

Unveiling the Challenges and Processes of Implementing Program and Performance Budget for Government Universities in Iraq

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Abstract

This study aims to identify the challenges facing the implementation process and necessary processes for the successful implementation of Program and Performance Budget (PPB) in Iraqi universities. Employing a qualitative approach, data was gathered through in-depth, semi-structured focus group discussions involving top management and financial department representatives from the University of Baghdad, the University of Al-Qadisiyah, and the University of Muthanna, totaling 30 participants. Utilizing Nvivo software, the data was analyzed to generate a word cloud, where larger-sized words indicated greater repetitions and higher impact rates. Thematic analysis techniques were subsequently applied for a more detailed understanding. The findings underscore numerous challenges in PBB implementation, including issues related to management competence, organizational commitment, financial constraints, and the unique features of PPB. Key thematic areas for necessary processes are the measurement system and the approach to implementation. The contribution of the theoretical study is to supplement previous literature that is concerned with trying to find an alternative to the traditional method of preparing the budget. The current study showed the challenges associated with implementing the PPB in the Iraqi context and the necessary procedures for that. The study focuses on Iraqi government universities. This empirical evidence contributes to a comprehensive understanding of the challenges and processes associated with PBB implementation, serving as a valuable guide for university management.

Keywords: Program and Performance Budget (PPB), Implementation Challenges, PPB Processes, Government Universities.

INTRODUCTION

In the Iraqi context, public universities rely on traditional budgeting methods, leading to significant deficits from overspending and a lack of control over goal achievement (Abass, 2019). The use of previous budgets as a baseline, coupled with indiscriminate adjustments, inflates budget figures without the genuine need or the addition of new programs (Hamza, 2020). The widening gap between university budget requirements and the Ministry of Finance allocations exacerbates financial deficits, further highlighting the inconsistency of the traditional budget approach (Chayed et al., 2018). The introduction of a program and performance budget (PPB) is relatively recent in Iraq. In their study, Abid and Wajar (2020) recognized PPB as an appropriate approach for fostering innovative governance, countering the inefficiencies associated with the traditional budget that often leads to the misallocation of public funds. Recognizing the pivotal role of higher education in Iraq's development, Al-Behadili (2018) emphasized the need to optimize reform and implement a successful funding strategy. Proposing performance-based university research funding systems, Al-Behadili (2018) outlined strategies to improve the caliber of higher education.

Despite the acknowledged benefits of PPB, its implementation in Iraqi public universities has remained stagnant and uncertain since the government's directive in 2018. The current study seeks to delve into the challenges obstructing PBB implementation and the necessary processes for successful implementation, drawing insights from top management and finance department representatives of selected universities. The findings aim to assist top management in overcoming obstacles and provide the government with valuable insights to formulate policies and regulations conducive to effective PPB implementation. The subsequent sections will unfold as follows: a literature review on PPB, research methodology, results, discussion, and conclusion.

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LITERATURE REVIEW

Program and Performance Budget

The first attempt to implement a PPB was in 1906 in New York municipalities. It was called performance budget and then expanded its framework, added the programming component to it, and became called (program and performance budget). In 1912, a committee called the Taft Committee was formed, which focused on classifying the general budget according to the objectives of the institutions' activities (Farid& Muhammad 2014). The United States faced several problems upon implementation, which prompted a committee to address these problems, and it was called The Second Hoover Committee in 1955. This committee defined the features of the PPB and declared that they mean the same thing. In 1997, no less than 44 US states took the PPB to set their budgets. The United Nations recommended in 1959 the use of a PPB to facilitate the implementation of activities in the government sector and raise efficiency in implementing targeted programs. Moreover, the objectives of the new concept of the performance-based budget were to replace the traditional budget systems. For decades, the PPB idea was expanded and implemented at government institutions and then developed for companies and private sector organizations. Over time, it spread to other countries (Dynowska & Cereola 2018).

PPB is commonly referred to by several terms. It is called the output-based budget, performance-based budget, activity budget, results in budget, and performance budget. These terms share a common characteristic: they all pertain to the input of information and data, performance, and budgeting operations (Worthington 2013). The PPB is a financial system that outlines the purpose and objectives that necessitate financial resources. It also includes the costs of the programs and activities required to achieve these objectives, as well as the expected outputs or services to be provided at the conclusion of each program (Shah & Shen 2007). The PPB, or Performance-Based Budgeting, is a method designed to enhance the efficiency and effectiveness of public expenditures. It achieves this by connecting the financing of government institutions with the results they produce while making optimal use of performance information and data (Robinson 2009). The rationales behind this phenomenon stem from heightened cognizance of the expenses associated with governmental endeavors and the public's insistence on enhancing the efficiency of public expenditures. Based on the above, the PPB may be described as the comprehensive budget that allocates resources inside a government institution to specific tasks, activities, and programs. This budget calculates the expenses associated with each program, with a primary focus on fulfilling the objectives. This aims to minimize the squandering of financial resources by ensuring the efficient and effective delivery of services.

