

Program and Performance Budgeting System in Public Sector Organizations: An Analytical Study in Saudi Arabian Context

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Abstract

In order to improve the budget system, a number of approaches and techniques have been adopted in public sector organizations such as Program and Performance Budgeting System (PPBS), Performance Based Budgeting System (PBBS) and Zero-Based Budgeting (ZBB). The present study is an extension in the line of very few researches which had been conducted in developing countries in regard to implementation of “One Budgetary Approach” which is known as “Program and Performance Budgeting System PPBS”. The study concentrates its focus on the support which it may find in case of “budgetary format” is adopted by the “Public Sector Organizations” in the kingdom of Saudi Arabia. The study explores several dimensions such as familiarity, acceptability and adoptability of PPBS, “degree of contribution of Accounting System followed by “public sector organizations” to adopt PPBS”, the benefits that might be realized and the obstacles that probably might be faced if this approach of budgeting is adopted by Public Sector Organizations” in Al-Kharj region. The study came up with the following main findings; there is a fair familiarity and understanding of PPBS by financial managers and accountants working in the “public sector organizations”, the accounting system followed by “public sector organizations” contributes to adopt PPBS successfully, there are certain benefits could be obtained while adopting PPBS by public sector organizations, and finally certain obstacles have been discovered which are standing as stumbling-stone to adopt PPBS in “public sector organizations” in Al-Kharj region effectively.

Keywords: performance, budgeting, public sector, resources

1. Introduction

For many years, the budgetary systems adopted in both developed and developing countries were criticized by well-known experts and writers within and outside the government institutions. Real intention of such criticism was nothing but to look for better mechanisms which can manage and control the financial resources of the country in a better and efficient way. The current traditional “line-item budget”, which not only adopted in the Kingdom of Saudi Arabia but many other countries also are using in their budgetary practices, has attracted severe criticism from many experts because, according to them, this system is not helping any government to utilize the budget as a means to develop efficiency and take decisions regarding allocation of public resources. As per this approach, many budgetary items are issued every fiscal year without any disagreement or enquiring about them and they are included in the next budgetary years as well as only incremental changes can be considered to make in those items. PPBS was introduced in order to fix this problem and increase rationality elements in the process of budgetary decision making, for instance, the perpetuation of obsolete expenditure is avoided in this budget system.

PPBS, therefore, has an obvious appeal to act as a road map to achieve objectives/ goals as it paves the way to use and utilize the available resources effectively and in an efficient way. This, definitely, will help to raise the level of government services in terms of quality and speed in delivery as well as contribute to identify the problems facing the implementation and contribute to get rid of weaknesses found in the plans, programs and projects and changes that need to be made to those programs and projects. There is a lack of researches conducted to examine and document the implementation of PPBS in developing countries as there is not even a

single research in case of Saudi Arabia as per the researcher knowledge.

The present study is an extension in the line of very few researches which had been conducted in developing countries in regard to implementation of “One Budgetary Approach” which is known as “Program and performance Budgeting System (PPBS)”.

2. Research Gap

Literature review of various researches reveals that undoubtedly a lot of work has been done in this field but no specific study has been undertaken in Saudi Arabian context. The present study includes a number of important issues which represent that some organizations of public sector are exaggeratingly drawing up the budget regardless goals are expected to be executed or achieved. Also, the research problem represents the way that budget is estimated on the level of ministries/ organization/agencies etc., as each of them makes the maximum efforts to get the biggest stake possible regardless of its actual need and without regard the need of other units, priorities of programs meant for execution which lead to show differences between estimated and actual figures. Based on above mentioned reasons, the researcher feels the need to verify reality of applications of budget planning and extent of its effectiveness in institutions of public sector which is, according to the estimation of researcher is below the required level.

3. Objectives of the Research

The major aim of the present study is to shed light on the accounting system prevailed in “Public Sector Organizations” existed in Al Kharj region. The study explores several dimensions such as familiarity, acceptability and adoptability of PPBS, “degree of contribution of Accounting System followed by “public sector organizations” to adopt PPBS”, the benefits that might be realized and the obstacles that probably might be faced if this approach of budgeting is adopted by Public Sector Organizations” in Al-Kharj region.

