable for businesses to focus more on contributing to β_3, β_4.

Table 8. Coefficients

Model	Constant	FBMP1	FBMP2	FBMP3	Interpretation
Beta	-	0.233	-0.904	0.315	FBMP1, 3 variables have significant positive effects, while FBMP2 has a significant negative effect
t	5.688	4.020	-16.339	5.349	
Sig.	0.000***	0.000***	0.000***	0.000***	

Table 8 presents the coefficient results for *Financial and Business Management Performance* (FBMP) and its variables (FBMP1–3) at a 0.01 significance level. FBMP1–3 significantly impact FBMP, but the strongest positive influence comes from a consistent and predictable expense approval process (FBMP3, Beta=0.315, t=5.349, Sig.=.000), while a fair and objective review of expense reports (FBMP1, Beta=0.233, t= 4.020, Sig.=.000) also enhances FBMP. Conversely, inadequate expense management tools (FBMP2, Beta=-0.904, t=4.020, Sig.=0.000) negatively affect FBMP. These findings confirm Hypothesis (H), by establishing a statistically significant link between financial management and business performance. The insights offer strategic guidance for companies to refine expense management, strengthen financial sustainability, and foster innovation in business development.

$$\hat{y} = \alpha_0 + \beta_1(FBMP1) + \beta_2(FBMP2) + \beta_3(FBMP3)$$
$$= 5.7 - 0.233x_1 - 0.904x_2 + 0.315x_3 + 0.42\mu$$

Based on the 95% confidence interval (two-tailed), the *p*-value for variables FBMP1–3 is less than 0.01, leading to acceptance of (β_1, β_2, β_3).

Table 9. Coefficients

Model	Constant	OCTBE1	OCTBE2	OCTBE3	Interpretation
Beta	-	1.142	-.0518	0.017	OCTBE1, 3 variables have significant positive effects, while OCTBE2 has a significant negative effect
t	-126.437	278.863	-130.449	4.294	
Sig.	0.000***	0.000***	0.000***	0.000***	
Zero order	-	0.893	0.055	0.346	

Table 9 presents the coefficient results for Optimizing Control and Transparency of Business Expenses (OCTBE) and its independent variables (OCTBE1–3) at a 0.01 significance level. The analysis confirms a significant statistical impact of all variables on OCTBE. The strongest positive effect comes from an expense reporting system that

allows easy corrections (OCTBE1, Beta=1.142, t=278.863, Sig.=.000), while providing adequate training on expense management (OCTBE3, Beta=0.017, t=4.294, Sig.=.000) also contributes positively. Conversely, disregarding employee feedback in expense policy updates (OCTBE2, Beta =-0.518, t =-130.449, Sig.=.000) has the most negative impact. These findings confirm Hypothesis (H), by establishing a statistically significant link between OCTBE and its variables.

$$\hat{y} = \alpha_0 + \beta_1(OCTBE1) + \beta_2(OCTBE2) + \beta_3(OCTBE3)$$
$$= -126.4 + 1.142x_1 - 0.518x_2 + 0.017x_3 + 0.002\mu$$

Based on a 95% confidence interval (two-tailed), the *p*-value for variables OCTBE1–3 is less than 0.01, leading to acceptance of (β_1, β_2, β_3). It is advisable for businesses to increase their focus on contributing to β_3.

Table 10. Breusch-Pagan test for Heteroscedasticity

Statistic	EBEM	EREM	FFCE	FBMP	OCTBE
R-squared	0.022	0.014	0.008	0.017	0.028
F-statistic	0.1810	0.896	0.288	0.197	0.238
p-value	0.682	0.576	0.592	0.419	0.892

Table 10 shows that the Breusch-Pagan test results indicate no evidence of heteroscedasticity across the five key factors related to business expense management: EBEM, EREM, FFCE, FBMP, and OCTBE. Each model reports very low R-squared values (ranging from 0.008 to 0.028), low F-statistics, and high *p*-values (all above 0.05), which suggests that the independent variables do not significantly explain variation in the residuals. These findings confirm the assumption of homoscedasticity, by indicating that the regression models are statistically valid for further analysis.

5. Conclusions and Future Studies

Grounded in empirical analysis of thrift-based expense management practices, this research explores how effective expense management contributes to sustainable budgeting and financial innovation, specifically within the context of thriving on thrift in the Western Balkans. By examining key factors such as expense budgeting, reimbursement practices, flexibility, financial communication, and performance management, the study highlights how these elements interact to support financial sustainability and Finnov advancement. Data from 200 financial managers and treasurers were analyzed by using econometric techniques. These data provide insights into the relationships among these factors. Our results emphasize transparency in expense management as essential for accountability and linking financial goals to innovation. Timely reimbursement practices enhance trust and sustain financial stability, while flexibility in expense policies encourages a sustainable financial behavior. Effective financial performance reviews maintain trust and foster

innovation, whereas optimization of expense control supports continuous improvement. Based on these results, companies should adopt transparent, flexible, and efficient expense management systems. Financial managers and policymakers should prioritize timely reimbursements, fraud prevention, and fair expense reviews. Industry guidelines could strengthen best practices and ensure adaptable financial systems. While this study offers valuable insights, future research should examine trends over time, the impact of emerging technologies, and qualitative aspects of expense management to deepen understanding of evolving financial practices. In conclusion, this research underlines the crucial role of expense management in driving sustainable budgeting and the advancement of financial innovation through thrift. The findings provide actionable recommendations for businesses to refine cost management strategies and achieve long-term financial success.

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