Challenges of Implementing Program and Performance Budget

Depending on how developed a nation is both economically and technologically, different financial and administrative systems are used there. These variations lead to varying difficulties and obstacles for the PPB application. Due to the difficulties in creating measurement indicators, Fathe (2016) feels that measuring activities in production units presents the most obstacle. The issue of tying the performance that was attained to the objectives that were set forth. According to Ho (2018), putting the PPB into practice is the biggest obstacle and calls for significant funding for establishing and growing organizational capabilities, such as having highly qualified staff members on hand to assess and evaluate performance and availability of information technology. Abed-AL Kareem (2016) believes that the most critical challenges of implementing PPB are the ineffectiveness of the organizational structure and responsibility centers, as well as the lack of knowledge about planning budgets, especially the PPB system. Also, there is a weakness in monitoring activities and programs in Palestinian institutions. According to Ouda (2013), the implementation of PPB faces many difficulties, namely defining the results of the programs and the outputs that have been achieved and linking the results to the outputs.

On the other hand, Dawood, and Abdulahad (2023) believe that performance measurement indicators are one of the obstacles facing the process of implementing the PPB in health institutions in Iraq. On a related note. Other studies believe that administrative and organizational efficiency is a fundamental obstacle to implementing PPB. This is represented by the lack of qualified employees, lack of organizational commitment,

programming challenges, and the availability of timely information (Savignon et al. 2019). Also, the implementation of PPB in institutions in its four stages is weak, as it requires an advanced and highly efficient accounting and information system, and the applied accounting system does not provide this. Therefore, the accounting system must be modified to suit the requirements of PPB. Modifying the accounting system requires administrative efforts and financial costs; therefore, it is considered a significant challenge for implementing PPB (Mohan et al., 2023).

The Processes to Implement Program and Performance Budget

There is no prescribed approach for implementing a PPB, as the process of budget development might vary in terms of its scope (partial or comprehensive) and speed (fast or slow). The implementation process is contingent upon legislative, regulatory, and technical factors. Therefore, it necessitates a comprehensive examination, presentation, and analysis of the practices employed by international institutions and countries that have successfully devised and executed the general budget preparation and application methodology (Kim, 2014). There are two methodologies for carrying out the implementation process. The first step involves creating programs for government ministries, integrating them into the public budget categorization system, and subsequently implementing a set of performance metrics to complete the budget preparation process. In contrast, the second approach depends on the incremental method since it begins to apply the PPB to select ministries and government entities. In the second stage, the remaining ministries are completed (Kim 2014; Abass 2019).

Othman (2011) adds that implementing the PPB requires automating government accounts. Using modern electronic machines and devices to prepare accurate data classified in different ways, the necessary analysis could prepare the PPB. Chayed et al. (2018) believe implementing the PPB requires structuring public institutions or economic units, the quality of organizing laws, and the availability of a high degree of technical knowledge to prepare them. Also, the availability of a cost accounting system, a rewards incentives system to enhance performance, and the use of scientific and practical tools for forecasting. The process of implementing PPB requires the availability of periodic reports issued by all departments, and this helps in evaluating the process of implementing PPB and the extent to which its planned goals are achieved. The lack of these reports designated for this purpose leads to the failure of PPB implementation (Grynchuk 2019).

RESEARCH METHOD

The study used a qualitative methodology, represented by focus group (FGD) interviews with top management (decision-makers) and finance departments, to identify the most critical obstacles to PPB adoption and related necessary processes for successful implementation. The interview was selected because this technique is targeted, focuses directly on the aim of the study, is insightful, and provides perceived causal inferences (Yin 2009). Two focus group interviews involving the university's top management and the finance department were arranged for each university. An open-ended question guide was used in the interview, and the interview session was recorded (with permission). The question guide has three sections to cover the two research questions as discussed: (1) What are the challenges facing the implementation program and performance budget in Iraqi universities? (2) What are the necessary processes involved to implement the program and performance budget in Iraqi universities? The following figure shows the employees who were interviewed.