4. Importance of the Research

The study importance derived from the importance of budgeting planning in general and PPBS in particular. Hence the study considered to be important due to lack of awareness among the public sector organizations in regards to the benefits obtained while adopting PPBS comparing with the traditional line budget. Therefore, the study establishes familiarity, acceptability and adoptability of PPBS in “Public Sector Organizations” existed in Al-Kharj region, as PPBS acts as a road map to achieve objectives / goals and giving more focusing on community goals, needs, and capabilities, further more PPBS provides more effective control of input and output, and it provides better evaluating and reporting than traditional budgeting, and also providing a clear picture on government spending.

5. Research Methodology

This study is based on primary as well as secondary source of data. Primary data has been collected with the help of a well-designed questionnaire. Secondary data has been gathered from the Books, Journals, and various libraries and through internet. To attain the research goals a questionnaire consisting of 37 questions was sent to the accountants of 48 public units during the year 2014-15. The questionnaire was divided into two main parts. Part one contained introductory questions in order to establish the selected sample profile (e.g. Organization, Degree, Major, Years of Experience, Adopted budgeting system etc.) and part two has been designed to measure the attitude of the selected sample towards the following; (a) Familiarity with PPBS (b) Degree of Contribution of the accounting system to adopt PPBS c) Merits of Implementation / Applying PPBS (d) Obstacles faced by financial managers and accountants to adopt PPBS. A five level Likert-type scale was used to characterize the attitude as: (i) agree; (ii) highly agree; (iii) neutral; (iv) not agree; or (v) highly not agree. Sample selection was based on purposive sample. Out of 65 questionnaires, 46 were returned completed (response rate 83 per cent). The sample of the study consists of the following Ministries/Units:

- Prince Sattam bin Abdulaziz University
- Ministry of Social Affairs
- King Khaled Hospital
- Ministry of Education
- Municipality of Al Kharj
- Ministry of Labor
- Ministry of Youth, Culture and Sport

6. Research Hypotheses

Based on research problem, research hypotheses can be summarized as follow:

1. There is a familiarity and understanding of PPBS by financial managers and accountants working in the public sector organizations.
2. The accounting system followed by public sector organizations contributes to adopt PPBS successfully.
3. There are certain benefits could be obtained while adopting PPBS by public sector organizations.
4. There are certain obstacles that possibly preventing to adopt PPBS in public sector organizations effectively.

7. Research Validity & Reliability

A good test must contain some suitable features such as Objectivity, Execution simplicity, Practicability, comment simplicity, Validity and Reliability. Considering above-mentioned features, the researcher focused more on Validity and Reliability here. Dealing with research Reliability, researcher has utilized “Cronbach's Alpha” and based on Table (1) the measured value of “Cronbach's Alpha” done by SPSS Software is approximately equal to 0.837 therefore the test is considerably valid in view of its Reliability. In Validity examination, 15 questionnaires were sent to respondents for pilot survey, and after 10 days, the same questionnaires were sent again to be answered. This research shows the uniformity of the answers during 10 days which indicate the questionnaires validity.

Table 1. Reliability Statistics

No of Items	Cronbach's Alpha
37	0.837

8. Theoretical Background

According to (Ouda, 2013) Program and Performance Budgeting System PPBS is a “broad term of budgeting system used almost exclusively by public organizations, such as branches of government and programs that governments create. The goal is to improve the efficiency and effectiveness of public expenditure by linking the funding of public sector organizations to results they deliver, making systematic use of performance information.

Broadly speaking, “there is no one single definition of program and performance budgeting system .In this context, (Mahmudi & Mardiasmo, 2005) noted that performance refers to “something related to the activities of doing the job that include the outcome of the work”. On the other side, budgeting denotes to planning for various operations based on a particular estimate.

