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INVESTIGATING PREPAREDNESS TO ADOPT AND IMPLEMENT PERFORMANCE BASED BUDGETING SYSTEM IN ZIMBABWE MINISTRY: EVIDENCE FROM THE MINISTRY OF LOCAL GOVERNMENT



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WITS School of Governance

Thesis presented in partial fulfilment for the degree of Master of Management (in the field of Public Sector Monitoring and Evaluation) to the Faculty of Commerce, Law, and Management, University of the Witwatersrand

APRIL 2021

DECLARATION

I declare that this thesis titled ‘Investigating preparedness to adopt and implement performance-based budgeting system in Zimbabwe: evidence from the Ministry of Local Government, Public Works and National Housing is my own unassisted effort. I have recognised and referenced all sources that I have used and cited. I hereby submit it in partial fulfilment of the requirements of the degree of Master of Management (Public Sector Monitoring and Evaluation) at the University of the Witwatersrand, Johannesburg. I have not submitted this report previously for any other degree or examination to any other institution.

George Shereni

Johannesburg, April 2021

Supervisor: Kholiswa Malindini

ABSTRACT

The purpose of this study was to investigate the level of preparedness or readiness of the Ministry of Local Government, Public Works and National Housing to adopt and implement Performance Based Budget System. This study was undertaken against the background that the Zimbabwean government introduced the IRBMS in the Public sector in 2005 as a management tool. Despite the implementation of the IRBMS in Zimbabwe's ministries the performance-based budgeting system which is one of the core components of IRBMS is still to be implemented in the ministries. In the 2016 National Budget speech, the Zimbabwean government made an announcement that each and every public sector sphere should by 2018 have adopted and implemented Performance-Based Budgeting System (PBBS). For this reason, this study was undertaken to examine if ministries are ready and prepared to adopt and implement PBBS focusing on the Ministry of Local Government, Public Works and National Housing. This was done by first understanding the conditions that might affect the adoption and implementation of PBBS in the ministry. The literature has shown that there are critical success factors affecting the successful adoption and implementation of PBBS. For this reason, these critical success factors must be in place for the ministry to be ready to adopt and implement PBBS. The study adopted a triangulation of data collection method by using both interviews and document analysis methods. In sampling the respondents, the study adopted purposive sampling technique. In presenting the findings both content analysis and thematic analysis were used. Results of the study discovered that the prevailing conditions in Zimbabwe generally and the ministry specifically are inhospitable to the successful adoption and implementation of the PBBS, meaning that ministry is not yet ready to adopt and implement PBBS. These critical conditions are: inadequate information and communication technology systems, bureaucratic structures, attitude towards change, economic instability, excessive bureaucratic structures and widespread organisational fragmentation, poor corporate governance caused mainly by corruption, inadequate financial and human resources and absence of the PBBS guiding policies and legislative frameworks. Also, the results of the study further exposed that there is a misconception of the PBBS in ministry and reviewed literature too has its fair share of this misconception of the budgeting system. Therefore, the major conclusions of this study are: that the ministry is not yet ready or prepared to adopt and implement the PBBS which is one of the main components of the IRBMS as the ministry lacks the critical success factors for successful adoption and implementation of PBBS.

Thus, this study is recommending that Zimbabwe generally and the ministry specifically must not just be too ambitious but must implement a host of reforms that will improve the current conditions at the same time recommending the ministry to continue with the current budget system that is currently working and adopt some of the elements of the PBBS to make it a hybrid system as they are still facing major challenges in that they lack the basic critical conditions required for the adoption and implementation of PBBS. Using a hybrid budget system will assist in aligning with the IRBMS adopted by the government.

Author: George Shereni, **Thesis Title:** Investigating the preparedness to adopt and implement performance-based budgeting system in Zimbabwe: (Ministry of Local Government, Public Works and National Housing), Johannesburg, April 2021.

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LIST OF ABBREVIATIONS

The abbreviations used in this study

PBBS	Performance based Budgeting System
IRBMS	Integrated Results-Based Management System
RBPS	Results Based Personnel Performance System
TSP	Transitional Stabilisation Plan
NDS1	National Development Strategies 1
MLGPWNH	Ministry of Local Government, Public Works and National Housing
M&E	Monitoring and Evaluation
LIB	Line-Item Budgeting
PPBS	Planning Programming Budgeting System
ZBB	Zero-Based Budgeting
OECD	Organization for Economic Co-operation and Development
CABRI	Collaborative African Budget Reform Initiative

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1. INTRODUCTION TO THE RESEARCH

The Zimbabwean government introduced Integrated Results-Based Management System (IRBMS) in the Public sector in 2005 as a managing instrument that would advance the efficient and effective use of inadequate funds by guaranteeing that planning and national development financing are results focused (Madhekeni, 2012). Integrated Results-Based Management System is the use of the Result Based Management style, its ideologies and methodologies at all levels of development management in an unified system and which steadily addresses all factors that impact development results (Kaboyakgosi & Mookodi, 2014). IRBMS as a system integrates through planning different key performance elements, such as strategic objectives, budget, personnel management, monitoring and evaluation, and management information systems.

According to Kaboyakgosi and Mookodi (2014), IRBMS is a system that consists of two main key components: Results Based Personnel Performance System (RBPS) and Performance-Based Budgeting System (PBBS) and the two are mutually reinforcing, though they are mutually exclusive in their own right. IRBMS was adopted as a solution to the problems that the Zimbabwe government was facing at all government levels such as lack of financial resources, poor quality service delivery and lack of service delivery to the public. However, despite the adoption and implementation of the IRBMS in Zimbabwe's ministries the performance-based budgeting system which is a core component of IRBMS is still to be implemented in the ministries. In the 2016 National Budget speech, the Zimbabwean government of announced that in 2018 they target that most of the public sector spheres must have adopted and implemented the Performance-Based Budgeting System (PBBS). The President of Zimbabwe Mr. Mnangagwa in 2018 announced the Vision 2030, this vision was to be attained through the implementation of Transitional Stabilisation Plan (TSP) from 2018 to 2020, followed by a five-year 2021 to 2025 National Development Strategies 1 (NDS1), Zimbabwe's next step towards vision 2030 is the NDS1. The aim of the NDS1 is on strategies that will change the status quo and will be IRBMS compliant, Planning and Budgeting was to be aligned through PBBS. This IRBMS framework was used as the basis for the need to adopt and implement the PBBS in Zimbabwean ministries. Therefore, this research is investigating if the PBBS can be implemented in Zimbabwean ministries.

According to Visser, Steytler and Machingauta (2010) public sector institutions in Zimbabwe are experiencing increasing budget deficits due to challenges in raising sufficient funding constrained or limited financial space the country finds itself in. This is also partly because of the budgeting system Zimbabwean ministries are currently using as noted by Zinyama and Nhema (2016) that the current budget arrangement in Zimbabwe public sector is classified by line items. This budgeting system does not allocate resources according to performance but rather by way of specific financial items clustered by cost centers or departments they are in. This is contrary to the PBBS which emphasises on resource allocation according to performance. A Budget system is a crucial tool in the running of the activities of the organisation as it offers path on how funds are to be efficiently assigned to the priorities. This research focused on Zimbabwe's central government, the Ministry of Local Government, Public Works and National Housing (MLGPWNH) is the reference point. Thus, the objective was to examine if MLGPWNH was ready and prepared to adopt and implement PBBS as well as encouraging other ministries to follow suit. This was done by first understanding the conditions in the country if they are suitable for the adoption and implementation of PBBS. The diffusion of innovation theory is used as the conceptual tool or framework for analysis to gauge the degree of preparedness of the MLGPWNH to adopt and implement PBBS as an innovative budgetary tool. Based on documents analysis and face-to-face interviews conducted, the study examined the critical factors necessary for effecting change, in this case the effective adoption and implementation of the PBBS in the MLGPWNH.

1.1Background

Globally IRBMS has been implemented in developed and developing countries within the high, middle and low -income countries which comprise the United States of America; Australia; South Korea; Uganda; Botswana; Tanzania and Malaysia (Kaboyakgosi and Mookodi, 2014). Thomas (2005) mentioned that the integrated results-based management system is a public sector reform process developed by Rasappan in the late 1990s with the aim of reforming governments. The Government of Zimbabwe introduced the IRBMS in 2005 with the aim of guaranteeing that planning and national growth financing are results focused. According to Government of Zimbabwe on its website it states that "Integrated Results Based Management is a methodology/tool that is being used by the Government to reform and modernise the entire

public sector (Central Government, Parastatals and State Enterprises as well as Local Authorities)". On this, Madhekeni (2012) argues that IRBMS was established to address problems such as lack of resource and the need to allocate resources more efficiently, effectively and economically by monetary authorities. Madhekeni adds that IRBMS was adopted for the purposes of prioritisation of infrastructure services for expansion and advancement, demands from the benefactors for efficient and effective use of limited funds and the increasing encounters of the globalised and viable world.

However, Zimbabwean government did register some progress in the implementation of some of the components of IRBMS such as formulating and launching the National Monitoring and Evaluation Policy in 2015. The policy was meant to offer a lawful and administrative framework for strengthening the Monitoring and Evaluation (M&E) system by guiding and enforcing the implementation of M&E system. The other component, Performance-Based Budgeting System is yet to be adopted and implemented in Zimbabwean government ministries.

It is through PBBS that existing missions, goals and objectives determine how funds are allocated to the inputs, outputs, outcome and their indicators ensuring that key objectives and priorities are budgeted for and achieved. The line-item budget system and other traditional budgeting systems such as the Planning-Programming Budgeting System developed in the 1960s; incremental budgeting and Zero-Based Budgeting developed in 1970s had their shortfalls for instance, Ouda (2011) identifies the shortfalls of the traditional budget process that there is no linkage between the budget and the strategic objectives and performance information; they focus more on inputs and less on outputs and outcomes; they do not generate a long-term perspective; and they are not responsive to public demands. Mcgill (2001) further states that traditional budgeting systems lack clarity with regards to resource allocation. In the same breadth Premchand and Burkhead (1984) note that there was broad agreement that traditional methods in public budgeting are inadequate as they do not satisfy the need for efficient and effective government.

The Zimbabwean government's public sector is made up of the central government, local government and commercial state enterprises. The central government is the ministries,

departments and agencies, the function of these ministries includes formulation of policies, implementation of government programmes and further perform monitoring functions to ensure policies are adhered at sub-levels which are intended to meet the national development policy objectives. Currently Zimbabwe government has a total of twenty (20) ministries, the political heads of all ministries is the minister and the ministries are administered and managed by the permanent secretaries.

The Ministry of Local Government, Public Works and National Housing (MLGPWNH) is one of the government ministries in Zimbabwe accountable for promoting sound local governance in Zimbabwe, undertaking and coordinating rural and urban developments to enhance the socio-economic development of Zimbabwe. The MLGPWNH is the budgetary central government unit that monitors the drafting of budget in municipalities, monitoring and reviewing budget implementation. The functions of the ministry include monitoring the delivery of services at both urban and rural local government authorities, offering supporting services to traditional leadership, physical planning services and civil protection services.

Given the fiscal constraints that the ministry is confronted with, PBBS may help concentrate on funding programs and projects that enhance progress on the determined goals and priorities. It is against this background that this study was researching on the viability and suitability of adopting and implementing PBBS, a budgeting system whose main fundamental element is linking resource allocation with performance. This study assumed that PBBS may somehow go a long way in addressing the identified budget problems in the ministry supported by the findings of Barzelay and Thompson (2006) who reported that PBBS, implemented by the Air Force Material Command (AFMC) in the USA, significantly controlled its program costs. The adoption of PBBS will assist the Zimbabwean government towards realisation of full implementation of all the components of the IRBMS and ensuring that these components and their subcomponents are integrated to improve allocation of scarce resources.

Diffusion of Innovation Theory Based PBBS Adoption and Implementation Framework

The research used the diffusion of innovation theory to investigate the readiness to adopt PBBS, the theory indicate how certain conditions will affect the adoption of an innovation into the

social system. According to one of the innovation scholars Damanpour (1992) the adoption of innovation is a multiphase process that comprises of three main stages: initiation, adoption, and implementation. The research used the theory to offer a detailed examination of the initiation, adoption and actual implementation of PBBS. The research attempted to address the adoption and implementation of PBBS in MLGPWNH in Zimbabwe from an innovation theory perspective, by looking at PBBS as an innovative budgetary tool that would improve the ministry's budgetary decision-making process. PBBS is described as an innovative budgetary tool, although its being used around the world it is still a new idea in most developing countries such as Zimbabwe in the sense that the Zimbabwean government and the ministries themselves have never adopted or implemented the budget system before.

1.2 Problem Statement

Despite the fact that in 2005 the government of Zimbabwe adopted the Integrated Results-Based Management System (IRBMS) as the country's public governance management system the central government itself generally and MLGPWNH specifically are yet to adopt and implement the budgeting system related to the national public governance system of IRBMS, namely PBBS. This is resulting in funding and prioritising deadwood and less essential and non-performing projects and programs funded at the expense of the performing and viable ones. This is made possible by the usage of non-performance-based budgeting systems that is not aligned to IRBMS (i.e. line item budgeting system) which is the mostly used system in Zimbabwean Ministries. PBBS's emphasis is on linking funds to performance information and results. Therefore, this study was investigating whether Zimbabwean ministries, particularly MLGPWNH, is ready to adopt and implement PBBS as their budgeting system since it is one essential component for the IRBMS. This is motivated by the fact that many financial resources are misused and misappropriated on the account of not using a performance-based budgeting system in the Ministries.

1.3 Research Questions

1. To what extend has the ministry implemented IRBMS components?
2. How ready is the MLGPWNH to adopt and implement one of the IRBMS components, the PBBS?
3. What are the critical-success factors for the adoption and implementing of the PBBS component in MLGPWNH?
4. What challenges are likely to be faced when MLGPWNH considers adopting and implementing PBBS?
5. What measures can be adopted to address these challenges for successful adoption and implementation of the PBBS in MLGPWNH?

1.4 Research Objectives

1. To understanding the extent to which the components of IRBMS have been implemented.
2. To investigate the readiness of the MLGPWNH to adopt and implement one of the IRBMS components, the PBBS.
3. To identify and examine the critical-success factors for the adoption and implementation of the PBBS as a component of the IRBMS in MLGPWNH.
4. To describe and explain the challenges likely to be faced when MLGPWNH considers adopting and implementing PBBS.
5. To recommend measures that can be adopted to address these challenges for successful adoption and implementation of the PBBS in MLGPWNH.

1.5 Purpose of the Study

The purpose of this study was to examine the level of preparedness or readiness of the MLGPWNH to adopt and implement PBBS. This is against the background that Zimbabwe's Ministries in general and MLGPWNH in particular are yet to adopt and implement the PBBS considering that the budgeting system is one critical component of the adopted IRBM by the government in 2005. This was done by analysing the critical-success factors necessary as preconditions for effective adoption and implementation of the PBBS in a ministry. The analysis was aided by the diffusion of innovation theory to offer a full examination of the factors that

would affect the adoption and implementation of PBBS within the MLGPWNH to effect change, i.e. changing from the current budgeting system to the new PBBS.

1.6 Significance of the Study

Until now, little, if any, systematic and scientific research has been carried out to analyse why the budgetary financial allocations in Zimbabwe's ministries in general and in MLGPWNH in particular is not done according to performance or according to previous results. Zinyama & Nhema in 2016 conducted a study on how far the Zimbabwean government as a whole in adopting and implementing the PPBS. Their findings focus on the critical success factors that are not in place that would account non-adoption and implementation of the PBBS ignoring the fact that the government has long adopted the IRBMS. This means that little, if any, is known in the country about the how and why budgetary allocations in the ministry is not done according to performance and also about the level of preparedness and readiness of the ministries, notably MLGPWNH, to adopt and implement successfully PBBS. Also, no research has been conducted to gauge the preparedness or readiness of the MLGPWNH to successfully and effectively adopt and implement PBBS as its budgeting system. Many studies carried out on the subject in Zimbabwe focused their attention on the manner in which citizens/residents participate in the formulation, adoption, implementation and evaluation of the budget (Manduna, Zinyama & Nhema, 2017), how e-governance one of the sub-components of IRBMS can be used to enhance the participatory budgetary processes (Zinyama, 2012) or on fiscal decentralisation. This study is a welcome effort to this glaring gap of knowledge in the literature unlike Zinyama & Nhema who focused on the whole country this research focused on one ministry, specifically MLGPWNH. Zinyama and Nhema in their research titled "*Zimbabwe Performance-Based Budgeting: Concepts and Success Factors*" their research even though it was on PBBS the researchers discussed more on program based budgeting and they used the two budget systems interchangeably as if they are two sides of the same coin but in actual fact they are separate and follow different steps. Diamond (2003) notes that most of the literature tend to confuse program-based budgeting with performance-based budgeting and planning programming budget systems and that the three tend to be used interchangeably. The researcher established the critical success-factors that would account for the MLGPWNH not adopting and implementing PBBS

considering that even the central government has IRBMS as its public governance management system and also given that the performance-based budgeting system has more advantages than the non-performance-based ones.

1.7 Delimitations of the Study

The study focused on one component of the IRBMS that is PBBS, investigating into the factors that may explain why the MLGPWNH's budgetary allocations is not based on performance and its readiness to adopt and implement PBBS. The meaning of this is that in the course of research the study did not go outside this scope by including other issues different from the ones mentioned above. Therefore, the study did not involve such issues as participatory budgeting processes, citizens' involvement in the budget, e-governance as a new platform where Ministries interact with communities among others. These was the delimitations of this research.

1.8 Ethical Considerations

All ethical issues were considered during the process of conducting the study. The researcher first received an authorisation letter from Wits University through the school of Governance. The letter assisted the researcher to be allowed to conduct the research into the MLGPWNH. All the participant was informed that the supervisor may look in the collected data just for educational purposes. False rather than real names were used in the presentation and analysis of findings. Written informed consent was obtained from all participants recruited into the study.

The study used a thematic analysis to present and analyse the data collected using both document analysis and interviews, these multiple data source approach known as triangulation of collection method assisted in strengthening the reliability and validity of data collected.

1.9 Structure of the Dissertation

Chapter 1: Introduction

The chapter briefly presents information about the background of the study, problem statement which the thesis is formulated, research objectives and research questions. Significance of the study, limitations and delimitations of the study are also presented.

Chapter 2: Literature Review and Theoretical Framework

This chapter presents information from different authorities on the research topic under study. Theoretical framework is also presented.

Chapter 3: Methodology

Describes the different research methodologies used to sample, collect, present and analyse data is presented in this chapter.

Chapter 4: Data Presentation and Analysis

This chapter presents and analyse the major findings.

Chapter 5: Conclusions and Recommendations

The chapter outlines the summary of the main findings upon which conclusions and recommendations are drawn and presented.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

The focus of this chapter is to review the relevant literature on Integrated Results Based Management System and Performance Based Budgeting System (PBBS). The chapter further looks at different public sector budgets. Emphasis is cast on the preconditions for adoption and implementation of PBBS and prior studies that looked at country case studies on implementation of PBBS's failures and success stories are also provided in order to illustrate what are the critical success factors PBBS needs before adoption and implementation.

2.1 Conceptualising Integrated Results Based Management System

Globally IRBMS has been implemented in developed and developing countries within the high, middle and low -income countries which consist of the United States of America; Australia; South Korea; Uganda; Botswana; Tanzania and Malaysia (Kaboyakgosi and Mookodi, 2014). Thomas (2005) mentioned that the integrated results-based management system is a public sector reform process developed by Rasappan in the late 1990s with the aim of reforming governments. During the early 1990s IRBMS was introduced in several agencies in developed and developing countries triggered by internal and external pressure from stakeholders demanding real and better results. Kussek and Rist (2004) further mention that there are a number of events that pushed for the adoption of IRMS around the world such as the Millennium Development Goals, Highly Indebted Poor Country Initiative, Transparency International and the European Union. Therefore, the success of IRBMS in developed countries also contributed to the pressures of developing countries adopting the new system.