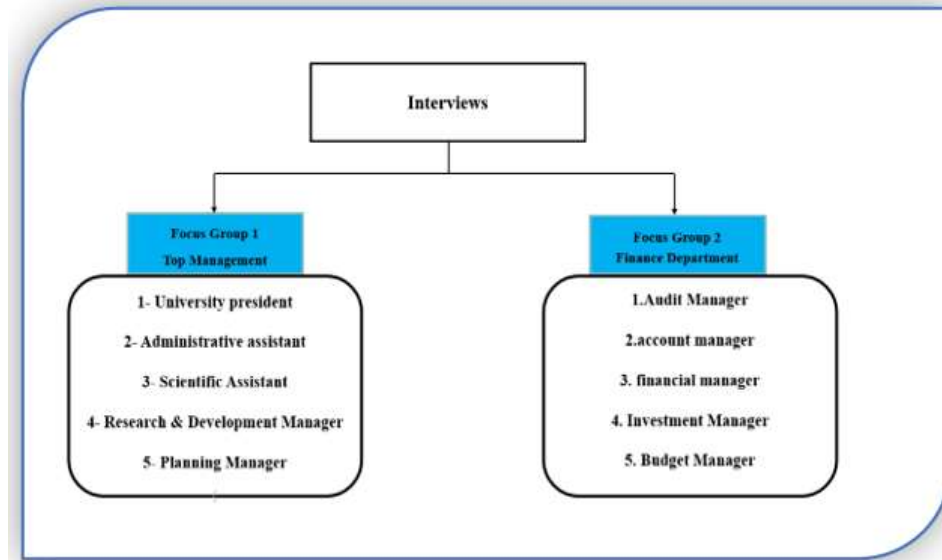


Figure 1. The Structure of the Interview.

The study used Nvivo software to analyze data from the focus group discussions using the word cloud display. The choice of Nvivo software measure depends on the requirements of the study. The qualitative data analysis program will support the data collected from the interviews. It should include features to recognize different data types, facilitate the coding process, organize data, and analyze it to reach accurate answers to the study questions. The study used Nvivo software measure to analyze data from the focus group discussions using the word cloud display. Words that are bigger compared to the others are an indicator that many participants repeated it and have a higher rate of impact.

The data gathered from the interview sessions was analyzed using the thematic method. Thematic analysis is viewed as a flexible and useful research tool because of its ability to potentially provide a rich and detailed yet complex account of data (Clarke & Braun 2013). Thematic analysis is defined by Braun and Clarke (2006) as “a technique for finding, analyzing, and reporting patterns (themes) that exist in the data.” This entails identifying, examining, and interpreting themes in textual data and questioning the process in which these themes contributed to answering the study objectives. The study’s thematic analysis is also majorly viewed as a continuous, fluid, and cyclical phenomenon that involves the data collecting phase and continues through the data input and analysis phases (Savignion et al 2019). The thematic analysis will be chosen as an analytical method since the goal of this qualitative portion of the study was to better understand the issues raised by the examination.

FINDING AND RESULTS

Based on the interviews held with top management and the finance department, the results reached can be stated as follows:

Challenges of Implementing Ppb in Iraqi Universities

To answer the first research question, six in-depth semi-structured focus group discussions were conducted with 30 respondents from top management and departments for finance at three universities (UB, UOQ, UOM). Figure 2 illustrates the emerging themes and sub-themes from the focus group discussion. The findings are presented in four main themes, which are (a) Management competence, which includes five sub-themes: lack of knowledge, lack of training, low qualifications, lack of awareness, and lack of skills. (b) The organizational commitment has four sub-themes: implementation approaches, measurement systems, support for performance, and inappropriate time for implementation. (c) Financial challenges have three sub-themes, namely, rewarding systems and disincentives, budgetary, investment and capacities, and implementation cost. (d) Features of PPB include three subthemes, namely: focus and objectives, complexity, and requirement for

complicated accounting systems. Additionally, while presenting the findings, data is given with actual quotes to show patterns and diversity of views, which helps to reinforce the views regarding the findings. Figure 2 presents the organization of four major themes of the challenges in PPB implementation (management competency, organizational commitment, financial challenges, and features of PPB) and their respective minor themes.