A review of the literature does, however, suggest what PPBS means commonly. Most observers and experts on public budgeting do agree that, program and performance budgeting system is the allocation of funds to achieve programmatic goals and objectives as well as some indication or measurement of work, efficiency, and/or effectiveness (Joyce, 1999) (Husain, 2004). On the other hand, (Gannam, 2006) clearly said that PPBS is “the proper allocation of scarce resources efficiently and effectively through planning and implementing particular programs and activities, measuring performance and establishing proper monitoring mechanism in a way that would guarantee controlling the governmental expenditures”. Program and Performance budgeting differs from traditional approaches because it focuses on spending results rather than the money spent - on what the money buys rather than the amount that is made available” (Carter ,1994).

While acknowledging that no standard definition of PPBS exists, it can be said that PPBS “involves a sophisticated web of relations, from inputs to outputs, to outcomes, the connecting of resources to results for budgeting purposes”.

It's worth mentioning to come across various literature reviews concerning to PPBS. In this context, (Jafer et al., 2010) conducted a study to investigate the applications of program & performance budgeting in the Palestinian Authority during the period (1998-2000), the study concluded that this kind of budgets is helpful for economic benefits, social and political concerns and controlling fiscal deficits. The study further proves that there are many shortcomings in the traditional budgeting system, as it don't contribute to develop the general government budget, and don't determined any priorities for government programs and activities. The study arrived at that program & performance budgeting can be successfully adopted by the authority of Palestine as there are various ingredients contribute to achieve that i.e. the internal environments, experience, qualification for the staff.

Dermawan et al., (2008) described the adoption of PPBS by the Indonesian government and discussed the potentials and challenges for achieving good forest governance at the local level. The study undertaken in the

districts of North Luwu and South Sulawesi, revealed that there are certain areas like lack of infrastructure and transportation, unskilled human resources etc. in the system that needs to be improved, and in this regard the authors suggested to adopt different methods or approaches in a different way, particularly in moving towards the balanced economic development and forest conservation. Robinson & Last (2009) undertook a study with the primary objective of elaborating a basic model of PPBS that could be adopted in the countries that wish to minimize the complexities cost of doing so and those with limited resources and capacity. The authors considered program budgeting as a powerful tool for classifying types of expenditures as per service and objectives and is highly recommended for those countries that have the resources and capacity to introduce it. Willoughby & Benson (2011) provided a historical timeline of the process – considering significant budget laws and executive policies that have strongly influenced budgeting as practiced in the United States and at the federal level of government. The paper also highlights the efforts to advance program analysis, evaluation and performance measurement into the federal budget process which is found significant in securing success of budget reforms.

Qi & Mensah (2012) examines in their study the economic effects of the adoption and implementation of PPBS at the state government level. They investigate the relationship between implementing PPBS and aggregate state expenditures from the General Fund and Other State Funds, and further analyze whether PPBS affects combined functional spending: Future-oriented expenditures, Social expenditures, Public safety expenditures and Other expenditures. They concluded that PPBS is effective in getting state governments to reorganize their spending priorities. In this context, (Schick ,2007), (Fuior & Gutan ,2015) came up into conclusion that such kind of budgeting approach will contribute to achieve results in connection with the allocated resources, and it's a good tool to link resources spent with results. Husain (2004) assured that adopting PPBS is considered as a good step towards reforms and preservation of limited resources.

Lubis et al.,(2014) conducted a study concerning examining the different applications of performance-Based Budget And Zero-Based Budget on Regional Task Force Units In North Sumatra , the study concluded that the application of PBBS affects partially the performance of task force units in Medan city. In addition, it concludes that there is a difference in performance between the Zero-based budget (ZBB) and Performance-based budget.