According to Pazvakavambwa and Steyn (2014) and Rasappan (2010), IRBMS is the use of the Result Based Management (RBM) method, its ideologies and methodologies to the entire stages of growth management in an unified system and which thoroughly addresses every factor that impact growth outcomes. It is through IRBMS that all key performance elements, such as strategic planning, budget formulation, human resources management, monitoring and evaluation, and decision-making are integrated. Thomas (2007) further states that IRBMS is a

tool which generates performance information and results in budgets that are performance informed. IRBMS therefore improves implementation by linking budget and other key performance elements such as personnel management systems and performance information. Thomas further state that despite the developments, the biggest challenges with the IRBMS was the lack of integration of these elements that resulted in the failure of full implementation of the system. Mayne (2007) further mention that one of the challenges of implementing IRBMS is the integration of the performance information into budgeting, managing and reporting. A number of countries such as Malaysia, Tanzania, Namibia, Zambia, Rwanda and Botswana have positively implemented the IRBMS to varying degrees and this has resulted in increase in growth rate.

The Zimbabwean Government adopted IRBMS in 2005 to be implemented in all ministries as well as the Ministry of Local Government, Public Works and National Housing (MLGPWNH) through the General Letter Number 6 of 2005. The adoption of IRBMS "coincided with the worst economic and political recession in the country since independence from Britain in 1980" (Matunhu and Matunhu, 2014: 64). According to the Government of Zimbabwe (2019) it states that IRBMS was an instrument that is currently applied by the state as a reform to modernise the whole public sector. The adoption of IRBMS was supposed to result in a move towards a budget system that is results-based budget from an input-based budget system.

Conceptually, Kaboyakgosi and Mookodi (2014) note that IRBMS consists of two main key components performance-based budgeting also branded as Result-Based Budgeting and Results-Based Personnel Performance System (RBB&RBPPS), and two complimentary elements the Integrated Results Based Monitoring and Evaluation (IRBME), Results Based Management Information System the E-Government (E-Gov) system. Further supported by Madhekeni (2012) who also identifies the same four components of IRBMS: (a) the Results-Based Budgeting (performance-based budgeting system); (b) Personnel Performance System; (c) Results-Based Monitoring and Evaluation and (d) E-Government as depicted in the figure below:

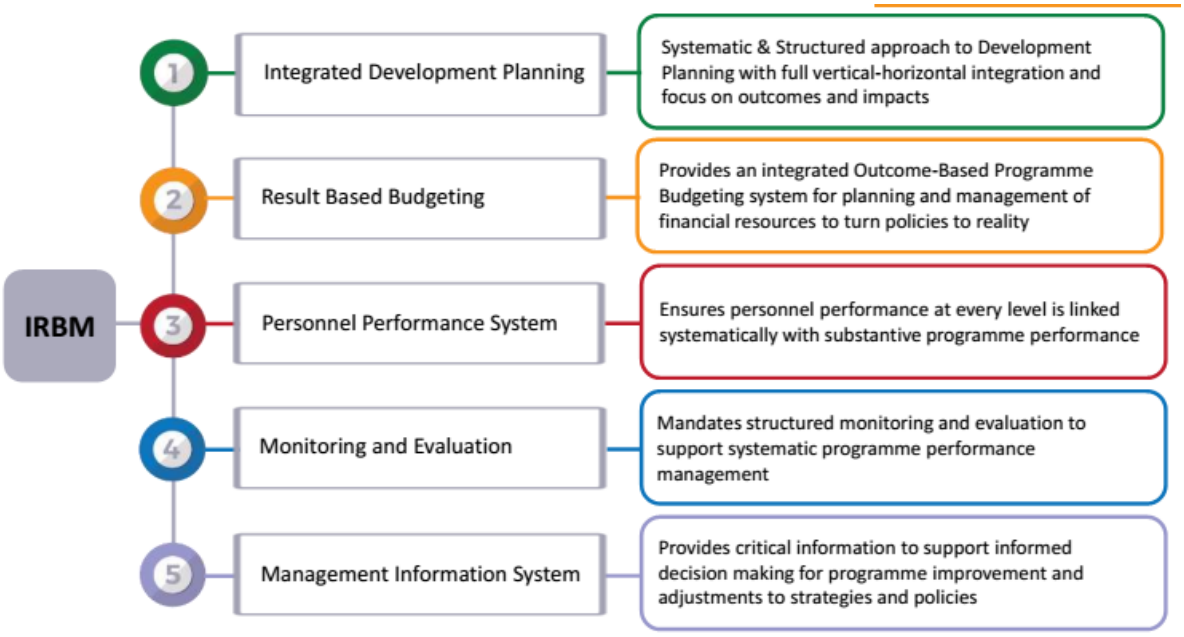


Figure 1: CeDRE International Malaysia: IRBM

2.2 Public Sector Budgeting Systems

Budgeting systems in the public sector have evolved for some time and have been changing to adapt to the changes in the needs of the community they are serving. Public sector uses the budget as an instrument to achieve planned development and to assist in the delivery of services through effective and efficient use of resources, being driven by the political mandates as the decisive factor to determine who should get what when and how. The reviewed existing literature on budgeting systems in the public sector shows different definitions of budgeting systems. Abraham (1965) notes that a budget is one of the vital instruments used in development policy implying that the budget is the single central instruments used in public sector by national governments to fund the implementation of policies and represents a commitment to deliver services to the public, in a nutshell budgets are the way services are funded. Xavier (2001) notes that a public sector budgets covers the socio-economic goals of the country driven by political philosophies and regulations, and that a budget is the most operational expression of national priorities. This statement further highlight how important politics is determining the allocations in the budgets.

Nkala (2004) in his presentation further defines a budget as a public fiscal policy instrument that shows how fiscal resources are mobilised and allocated as well as how public services will be delivered, how public sector infrastructure investments will be prioritised and financed. Therefore, public sector budget is important in that they reflect how the priorities of the government are funded to deliver services to the public to achieve the goals of the government being directed by the general policy of the state. Rubin and Kelly (2005) argues that budget is also an important tool used for the government to account to its citizens through the government spending plans that must reflect priority and choices of the constituent to which funds are allocated. Thus, public budgets provide the citizens with the chance to ensure that the government is held accountable by checking if the government is spending the funds on what they have promised and budgeted for with regards to their choices and priorities. The budget allows the government to have a close connection with the taxpayers as the government account for the revenue it collects from the public.

2.3 Types of Public Budgeting System

There are several forms of public budgets systems used by governments, with the main budget system that are commonly used in most if not all public sectors include the Line-Item Budgeting (LIB), the Planning Programming Budgeting System (PPBS), Zero-Based Budgeting (ZBB) and the Performance-Based Budgeting system. These budget systems are further discussed in detail.

Line-item Budgeting System

Lynch (1979) indicates that the Line-item budgeting system (LIBS) originated in 1921 when the Taft Reform was instituted in the United States of America (USA) and started as a budget reform to counter against the corruption and lack of government efficiency. According to Fourie and Khalo (2006) the LIBS is control focused and further they argued that the system is sometimes identified as incremental budgeting as it uses data from the prior financial year to justify the current year budget allocations. Schick (1966) indicated that resources under LIBS are allocated according to different line items in each department. LIBS list the amount to be spend on every item that is include in the budget.

Expenditure items	2004 actual	2005 estimated	2006 budgeted
Personnel	**1,000**	**1,150**	**1,310**
Salaries	600	700	760
Bonuses	400	450	550
Office expenses	**750**	**960**	**1,060**
Administrative	150	200	200
Printing	160	200	200
Utilities	150	180	210
Mailing	110	180	200
Travel	180	200	250
Vehicle purchase	**0**	**0**	**500**
Maintenance	**40**	**50**	**50**
Others	**30**	**35**	**35**
Total	**1,820**	**2,195**	**2,955**

Figure 2: An Illustration of a Line-Item Budget: Department of Education

Source: Shah & Shen, (2007)

The advantage of using LIBS is that it is less complex to apply, much easier to prepare and easier to administer. Al-Badri (2007) notes that LIBS is simple and a widely used budget system in many countries and assists by controlling and limiting of government aggregate spending. Therefore, the main advantage of using LIBS is that it is easy and simple to control and this makes it a more effective and practical policy implementation tool. Therefore, when compared to other systems LIBS is comparatively less difficult to prepare with minimum financial skills to formulate it.

Despite its advantages, LIBS have its weaknesses. Some of its shortcomings as noted by Shah and Shen (2007) are that, LIBS do not link inputs to outputs and is silent on how resources are used efficiently. Further they stated that the controls by finance ministries on line item allocations meant that public managers are left with limited control of the budget therefore, making it difficult to account for the performance of that budget. LIBS do not show how the money is used in the case of programs meaning it does not show how money is allocated to

different programs. LIBS therefore, cannot monitor and evaluate the execution of government programs due to the distribution of the resources.

Planning, Programming and Budgeting System (PPBS)

The PPBS as a budgeting system originated in USA department of defense in 1961. Knezevich (1969) state that PPBS began when the then new USA Secretary of Defense, Robert McNamara, adopted the PPBS to overcome many existing planning problems within the Defense department and it was in the defense department that the term PPBS originated. Diamond (2003) further indicates that in 1961 Department of Defense in the USA implemented Planning, Programming and Budgeting System for the first time and from there the budget system started spreading rapidly to other government sectors.

According to Folscher (2007), PPBS gives clarity on the goals of the government and assesses different courses of action to achieve cost effectiveness. PPBS requires the identification of programs which are to be funded within a department, this enables an organisation to achieve the best results out of the limited resources at its disposal. PPBS is a made of four components planning, budgeting and evaluation. Therefore, PPBS main objective is to unify the four components.

Diamond (2003) explains PPBS as follows:

> *"Identification and examination of goals and objectives in each major area of government activity; Analysis of the output of a given programme in terms of objectives; The measurement of total programme costs, not just for current year but several years ahead; The fonnulation of multi-year expenditure programme; The analysis of alternatives to find the most efficient and effective means of attaining programme objectives".*

Fourie and Khalo (2006) mention one of the advantages of PPBS that it places emphasises on planning for outcomes. This is important for governments to move beyond efficiency to effectiveness and rational decision making.

Wildavsky (1969) criticises PPBS in that it was unworkable. He did it by showing how the preparation and the functions of PPBS were inconsistent to the crucial nature of budgeting.

Wildavsky further took into cognisance of the politics in that the political nature is the key to determining how budget allocation is done, by arguing that the important factor that determine the size of a particular year's budget is the prior year's budget. Folscher (2007) stipulates that the failure of PPBS reform was as a result of lack of technically skilled officials to implement the budget system meaning to implement such a budget system requires staff that is trained and highly skilled.

Zero Based Budgeting System (ZBBS)

Zero-Based Budgeting system originated in the USA in 1970 under the Carter administration as a solution to incremental budgeting and was later abandoned by the Reagan administration. Khalo and Fourie (2006) indicate that ZBBS is formulated from a clean slate on an annual basis and does not consider information from the previous budgets. Therefore, with ZBBS each year whenever the budget is planned new information for new activities is used and old activities are discarded.

According to Pyhrr 1973 ZBBS involves two key steps:

> *"Developing "decision packages." This step involves analysing and describing each discrete activity – current as well as new in one or more decision packages and ranking "decision packaged." This step involves evaluating and ranking these packages in order of importance through cost/benefit analysis object."*

Shim (2011, 322) further indicate that ZBBS process involves "Developing assumptions, Ranking proposals, Appraising and controlling, Preparing the budget and Identifying and evaluating decision units."

Rodney and Toalson (1985) revealed that under ZBBS each manager during the planning and budgeting process is required to justify his/her budget from scratch. The budgeting system further requires that each manager identifies programmes which they need to rank and justify each of the program starting with the important programs therefore, higher ranked programs will be funded. Under ZBB all activities and programmes budgeted annually are compiled from scratch without taking into account the previous year information. Therefore, ZBBS requires that programs are justified year in and year out, including programs that are still ongoing.

MacGill (2001) identified one of the advantages of ZBBS is that both the planning and budgeting are done simultaneously. However, Macgill also note the shortcomings of ZBBS that it lacks the rigor in quantifying decision-packages.

Folscher (2007) further identified other problems associated with ZBBS that:

> *"the budget system generates masses of paperwork for which there is neither the time nor the human capacity in budgeting systems; it fails to take into account the realities of institutional and public politics that drive budgets; It is not self-evident what is maximized if zero-based budgeting is adopted in its classical form. Insufficient attention is paid to mapping decisions to the preferences and priorities of beneficiaries."*

Program Based Budgeting System

Program-based budgeting system was developed in the United States in the 1940s. According to Shah (2007) The wave began to spread across the developed and developing nations. Interest in program-based budgeting moved from the USA to the United nation (UN) with a focus on outputs than spending the money on inputs. Later in 1950s Mizutani (2002) indicated that institutions such as the World Health Organisation, United Nations Educational, Scientific and Cultural Organization and the Food and Agriculture Organisation of the United Nations adopted the program-based budget system. Rose (2003) mention that early definition for the program-based budgeting focused on results, identifying the purpose of funds and quantitative data for ensuring the progress of the program toward achieving the results. Dean (1989) further identified program-based budget as a budget prepared for a program. The following diagram represents a program-based budgeting in Australia shows how programs are split into sub-programs which are then further fragmented into sub-sub-programs (called "sub-outputs"):

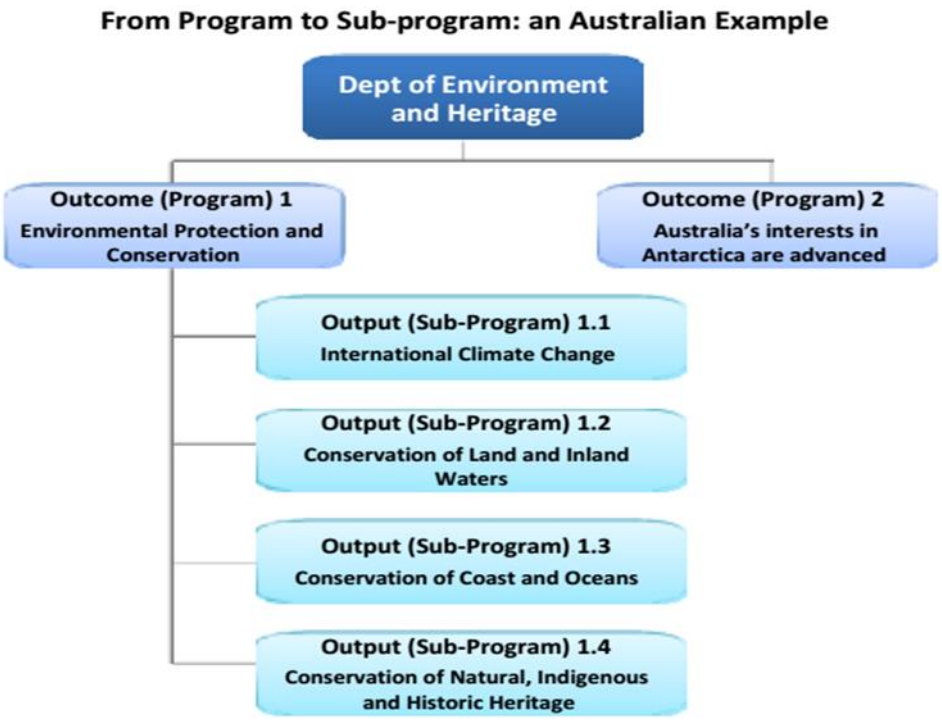


Figure 3: Program Based Budgeting

The diagram above shows that program-based budgeting presents a set of programs and sub-programs. An effective program-based budgeting, therefore, arranges the budget around a set of programs.

Diamond (2003) mention that most of the literature tend to confuse program-based budgeting with performance-based budgeting and planning programming budget systems and that the three tend to be used interchangeably. Hepburn et al (2007) mentioned that performance-based budgeting system is normally recognised as results-based budgeting or program-based budgeting. According to Diamond (2003) to transfer from program-based budgeting to Performance based budgeting system four major reforms are required and these reforms include current program structures settings must be done in a strategic planning and medium term budget framework format, redefining and redesigning of current programs, improving current budget costing systems and skills and an introduction of improved systems that allow accountability and incentives, these is a pre requisite for emerging markets that needs to adopt and implement PBBS.

2.4 Performance Based Budgeting System (PBBS).

Performance-based budgeting system is like program-based budgeting, with the exception being that PBBS has one more component to it that is performance which is added to link expenditure for each program to the strategic objectives developed for the program.

2.4.1 Origins and Evolution of Performance-Based Budgeting

There is a debate regarding the exact origins of PBBS among scholars. In this debate Redburn, Shea, Buss and Quintanilla (2008) argue that the interest in PBBS started in the early 1920s as part of an endorsement by the Taft Commission of 1912. The recommendation was aimed at controlling the increased federal debts that were associated with the increased expenditure caused by world war one.

The Taft Commission which criticized the control of budget process by the Congress suggested that the President be given most of the powers in the budgeting process. This gave rise to the Budget and Accounting Act of 1921, enacted "in response to the consensus that a more centralised approach to financial policy and processes was needed, in both the executive and legislative branches" (Committee on the Budget, USA Senate, 1998, p. 7). In contributing to this PBBS origins debate Grifel (1993) and Jordan and Hackbart (1999) argue that the Hoover Commission Report of 1949 was the first to tie performance to the budgeting process and to integrate the performance information into the federal budgets for the budget process to be more efficient. According to the Hoover Commission Report, budget adoption should be founded on functions, activities and projects. It was only in the 1990s when performance-based budgeting system implementation gained ground due to the new public management paradigm. Joyce (2007) further mentions that the Chief Financial Officers Act of 1990 as the first regulation enacted to enforce the use of performance in budget processes in the USA.

Jordan and Hackbart (1999) observe that PBBS has existed since the 1950s and emerged in the late 1980s as a key driver of budgetary innovation linking funding and outcomes. According to Karacan and Yazici (2015), the regulations enforcing the implementation of PBBS is believed to have begun in the late 1980s in New Zealand and Australia, in the 1990s it was implemented in Sweden, USA, Finland, England, Denmark, Netherlands, Canada and France and later in the

early 2000s it was implemented in Austria, Switzerland and Germany. However, in the past decade, as other developing counties reformed their budget systems, and they followed the footsteps of the western countries and adopted implemented the PBBS system in line with how the North has done that. According to the Organization for Economic Co-operation and Development (OECD) (2002), less developed countries such as Thailand, Egypt, India, Malaysia, the Philippines and Sri Lanka are some of the examples of countries that later introduced PBBS in their governments.

2.4.2 Conceptualising Performance-Based Budgeting System

A number of scholars have made attempts to define and conceptualise PBBS. However, until now a universally agreed upon definition or conceptualisation of it is yet to be found. According to Gilmour and Lewis (2006), PBBS is

> *"a budget system that strives to form a link between the allocation of resources and performance of programs."*

While Robinson and Brumby (2005) state that PBBS involves strengthening the linkage between funds allocated to government departments and outcomes by using performance information in resource distribution. In a different tone, Herry (2013) defines PBBS as a budgeting system that links funds to performance while paying attention to the achievement of such performance.

Definitions given above by different scholars broadly emphasise the linking of funds to performance and results. They generally point the main feature of PBB that is the linking of funds to performance in order to maximize results.

The other definition to note was from Shah and Shen (2007, 154) who define PBB as a:

> *"system of budgeting that presents the purpose and objectives for which funds are required, costs of programs and associated activities proposed for achieving those objectives, and outputs to be produced or services to be rendered under each program".*

Scholars such as Rivenbark (2004, 28) describes PBBS as "a process that involves budget preparation, budget adoption with emphasis on performance management, allowing decisions

about allocation of resources to be made in part on the efficiency and the effectiveness of service delivery". PBBS seeks "to answer the question, did allocating *x* dollars to activity A accomplish what we intended? If not, should we adjust the allocation to activity? (Rivenbark, 2004, 27)."

The reviewed literature shows that PBBS does not have a standard definition; scholars have defined it differently resulting in a number of different definitions. According to Rivenbark (2004), there has never been an agreed upon definition of PBBS. However, it can be noted that although the definitions are different, PBBS broadly mean the allocation of funds to performance information to accomplish the goals and objectives or linking budgetary resources with performance. It is a budgeting system that rewards the best performer and sanctions the least.
Following on from the foregoing conceptualizations and definitions PBBS can be said to be made up of the following: organisation's strategic objectives, the key performance indicators, budget to be spent on each key performance indicator and a program of monitoring and evaluation.