Brumby and Robinson (2005) identified and examined the “performance budgeting systems i.e. systems used by central budget decision makers (ministry of finance and political executive) to link the funding they provide to those agencies' performance. The authors undertook a case study of the literature on one specific sector of output-based hospital funding systems. The main aim of this paper is to ascertain what light the empirical literature sheds on the efficacy of performance budgeting and whether, more specifically, that literature supports the contention that efforts to link funding to results in government budgeting have failed. Conclusions drawn from the study were that the empirical literature on government-wide performance budgeting is disappointingly limited in scope and methodology; even though the available literature supports the information in budgeting to improve both allocated and productive efficiencies”. However, despite the benefits obtained from adopting PPBS.

In regards to challenges facing adopting PPBS, (Al Jahmany & Omari, 1999) had revealed in their study that there are certain challenges facing adopting PPBS in Jordan i.e. lacking of qualified information system, lacking of costing system, lacking of experience and qualified staff, challenges in determining targeted programs, difficulties in measuring outcomes for certain activities, lacking in effective monitoring units. This is also had been supported by (Al Shamrani ,2010) in KSA as the study concluded that there are certain difficulties of securing appropriate staff, lack of top-level commitment and information problems, difficulties of programming and performance measurement.

Abed-AL Kareem (2016) had conducted a study to evaluate the efforts made by National Palestinian Authority towards adopting PPBS, the study reached into the following; PPBS is still not adopted successfully due to various reasons, i.e. absence of knowledge about this kind of budgets, ineffective organizational structure and responsibility centers to support such kind of budget, lacking of monitoring programs and activities made, centralization by finance ministry, absence of financial incentives. Quda (2015) revealed that the implementation of PPBS face various challenges i.e. specifying the outcomes; specifying the output; and linking outcomes to outputs.

Based on the literature review, it has been noticed that there is a disparity in the results derived from, some studies proved the importance of implementing PPBS in making planned goals and activities successful, some studies revealed that despite the importance of PPBS, but it's still facing certain challenges during the adoption process.

Broadly speaking, We cannot ignore the basic requirement that PPBS need to adopt successfully, particularly, in

developing countries where various challenges are dominated i.e. financial resources, human resources, technical resources, etc. nevertheless those challenges, we believe that, once the real and serious steps are taken towards reforms, would that be considered as a positive changes towards success .

Indeed, what makes the present study distinguished is its scarcity in Saudi Arabia context, besides to the new reforms and opportunities that the government is intending to adopt in regards to the allocated resources for different sectors, which is in turn, require to take serious move from the traditional budgeting system to PPBS .

9. Importance of PPBS for the Government

According to (Young & Richard,2003) (Kumar, 2012) PPBS has a various benefits and advantages to governments for a number of reasons including the following:

1. It's a good tool for strategic planning and goals setting,
2. Provides an evaluation and accountability;
3. Improves understanding of crosscutting programs in government;
4. Drives redesign of programs (focuses on improvements);
5. Helps agencies link their daily activities to overall government outcomes and similar activities of other agencies;
6. Helps rationalize budget allocations (uses performance information as a basis of evidence);
7. Compares cost effectiveness between programs; and allow comparisons between "expected" and "actual" progress.
8. Helps align government spending with overall.

10. Program and Performance Budgeting System Cycle

Generally, as the literature implies, there are certain steps that should be taken into consideration while planning for PPBS, which can be summarized as follow:

Step 1: Develop Strategic Plan: PPBS cycle begins with Strategic Planning which is relied on mission and vision set up by organization. The strategic planning makes high level plan for next five or ten years. The planning process explains the goals which have to be achieved in near time; prioritize them and define clear strategy to reach those goals. Strategic planning process provides a policy and decision making framework for government spending priorities and desired outcomes.

Step 2: Define Goals and Objectives: Strategic planning should end with objectives and a roadmap achieve them. The next logical step is to divide these high level goals into short term, medium term and long term goals. Objectives define strategies or implementation steps to attain the identified goals, those objectives should be very specific and explains the "who, what, when, where, and how" of reaching the goals.

Step 3: Define Measures and Set Target: A performance measure is a numeric description of work, which is being done by an organization, as well as the results produced by that work. The next step is to define measures which can be utilized for assessing the efforts made by organization in meeting their stated goals and objectives. A "target" is a detailed measurable performance requirement related to the objective. Defining measures and setting targets are challenging tasks. One of the most delicate tasks is setting effective stretch targets, those that are ambitious, yet achievable, without being demoralizing.

Step 4: Allocate Resources: Allocation of resource is a series of decisions taken in respect to budget in which each program or agency is allotted resources. In budgeting process, key decision makers in a systematic way take into consideration the target service levels of programs and past outcomes achieved by expenditure based on program evaluation. The resource allocation processes reflects organization's priorities and encourage efficient and effective spending.

Step 5: Evaluate Performance: This is the last step of Program and Performance Budgeting cycle. In this stage, the agencies will measure all the results produced by each program against target set earlier. The result should be collected and analyzed in timely manner. Evaluation is important because indicators alone are often insufficient to judge program performance. Evaluation serves as feedback loop for further improvement in strategic planning process. These results should be used as vital input for next cycle of Program and Performance Budgeting in this stage.

11. Budgeting System in Saudi Arabia

In the Kingdom of Saudi Arabia, one general budget is prepared for the whole nation. The general budget is related to the Kingdom's overall plan for socio-economic development. The budget method, which is used by the kingdom of Saudi Arabia government, is the line item (traditional) budget since 1938 till now on the ground that

it suits the Saudi environment. Saudi Arabia released its 2015 national budget, another expansionary plan that highlights the government's intention to stimulate the economy by focusing on an investment program, particularly in Education, Water, Agriculture, Industry, and other Economic Resources, Specialized Credit Development Institutions and Government Financing Programs, Health and Social Affairs, Municipality Services, Infrastructure and Transportation to enhance long term economic growth and employment opportunities across a variety of sectors. Moreover, particular attention is given to science, technology, and e-government projects.

A cursory glance over data set out in Figure-1 clearly indicates that there is a constant progression in actual spending and budgeted spending both, in the case of Saudi Arabia. While, comparing actual and budgeted spending of, 2011 and 2014, since from the 2011, there is a tremendous gap found in the actual and budgeted spending. Moreover, the year 2015 shows that the amount of spending by the government seems gradual, due to the relative dropped down in oil prices.

The budgeted level of spending as compared to the actual level of spending is relatively lower in 2014 that is up to 1,100 billion SR. While, it is observed that there is no stance that stimulates the reconsideration of ongoing expansionary fiscal budget, and this is very normal trend that the actual spending exceeding the budgeted level. While assigning the budget by the government, the spending regularly swamped on an average of 25 % through the past decade as shown in the Figure-1 .Likewise, in the year 2000 that the last time the budgeted spending overrun the actual spending. In addition to that the projected spending as share on Non-Oil GDP is in-line and reached historical levels, at an average of 51 percent in the last ten years. In fact, the increase in overall budgeted spending in 2015, because of the lowered the current spending on investment spending. While, the budgeted current spending for the year 2012, has been enhanced by a greater amount up to SR 675 billion or 18 percent high as compared to the previous year. While, the highest annual growth found since 2012. The major contributor constituents for the higher spending remained focused on the salary and wages heads. In addition to that the operations and repair costs are also expected to be a growing source of current spending in coming years as major projects likely to become operational in future. At the same time the investment spending brought down by 35 percent and i.e., SR 185 billion for 2015, while since 2002, it has been observed that the government has reduced their budgeted investment spending first time. Therefore, it indicates that the current year projected spending are 36 percent higher than its level, in comparison with the previous five year.