Qi and Mensah (2012) also note that PBBS's major intention is improving government performance by providing more efficient and effective services to residents through the outcomes to be achieved comparative to the quantity of money disbursed. Further, noted that the advantage of using PBBS is that the budgeting system indicate clearly the purposes and objectives for which funds are needed, PBBS leads to transparency in the budget preparation, assist in the making of choices concerning distribution of funds, act as an instrument for revising the efficiency of programs, and integrates the process of planning, programming and budgeting.

However, according to Shaw (2016) reviewed literature indicate that there are different challenges faced when implementing PBBS. Schick (2007) further notes that these challenges include but not limited to infrastructure and technical issues but include the characteristics of the budget implementers.

2.4.3 Implementation of Performance-Based Budget System

Having established the definition of PBBS and the field of study, this section reviews the literature on implementation of PBBS in different countries. The section also reviews literature on different approaches used to implement PBBS in different countries. According to the OECD (2008) the reason that led to most countries adopting PBBS was due to financial challenges

faced, increased pressure to curb or lower public expenditure and changes in the political environment.

Ma (2009) distinguished that most of the challenges confronted in budget reforms arise from managing the implementation process itself. For instance, Joyce (1999) states that PBBS implementation is a complex process and cannot be easily adopted and implemented by the government. Other scholars like Andrews and Hill (2003) report that in the USA, municipalities are experiencing difficulties in implementing the PBBS system. This is primarily due to such problems as lack of resources needed for full implementation of the system, no clearly defined implementation roles, and failure by leadership to understand the requirements of successful implementation of PBBS system. Furthermore, failure to address cultural changes in the organisation that promote successful implementation of PBBS system and lack of support by legislators in the implementation process are mentioned as some of the challenges compromised effective adoption and implementation of the PBBS.

Grizzle and Pettijohn (2002) looked at the implementation of the PBBS system in Florida. They developed a System Dynamic Model to evaluate PBBS implementation using a mixed method approach. They identified several factors that influence the successful implementation of PBBS that includes the behavior of legislators that influence implementation by the executive, providing clear communication and having reliable performance information.

A study conducted by Hartanto (2018) on the National Land Agency of West Nusa Tenggara Province in Indonesia on the implementation of PBBS used a qualitative research approach and primary and secondary data was collected through observation, interview, and documentation study. Data collected in this research was analysed through the qualitative data analysis technique of the interactive model. Findings of the research shows that managers had an understanding of the meaning of PBBS. However, the findings also revealed the challenges of implementing PBBS properly are due to unset and established strategic work unit level plan, frequent budget revisions due to incompatibility between annual work plans and actual circumstances, weak control and evaluation systems and reporting of performance was only done to meet formalities and administration.

Another study was conducted by Zulkifli and Asmony (2017). Their aim was to interpret and determine the constraints of a PBBS implementation in the Department of Communication and Information in Indonesia. A qualitative research approach was used. The findings of this research revealed that Dishubkominfo had an understanding of the concepts and rules of budget preparation, budget execution, performance measurement and reporting of performance. However, the results show that there are obstacles both internally and externally that affected the implementation of PBBS. The internal factors included communication problems and a lack of commitment while external factors included the politicisation of the budget.

Lu (2007) carried out a study on the perception and role of state agencies in implementing the PBBS in Georgia. Interviews were conducted with budget officers and agencies. The findings show that for agencies implementing PBBS needed to improve the manager's capacity.

In Lesotho, a case study was conducted by Vian and Bicknell (2013) on the implementation of PBBS in public hospitals. Data was sourced through semi-structured interviews and review of archival documents. Their study documented factors which affect the implementation of reforms which include lack of capacity to implement. These factors are lack of proper financial systems and lack of personnel, they also noted the professional barriers that exist amongst staff who must work as a collective for effective budgeting, they lamented the weak leadership that exist to guide and enforce the implementation of the reform and motivation to succeed.

Iratni, Djasuli, and Si (2003) also conducted a study in Bangkalan, Indonesia with the determination of investigating the features that affect PBBS implementation, either negatively or positively. Through using the SPSS, they looked at the influence factors such as leadership style, rewards, adequate resources, commitment and administrative systems have on the implementation of PBBS in Bangkalan. Their findings concluded that all factors have a significant effect on the successful implementation of PBBS in Bangkalan.

In Indonesia, the government enacted the Act of parliament in 2003 that governed the implementation of PBBS and Medium-Term Expenditure Framework (MTEF). The study in Indonesia was conducted by Surianti and Dalimunthe (2015) who revealed that regulation and policy guidelines were issued to ensure the implementation of PBBS in local government. Included in the regulations are the performance indicators in planning documents and budgeting

as well as the use of performance information in the government's budget processes. The study used literature review to analyse and evaluate the implementation of PBBS in Indonesia. The findings show that the implementation of PBBS at local government levels are still not in accordance with the original design, there is a lack of understanding of the legislation in force and lack of commitment to implement a PBBS. The conclusion of the study was that the design of PBBS by the Indonesian government was in line with present literature.

Further, Guziejewska (2013) assessed the implementation of PBBS in Poland. The research conducted an assessment on the PBBS reform implementation experience in other countries and the findings include that in most nations including Poland, implementation of PBBS was only centered at the national level and not local government level which to him was doubtful.

Arsidna, Khairul and Endah (2017) conducted an analysis on the PBBS in Malang City in Indonesia. A descriptive qualitative study was used. The results from this study indicated that there are certain factors that influence the implementation of PBBS and these include the socio-economic, cultural and political factors, poor resource planning, lack of advanced systems, the need for development of information and technology systems, and lack of funding. It is being further recommended that funding is distributed on time by the central government to help the local government of Malang city to design the budgeting plan within the scheduled time.

Pusipitaningrum and Kartika (2014), for example, examined how good governance affects the successful implementation of PBBS. They used the principles of good governance as independent variables to test their effect on PBBS implementation. The good governance principles used included the rule of law, organisational capacity, accountability, information technology, technical and managerial competence of employees. The researcher used a non-probability convenient sampling technique and used a questionnaire to gather primary data. Results of the study shows that the rule of law has positive and significant effect on the implementation of PBBS; accountability has a positive and significant effect on the successful implementation of PBBS; organizational capacity has positive and significant effect on the success of the implementation of PBBS; technical and managerial competence of employees have positive and a significant effect on the success of the implementation of PBBS and Information technology does not have significant effect on the success of the implementation of PBBS. An analysis of the previous studies shows that PBBS cannot be implemented in a short

period of time as there are a lot of resistances and other factors that might affect the implementation (Grizzle & Pettijohn, 2002).

Alloamari (2002) looked at the challenges of implementing PBBS in Jordan. The findings of the research suggest a range of issues that affect the implementation of PBBS in Jordan which included poor government administration, lack of information efficiency, cost of the system, lack of resources, lack of human capital, lack of measurement of performance and lack of coordination amongst different departments.

The Collaborative African Budget Reform Initiative (CABRI) (2013) conducted a survey in African countries, The CABRI report reveals that PBBS was launched in Burkina Faso in 1997 and was used for preparing national government budget for the 1998 fiscal year. Between 1998 and 2009, the process of implementation went through various stop-start phases: there were periods of lethargy punctuated by attempts at revival. One of the main challenges that hindered the implementation of PBBS in Burkina Faso included the lack of commitment at political and technical levels. The report concluded that budget reforms require a joint effort by the executive and legislature for greater efficiency and transparency.

The report also show that Tunisia adopted a gradual approach in the implementation of PBBS reforms; it consisted of three phases; a piloting phase involving five ministries, an extension of the pilots to other ministries and a final phase of rolling out PBBS to all ministries. By end-2012, the piloting of reforms was successfully underway in a limited number of ministries, but resistance to reform was being encountered in some ministries.

Zinyama and Nhema (2016) conducted a study on Zimbabwe. Their study focused on the critical success factors of implementing a PBBS in local authorities. They noted the following key factors that will result in successful implementation of PBBS: communication, capacity building, expenditure prioritisation and performance budgeting, sensitisation and shifting attitudes which requires the buy-in of all stakeholders to ensure common understanding by everyone involved. Also, communication strategy to gather backing across all stages of cultures in so doing guaranteeing buy-in of Government initiatives such as implementing new reforms through widespread stakeholder consultations.

2.4.4 Key Conditions for Successful Implementation of Performance –based Performance Based Budget Implementation

This section reviews the conditions necessary for successful implementation of performance-based budgeting system. Ouda (2011) proposed a PBBS implementation framework. The proposed framework identified a number of components that would enable a successful implementation of the PBBS and these components are as follows:

> *"Shifting to a system that allows managing-for-results. Therefore, Government cannot budget for results unless it manages for results; use of performance information in budget process will facilitate the implementation of performance budgeting; Changing of existing budgeting format and structure towards a more performance-oriented approach; Shifting to a multi-year budget framework (a Medium-term expenditure framework);Shifting from Bottom-up budgeting approach to Top-down budgeting approach; Modernising the governmental accounting system; and Developing an appropriate performance measurement system".*

Harrison (2003) further notes that the following must be considered for successful implementation of PBBS:

1). Adopt a comprehensive strategic plan for all agencies prior to implementation of PBBS

A comprehensive strategic plan is essential to successful PBBS efforts because it lays out the government's mission, goals and objectives, which are prerequisites to adoption of formal performance measures.

2). Link resources to performance measures using activity-based costing

It has been suggested that connecting resources with results implies knowing how much it costs to deliver a given level of outcome. Most public agencies cannot explain how much it costs to deliver an output, in particular because of the problems with allocating indirect costs. (Joyce and Sieg, 2000).

3). Ensure that performance measures are results- oriented

Government at all levels must ensure that performance measures focus on outcomes rather than processes. Furthermore, they should focus only on vital performance measures. Too much superfluous information and data will overload the system and frustrate decision-makers (Young, 2003)

4). Include performance incentives, benchmarking, and oversight provisions

Any new PBB effort should include gain sharing or similar incentives for agencies to perform as well as disincentives for agencies that perform poorly. In addition, it should include benchmarking and appropriate oversight provisions.

5). Communicate results to participating agencies, the Legislature, and the public *Communicating the results of any PBB initiative to legislators, state agencies, and the public is extremely important, particularly if it is implemented via executive order (O'Roarks, 2000).*

6). Expand the PBB implementation time frame

Joyce and Sieg (2000) suggest that, in many cases, "reforms are not permitted to germinate and bear fruit before they are prematurely declared to be failures particularly in the developing countries like Nigeria.

7). Ministry Of Finance (MOF) should coordinate PBB for the states and local governments *PBB systems are most successful when they are coordinated and assisted by a government's central administrative unit. This approach lends itself to consistency, coherence, and uniformity of PBB processes among several and variant governmental entities.*

Change Management

The effects of change in behaviour and culture in an organisation is a challenge to the implementation of PBBS. Balogun and Hailey (2008) indicated that organisations need to change and adapt new ideas to be viable. Introduction of reforms usually encounter resistance, especially when the reform has a long-term impact on the organisation, resistance tend to come from the employees. The willingness to change is needed in the organisation for successful implementation of the PBBS. Schilling and Steensma (2001) notes that for change processes to take place there are certain drivers that are required to be in place such as change management. Internally change can be justified by the need for effectiveness and efficient delivery of services and externally the need for accountability and better service delivery. It takes time to transform and modify the behaviour and culture of the main players in the implementation of the budget system.

Legislative Support

Parliaments have a significant part in the adoption and implementation of an innovative budgeting system. Successful implementation of PBBS requires support from legislatures. Melkers &Willoughby (1998) notes that lack of legislative support is one of the main reasons budget reforms fail during implementation. Legislator should ensure that there is support by enforcing and allowing a conducive legal environment for the implementation of PBBS reform. This can be done through enacting laws that require the public sector to adopt and implement the PBBS across board. OECD (2018) indicated that changes to budget regulations provide a strong foundation for PBBS adoption and implementation. In the Zimbabwean situation, there is need of political will from legislators for implementation of the budgeting system to be successful. Therefore, implementing of PBBS without legislative support may lead to failure.

Political Buy-In

The role of politicians' in the implementation of the PBBS is critical as noticed in most literature. A political buy-in is needed as politicians are key stakeholders and have a big influence that is key to the successful implementation of PBBS especially at national level as in the case of MLGPWNH. Therefore, the success of PBBS implementation depends on the political condition in the country which affect how government institutions are governed. Accordingly, the roles of politician's vary per country and depends on the nature of the connection between the legislature and the executive in the budget process, that association is determined by the nature of political system in place (constitutional, presidential or parliamentary). Shall (2005) indicate that there are issues of politics that comes into play during the implementation process such as the acceptability of the new system by politicians. Folscher and Cole (2004) further stresses the importance of involving politicians in budgeting and argue that during budget implementation processes the role of political decision-makers is to be more constructive.

Capacity

Capacity is divided into institutional, human capacity and is very much influenced by a wide institutional structure both local and national resources especially of staff expertise. Improving capacity by training staff on the new reform and how it is going to be implemented is critical

during adoption and implementation of PBBS. According to OECD (2018) implementing a PBBS requires more than financial and economic skills that are in the budget department, but that it is a complex task that requires analytical and process skills. There is need to understand policies, programme logic and performance management which is beyond ministry budget analyst. The staff involved in the implementation of PBBS must be trained properly and be given enough resources for them to succeed. Shah & Chen (2007) indicated that the experience in different countries such as the USA and European countries that have implemented PBBS show that training and access to resources during the period of implementation is necessary during that time. A trained staff will make it easy for the adoption of the new budget system. This requires a big investment in training to cover all officials, managers and the auditors.

The report commissioned and compiled by the Collaborative Africa Budget Reform Initiative (CABRI) in 2013 as part of the Budget System Reform Programme reported that of the surveyed countries:

> *"Almost two-thirds of the surveyed countries noted that they had insufficient capacity to implement PBB. These issues were particularly significant in Chad, Congo-Brazzaville and the Central African Republic. Burkina Faso noted a shortage of skilled staff in IT and specialist professions such as statistics as an impediment to successfully implementing PPBB".*

More than 50 per cent of African countries surveyed by CABRI reported that capacity is a very serious challenge.

Information Technology Systems

PBBS depends on the quality and availability of Information Technology Systems (ITS) such as the accounting systems that are in place. According to Shah & Chen (2007) the successful implementation of PBBS hinges on the quality ITS. Diamond (2001) further indicate that when implementing PBBS in government departments there is need for greater application of ITS. This is because to implement a PBBS requires the management of a lot of volumes of data, systems classifying and identifying programmes. Therefore, if proper ITS are not in place, the implementation of PBBS can be a problem.

CABRI (2013) reported that in Burkina Faso, the computer applications for budget execution were designed for traditional budgets system and have not been replaced with software that is

designed for performance-based budgets while also in Tunisia, the disparate Information Technology systems were not integrated.

Financial Resources

The availability of funds to facilitate implementation of PBBS is critical, it is through funding that information technology systems that are needed during implementation are procured, the financial resources are used to train staff that is directly involved in the implementation of PBBS. Thus, enough funds must be allocated to facilitate the adoption and implementation of PBBS in MLGPWNH.

2.4.5 Factors affecting budget implementation

Manso (2014) state that for budget implementation to be a success, it depends on whether the staff understands the budgeting process. Further Abata (2014) indicated that budgets implementation can only succeed if they have the required knowledge on the activities they are supposed to perform and they are given an incentive of achieving their targets. According to Warren (2013) senior managers must be supportive and encouraging during the implementation of budget. The diagram below displays the PBBS implementation model or the conceptual mapping in the form of a causal-loop diagram. “A plus sign at the head of an arrow means that any change in the variable at the foot of the arrow will result in a like change in the variable at the head of the arrow” (Grizzle and Pettijohn, 2002-53).

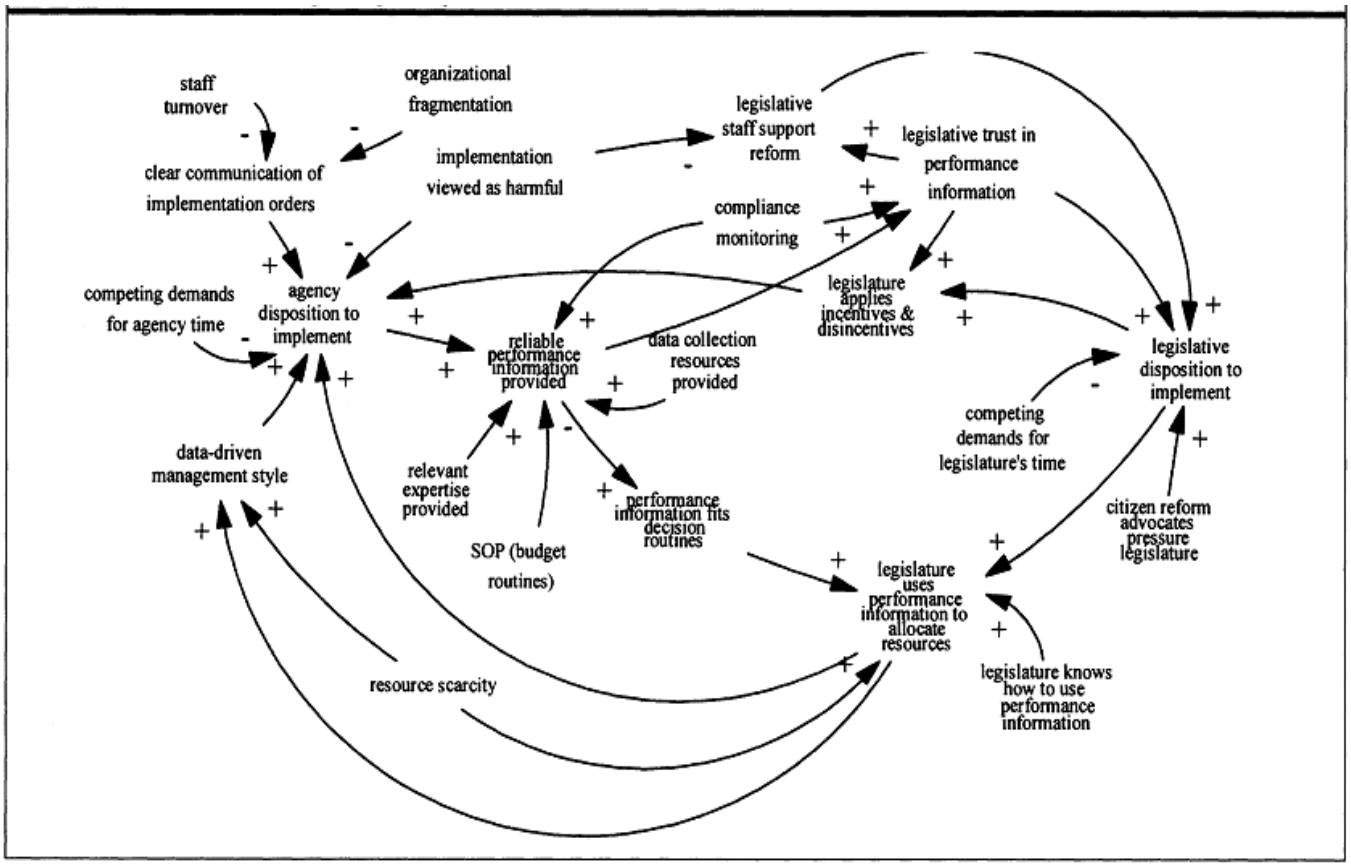


Figure 4: Conceptual Mapping

Grizzle & Pettijohn, (2002): causal-loop diagram

2.4.6 Approaches to Implementing Performance Based Budgeting System

The literature reviewed revealed that there are different approaches to implementation of a reform, these approaches were used by different countries when adopting and implementing PBBS. However, most countries used multiple approaches when implementing PBBS. These approaches include the legislative framework, top down and bottom up approach, incremental approach and big bang approach as detailed below:

Legal framework

Introduction of a reform through a legislation ensures compliance and seriousness on the part of implementers, it also establishes universal standards which are legally binding. The United States PBB reform was introduced through a legislation. According to Shea (2008) the USA

introduced the Government Performance and Results Act (103 P.L. 62; 107 Stat. 285) to lay a solid groundwork for introducing performance management in the budgets of federal government. OECD (2014) mentioned that countries such as Canada also used both the legislation and policy guidelines to guide the implementation of PBBS. The United Kingdom is one of the countries that did not enact the PBBS reform via legislation; but instead the central ministries themselves issued formal policy and guidelines that were used to enforce and guide the implementation of the PBBS. Curristine (2005) further indicated that France passed a law known as L.O.L.F (Loi Organique relative aux Lois de Finance) of 2001 which mandated the inclusion of outputs and outcomes information in the budget papers for all of the programmes. The Government of Australia enacted the Public Governance, Performance and Accountability Act (PGPA) of 2013 introducing new changes in the budget process, this regulation enforced the usage of performance information in budget formulation.

Top-down and bottom-up

Top down and bottom up are two different approaches to implementation used to implement a reform, with the top-down approach being more of a centralised approach in that implementation is conducted and directed from the top with minimal or no input from those at the bottom. This kind of style occurs when the central government through the Ministry of Finance (MoF) plays the leader part of developing, implementing and monitoring the implementation of the reform. The MoF in this case impose the standards and procedures relevant for implementation. According to Curristine (2005) Australia, the Netherlands, New Zealand and the United Kingdom gone with a top-down implementation approach, in these countries the implementation of PBBS was driven and directed from the top by the MoF. The other approach which is opposite to top down is the bottom up approach, with this approach decision making and implementation processes starts at the lower level and moves upwards, with those at the bottom being included in designing of how implementation will be conducted. The Finland as an example of the country that used a bottom-up implementation approach with agencies taking a lead to develop their own method with limited control from above.

Incremental implementation approach

The incremental approach includes the introduction of a reform in a phased approach, rather than implementing the reform across, implementation is piloted to a few areas before full implementation. Most countries in the literature used the incremental approach, this approach meant implementation was introduced in phases. According to Curristine (2005) countries such as New Zealand, the United States were the first countries to adopt PBBS in the 1980s, these countries adopted an incremental approach without moving towards full implementation in all government departments. The United States implemented PBBS in a four-year pilot phased approach before the government-wide implementation while New Zealand began by implementing PBBS first up to output level and then later moved to outcomes level. The Tunisian government also adopted a gradual approach in the implementation of PBBS reforms; it consisted of three phases; a piloting phase involving five ministries, an extension of the pilots to other ministries and a final phase of rolling out PBBS to all ministries. By end of 2012, the piloting of the PBBS reform was successfully underway in a number of ministries.

Big Bang Approach

The big bang approach which entails presenting a number of across-the-board reforms with speed at the same period without any delays for implementation. According to the Curristine (2009) the South Korean government was one of the nations that used the big bang approach. During the adoption of PBBS the South Korean government presented four main fiscal reforms with excessive speed. The Four Major Fiscal Reforms:

> *"1) to establish a medium-term expenditure framework (National Fiscal Management Plan); 2) to introduce top-down budgeting; 3) to establish a performance management system; and 4) to build a digital budget information system (the latter includes a transition from the existing line-item structure to a programme budget structure)."*

The advantage of this approach is that it helps to lower resistance to change by creating pressure and zeal for reform.

Looking at different countries in the literature it demonstrates that most of the OECD member countries have introduced the performance-based budget system. However, these countries used different approaches to implement the PBB system and until now these approaches to PBBS implementation are evolving.

2.4.7 Country approaches to implementing Performance Based Budgeting

According to the Curristine (2009) New Zealand was one of the developed countries to start with the adoption and implementation of the PBBS in the late 1980s, and then in the middle of 1990s was followed by other countries such as Canada, Denmark, Finland, the Netherlands, Sweden, the United Kingdom and the United States. A host of countries started implementing PBBS towards the end of 1990s to early 2000s and these countries include Austria, Germany and Switzerland, all of these countries used different approaches to implementing PBBS.

Australia

According to OECD (2007) Australia's performance-based budgeting started in the mid to late 1990s. The PBBS is the responsibility of each ministry, their departments and agencies. The PBBS being used currently is outcome-focused. All department in the government sector are required to identify outcomes, outputs and performance measures of their activities. Australian budget process involves expenditure and programme reviews and area to which the two are linked to each other through performance information in the budget.

Canada

According to OECD (2007) Canadian government implemented the performance budgeting initiative in 2006 and 2007 budgets. The government departments in Canada utilise performance information in planning, measuring, assessing and reporting of expenditure management. All departments must have a strategic plan or reports on plans and priorities with their funding and must report to Parliament detailing strategic outcomes of each of the departments. These documents must cover information on funding requirements for a period of three-year.

Denmark

According to Curristine (2009), the performance budgeting approach which is practiced in Denmark is known as the taximeter model. The taximeter model is more of an activity-based budgeting and the model provide for direct linkage between funds allocated and results to be achieved. The model was initially rolled out to the in higher education and now is widely used in

the higher education accounting for most of the funding in the field. This type of performance budgeting was further rolled out to schools and to the health care sector.

Sweden

According to Curristine (2009) Performance based budgeting in Sweden was started during the time of economic disaster of the 1980s and early 1990s through the spending control policies. The established performance budgeting system attempted to associate policy objectives to expenditure but the problem with the implementation was that there was no regulation to guide and legally bind the implementation process of PBBS.

2.4.8 Performance Based Budget Implementation in Africa

The literature that studied the implementation of PBBS in Africa, it should be noted that PBBS was used with another term that is Performance and programme-based budgeting (PPBB). According to CABRI (2013) the implementation of PBBS in some of the African countries faced the following challenge in each country:

Burkina Faso

According to CABRI (2013) Performance-based budgeting was launched in Burkina Faso in 1997 and was used for preparing national government budget for the 1998 fiscal year. Between 1998 and 2009, the process of implementation went through various stop-start phases: there were periods of lethargy punctuated by attempts at revival.

One of the main challenges that hindered implementation of PBB in Burkina Faso included the lack of commitment at political and technical levels. Budget reforms require a joint effort by the executive and legislature for greater efficiency and transparency. Substantial efforts are needed to ensure that political leaders buy into the new reform.

Mozambique

According to CABRI (2013) Mozambique according to the study initiated their first phase of PBBS reforms in 2008. Challenges were that programme was treated as a planning concept rather than a genuine budget classification. Programme based plans could not be recorded against

a set of budgetary appropriations. The study concluded that more effort was needed to inform political leaders, citizens and bureaucrats about the concept, so as to share understanding use of PPBB and of the objectives.

Uganda

According to CABRI (2013) in Uganda the current phase of PBB was initiated in 2007, the government implemented the initiative in to enhance the link between available resources and results.

The challenges were the integrity of the financial information which was hampered by weakness in internal controls and non-inclusion of arrears thus understating true costs. Another challenge is the links between performance, planning, budget and policy which still remain weak in many sectors. Under-budgeting of inputs, problems in revenue forecasting and high levels of inflation have led to expenditure arrears.

Tunisia

According to CABRI (2013) Tunisia has reoriented its budget system, in 2007, the government put in place institutional structures at the political and technical levels, the structures allowed for the implementation of performance and programme-based budgeting (PPBB) reforms to commence in 2008.

The country adopted a gradual approach in the implementation of PPBB reforms, it consisted of three phases; a piloting phase involving five ministries, an extension of the pilots to other ministries and a final phase of rolling out PPBB to all ministries. By end of 2012, the piloting of reforms was successfully underway in a limited number of ministries, but resistance to reform was being encountered in some ministries.

2.5. Zimbabwe Budget Experience

Since independents in 1981 the Government of Zimbabwe was being ruled by the Lancaster House Constitution of 1979 and in 2013 a new Constitution was adopted, which recognized the three spheres of government, the national, the provincial and the local levels. The national government is run through ministries and currently, there are 20 ministries in Zimbabwean

government with each ministry being responsible for certain functions as assigned to them by the president. The ministries are responsible for the formulation of government policies and ensuring that government regulation within their mandates is followed.

The MLGPWNH is responsible for monitoring and promoting an efficient and effective local government, undertaking and coordinating of rural and urban developments to ensure socio-economic development of Zimbabwe. The MLGPWNH is the budgetary central government unit that monitors the drafting of budget in Municipalities monitoring and reviewing budget implementation. The functions of the ministry include ensuring that both urban and rural councils deliver their mandate of providing quality basic services to the community.

The Zimbabwean government introduced the IRBMS in the Public sector in 2005 as a management tool that would improve the efficient and effective usage of limited funds in the public sector ensuring financing are results focused (Madhekeni, 2012). The adoption of IRBMS was as a result of insufficient resources especially financial resources, the need for a better standard off living and improved quality service delivery to the public. Government of Zimbabwe (2019) submits that "Integrated Results Based Management is a methodology/tool that is being used by the Government to reform and modernise the entire public sector (Central Government, Parastatals and State Enterprises as well as Local Authorities)".

According to Kaboyakgosi and Mookodi (2014), IRBMS is a system that consists of two main key components: Results Based Personnel Performance System (RBPS) and Performance-Based Budgeting System (PBBS) and the two are mutually reinforcing, though they are mutually exclusive in their own right. However, despite the adoption and implementation of the IRBMS in Zimbabwe's ministries the performance-based budgeting system which is a core component of IRBMS is still to be implemented in the ministries. The Zimbabwean government registered tremendous progress in the implementation of some components of IRBMS such as formulating and launching the National Monitoring and Evaluation Policy in 2015. The policy was meant to provide a legal and administrative framework for strengthening the implementation of Monitoring and Evaluation system. The other component, Performance-Based Budgeting System is yet to be implemented in Zimbabwean government ministries.

Zimbabwe budget process

According to Ramkumar and De Renzio (2009) the processes involved in government budgeting which consist of the timelines, roles and responsibilities of different stakeholders, is regulated by laws of the country. In the case of Zimbabwe, the Constitution of the Republic enshrines the management of government finances in sections 101 to 106. Section 103(1) along with the mandates the Minister of Finance (MOF) to lay before Parliament the estimated allocated revenue and expenditure of each ministry every year. The MOF in line with the Public Finance Management System (PFMS) issues a budget guideline in the form of a statement, usually a circular articulating the key government priorities, timelines and ceilings. A budget ceiling represents the highest amount any ministry can budget and request from MoF in financial year and the requested budget submissions should be a multi-year budget showing the following year budget amounts from various ministries around September of each year and these ministries submit their budget in the form of programmes. Based on the proposed budget requests from the ministries and consultations with stakeholders, MOF formulates the following year's budget. Individual ministries such as MLGPWNH will develop their budget estimates. The estimates depend on the number of programmes that MLGPWNH is planning to implement which are then submitted to the MOF for approval and allocation of funding.

History of budget systems in Zimbabwe

The National budget in Zimbabwe is presently regulated by the Section 103(1) of the Constitution of Zimbabwe in conjunction with the legislated budget laws the Public Finance Management Act and the Appropriation Act. The Appropriation Act and Finance Act establish legal appropriations that spending ministries must legitimately respect. The minister in charge for finance is obliged to formulate the national budget and lay it before Parliament, “on a day on which Parliament sits, before or not later than 30 days after the start of each financial year estimates of the Revenue and Expenditure of Zimbabwe for that financial year” (Government of Zimbabwe, Budget Statement, 2010).

Zimbabwean government witnesses a reform of budget systems since the attaining independence in 1981. The research looks at the budget reforms from 2002 until 2019.

Line Item Budget

The Zimbabwe Government's budget was structured to show money spent by line-item. According to Zinyama and Nhema (2016) Zimbabwe ministries in 2012 and until 2013/14 budget arrangement was classified by line items. This budgeting system does not allocate resources according to performance but rather by way of specific financial items clustered by cost centers or departments they are in such as employee costs, stationary, training, travel maintenance and so on. Table 1 below is an example of how information is organised in a line-item budget, taken out from Vote 16 of the Zimbabwe's Ministry of Health and Child Welfare 2012/13 budget.

Minister of Health and Child Welfare – Vote 16 VOTE 16. HEALTH AND CHILD WELFARE $345 688 000					
Items under which this vote will be accounted for by the Secretary for Health and Child Welfare					
	REVISED BUDGET ESTIMATE	UNAUDITED EXPENDITURE TO SEPTEMBER	BUDGET ESTIMATES	INDICATIVE ESTIMATES	
	Amount US$ 2011	Amount US$ 2011	Amount US$ 2012	Amount US$ 2013	Amount US$ 2014
II. MEDICAL CARE SERVICES CURRENT EXPENDITURE					
A. Employment Costs	74 409 000	59 858 527	109 145 000	127 034 000	134 777 000
B. Medical Supplies and Services	1 311 000	497 117	13 672 000	14 492 000	15 092 000
C. Maintenance	500 000	-	1 000 000	1 058 000	1 101 000
D. Current Transfers	58 494 000	34 709 304	72 212 000	77 720 000	81 962 000
E. Programmes	315 000	15 825	525 000	553 000	577 000
F. Hospitals and Health Centres	35 260 000	16 525 471	36 000 000	38 037 000	39 606 000
CAPITAL EXPENDITURE					
G. Acquisition of Fixed Capital Assets	9 260 000	-	10 060 000	11 880 000	16 100 000
H. Capital Transfers	10 200 000	4 883 942	12 885 000	15 500 000	20 300 000
Total	$189 749 000	$116 472 186	$255 499 000	$286 274 000	$20 300 000

Source: Government of Zimbabwe, Ministry of Health and Child Welfare Budget for 2012: 2011:192

Table 1: Line Item Budget

From the figure above it shows that the LIBS has little or no consideration of the government objectives and that the budget system's allocation tend to focus more on the inputs rather than if services were delivered effectively. Zimbabwe's line item budget did not provide any narration

explaining the figures in the budget and explanation on the relationship between the inputs and service delivery objectives.

Programme based budget

Programme based budget replaced the LIB and was adopted in 2013 to improve the linkages amongst planning, budget implementation and results by structuring the budget according to a programme-based approach. Since 2012, the Ministry of Finance and Economic Development has been providing training and support to three pilot ministries, namely, Primary and Secondary Education, Health and Child Care, and Public Service Labour and Social Welfare to lead the implementation of Programme based budget, as part of wider Results Based Management reforms.

The programme based budget allows funds to be allocated as per the sub-programme level within the programme, but how funds will be allocated to sub-programmes is decided by the ministry and not dictated to by the MoF as depicted in the figure below:

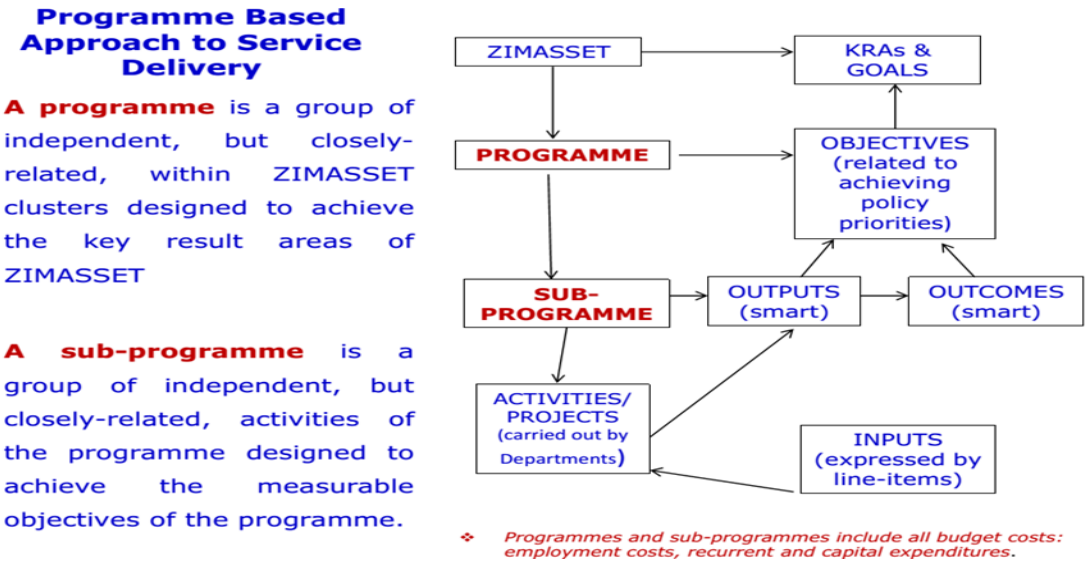


Figure 5: Programme Based Budgeting

Source: Solomon Mhlanga 2016 (programme based budget presentation)

A further six pilot Ministries (Pilot 2) were brought on board from June 2015:

"Agriculture, Mechanization and Irrigation Development;Local Government, Public Works and National Housing; Justice, Legal and Parliamentary Affairs; Women's Affairs, Gender and Community Development; Higher and Tertiary Education, Science and Technology Development; Youth, Indigenization and Economic Empowerment."

Recently the acting permanent secretary in the ministry of Local government Mr Mhakayakora told the parliament that his ministry was bidding for $7 billion dollars for the 2018 budget. According to Mhakayakora the ministry had eight programmes among them policy and administration, spatial planning, local governance, construction, maintenance of public buildings, disaster risk management, national housing delivery and traditional support services and that the budget was going to be split among these programmes.

Programmes based budgeting seeks to advance the prioritisation of spending in the budget assisting in the distribution of limited public funds to the programs which are benefiting the community mostly. According to CABRI (2012) the main technical issues for some countries was the challenge of technical issues involved in restructuring programmes from the LIB to PBB.

The budget system has an advantage encouraging ministries to improve their efficiency and effectiveness in delivering service. Below is an extract from the 2016 budget statement from the ministry of finance indicating the allocation of funds based on programmes in different ministries. Figure below is an example of how information is organised according to programme budgeting, extract from the 2016 national budget statement, showing the MLGPWNH being allocated US$49,707,000 for the six programmes the ministry budgeted for the 2017 year.

Appropriation (2017) Bill, 2016

Vote No.	Designation	Supply grants US$
12.	**Foreign Affairs**	
	Sub-Vote I: Administration and General	*8,405,000*
	Sub-Vote II: Diplomatic Missions	*24,068,000*
	Vote Total	**32,473,000**
13.	**Local Government, Public Works and National Housing**	
	Programme I: Policy and Administration	*1,436,470*
	Programme II: Spatial Planning	*1,534,586*
	Programme III: Local Governance	*5,383,825*
	Programme IV: Construction, Maintenance and Management of Public Buildings	*39,262,694*
	Programme V: National Housing Delivery	*1,802,720*
	Programme VI: Disaster Management	*286,705*
	Vote Total	**49,707,000**
14.	**Health and Child Care**	
	Programme I: Policy and Administration	*16,308,000*
	Programme II: Public Health	*19,120,000*
	Programme III: Primary Health Care and Hospital Care	*246,548,000* **Vote Total** **281,976,000**
15.	**Primary and Secondary Education**	
	Programme I: Policy and Administration	*10,636,000*
	Programme II: Education, Research, Innovation and Development	*2,294,000*
	Programme III: Infant Education	*214,442,000*
	Programme IV: Junior Education	*305,211,000*
	Programme V: Secondary Education	*269,787,000*
	Programme VI: Learner Support Services	*1,401,000*
	Vote Total	**803,771,000**

Figure 6: Zimbabwe National Budget Statement 2016

Source: Government of Zimbabwe 2016 national budget statement

The Table below further represents a snapshot of the programme based budget system extracted from one of the ministry that first adopted the programme based budget in 2012, Ministry of Health and Child Welfare. The budget shows how funds are allocated within the ministry per programme.

Table 1: Minister of Health and Child Welfare 2012 Budget Extract

Minister of Health and Child Welfare – Vote 16 VOTE 16. HEALTH AND CHILD WELFARE $345 688 000					
Items under which this vote will be accounted for by the Secretary for Health and Child Welfare					
	REVISED BUDGET ESTIMATE	UNAUDITED EXPENDITURE TO SEPTEMBER	BUDGET ESTIMATES	INDICATIVE ESTIMATES	
	Amount US$ 2011	Amount US$ 2011	Amount US$ 2012	Amount US$ 2013	Amount US$ 2014
III. PREVENTIVE 111. F Programme					
Environmental Health	700 000	84 875	609 000	644 000	671 00
Emergency Preparedness and Response	500 000	2 311	435 000	460 000	479 000
Expanded Programme on Immunisation	800 000	57 588	696 000	736 000	766 000
Health Education	200 000	40 453	174 000	184 000	192 000
HIV/AIDS Awareness/STD/TB	400 000	39 842	348 000	368 000	383 000
Integrated Management of Childhood Illnesses	50 000	5 757	44 000	47 000	48 000
Mental Health	200 000	18 661	174 000	184 000	192 000
National Malaria Control	1 200 000	748 530	1 500 000	1 586 000	1 652 000
Non-Communicable Diseases	400 000	69 037	348 000	368 000	383 000

Source Government of Zimbabwe, Ministry of Health and Child Welfare Budget for 2012: 2011:199.