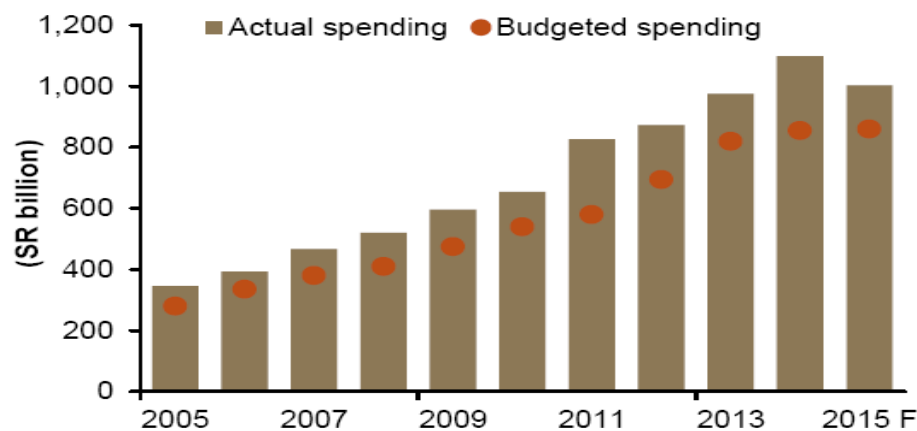


Figure 1. The comparison between actual spending and budgeted spending during 2005 to 2015

Source : Jadwa Investment (2015) , www.jadwa.com

12. Research Findings

12.1 General Information

Table 2 given below clearly indicates that the majority of respondents (Financial Managers & Accountants) were having bachelor's degree specialized in accounting which is sound good enough and indicate that they are well qualified to answer the survey questions. On the other hand, table (2) reveals that the selected sample having good experience which shows that around (52.2 per cent) having experience which vary between 5 to 10 years. It can be observed from the analysis that (80.4 per cent) from the selected sample are adopting line item budget.

Table 2. General Information about Respondents

S.N	Variable	Particular	Number of Respondents	Percentage to Total
1	Degree	Diploma Holder	14	30.4
		Bachelor	27	58.7
		Master	4	8.7
		Ph.D.	1	2.2
		Total	46	100.0
2	Major	Accounting	29	63.0
		Finance	10	21.7
		Management	3	6.5
		Professional Qualification	1	2.2
		Other	3	6.5
		Total	46	100.0
3	Years of Experience	Less than 5 years	12	26.00
		5-10 years	24	52.2
		More than 10 years	10	21.8
		Total	46	100.0
4	Kind of Budget Adopted	Line-Item Budget	37	80.4
		PBBS	7	15.2
		PPBS	2	4.4
		ZBB	-	-
		Total	46	100.0

12.2 Familiarity with Program and Performance Budgeting System PPBS

Table (3) shows the attitude of respondents (Financial Managers & Accountants) in regards to familiarity with Program and Performance Budgeting System PPBS, its clear from the results that the highest mean was relating to the statement No (4) which is shedding light on the ability and qualification to prepare PPBS as the mean was a bout (3.72). On the other hand the lowest mean was relating to the statement No (2) which was about (3.44) concerning the level of knowledge and understanding about the Program and Performance Budgeting System. Hence, it can be concluded based on the overall average mean which was about (3.57) for the statements (1-4) that there is a fair familiarity, understanding and awareness of this budget format among the majority of respondents (Financial Managers & Accountants) in the selected public organizations in Al Kharj region, hence more training and development is recommended to enhance the familiarity with PPBS.

Based on Table 3 considering T value 12.89 and sig = 0.000 (<) 0.05 therefore, the hypothesis is confirmed. Hence, it can be concluded that there is a familiarity and understanding of PPBS by financial managers and accountants working in the public sector organizations.