Table 2: Programme Budget Vote

Source: Government of Zimbabwe, Ministry of Health and Child Welfare 2012

The Zimbabwean Government in 2016 announced that it will introduce a result based budget with the view to introduce IRBMS across to all public sector and improving the management of public funds. However, it is worth observing that at that time the Government of Zimbabwe was referring to program based budgeting, the two budget systems the program based budget and the performance based budget are two different budget systems in the sense that program based budget is mostly based on budgeting for programmes and sub-programmes while performance based budget involves breaking down these programmes into smaller activities that are turned into performance indicators at individual levels where performance plans are designed with each and every indicator being allocated a certain fund in the budget.

The President of Zimbabwe Mr. Mnangagwa in 2018 pronounced a new Vision 2030, the vision 2030 was to be attained through the implementation of Transitional Stabilisation Plan (TSP) from 2018 to 2020 and followed by two succeeding Five-Year 2021 to 2025 National Development Strategies, National Development Strategies 1 (NDS1) and 2026 to 2030 National Development Strategies 2 NDS2, the main intentions of TSP was calm down the economy and building a concrete groundwork for the NDS1 and NDS2. Zimbabwe's next step towards Vision 2030 is the NDS1. National Development Strategy 1 (2021-2025) was launched on January 1, 2021 under the subject: "*Towards a prosperous and empowered upper middle income society by 2030*." The aim of the NDS1 is on strategies that will lead to change the current situation and is reinforced by Managing for Development Results and will be IRBMS compliant. Through this process, Planning and Budgeting will be incorporated, which is retreating from the past way of doing business where planning and budgeting were not talking to each other. This IRBMS framework was used as the basis for the need to adopt and implement the PBBS in Zimbabwean ministries. Therefore, this research is investigating if the PBBS can be implemented in Zimbabwean ministries.

2.6 Theoretical Framework

Diffusion of Innovation Theory

The theory was pioneered by Rogers in 1962, this was during his seminal work entitled "Diffusion of innovation". He describes diffusion as a process where participants are made aware of an innovation to be introduced in a social system. The theory came as a result of studies conducted by Rodgers on more than 508 diffusion studies, after sythesising these studies their findings resulted in the diffusion of innovation theory that would be used for adoption and implementation of innovations among individuals and organisations. Diffusion of innovation theory (DIT) is centered on the adoption and implementation of innovative ideas and technologies. Rogers (1995) further mentions that the idea of innovation involves a process of understanding information to reduce the drawbacks that might come with adoption and implementation of the new idea. Damanpour (1992) further states that the adoption of an

innovation involves three main phases with multiple processes and the three main phases includes the initiation, adoption, and implementation.

The initiation phase, also known as the pre-adoption stage, primarily involves of the awareness of an organisational problems and the cognizance that the current innovations is the solution to these problems (Rogers, 1995). The next stage after the initiation stage is the adoption phase, Rogers describes adoption as a process that involves individuals or organisation first acquiring the knowledge of the new idea and deciding on whether to accept or reject the new idea. During adoption, Rogers notes that the adoption of a new idea is influenced by five variables the communication channels, the nature of the social system, the degree of influence of agent of change, and the type of innovation decision. The final phase in DIT is the implementation phase, the phase includes all postadoption actions that will result in the actual implementation of the innovation (Rogers, 1995). The implementation of an innovative idea takes place when a decision is made to reinforce the innovative idea. According to Godfrey et al (2001) in the implementation phase there are three stages involved that is the re-invention stage, clarifying stage and routinising stage.

Godfrey, Devlin, and Merrouche (2001) suggest that the first re-invention stage facilitates the adoption of the new innovative idea and allows the organisation to ready itself before the actual implementation takes place. It is at this stage that adjustments and restructuring takes place to allow for actual implementation to be done. The re-invention stage is key as it assists in the elimination of the uncertainties that might negatively affect the implementation, such as technical, financial and social uncertainties that might occur and hinder the implementation process. The clarifying stage is the second stage in the implementation where individuals in the organisation start to have an understanding of the system and stakeholder's system interaction starts to take place. Lastly, the last stage identified by Godfrey et al (2001) in the implementation phase is the routinising stage, in this stage the system becomes part of the organisation culture.

The study is aim to address the adoption and implementation of PBBS in MLGPWNH in Zimbabwe from a diffusion of innovation theory perspective. This is done by looking at PBBS as an innovative budgetary system so as to improve the ministry's budgetary decision-making process. In this study, PBBS is described as an innovative budgetary tool. Commenting on

innovative interventions, Rogers (1995) mentions that for the intervention to be recognised as new idea the intervention does not need to be in its entirety new, but that the intervention must be seen as a new idea to an organisation if the organisation has never been exposed to the idea before. Although PBBS is being used around the world, it is still a new idea in most developing countries such as Zimbabwe. This is shown by the fact that since the Zimbabwean government introduced the IRBMS in the public sector in 2005 as a management tool with the aim to improve the efficient and effective use of limited funds, however, the core component of this IRBMS, the PBBS, is yet to be adopted and implemented in the ministries. The budget allocation is not yet being done on the basis of linking budget to performance.

In this study, the organisational problem that forms part of the preadoption phase of DIT in MLGPWNH is that the organisation is yet to adopt and implement the budgeting system related to the adopted national public governance system of IRBMS. This is resulting in funding and prioritising deadwood and less essential and non-performing projects and programs, which are essentially funded at the expense of the performing and viable ones. This is made possible by the usage of non-performance-based budgeting systems such as the LIBS which is the mostly used budget system in Zimbabwean Ministries. PBBS emphasis is on linking funds to performance information and results. The line-item budgeting system currently being used does not allocate resources according to performance, but rather by way of specific financial items assembled by cost centers or departments they are in and is not linked to strategic objectives and performance information. It focuses more on inputs and less on outputs and outcomes, hence it does not generate a long-term perspective and is not responsive to public demands. There is also the need at this stage for every stakeholder involved to be aware of the PBBS the innovative budgetary tool as a remedy to the existing problem.

It is the adoption phase that involves those in the organisation who are involved in decision making of the organisation start gathering ideas and information about the proposed innovation so as to gain an understanding of how it works, this leads to an attitude toward the innovation, assessing of proposed innovation from a technical, financial, and managerial perspective, and decide on either to adopt or discard the innovation as the chosen solution. In this study, this stage is about gathering information from the previous studies on their experiences in adopting and implementing PBBS to have an understanding of the technicalities, financial implications and managerial perspectives for decision making that assisted in shaping the level of readiness of the

MLGPWNH to adopt and implement PBBS. The critical-success factors are necessary as preconditions for successful adoption.

The implementation phase was used to check the degree of readiness of MLGPWNH to implement the PBBS before the actual implementation takes place. The phase also involves adjusting and restructuring to eliminate uncertainties that might negatively affect the implementation of PBBS.

2.7 Conclusion

The chapter noted other budget systems used in the public sector by analysing their origins and how they are formulated, further looked at their strength and weaknesses, these budget systems include the zero-based budget, Line item budget, program-based budget, planning programme-based budget and performance-based budget. Performance based budget was further analysed as it is the budget system this research is based on, to find out how the budget system was implemented in other developed and developing countries with kin interest on the critical factors that affected the implementation of PBBS in these countries. Existing studies of European countries that adopted and implemented PBBS shows the strengths of PBBS and also recognised a variety of enhancement prospects. Constructing on these, this study explores the roadmap to adopting and implementing PBBS in Zimbabwe and taking into account the projected impact and complication of implementing relevant the budget system.

It has been established from this chapter that adoption and implementation of a budget system is dependent on critical factors that are prevailing in the country at the time, to this end PBBS is no exception. Thus, the adoption and implementation of PBBS as shown from the studies is affected by different factors. Some of the factors to note as highlighted from the previous country case studies are the following: change management, legislative framework, financial and human resources, capacity and economic, social and political environment. Therefore, the diffusion of innovation theory of implementation discussed above suggests that implementation of an innovation such as PBBS follows three stages the preadoption phase, adoption phase and the implementation phase, these phases will determine how ready and prepared an organisation is to adopt and implement PBBS.

The literature review concludes that performance-based budgeting systems adoption and implementation depends on a number of critical success factors as shown by different studies conducted on different countries and that each country has its own contextual factors that are unique to the other. Even though indication is that most of OECD countries tried to link performance targets with the budget processes, not all of them are completely using performance budgeting approach only, the literature reviewed on OECD countries with practical experiences of implementing PBBS have shown that while they have attempted to adopt and implement performance-based budgeting, they encountered a lot of technical challenges during implementation that hindered the implementation of the reform. It was also established from different studies that different countries used different approaches when implementing PBBS. Therefore, to copy their implementation style will not guarantee success because of different contexts meaning implementation should be suited suit to the prevailing context. The chapter that follows is presenting the methodology of the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research design, methods and procedure by providing step by step outline of how the study was carried out and how data was collected and analysed. The research methodology section begins with a clarification of the research paradigm underpinning the research topic.

3.1 Research Paradigm

The research paradigm represents a set of assumptions relating to how something works (Bryman & Bell, 2012), it can also be understood as a worldview and common understanding of reality. This study is aligned to the interpretivism perspective which is the most appropriate philosophy to be used in the research of this nature which seeks to appreciate the unobservable concepts from the participant's point of view. Interpretivist argues that the world cannot be considered as an object but according to how human interpret to this world. They also research the social concepts and phenomena that cannot be seen, such as feelings and opinions (Bryman & Bell, 2012). Opinions and views on the readiness to adopt and implement PBBS and to give reasons why the MLGPWNH is still to adopt and implement PBBS.

3.2 Research Strategy

Bryman (2016) referred research strategies as methods to social enquiry classified either as quantitative, qualitative or mixed. The study used a qualitative approach. By adopting qualitative research design the researcher was able to create new ways of understanding phenomena and also to discover new useful concepts, also to understand how managers think and act (Zikmund, Carr & Griffin, 2013); there is also the degree of flexibility on the part of the researcher in using a qualitative research methodology for this study. In this case, describing and explaining how and why allocation of resources during budgeting process is not done according to performance in MLGPWNH. Put differently, how and why MLGPWNH is not adopting and implementing PBBS even the central government is using IRBMS as a management system. This research approach helps unpacking why and how the problem or issue of concern understudy is unfolding

the way it is doing and not the other way around, in this case, why MLGPWNH is not adopting and implementing PBBS considering its advantages over the one currently in use, namely line-item budgeting system.

As Creswell (2007) further argues, a qualitative approach is appropriate when researching a social problem where unique socially constructed meanings and motivations from individuals or groups that try to interpret the problem are sought. In line with these conceptualisations, qualitative approach is considered appropriate in the study. This is largely because the study is all about describing, explaining and interpreting the social problem happening in MLGPWNH, namely allocating financial resources to programs and projects not according to performance in MLGPWNH. To do this, the researcher posed questions into the perceptions, meanings, views and attitudes of different stakeholders of MLGPWNH (employees, officials in the ministry responsible for local government, and academics and civil society organisation activists in the spaces of local government budgeting). According to Creswell (2007), qualitative approach is usually employed when issue under investigation requires a description and an explanation. In this case, it is about explaining and describing problems and challenges associated with allocating financial resources during budgeting processes in MLGPWNH not according to performance or results.

3.3 Research Design

"A case study is an empirical study that investigates a contemporary phenomenon in depth and within its real-life context" (Yin, 2003). This study adopted a Case study approach. Case study approach was the ideal research design for this study as only one case (i.e. MLGPWNH) was used as the unit of analysis. The adopted research design was chosen largely because it allows for a detailed analysis of the case in context, thereby allowing the researcher to gain an inclusive insight and understanding of the phenomenon understudy. Thus, the study was conducted using a qualitative research approach which is ideal for a case study. The case study research design also allows for easy access, flexibility and convenience in situations where sampling of large population is difficult. Case study was suitable for this research as it offers much more thorough information than what is obtainable through the use of other research designs. The case study

allowed for triangulation as data presented is collected from more than one method such as interviews and document review increasing reliability.

3.4 Sampling Procedure

The target population of this study involved of different stakeholders of MLGPWNH (Officials in senior positions, Budget and Planning officials, and academics and civil society organisation activists in the spaces of local government budgeting). The target population of this study was diverse in nature as it involved stakeholders from different backgrounds: politically, economically, ideologically, professionally, experientially, and academically. Those who were selected for interviews had to be engaged, directly or indirectly, in the budget issues of the ministry. For sampling purposes, this study adopted purposive or judgmental sampling technique to select respondents for interviews. Babbie (2007) described "purposive sampling as a non-probability sampling technique with a selection process of units of analysis based on the researcher's judgement about their knowledge, experiences and expertise". The motive for selecting this non-probability sampling technique being that the study is a qualitative research seeking to get a comprehensive understanding of the nature, scope, magnitude and focus of the problem understudy.

3.5 Data Collection Methods

The limitations of sourcing single data were supported by gathering data from several sources through a semi-structured interviews and document analysis.

3.5.1 Interviews

Primary data was collected from key informant interviews, according to (Jonathan, 2006, 16) primary data is information from the first source, usually referred to as the respondent. The data was obtained using questionnaire and face to face oral interviews with the key informants in Zimbabwe, MLGPWNH. This study adopted an interview technique which was the core research instrument in an effort to collect primary data. This method was chosen because of its inherent strength of being flexible and controllable in that it can be manged when collecting information. Further, by employing this data gathering method the researcher was able to observe both the

subject and the environment, an advantage that gave the researcher the full account of how the MLGPWNH is doing its business as well as its readiness or lack thereof of the adoption and implementation of PBBS. This data gathering allowed the researcher to ask probing questions in case there was further clarity needed from the respondents if the response is unclear or not addressing the question. Some of the interviews were conducted virtually via Zoom due to Covid-19 lockdown restrictions regulations in Zimbabwe at the time and the need to minimise or avoid direct face to face conducts.

3.5.2 Documentary Analysis

Secondary data was collected through document review on many studies carried out on PBBS implementation to assist in examining the critical-success factors for the adoption and implementation of the PBBS in different countries and understand the challenges likely to be faced when MLGPWNH considers adopting and implementing PBBS. Mogalakwe (2006) conceives documentary analysis to mean a qualitative data collection method focusing on analysing different documents from both the public and private spheres. The method is one major qualitative data gathering method (Merriam, 2002b) and usually employed by case study researchers (Yin, 2003). The documents to be looked into using this method was the National Budget, Inflation reports, Ministry Budget documents and the statistic reports together with various supporting regulations and rules governing the fiscal administration of ministries in the country.

This technique has been chosen primarily because it can bring upfront sensitive information regarding how and why the ministry is taking long to adopt and implement PBBS, an essential component of the government governance framework: IRBMS. However, the method has its inherent limitations. One major is finding inaccurate and biased information (Guion, Diehl &MacDonald, 2011). However, to counteract the weaknesses the researcher made sure that he cross-validates the data gathered through key informant interviews with those one collected using this method.

3.6 Data Presentation and Analysis

Data presentation and analysis is the process of interpreting collected data in order to draw conclusions for the purposes of answering questions relating to the subject under study (Babbie,

2007). It thus involves examination of findings to answer the initial questions of a study. This study used a thematic analysis technique. The data collected through both interviews and document analysis on how and why the allocation of financial resources during budgeting process in MLGPWNH is not done according to performance, why the ministry is reluctant to adopt PBBS and the level of preparedness or readiness to adopt was analysed thematically through case-by-case basis. This method of presentation and analysis is about classifying themes by reading and re-reading of the collected data. The method encompasses examining recorded patterns of emerging narratives from data collected. However, data collected through documentary analysis was analysed using qualitative content analysis method. Before analysis, the researcher familiarised himself with data through repetitive reading of the transcribed data. Data transcription was done to build themes. Doing so also helped the researcher to comprehend and further familiarize with the data.

3.7 Ethical Considerations

Informed Consent

All ethical issues were considered during the process of conducting the study. The researcher first received an authorisation letter from Wits University through the school of Governance. The letter assisted the researcher to be allowed to conduct the research into the MLGPWNH.

Where participants require confidentiality, such was granted and adhered to, all the participant were informed that the supervisor may look in the collected data just for educational purposes. This was done for the purposes of enhancing anonymity and confidentiality of the interviewed respondents. Thus, false rather than real names were used in the presentation and analysis of findings. Written informed consent was obtained from all participants recruited into the study. The findings of the study were not manipulated to pursue other objectives other than for academic purposes. In addition, data collected was stored in a safe area away from the public and findings presented in a way that it cannot link the responses with the respondents.

The information on ethical consideration benefited my study as I ensured that the respondent's identity was protected.

Validity and Reliability

The study used a thematic analysis to present and analyse the data collected using both document analysis and interviews, these multiple data source approach known as triangulation of collection method assisted in strengthening the reliability and validity of data collected.

3.8 Conclusion

The methodology was presented in this chapter by discussing the research strategy, design, sampling techniques, data collection methods and data analysis techniques used in the study and their strengths in this study. The research used the qualitative research strategy adopting the ideal research design the case study. A purposive sampling method was used and data was collected using the interviews and document analysis. Finally, data was presented and analysed using the thematic analysis technique. Data presented and analysed in the next chapter was informed by the data analysis techniques discussed in this chapter.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents and analyses the findings of the study. The main objective of the study was to examine the readiness of the Zimbabwe's Ministry of Local Government, Public Works and National Housing (MLGPWNH) to adopt and implement PBBS. The first objective is to understand the extend to which MLGPWNH implemented the components of IRBMS. The second objective is to determine the critical success factors affecting the readiness to adopt and implement PBBS in MLGPWNH. The chapter is laid out so as to present and discuss findings to the following research question with their related objectives, namely: To what extent to did the ministry implement IRBMS components? What are the critical-success factors for the adoption and implementation of the PBBS in MLGPWNH? How ready is the MLGPWNH to change from the current based budgeting system to PBBS?

The interviewees were identified by their occupation to protect their identity. In order to ascertain whether the research objectives were achieved, the presentation and analysis of findings is done against the set research objectives. The findings are consistent with the conceptual mapping referred to in chapter two figure 4 page 40 above. A number of themes and their subthemes were identified after conducting both the interviews and the document analysis and these themes and their subthemes are listed as follows:

4.2 Reasons for not being ready to Adopt and Implement PBBS

Although it can be reasonable to establish from the findings factors or reasons accounting for the MLGPWNH not being ready to adopting and implementing the PBBS considering its advantages over others, of critical important to categorically state upfront is that most of these reasons are very clear. After conducting both the interviews and the document analysis, the following are reasons that were extracted from the findings as those attributable to the MLGPWNH not being ready to adopt and implement the PBBS in spite of its advantages. High levels of inflation, absence of the PBBS legislative and policy frameworks, lack of both financial and human resources to kick-start and sustain PBBS, excessive bureaucratic structures and widespread

organizational fragmentation, corruption in its systemic and large-scale levels. These are presented and discussed individually below.

4.2.1 High Levels of Inflation

Findings of the study revealed that higher levels of inflation bring instability in the economy that will affect the adoption and implementation of performance based budget system. The figures from the Reserve Bank of Zimbabwe shows the history of inflation far back as 2001 that the hyperinflation has been a characteristic feature of the Zimbabwean's economic challenge. Inflation reached triple digit levels in 2019, and remained high in 2020 as COVID-19 disrupted production and trade, fuelled by rapid exchange rate devaluation leading to a severe loss of buying power. Inflation erodes away the value of money and renders the local currency useless and have a direct effect on the budget formulation and implementation processes. This is largely because it will be difficult to predict how much funds to allocate to a project. Commenting on this, Castellina (2013) asserts that accurate financial budgeting and forecasting is essential when making informed decisions, with an economy that is faced by a hyperinflation it will be difficult to achieve accuracy. PBBS thrives where there is stability in the economy particularly where the acceptable inflation rate is around 2% or slightly below. Every budget is formulated based on the price, as the prices increase and become comparatively volatile, the difficulties of budgeting are felt deeply. Inflation makes it difficult to keep expenses and budgets the same. The more the speed of fluctuations in prices, the more the difficulties faced in policymaking and for the budget in accomplishing its economic role.

Findings from the interviewed respondents reveal that high levels of inflation as one of the critical factors affecting the adoption and implementation of PBBS in particular and any other budget system in general. When asked further about the impact of high levels of inflation on the adoption and implementation of PBBS, the interviewees mentioned that

> *high levels of inflation in the country are the reasons why even the current and old budgeting systems whereas price for the budgeted resources continue rising rendering the budget useless as the budgeted figures will not be able to match the continuous price increases leading to serious budget deficits.*

This finding is further supported by the analysis of documents that shows the history of inflation in Zimbabwe and the prediction of how this inflation will move in the future and how it has negatively affected budget implementations. The latest annual inflation rate in Zimbabwe recorded in March 2020, although showing that the inflation dropped to 473.1 percent in January 2020 from 521.2 percent in the prior month, the fact as depicted in the table below from the Reserve Bank of Zimbabwe shows the rate is still very high:

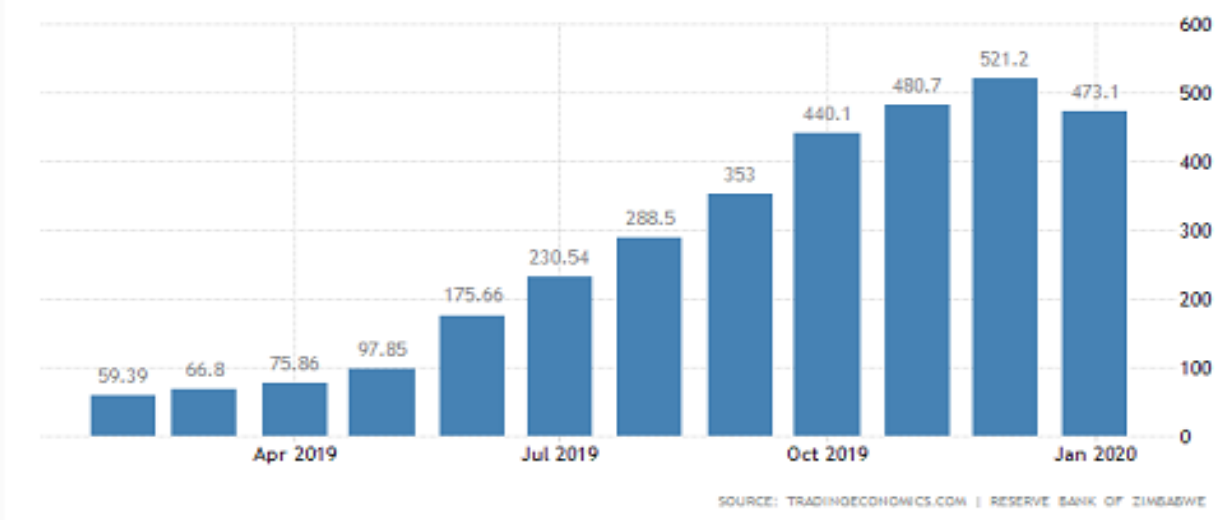


Table 3: Zimbabwe Inflation Trends Feb 2019- Jan 2020

Source: Reserve Bank of Zimbabwe March 2020

According to Plecher (2019), inflation in Zimbabwe increased to 10.6 percent in 2018, and was projected to jump dramatically to 161.81 percent in 2019. The table below extracted from statista shows how the Zimbabwean economy has been moving for some time showing instability:

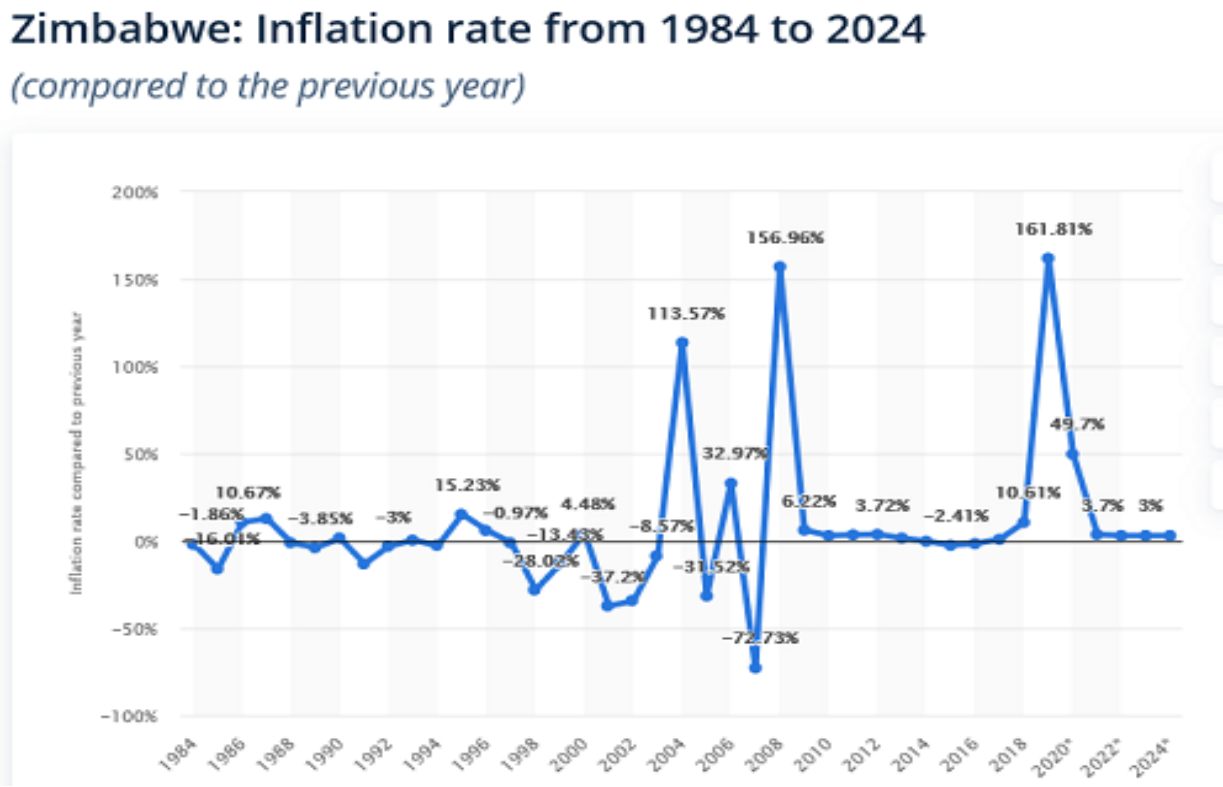


Table 4: Zimbabwe Inflation Rate

Source: H. Plecher, Nov 27, 2019

The prediction was almost correct when compared to the IMF report published in 2019 that showed the actual annual inflation during that period reached 230% in July 2019 (compared to 5.4% in September 2018).

However, from the findings presented and discussed findings above on economic instability, the MLGPWNH, like all other ministries and the rest of government as a whole, is facing a serios challenge of hyperinflation that is eroding the value of money, rendering their budgets useless. In the final analysis, given the history and the future prediction of no end in sight of rises in inflation, one may conclude that the ministry is not yet ready or prepared to adopt and implement the new PBBS as its budgeting system. The meaning of which being that as long as the inflationary pressure continues without stabilisation the ministry lacks one critical success factor for successful adoption and implementation of PBBS: stable economic environment.

4.2.2 Bureaucratic Structures and Widespread Organisational Fragmentation

Despite being a small economy Zimbabwe is one African country with huge civil service, which in many cases is very difficult to service- notably with regards to remuneration. It goes without saying that such a massive civil service dictates having many different bureaucratic structures with widespread organizational fragmentation. Articulating this Edwards (1980, p. viii) argues that "[i]n the public sector there are many agencies, doing too many things, overlapping too often, coordinating too rarely, wasting too much money- and doing too little to solve real problems." Public organisations with such fragmentations, duplications and overlaps tend to present serious obstacles for innovation, change and creativity. Many respondents interviewed agreed to these viewpoint that rigid and traditional public organisations are not good for adopting and implementing new systems. PBBS, on the contrary, needs flexible, predictable and flat-structured organisational structures. These are good for quick communication and feedback, better coordination, transparency, accountability and democracy. It technically requires well-coordinated and organized structures. The meaning of which is that public organisations with the following characteristics as articulated by Edwards (1980, p. 11) are not good infrastructures for the thriving of PBBS.

> *"Organizational fragmentation may hinder the coordination necessary to implement successfully a complex policy requiring the cooperation of many people, and it may also waste scarce resources, inhibit change, create confusion, lead to policies working at cross-purposes, and result in important functions being overlooked."*

However, from the findings presented and discussed above in this sub-theme the MLGPWNH is one typical example of such public organisations with excessive bureaucratic structures and widespread organisational fragmentation. In the final analysis, one may argue that the MLGPWNH is not yet ready or prepared to adopt and implement a new system that is premised on performance in its budgeting process. The meaning of which being that the ministry lacks one critical success factor for successful adoption and implementation of PBBS: flexible and well-coordinated bureaucratic structures.

4.2.3 Poor Digital Systems

A digital system was another finding for the reasons for not adopting PBBS. A digitally enabled public sector will improve the use and access to Information and Communication Technologies Systems (ICTs), this will assist in empowering the financial planning process and to ensure that financial budgets and forecasting are done accurately. ICTs allow for quicker and accurate budget formulation and reduce the time required to compile the budget, ICT also minimise the costs linked with traditional or manual way of processing budget as well as providing improved control over budget processing. Adewoye and Akanbi (2012) describe ICTs as a "complex and heterogeneous set of goods, applications and services used to produce, distribute, process and transform information". Further, Adewoye & Akandi reveal that by aligning of the ICTs to the budgeting and forecasting processes improves the user satisfaction and reduce cost and that the use of ICTs in budgets has minimised budget processing time and its formulation costs as well as fast-tracking submission of budgets to legislators.

The findings revealed that Zimbabwe is faced with ailing ICTs that have gone for years without being replaced. The Ministry of Information Communication Technology and Cyber Security is responsible for the coordination, deployment and development of all ICTs across all Government and throughout the country. The government of Zimbabwe, through the ministry of Information and Communication Technology in its strategic plan document for 2010 to 2014, identified projects to equip ministries with latest ICTs and one of the projects was to enhance the infrastructure for Public Finance Management System (PFMS). However, despite the government of Zimbabwe commitments, it is of concern that up to now the strategy is still yet to be achieved because the ministries have lagged behind in advancing their ICTs, which can be attributed to the lack of financial resources to acquire new ICTs. Findings from the respondents mentioned the issue of ailing ICTs that are currently not functioning and not compatible with new software. One respondent emphasised that:

> *The current digital system is old, they are still using old computers, even the internet is very slow and sometimes is even off, the server room a space that is designed to house small-scale computer information and Internet Technology equipment that the ministry is using is of low capacity, prone to virus attack and cannot handle large volumes of data.*

Findings from the document analysis also supported the issues raised by the respondents, Zimbabwe Infrastructure Report 2019 revealed that:

> *"In the past, investment into ICT has not been a priority. Government is yet to fully embrace ICT within its own operations as most of its operations are not digitised"*

Thus, from the findings presented and discussed on Lack of Information and Communication Technology Systems in the MLGPWNH and the Zimbabwean government in general the adoption of the PBBS is a challenge. In the final analysis, given the findings of the responses it is clear that the government of Zimbabwe is still faced with a serious challenge of ICTs that are ailing and not compatible with the adoption and implementation of the new budget system based on linking performance with funds, one may conclude that the ministry is not yet ready or prepared to adopt and implement a new PBBS. The meaning of which being that as long as the ICTs are not addressed and prioritised. The ministry is lacking one critical success factor for successful adoption and implementation of PBBS: Poor Digital Systems caused by lack of upgraded Information and Communication Technology Systems.

4.2.4 Political Instability

Another finding of the study revealed that the current political environment in the country as one of the deterrents towards the adoption and implementation of government reforms. Budget and planning are essentially part of a political process, the formulators have to be submissive to the notions of politics and politicians compromising the impartiality and reliability of the process. Folscher and Cole (2004) stressed that political contribution in budgeting is essential. They further argued that the instruments of the budget practise must guarantee that the role of political decision-makers is beneficial and adds to more real spending. Disputed politics can mislead the purposes of a sound budget system as politicians push for their political interests. The political situation in Zimbabwe has seen budgeting systems being trapped between two disputing political parties the ruling party Zimbabwe African National Union Patriotic Front (ZANU-PF) and the opposition Movement for Democratic Change (MDC). The political landscape in Zimbabwe is unstable as the country is characterised by infighting both within the ruling ZANU PF party itself and the same instability is also common in the main opposition party, resulting in failure to successfully adopt and implement government reforms.

Political infighting in Zimbabwe has led to lack of political will and working together is missing. Most if not all of the respondent state the fact that political infights are a great harm to the adoption and implementation of PBBS, they based their arguments on the history of politics that the government continues to reform every year and these reforms have been failing and their main reason for failing is due to political infights. One respondent mentioned that:

> *"Some politicians lack the determination to manage and implement government programmes and policies; as an alternative they are in politics to attain individual agendas. This kind of politicians, every time the government presents an innovative policy or program, they are frequently condemned and seen as partisan agendas".*

PBBS implementation like other reforms is influenced highly by the political situation in the country. Marango and Francis (2016) stated that "In fact, the problems is that the ruling party ZANU PF politicise everything, as well as policies and programmes".

However, from the findings presented and discussed on the political environment effect on the adoption and implementation of PBBS in MLGPWNH. In the final analysis, one may argue that the current unstable political environment in Zimbabwe, one may conclude that the ministry is not yet ready or prepared to adopt and implement PBBS. The meaning of which being that as long as the current political situation is not resolved and managed, The ministry is lacking one critical success factor for successful adoption and implementation of PBBS: Stable political environment.

4.2.5 Weak Regulations

The findings of the study further revealed that the regulation framework that guide and enforces the implementation of the PBBS is of importance. The regulatory framework includes proposed legal acts for the proposed programmes and is reflected in the better regulation guidelines. In public policy, government's intent to do or not to do something is reflected on its legislative and policy documents- the absence of which can be interpreted to mean otherwise. It is against this background that this study is submitting that the absence of both legal and policy frameworks for PBBS should be interpreted to mean exactly that the government was not intending to either adopt or implement it. Almost all the respondents interviewed agreed that at the present moment

there is neither the policy framework nor the legal foundation for the PBBS, with one respondent stating that the lack of a proper legal framework to guide and enforce the implementation of PBBS in public sector is the reason why PBBS is not yet been adopted, another respondent lamented the fact that the current main legislatures that play the oversight role are the PFMA and Treasury Regulations but they do not have enough power to enforce the adoption and implementation of PBBS.

They further established that nothing of this sort has ever been mooted in the ministry and government at large, implying that the budgeting system, it is to be adopted and implemented, the MLGPWNH will be doing so *ultra vires* of the legal frameworks of the country. Put it another way, PBBS is not a constitutional, policy or legislative creature. The ministry documents reviewed supported this position as non among them talks of it or referenced any motion the government or the MLGPWNH mooted in order to establish the legal and policy positions of the budgeting system. One critical document here is the Public Finance Management Act (PFMA) which guides the financial processes of the government as a whole. In 2015, the central government only made a statement to the effect that PBBS should be the budget system to be used by all ministries, governments departments and agencies but without operationalising the intent through either the policy framework or legal framework. A further analysis of government's IRBMS report indicate that one of the achievements to date on implementing the other components is the operationalising of Result Based Monitoring and Evaluation through a policy framework. The government through the Rapid Results Approach (RRA) formulated the National Monitoring and Evaluation Policy that was launched in 2015. The policy framework was developed to provide a legal and administrative guidance to strengthen the use of monitoring and evaluation system. However, with PBBS the government only just made a mare statement that by 2015 governments departments will be using PBBS. The implication of this was that there was no clear policy/legislative position from the government about PBBS as the budgeting system lacks legal standing. Using the foregoing analysis as the point of reference one may argue that adopting and implementing PBBS in Zimbabwe is illegal as doing so is not legally provided for in the statutes or policy documents.

However, from the findings presented and discussed on the lack of policy and legislative frameworks to guide and enforce the adoption and implementation of PBBS in MLGPWNH. In

the final analysis, one may argue that since the central government operationalised one of the components through policy framework then if they can also operationalise the PBBS through the policy or legislative framework then MLGPWNH might be ready to adopt and implement the new budget system that is premised on performance in its budgeting process and the reverse is true if there is no policy or legislative framework then the ministry will not be ready to adopt PBBS. The meaning of which being that the ministry lacks one of the critical success factors that results in the successful adoption and implementation of PBBS: Policy and Legislative framework.

4.2.6 Inadequate Financial Resources

Finding was made on the financial challenges being faced by Zimbabwean Government. Zimbabwe is presently facing a severe economic disaster that was worsened by Corona Virus pandemic (COVID-19) in 2020. A survey by the Zimbabwe National Chamber of Commerce revealed that due to COVID-19 Zimbabwean Gross domestic product (GDP) contracted as the virus has adversely affected exports, tourism, and manufacturing, worsening the economic crisis with most businesses across all divisions encountering low production and huge income losses. It is further estimated that the economy will continue to contract by 8.1%, with the recession expected to continue in 2021 as the uncertainty about the period and ruthlessness of the virus range will prolong. Further, Zimbabwe cannot access external financial support to boost its financial stability because of its debt. According to IMF, Zimbabwe owes $9 billion in foreign debts and led to the isolation of the country from receiving additional loans from the IMF, World Bank and African Development. In 2019, the Minister of Finance was unsuccessful in securing credit from international corporations at the World Economic Forum because of Zimbabwe's enormous debt amount outstanding. Analysed documents also revealed that policy missteps such as lack of an effective fiscal policy to manage forex by the Reserve Bank of Zimbabwe destabilised the de-dollarisation efforts and led to the devaluation of the local currency and high inflation.

Findings further established that the ministry in particular and the government in general are seriously suffering from acute financial problems, in some instances some sections of the civil

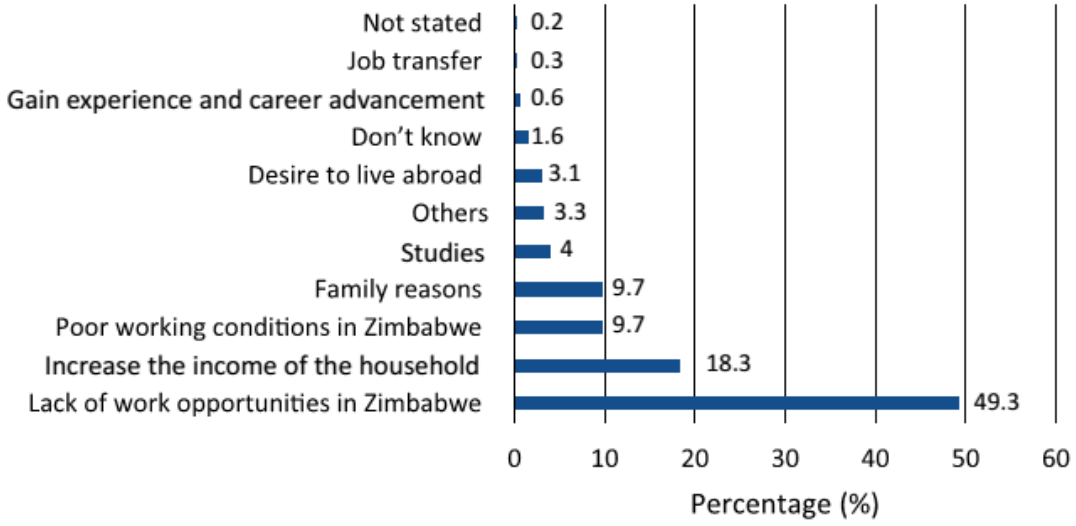
services going without getting paid in full for months. Against this background of limited financial space in the MLGPWNH adopting and implementing a new budgeting system, which requires huge sums of money when training and orienting the staff about the new system, would have been considered something of low priority. The reason being that pressing issues such as employee salaries, service delivery of public goods and services amongst others are toping the priority of the ministry. One respondent interviewed submitted that "It can be viewed as cruel to prioritise a budgeting system which no one knows if it will produce the desired results when we have pressing issues like water, health, education, development and refuse collection to provide to the residents and let alone the Covid-19 pandemic that has crippled the economy." Therefore, to them considering the current economic challenges the country was facing, it is difficult to for the government to have funds to roll out the adoption and implementation of PBBS.