Table 3. Familiarity with PPBS

S.N.	Statements	Mean	Std. Deviation	t	Sig
1	Knowledge and understanding about the Program and Performance Budgeting System PPBS	3.61	.49	8.60	.000
2	Awareness with the mechanism and features of PPBS	3.44	.68	4.46	.000
3	Understanding the difference between Traditional Budgeting and PPBS	3.48	.50	6.64	.000
4	The Ability and qualification to prepare PPBS	3.72	.68	7.27	.000
	Average	3.57	.30	12.89	.000

12.3 Degree of Contribution of the Accounting System to Adopt PPBS

Table 4 exhibits the attitude of respondents (Financial Managers & Accountants) relating to the degree of contribution of the present accounting system in the selected public organizations to adopt PPBS, The results showed that the highest mean was relating to the statement No (7) which is concerning to the effective accounting reporting system, whereas the lowest mean was relating to the statement No (9) which was about (3.47) measuring the attitude of the selected (Financial Managers & Accountants) relating to providing an enough staff with appropriate administrative and accounting skills. Hence, it can be concluded based on the overall average mean which was about (3.70) for the statements (5-9) that there is a tendency towards the side of highly agreeing in regards to the degree of contribution of the prevailed accounting system followed by the selected public sector organizations in Al Kharj region to adopt PPBS .

Based on Table 4 considering T value 7.720 and sig = 0.000 (<) 0.05 therefore, the hypothesis is confirmed. Hence we can conclude that the accounting system followed by public sector organizations contributes to adopt PPBS successfully.

Table 4. Degree of Contribution of the accounting system to adopt PPBS

S.N.	Statements	Mean	Std. Deviation	t	sig
5	Providing data and information needed for decision-making accurately and quickly.	3.76	.76	6.74	.000
6	Effective controlling systems	3.71	.75	6.48	.000
7	Effective Accounting reporting system	3.89	.67	8.96	.000
8	Controlling the process of spending	3.65	1.05	4.17	.000
9	Providing an enough staff with appropriate administrative and accounting skills	3.47	1.149	2.82	.007
	Average	3.70	.61	7.72	.000

12.4 Merits of Implementation / Applying PPBS

Table 5 reveals the attitude of respondents (Financial Managers & Accountants) relating to the merits of implementation or applying PPBS, the results showed that the highest mean was relating to the Statement No (14) pertaining to that PPBS provides better reporting than traditional budgeting. On the other hand the lowest mean was relating to the statement No (10) and (20) respectively measuring the attitude of the respondents (Financial Managers & Accountants) pertaining to the effective distributing of financial resources and developing a sense of the various administrative levels responsible for "public expenditure". Hence, it can be concluded based on the overall average mean which was about (3.80) for the statements (10-21) that there is a tendency towards the highly agreeing in regards to the merits of implementation PPBS in public sector organizations.

Based on Table 5 considering T value 9.431, and sig = 0.000 (<) 0.05 therefore the hypothesis is confirmed. Hence we can conclude that there are certain benefits could be obtained while adopting PPBS by public sector organizations.

Table 5. Merits of Implementation / Applying PPBS

S.N.	Statements	Mean	Std. Deviation	t	sig
10	Effective distributing of financial recourses	3.60	.95	4.32	.000
11	Act as a road map to achieve objectives / goals	3.71	.80	6.02	.000
12	PPBS provides more effective control of output	3.97	.90	7.31	.000
13	PPBS provides more effective control of input	3.63	.90	4.73	.000
14	PPBS provides better reporting than traditional budgeting	4.00	.98	6.85	.000
15	PPBS makes decisions making more effective	3.95	.63	10.28	.000
16	Raising the level of government services in terms of quality and speed in delivery	3.82	.79	7.02	.000
17	PPBS provides flexibility in implementation	3.78	.94	5.64	.000
18	PPBS provides Reality in appropriations	3.97	.82	7.99	.000
19	PPBS provides a measure tool for following-up and evaluating the performance	3.82	.97	5.75	.000
20	Develop a sense of the various administrative levels responsible for "public expenditure"	3.60	1.02	4.04	.000
21	PPBS contributes in improving communications between managerial level	3.71	1.00	4.84	.000
	Average	3.80	.57	9.43	.000

12.5 Obstacles faced by Financial Managers & Accountants to adopt PPBS

Table 6 depicts the attitude of the respondents (Financial Managers & Accountants) towards the obstacles faced by them to adopt PPBS, Its clear from the results that the highest mean was relating to the statement No (26) which is relating to that PPBS provides more focus on short-term objectives. On the other hand the lowest mean was relating to the statement No (28) which shows that adopting PPBS is too costly. Hence, it can be concluded based on the overall average mean which was about (3.81) for the statements (22-31) that there is a tendency towards the highly agreeing in regards to existing the obstacles which are standing as stumbling-stone to adopt PPBS in "public sector organizations" in Al-Kharj region by financial managers and accountants . However, there is an urgent need for training, research and development to overcome such kind of challenges.

Based on Table 6 considering T value = 18.011, and sig = 0.000 (<) 0.05 therefore the hypothesis is confirmed. Hence we can conclude that there are certain obstacles that possibly preventing to adopt PPBS in public sector organizations effectively.

Table 6. Obstacles faced by Financial Managers & Accountants to adopt PPBS

S.N.	Statements	Mean	Std. Deviation	t	sig
22	Quantifying programs outcomes or performance indicators	3.89	.73	8.20	.000
23	Difficulties in implementation, as it require a complicated accounting system.	3.89	.82	7.34	.000
24	Difficulties in implementation for long run goals and projects	3.63	.95	4.49	.000
25	The possibility to implement the program at inappropriate time	3.80	.83	6.54	.000
26	More focus on short-term objectives	4.02	.95	7.26	.000
27	PPBS is too complex	3.67	.84	5.41	.000
28	PPBS is too costly	3.43	1.24	2.37	.022
29	Lack of qualified staff to tackle preparation of PPBS	3.97	.77	8.56	.000
30	Lack of training to tackle with the latest budgets used	3.89	.90	6.71	.000
31	Not supported by the top management	3.88	.95	6.21	.000
	Average	3.81	.30	18.01	.000

13. Concluding Remarks

The current research paper had set up certain objectives to achieve i.e. examining the familiarity and understanding level of PPBS by financial managers and accountants working in the public sector organizations, measuring the contribution of the accounting system followed by public sector organizations to adopt PPBS successfully, highlighting the benefits that could be obtained while adopting PPBS, and exploring the technical challenges that can be encountered when implementing Program and Performance Budgeting System PPBS in the public sector organizations.

In fact, while both developed and developing countries are incrementally moving towards adopting PPBS, for most countries the implementation of PPBS is still in its early stages of development. Consequently, exploring the technical challenges and problems can assist in successful transition to Program and Performance Budgeting System and can bring radical changes to structure and format of the government budgets and to budgetary decision making processes.

We believe that, they are some countries who had achieved a positive results by adopting PPBS, whereas some countries they are still in the process to adopt. Therefore, we suggest to shift to another system i.e. PPBS where we can find an answer for those questions where the traditional budgeting system failed to answer, either in decision making process, financial government planning, monitoring expenditures and activities.

The foregoing results of survey obtained from 46 respondents (Financial Managers & Accountants) safely deduce that despite the fair of familiarity and the problems in implementation of PPBS in public sector organizations of Al Kharj, there is a remarkable support from the respondents for PPBS as a superior approach for earmarking the civic funds. PPBS provide a measure tool for following-up and evaluating the performance and develop a sense of the various administrative levels responsible for "public expenditure". Respondents perceived PPBS as a better approach to contribute in improving communications between managerial levels. These benefits depicted in Table 5 seem satisfactory to validate the implementation of PPBS in public sector organizations in Al Kharj region. Looking to the degree of contribution of the prevailing accounting system to adopt PPBS in the selected public organizations in Al Kharj region, it is observed that 75 per cent of respondents believe that the current accounting system provides data and information needed for decision-making accurately and quickly and has an effective controlling/reporting systems, and controlling the process of spending. It is also found that 69 per cent of respondents were in view that an enough staff with appropriate administrative and accounting skills is provided. PPBS can be successfully adopted in public sector if a proper training and qualification for staff to tackle preparation of PPBS is provided to deal with the required or needed accounting system, quantifying programs outcomes or performance indicators and an adequate support by the top management is given to implement PPBS.

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