However, from the findings presented and discussed on the inadequate financial resources that is facing the ministry in particular and the government in general to successfully implement PBBS. In the final analysis, one may argue that the lack of financial resources to fund the implementation of PBBS means that the ministry is not yet ready or prepared to adopt and implement a new system that is premised on performance in its budgeting process. The meaning of which being that the ministry lacks one critical success factor that affect the adoption and implementation of PBBS: Financial resource.

4.2.7 Lack of Human Resources

It has been further established from the findings that acute lack of human capital is accounting to the non-adoption and implementation of the PBBS in the MLGPWNH. Nonetheless, important to take note of at this stage is the fact that this finding is largely implied rather than clearly stated as the ministry officials would argue that they are fully equipped to implement the PBBS contrary to the deteriorating human investment results that are endangering opportunities for coming generations, with regards to shortage of human resources with critical skills to successfully implement PBBS, it is worth noting that in Zimbabwe since the beginning of the millennium when the economy contracted until now witnessed massive human capital flight, with the public

sector being the most affected. This was supported by the literature, for example Gwaradzimba and Shumba (2008), who argued that the magnitude of brain drain from Zimbabwe to the west demonstrate that many public sector professionals left the country, meaning a critical mass of those left behind are not fully up to the scratch with regards to competencies, skills, knowledge and abilities. The result of which is that the inadequate human resources will be impacting negatively on the need to adopt and implement PBBS in the ministry. The reason being that PBBS is a technical budgeting system which requires men and women with impeccable technical skills and competencies to execute it. Corroborating with this Edwards (1980, p. 61) asserts that "a poorly trained staff can create hazards." Some of the interviewed respondents supported this position arguing categorically that the public sector was not spared by the scourge in mass exodus of highly skilled professionals emigrating to other countries in pursuit of greener pastures soon after the economy tanked in 2000. Further finding from the document analysis of the report compiled by the International Organization for Migration (IOM) in 2018 in conjunction with the Zimbabwean government and Zimbabwe National Statistics Agency (Zimstats), covering the migration profile in Zimbabwe during the period 2010 to 2016 revealed that the main pull factor that attracted people from leaving the country was due to lack of work opportunities as depicted buy the figure below from the report showing the percentage distribution of Zimbabwean emigrants by reason for migrating:



Source: ZIMSTAT, "2014 Labour Force and Child Labour Survey ", in: *2014 Labour Force Survey.*

Figure 7: Percentage Distribution of Zimbabwean Emigrants by Reason for Migrating

The report further reveals that South Africa alone has an estimate of three million Zimbabweans residing in the country most of them working as professionals in Accounting, Planners, health and engineering sectors. Thus, a case can be made that lack of requisite human resources will negatively affect the adoption and implementation of PBBS in the MLGPWNH.

However, from the findings presented and discussed on the lack of human resources with critical skills to successfully implement PBBS that is facing the ministry in particular and the government in general. In the final analysis, one may argue that the lack of qualified people to implement PBBBS in the MLGPWNH means that the ministry is not yet ready or prepared to adopt and implement a new system that is premised on performance in its budgeting process. The meaning of which being that the ministry lacks one critical success factor that affect the adoption and implementation of PBBS: human resource.

4.2.8 Lack of Corporation and Attitude Towards Change

Zimbabwean government is using a centralised top-down approach to the implementation of PBBS in the public sector institutions, where power and decision making are conferred to the Ministry of Finance and Economic Development to drive, monitor and enforce the adoption and implementation of PBBS. The approach guarantees a limited contribution of all stakeholders.

PBBS requires an approach that guarantees a broad contribution and connection of all stakeholders, during the implementation phases in a well-coordinated government-wide approach. Lack of corporation between Ministry of Finance and MLGPWNH will affect the adoption and implementation of PBBS as the ministry will feel as if they are being forced to adopt.

> *One interviewee mentioned that they were not even consulted during the early stages of the decision to adopt, and were did not participate on how the budget system will be implemented they were only informed by the Ministry of Finance that they are supposed to adopt a new budget system and that is the reason until now there is not yet any success in the adoption of PBBS since 2018 when they announced the roll out of the budget system to ministries.*

Attitudes is associated beliefs and behaviours towards something or an idea. For attitude to change there is need for belief and perception that the new idea will bring positive changes. Attitude towards change depends on the beliefs and perceptions of the current system. This means that if the users are happy with the current system the chances of attitude change towards the new system is highly diminished. Therefore, the concern was how the ministry will adopt the PBBS and replace the old program based budget system currently being used by MLGPWNH. The findings from the respondents interviewed shows that most of the users of the existing budgeting system are not prepared to accept the adoption and implementation of the new system (PBBS) replacing the current budget system. Attitude to change involves the change management. According to Rouse (2015), described change management as an approach that deals with the changes from both the perspective of an organization and the individual.

There is a strong belief and perception that the current budgeting system is working well for the ministry that there is no need for moving to adopt a new budget system. One respondent drawn from the MLGPWNH submitted the following:

> *"The program-based budgeting system we are currently using is working well for the ministry our ministry was one of the three ministries who were piloted to use the budget system and later other ministries adopted the budget system because of the success that they noticed from our piloted ministries."*

This was further supported by another MLGPWNH respondent who mentioned the benefits that came with the use of the current budget system by arguing that the current budget system has improved accountability and how funds are allocated to programmes. The respondent stated the following:

> *"The budget system that we now using has allowed us to monitor how our funds are being used and also that when budget takes place more money is allocated to programmes that are of priority. The budget system used is also promoting accountability as the ministry will have to account for every cent they use."*

Therefore, from the findings presented and discussed above on lack of corporation and attitude to change amongst the MLGPWNH employees towards the adoption of the PBBS if their attitudes are positive or negative. In the final analysis, given the findings of the responses it is clear that

the employees are happy and content with the current program based budget system they argue that there is no need to adopt a new budget system based on linking performance with funds and that the lack of involvement in the decision making, one may conclude that the ministry is not yet ready or prepared to adopt and implement a new PBBS. The meaning of which being that as long as the attitude of these employees are content with the current budget system and that they are excluded in decision making, they are using they will they see no need to move to another budget system. The ministry suffers from critical success factor for successful adoption and implementation of PBBS: lack of participation and negative attitude to change which will lead to resistance to change.

4.2.9 Corruption

Corruption was identified as one of the reason why the ministry cannot adopt the PBBS. Corruption meant that issues of transparency, inclusivity, integrity and accountability are subverted in order for misappropriation, embezzlement, externalisation and laundering of money to take place in large scale. Ranked as one of Africa's most corrupt countries Zimbabwe in general and its government in particular present an obstacle to an effective and successful adoption and implementation of performance related budgeting systems as PBBS. Transparency International Zimbabwe (TIZ) in 2012 reported that "in 2011, Zimbabwe had a Corruption Perception Index (CPI) score of 2.2 and an overall rank of 154 out of 182 countries surveyed. In 2012, the CPI was presented on a scale of 0 to 100, with 0 being the most corrupt and 100 being the least corrupt, Zimbabwe was one of the countries assessed and it scored 20 on the CPI score". Zaranyika (2019) stated that widespread corruption has affected the implementation of programmes, senior government official are being blamed of misusing of state funds budgeted for developmental programmes. Further, the Auditor General's 2019 audit report exposes the extend of the gross mishandling of public funds by ministries and failures to follow what is specified in the PFMA subsequent in the country losing billions of dollars due to corruption.

However, PBBS is one budgeting system that thrives in corruption-free spaces where transparency, inclusivity, accountability and integrity ethos are not only maintained and guaranteed but also prioritised. Findings from the interviewed respondents have revealed that one other serious obstruction that inhibit change of doing business in the ministry is systematic

corruption that pervades the whole government system, with the MLGPWNH as one epicentre of it. This may be largely because the ministry is the one that deals with the allocation of stands (both residential and commercial), overseeing the administration of both rural and urban local authorities as well as collection of surcharges, infrastructure development and rural transformation. The organizational culture, as established by the findings, tends to favour status quo settings than change. This is fundamentally because the status quo situations were designed in a manner that they provide conducive conditions for massive corruption, both for saving the isolated regime from crumbling and elite preservation.

It is against this background of systemic and entrenched corruption that this study is making a submission that PBBS cannot be adopted and implemented in Zimbabwe, particularly in the government departments. The corruption conditions are not hospitable nor conducive for any system that requires integrity as its essential element. To this end, the country in general and the MLGPWNH in particular are not anywhere near adopting and implementing PBBS. Recommended are the measures to uproot corruption so as to pave the way for integrity in the ministry that would in turn creates a conducive environment for adopting and implementing a budgeting system based on performance such as the PBBS.

However, from the foregoing findings presented and discussed corruption is still a challenge in the ministry and government as a whole. In the final analysis, if the government is willing to reform its systems to allow for good governance and strengthen the powers of the anti-corruption watchdogs will be a positive step towards preparation to adopt the PBBS. One may argue that Failure reform or continuation of the status quo of the corrupt systems will mean that the MLGPWNH is not yet ready or prepared to adopt and implement PBBS. This is largely because the ministry lacks one critical success factor that affect the adoption and implementation of PBBS: Good Governance with a corruption free government.

4.3 Misconception of the PBBS

The reason for this is worth considering here: in many instances, as presented and discussed in the preceding theme of misconception of the PBBS, ministry officials either confuse or conflate PBBS and other budgeting systems, a situation that makes them think that they are already using PBBS. It has been established by the findings, from both respondents interviewed and documents

reviewed, that arguments are fiercely trading blows with counterarguments with regard to how the concept and practice of Performance Based Budgeting System (PBBS) is understood, defined and conceptualised in Zimbabwe's Ministry of Local Government, Public Works and National Housing (MLGPWNH). Generally, two schools of thought emerged, both fighting for conceptual and definitional supremacy. On the one hand, PBBS is understood as one of the two crucial foundations of the Integrated Results-Based Management System (IRBMS), the other one being the Results Based Personnel Performance System (RBPS). However, on the other hand, the budgeting system, although acknowledged to be part of the broader IRBMS, is widely misunderstood as either the Programme Based Budgeting System (PBB) or Program Budgeting System (PBS) because of their close link. Reviewed literature too has its fair share of this misconception of the budgeting system. Madhekeni (2012), Zinyama and Nhema (2016) are two cases in point. The former misconstrued PBBS to mean Program Performance Budgeting System (PPBS), a budgeting system which is non-existent across all literature. There is PBBS and PBS/PBB. The latter confused PBBS with PBB. The major reason for this is worth considering upfront: ministry officials and local academicians are of the view that the fact that they are doing their budgeting system according to the programs is adequate evidence enough for calling their system PBBS.

Further, findings have also established that PBB (government website) is also part of IRBMS, something that is very much inconsistent with the literature. All in all, these conceptual contestations about PBBS, from both the perspectives of the findings and local literature, served to further confuse the understanding and practice of the budgeting system in the country at large and in academia and MLGPWNH in particular.

Articulating that PBB is one integral element of the IRBMS while acknowledging that the budgeting system is related yet different from PBBS one respondent drawn from the MLGPWNH submitted the following:

> *"The system we are using is a result-based budget system that is programme based budgeting and the budget system is linked to the result-based management system, the budget system is almost the same as performance-based budgeting. The budget system was adopted in 2012 and seeks to link funding to results."*

This was further supported by another MLGPWNH respondent who argued that the fact that PBB has elements of linking projects' performance and funds to be allocated to them makes it one building block of IRBMS. Of important to note is that various ministerial documents reviewed also establish a strong link between PBB and IRBMS. A request for documents to support that the PBB is the same as PBBS proved otherwise as the documents fell short of the required principles of PBBS, such principles include signed performance agreements, performance plans and the strategic documents. The reason may be that PBB is that which the ministry claimed to be using, hence the idea that it is linked to what central government requested them to go by the principles of IRBMS is therefore not unfounded. However, it is critically important to note that they are mere claims by the MLGPWNH that they are using PBB, which is linked to the IRBMS. This is largely because a close look at the budget system currently used in the ministry is neither PBS, PBBS nor Program Based Budgeting System (PBBS). Their budgeting system seems to be extensively borrowing from all the three, making it a hybrid hence very difficult to tell if what really it is- at least according to those categorised in the literature: zero-based, incremental, cash-based, line-item, PBBS, PBS, PBBS etc.

The implications of such confusion should not be underestimated with regards to establishing the following: whether the MLGPWNH is functionally ready to adopt PBBS or not; whether the ministry is aware that the budgeting system it is using is not PBBS although based on performance of the projects; what the ministry needs to do and to have to be able to successfully adopt and implement PBBS; whether what the MLGPWNH is doing budget wise is really according to the principles of IRBMS; and whether the ministry is aware of the critical success and failure factors needed for PBBS to be a success story. Therefore, in the final analysis, one may argue that while lack of definitional and conceptual consensus of the PBBS in the ministry and local academics may not be a big deal in its own right, the implications this have on measuring the degree of preparedness of the MLGPWNH to adopt and implement PBBS are rather enormous and regrettable if not understood the way they should.

4.4 The Relationship of Critical Factors

The critical success factors affecting directly the adoption and implementation of PBBS have also an indirect effect on each other, as shown in figure 4.2 below. For instance, interviews

conducted with the key respondents and document analysed both revealed that there is a linkage between and among factors themselves in that they affect one another either positively or negatively and ultimately affecting adoption of PBBS.

For instance, financial resource constraints have a huge effect on all of the critical conditions mentioned, the ailing of ICTs infrastructure and failure to upgrade the systems is mainly attributed to lack of financial resources. The same can be true for attitude towards change as it was clear from the respondents that they would rather continue with the current budget system that is working as with the new budget system the ministry due to financial constrains it is currently facing will make it difficult to adopt and implement. Financial resource constrain has also resulted in the inadequate of human resources as skilled people have migrated to other countries as they are not adequately remunerated forcing them to move to countries that offer better salaries resulting in brain drain. Thus, this inter-relationship subsequently affects negatively the adoption and implementation of PBBS in MLGPWNH.

Further, the instability in the economy has a an effect on the corruption because as revealed by the document analysed from Transparency International Zimbabwe the instabilities in the economy is a recipe for corruption as depicted on the statistics that when the Zimbabwean economy started shrinking the levels of corruption witnessed started to increase. Attitude has a direct bearing on most of the factors, the attitude that they respondents have towards the bureaucratic structures, ICTs that is in place and the quality of human resource that is currently available to adopt and implement PBBS in MLGPWNH will be a challenge as their attitude is change is affected by all these factors. The figure below represents a depiction of the relationships of the critical factors:

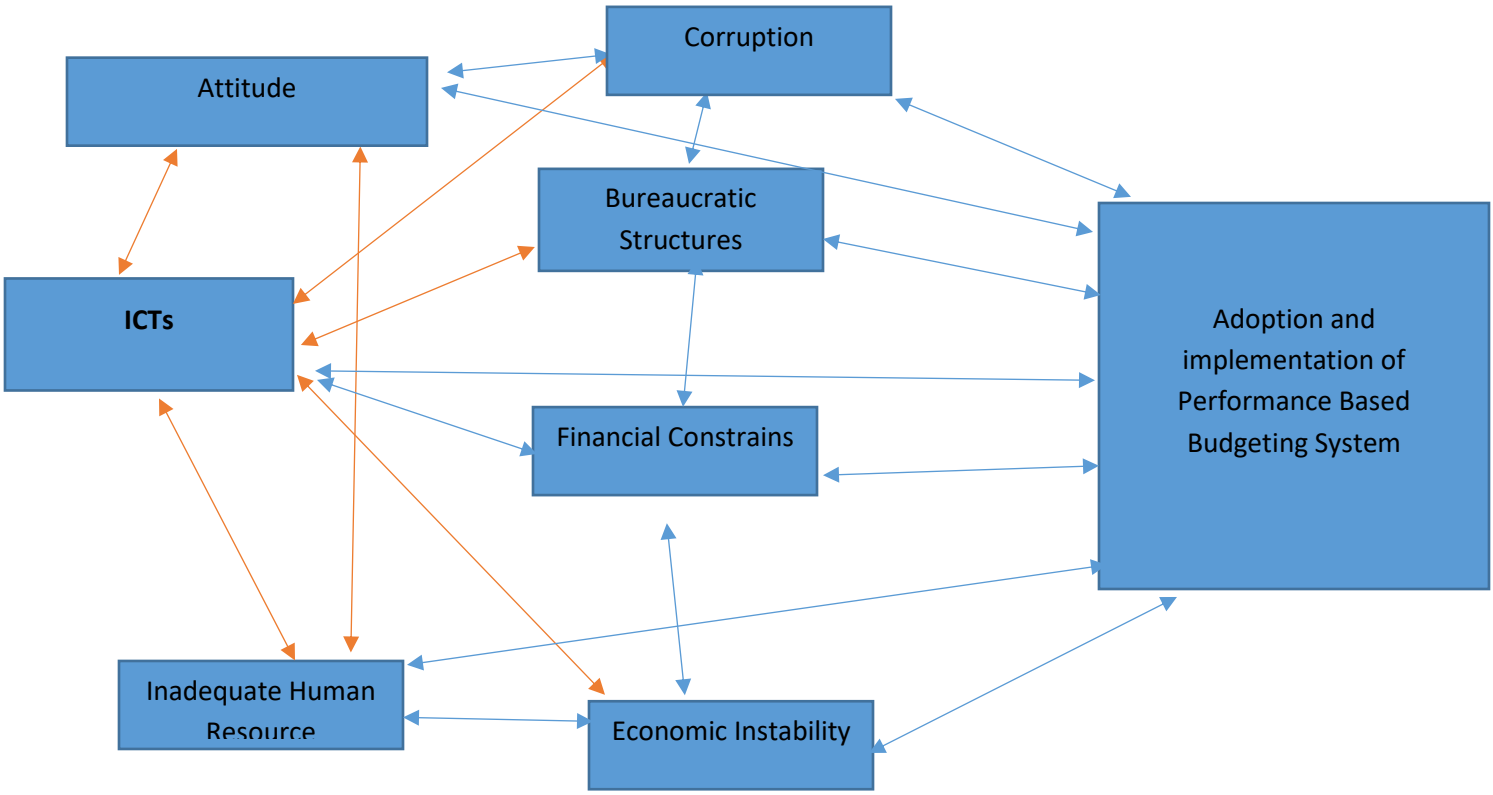


Figure 8: Critical Factors Relationship

4.5 Findings against the Theory

The findings from the study are collaborating with the diffusion of innovation theory, the theory that formed the theoretical framework of this study. The theory is made up of three main stages the pre adoption, adoption and implementation stages, but it is the adoption stage that is key to this study as it is the stage that decisions are made to adopt and implement PBBS in the ministry. The findings have shown that the ministry is lacking the critical success factors that are required for the ministry to be ready to adopt and implement PBBS. Therefore, in line with the adoption phase of the DIT which looks at the technicalities, finances and management skills required for the adoption and implementation of the innovation a decision can be made to either reject or adopt the innovation. This decision depends on whether the ministry is ready considering the prevailing conditions to adopt and implement PBBS.

4.6 Conclusion

The presentation and analysis of the findings of this chapter have revealed the misconception between the respondents and the literature itself on the budget system that is currently being used in MLGPWNH. It has also been shown that certain critical factors account for non-adoption. This is because the current prevailing conditions are negatively affecting the adoption and implementation of PBBS in MLGPWNH. These critical factors identified have a direct effect on the readiness to adopt and implement the PBBS in MLGPWNH. These critical factors are intricately linked to each other in that they also affect each other negatively; thus, they affect PBBS adoption and implementation both directly and indirectly. To this end, from the findings presented and discussed showed that there are critical factors such as (financial resource constrains, inadequate ICTs, inadequate human resource, bureaucratic structures, attitude to change, lack of policy or legislative framework and economic instability) that will affect negatively the adoption and implementation of PBBS in MLGPWNH. The next chapter draws some conclusions regarding the readiness to adopt and implement PBBS in MLGPWNH and makes some recommendations on how to strengthen the critical factors that are negatively affecting the adoption and implementation of PBBS in MLGPWNH.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This study sought to investigate the readiness of Zimbabwe's Ministry of Local Government, Public Works and National Housing (MLGPWNH) to adopt and implement Performance Based Budgeting System (PBBS) and further to make recommendations on necessary conditions suitable for the ministry that can be used to facilitate the adoption of PBBS.

In line with these objectives, this chapter draws the conclusions from the results presented and analysed in the previous chapter. Finally, recommendations from the study are presented.

5.1 Conclusions

Numerous conclusions are drawn from this study. They are:

Findings of the study exposed that the budgeting system that MLGPWNH is using is not aligned to the IRBMS even though the respondents equate the programme budgeting system currently being used with the PBBS. The two budgeting systems, although they complement each other, are not similar. In execution they follow different process when formulating, the programme budget is broader and is based on budgeting for programs while PBBS is narrower and focuses on linking performance information to the budget. To this extent, it is one of the conclusions of this study that the budgeting system presently used in MLGPWNH is not aligned to the IRBMS as claimed. This is mainly due to the fact that most respondents and other scholars have a misconception that the two budgeting systems are aligned.

Further, the findings of the study reveal that the satisfaction with the current programme-based budget system will negatively affect the readiness to adopt and implement PBBS. To this extent, it is difficult to implement PBBS in such situation where the ministry is satisfied with the current budget system they are using thereby, to them there is no motivation and need to reform from the current to new budget system. To this end, this study concludes that the current satisfaction with the programme budget system will result in less interest to change and implementation of the new PBBS.

It was also established from the findings that there is a limited financial resource to fund the budgets, this has a strong bearing on the implementation of PBBS. This is mainly because for a budget to be properly implemented there should be enough funds available to allocate to the identified projects during the implementation of the PBBS. It is therefore one of the conclusions of this study that the financial resource constraints currently being faced by the Zimbabwean government will compromise the effective implementation of the PBBS in the MLGPWNH.

The findings also revealed that the existing economic instabilities that the country finds itself in makes it difficult for the adoption and implementation of PBBS. To a certain extent, this is attributable to the uncontrollable rise in inflation which erodes away the value of money making it difficult to sustain a budget system. Thus, it is the conclusion of this study that economic instability caused by high rise in inflation compromises the effective implementation of PBBS in the MLGPWNH.

It was established from the findings of the study that the legislative system in place with regards to budgeting does not enforce and facilitate the implementation PBBS. This is mainly because according to the Public Finance Management Act [Chapter 22:19] that is currently used to guide the formulation of the budget it is not in line with the formulation and implementation of the PBBS. Thus, it is the conclusion of this study that the flawed legislations will negatively affect the adoption and implementation of PBBS in the MLGPWNH.

The study acknowledged that the current political environment in the country is unpredictable, lacks the rule of law and highly politicised. Therefore, implementing PBBS in these highly unstable political environments is very difficult as the budget system requires a democratic political environment that allows for extensive public participation. Thus, one of the conclusions of this study is that the current political environment in the country is not conducive to the adoption and implementation of PBBS. This is mainly because PB system thrives in an environment where citizens can freely express their views of what they expect the government to deliver for them without fear.

It was established from the findings of the study that the hierarchical structures in the ministry are characterised by lack of coordination, involvement and integration with lower level implementers. To this extent, it is difficult to implement PBBS in such situation where those at

the bottom are rarely involved in the budget processes and formulation, with the budget formulation being done at the top. This is mainly because PBBS requires extensive involvement and participation of everyone within the organisation and outside the organisation for mutual understanding, mutual trust, common vision and purpose among all stakeholders entrusted to implement it. To this end, this study concludes that the hierarchical structures at MLGPWNH are inhospitable to the smooth implementation of the PBBS.

Findings of the study also revealed that there is lack of ICT systems. To this extent, it is difficult to implement PBBS in such situation where ICT systems are old and inadequate. This is mainly because the implementation of PBBS requires ICT systems such as hardware and software that are up to date and reliable to conduct planning, budgeting and reporting. Therefore, it is the conclusion of this study that lack of proper ICT systems will negatively affect the implementation of PBBS in the MLGPWNH.

5.2 Recommendations and Areas of Further Study

The study suggests a range of recommendations that the ministry can use for them to be ready to adopt and implement PBBS and areas of further study that could be of interest to researchers, practitioners and students of public policy implementation and PBBS.

5.2.1 Availing Adequate Financial Resources for Sustainable Implementation of PBBS

Against such an account of inadequate fiscal space in the ministry, this study recommends that the government avail adequate financial resources to go towards the implementation of PBBS. The government can do this through financial capacity building. To capacitate the ministries financially, they should be given the power to borrow money. Also, if possible, this can be done through revising upwards the budgetary vote allocation of the PBBS in the Ministry and outsourcing funds from other stakeholders such as the civil society organizations, private sector, other government departments among many. Financial capacity can also be established through

the process of public-private partnerships (PPPs) with the corporate world. This will go a long way in implementing the PBBS effectively and efficiently in the ministry mainly because financial resources are key in implementing policies.

5.2.2 Capacitating of PBBS Implementers in MLGPWNH

Against the background of lack of qualified personnel to implement PBBS in different departments, the study is recommending for the capacity building of employees in these departments through training and development so as to make them conversant to the PBBS processes. As a short-term solution, the ministry can outsource or contract those with the technical expertise to drive the implementation and at the same time providing training on the ground to the implementers in the ministry. This will help effective implementation of PBBS in the ministry in the sense that the human resources will be equipped with the knowledge to execute PBBS implementation. There is also a need to focus more on Human Capital Development as a long term solution especially in the area of advanced knowledge and technologies.

5.2.3 Strengthening the ICT System Capacity of the MLGPWNH

The study is recommending the improvement of the current capacity of ICT system by either upgrading the existing ICT infrastructure or acquiring new ICT infrastructure systems of the ministry that are more compatible with the implementation PBBS. This means that the ministry must acquire new hardwares and softwares that are compatible with the implementation of the performance-based budgeting system. Against this backdrop upgrading of the existing ICT systems will go a long way in facilitating the planning, budgeting and reporting which is key to ensure effective execution of PBBS in the ministry. The ICT Ministry should expedite realisation of an e-enabled economy where all institutions will embrace the use of modern ICT to increase efficiency in line with the worldwide developments improving access and utilisation of ICTs.

5.2.4 Motivating PBBS Implementers to Change

Against such an account motivating implementers is key to avoid any negative dispositions of PBBS implementation, this research is recommending that PBBS implementers should be motivated, either by offering incentives in the form of financial or non-financial rewards and using a hybrid approach to implementation so that all stakeholders are involved. This will go a long way in getting commitment, avoiding disputes and resistance from the implementers. To this end, PBBS will be smoothly and effectively implemented mainly because the people entrusted to implement it will be well motivated and committed towards executing their jobs. Further, the study recommends that management of change be done to manage the change that will happen as a result of implementing a new budget system. This will go a long way in ensuring that employees are prepared for the changes that arise from implementing PBBS.

5.2.5 Amend the Legislative System with Regards to Budgeting

The legislative framework governing the implementation of budget systems is very weak and old and does not cater for the implementation of PBBS in ministries. Against this backdrop, the study is recommending for the establishment of enforceable rules and regulations that should guide and enforce government institutions for adoption and implementation of PBBS. This can be done by amending the current PFMA and aligning it to the constitution to give it more power. This will go a long way in facilitating the implementation of PBBS more effectively and efficiently mainly because there is a rule that enforces the ministries adopt and implement PBBS.

5.2.6 Use of Hybrid Budget System

As evident from the findings from the previous studies most of the countries that attempted to adopt and implement PBBS did not succeed and is very difficult to meet the preconditions that needs to be in place for successful implementation of PBBS. Also, that even those countries that have already implemented PBBS are still facing challenges with the budget system. Therefore, this study further recommend that the government uses more than one budget system and or use some of the elements of the PBBS with the line item budget and the programme based budget to make it a hybrid budget system as the adoption of the PBBS alone is no guarantee to be a

solution to the problems that the ministry is facing not taking away of the fact that using a PBBS will go a long to assist the ministry with some of its challenges it is facing.

5.3 Conclusion

The conclusions and recommendations of this study were presented in this chapter. The major conclusion of this study shows that with the current conditions that the Zimbabwe government finds itself in and the ministry itself, the country is currently too ambitious to roll out the adoption and implementation of PBBS in the sense that it is still a long way in terms of readiness to adopting and implementing PBBS in its ministries because of a number of negative factors facing the country. These factors are: resource constrains, unstable economic environment, perceived undemocratic political system, inadequate legislations among many. Since the need to adopt and implement PBBS in Zimbabwean ministry was based on the requirements of the IRBMS framework, therefore, in order to ensure that one of the main component of IRBMS that is PBBS is implemented the research made a number of recommendations that the government and the ministry and the government as a whole need to address first for them to be ready and prepared to adopt the PBBS some of these recommendations include but not limited to upgrading of the existing ICT infrastructure, capacitating of implementers through training, management of change, introduction of policy and legislations that will guide and enforce the implementation of PBBS. The study further revealed the prevailing factors affecting the readiness to adopt and implement a PBBS in MLGPWNH.

The findings of this study can be used by different scholars and less developed nations to understand the conditions necessary for readiness to adopt and implement a budget reform. Scholars and practitioners can use the results to improve their understanding of the misconception between program and performance budgeting.

This study also suggested that PBBS must be implemented in countries that are ready in terms of viable financial capacities, where there is rule law and systems that ensure that budgets are formulated accordingly, where information systems are well functioning and are providing reliable budget information, and where there are enough capacities. Countries that in crisis such

as the Zimbabwean government are highly unlikely to be ready or prepared to adopt and implement PBB will be unsuccessful.

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Appendix 1.1: Data Collection Instrument

ANNEX 1: Questions related to the MLGPWNH implementing IRBMS?

1.1 In your opinion, what do you understand by the Integrated Results-Based Management system?

1.2 What are its critical/essential characteristics in your own view?

1.3 Given that the central government adopted Integrated Results-Based Management system in 2005, what is your general observation of the system since its adoption? Is it working or what?

1.4 What has the system achieved in terms of its purposes or objectives?

1.5 How has the adopting of the Integrated Results-Based Management system by the central government affected the budget system in MLGPWNH?

1.6 In your own opinion, how efficient and effective is the budgeting system you are using in this Ministry?

1.7 One of the components of IRBMS is PBBS, Does the ministry use a budget system that is linked to IRBMS? If not, why is it not linked.

1.8 In your own view what factors have influenced the delays in the adoption of PBBS?

ANNEX 2: Questions related to the critical-success factors for the adoption and implementation of the PBBS in the ministry?

2.1 As you may know PBBS is one critical component of IRBMS, in your opinion, what do you understand by the Performance Based Budgeting System?

2.2 What are critical-success factors that may facilitate easy adoption and implementation of the PBBS in MLGPWNH? You can group them according to whether they are internal or external.

2.3 *In your own opinion, how can these factors be made available for successful implementation of PBBS in MLGPWNH?*

ANNEX 3: Questions related to how ready is the MLGPWNH to adopt and implement PBBS?

3.1 What do you think are the requirements/preconditions needed for MLGPWNH to adopt and implement PBBS?

3.2 Given the unavailability/availability of these (or some of these) requirements/preconditions in your own view, how ready is MLGPWNH to adopt and implement PBBS?

ANNEX 4: Questions related to challenges likely to be faced when MLGPWNH considers adopting and implementing PBBS?

4.1 In your opinion, what do you think are challenges that may be faced when MLGPWNH considers adopting and implementing PBBS?

4.2 How are these challenges affect the successful implementation?

ANNEX 5: Questions related to challenges likely to be faced when MLGPWNH considers adopting and implementing PBBS?

5.1 What do you think should be done to address the challenges for successful adoption and implementation of the PBBS in MLGPWNH, as in what measures can be adopted and implemented to address these challenges?

Appendix 1.2: Completed questionnaire

ANNEX 1: Questions related to the council delaying adopting and implementing PBBS when the have central government have already adopted IRBMS?

1.1 In your opinion, what do you understand by the Integrated Results-Based Management system?

Response: this is a result-based management tool that was introduced way back in 2005 that strives towards achieving the results. The system seeks to integrate different management components.

1.2 What are its critical/essential characteristics in your own view?

Response: the tool integrates different components and focuses on results and performance in the organization. the fact that it is an integrated system is important as it is made up of different key components such result based personnel management, e-government, result based budget system and result based monitoring and evaluation. It promotes accountability as it promotes accountability which is key in an organization.

1.3 Given that the central government adopted Integrated Results-Based Management system in 2005, what is your general observation of the system since its adoption? Is it working or what?

Response: The system although is facing a lot of challenges it is partially working as it is not yet fully implemented. There are certain components such as the programme based budgeting system that is working well for our ministry. E-government is also working although it has its own challenges. The result based personnel management is also working well. However, there are still challenges such as the budget that is being affected by inflation and the instability in the markets and limited funding. E-government is also affected negatively by poor ICT system.

1.4 What has the system achieved in terms of its purposes or objectives?

Response: It has improved accountability within the ministry as we work towards achievement of certain results, some of the ministry management tools are now integrated. There is now improvement on how we manage our limited resources by allocating funds through the budget to priorities and an element of controlling how the funds are used.

1.5 How has the adopting of the Integrated Results-Based Management system by the central government affected the budget system in Ministry of Local Government (MLG)?

Response: The budget system that we now using has allowed us to monitor how our funds are being used and also that when budget takes place more money is allocated to programmes that are of priority. The budget system used is also promoting accountability as the ministry will have to account for every cent they use.

1.6 In your own opinion, how efficient and effective is the budgeting system you are using in this Ministry?

Response: The program besed budgeting system we are currently using is working well for the ministry, our ministry was one of the three ministries who were piloted to use the budget system and later other ministries adopted the budget system because of the success that they noticed from our piloted ministries.

1.7 One of the components of IRBMS is PBBS, Does the ministry use a budget system that is linked to IRBMS? If not, why is it not linked.

Response: The system we are using is a result based budget system that is program based budgeting and the budget system is linked to the result based management system, the budget system is almost the same as performance based budgeting . The budget system was adopted in 2012 and seeks to link funding to results.

1.8 In your own view what factors have influenced the delays in the adoption of PBBS?

Response: there is a lot of factors that resulted in the delays in adopting the budget system that included lack of capacity in terms of funds and trained personnel and also the instability in the economy with high levels of inflation.

ANNEX 2: Questions related to the critical-success factors for the adoption and implementation of the PBBS in the ministry?

2.1 As you may know PBBS is one critical component of IRBMS, in your opinion, what do you understand by the Performance Based Budgeting System?

Response: Performance based budgeting is a result based budgeting system that links performance information to the funds

2.2 What are critical-success factors that may facilitate easy adoption and implementation of the PBBS in MLG? You can group them according to whether they are internal or external.

Response: some of the key success factors include but not limited to stable economic condition, capacitated workforce, rule of law.

2.3 *In your own opinion, how can these factors be made available for successful implementation of PBBS in MLG?*

Response: require proper planning structures, managing of change in the work environment, training and capacitating of the workforce.

ANNEX 3: Questions related to how ready is the MLG to adopt and implement PBBS?

3.1 What do you think are the requirements/preconditions needed for MLG to adopt and implement PBBS?

Response: currently we are using a programme based budgeting system and the system is working very well. And the preconditions for adopting Performance budget stable economic condition, capacitated workforce, rule of law and availability of funds.

3.2 Given the unavailability/availability of these (or some of these) requirements/preconditions in your own view, how ready is MLG to adopt and implement PBBS?

Response: the ministry is already implementing the programme based budgeting successfully and the way the budget systems is performing shows that the ministry can manage and adopt the PBBS.

ANNEX 4: Questions related to challenges likely to be faced when MLG considers adopting and implementing PBBS?

4.1 In your opinion, what do you think are challenges that may be faced when MLG considers adopting and implementing PBBS?

Response: the challenges are the same as the current challenges that I mentioned which include capacity, resistance to change and the biggest challenge will the instability in the economy with inflation rising on month to month basis and unstable currency.

4.2 How are these challenges affect the successful implementation?

Response: The issue of resistance to change is a challenge to the successful implementation because a lack of buy-in will lead to employees refusing the implementation of the performance budget system. Capacity is of importance because whoever will be implanting the budget system must be capacitated enough to ensure proper implementation.

ANNEX 5: Questions related to challenges likely to be faced when MLG considers adopting and implementing PBBS?

5.1 What do you think should be done to address the challenges for successful adoption and implementation of the PBBS in MLG, as in what measures can be adopted and implemented to address these challenges?

Response: training to capacitate the implementers, getting a buy-in to avoid resistance to change, stabilastion of the economy.

Appendix 1.3: Biosketch

I, George Shereni a Master of Management (specialising in monitoring and evaluation) student from University of Witwatersrand, School of governance am conducting this research as a partial fulfilment for my degree.

I am conducting this research to investigate the Ministry of Local Government, Public Works and National Housing's readiness to adopt and implement performance-based budgeting system (PBBS). The aim of this research project is to find out why PBBS is not yet implemented by the ministry despite the fact that at national level the government has adopted IRBM as its management tool. No sponsor or any other organisation funded this study; this is solely my research under the supervision of University of the Witwatersrand. The research will bring no harm to any human being, as the interview will be completely confidential and anonymous as I will not be asking for names or any identifying information, and the information given to me will be held securely and not disclosed to anyone else. Therefore, participant names will remain anonymous, as it is not requested on the questionnaire. The researcher has obtained ethical clearance and granted permission to conduct the study by the permanent secretary in the Ministry of Local Government, Public Works and National Housing. Research report will be submitted to the Ministry of Local Government, Public Works and National Housing to serve as a resource.

Appendix 1.4: Human Ethics Clearance certificate and relevant study approvals

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Shereni

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER: H20/11/56**
PROJECT TITLE	Investigating readiness to adopt and implement performance based budgeting system by the Zimbabwean Central Government: Evidence from the Ministry of Local Government
INVESTIGATOR(S):	Mr G Shereni
SCHOOL/DEPARTMENT	Governance/
DATE CONSIDERED	20 November 2020
DECISION OF THE COMMITTEE	Approved Risk Level: Minimal
EXPIRY DATE	26 January 2024

DATE 27 January 2021 **CHAIRPERSON** (Professor J Knight)

cc Supervisor : Ms K Malindini

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10034, 10th Floor, Senate House, University. Unreported changes to the application may invalidate the clearance given by the HREC (Non-Medical)

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to submit an amendment of the protocol to the Committee. **I agree to completion of a regular progress report. For Minimal and Low studies, this is due annually on 31 December. For Medium and High Risk studies, this is due twice annually on 30 June and 31 December.**

_____ ____/____/____

Signature **Date**

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

MINISTRY OF LOCAL GOVERNMENT AND PUBLIC WORKS

Telephone 263 4 707615

Fax 263 4 797706

Ref: ADM/23/8

ZIMBABWE

Office of the Secretary
P. Bag 7706
Causeway,
Harare

30 September 2020

Mr George Shereni
University of the Witwatersrand
Johannesburg

AUTHORITY TO UNDERTAKE AN ACADEMIC RESEARCH: MR GEORGE SHERENI UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG STUDENT

The above subject matter refers.

Please be advised that, the Head of Ministry approved your application to undertake a field research on **To investigate readiness to adopt and implement performance- based budgeting systems by the Ministry of Local Government.**

Kindly be advised that the research findings should not be subject to external consumption and must be solely used for research purposes. You are required to sign an Official Secrecy document before commencement of the research project. In addition, a copy of the research findings should be submitted to the Office of the Permanent Secretary of this Ministry, upon completion.

It is hoped that the research findings will help this Ministry and Nation in coming up with relevant interventions in the study area undertaken.

I. Chazuka
FOR: PERMANENT SECRETARY FOR LOCAL GOVERNMENT AND PUBLIC WORKS

Cc The Director, Strategic Policy Planning, Monitoring and Evaluation

MIN. OF LOCAL GOVT PUBLIC WORKS AND NATIONAL HOUSING