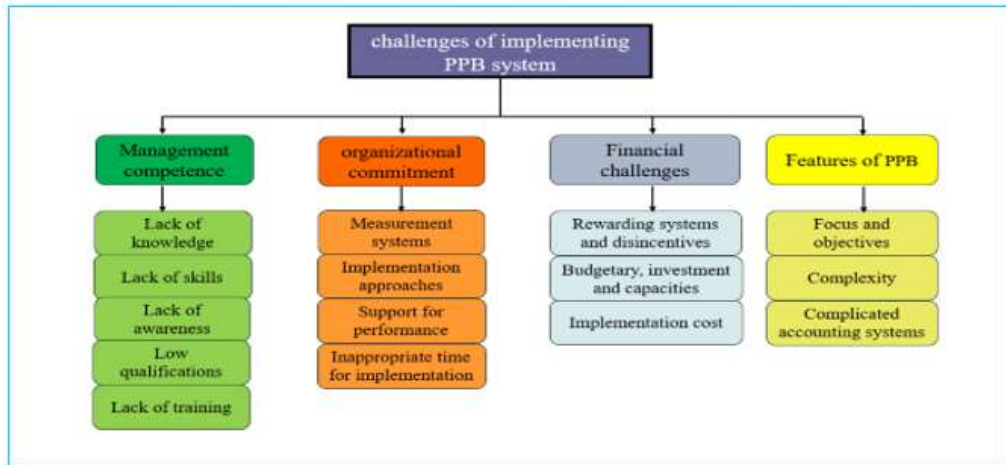


Figure 2. Themes And Sub-Themes of Challenges of Implementing PPB.

The following Figure 3 presents the word cloud of the findings and results. The clouds show the words most repeated in the focus group discussions in bigger size to be highlighted and to reveal that these are the main keywords of the challenges of implementing PPB in the selected universities.



Figure 3. Word Cloud on challenges in PPB implementation.

Based on the NVivo software, it is clear from the figure above that the words (challenges, system, implementation, budget, financial, performance) are the most frequently repeated words in the interview sessions, as this indicates that they are more important and have taken up a wide range of discussions. According to the NVivo software, based on the analysis of the interview sessions, four main groups were identified that include several sub-challenges for implementing the program and performance budget, which can be described as follows:

Management Competence

Management competence is the knowledge, skills, actions or behavior, and mindset that reliably distinguishes between individuals, especially regarding job performance. The success of policy implementation within an organization is determined by the competence of its members, especially management (Pratolo et al., 2020). Management competence includes many sub-challenges to the implementation of PPB, which are represented by lack of knowledge, lack of skills, lack of awareness, low qualifications, and lack of training. The following is an example of the interviewees' opinions regarding the challenges of implementing the PPB system represented by management competence and its sub-challenges:

Lack of Knowledge

"...It's been a long time since we have been using the traditional budget system. However, we haven't heard about this new budget system before, so we don't have the related knowledge of this new budget system..." (Respondent 5, FGD 2).

Organizational Commitment

One definition of organizational commitment is a force that ties a person to behaviors that are relevant to the organization's objectives. It includes the commitment to effort and activities that should be done by the institution or university to enable the implementation of the new budget system (Dawood & Abdulahad 2023). In this section, four sub-themes have emerged from the analyses of the focus group interviews, namely measurement systems, implementation approaches, support for performance, and inappropriate time of implementation. The following is an example of the interviewees' opinions regarding the challenges of implementing the PPB system represented by organizational commitment and its sub-challenges:

Measurement System

"... Before we think of the implementation of the new budget system, we should know that we don't have a measurement system to investigate the efficiency of that system. And how to evaluate programs and goals that have been achieved". (Respondent 4, FGD 1).

Financial Challenges

Financial challenges refer to those related to incentives, spending, and financial support. For example, the existence of incentives as a means of payment for embracing innovation or adopting a new strategy. (Abass 2019). Financial challenges included several sub-thematic: rewarding system disincentive, budgetary, investment, capacity, and implementation cost. The following is an example of the interviewees' opinions regarding the challenges of implementing the PPB system, represented by financial challenges and its sub-challenges:

Rewarding System and (Dis)Incentives

"...Moral incentives can contribute to accepting the application of the new system in our university. Moral incentives are represented in promotions in the career ladder and letters of thanks and appreciation that direct the top official in the university or the ministry to the employees working on the application of the PPB..." (Respondent 3, FGD 1).

Features of Ppb

This theme refers to the challenges related to the PPB system in terms of features and characteristics (Myers and Boothe, 2018). Based on the analyses of the six focus group discussions, four sub-themes have emerged, namely focus and objectives, complexity, and the requirement of complicated accounting systems. The following is an example of the interviewees' opinions regarding the challenges of implementing the PPB system represented by features of PPB and its sub-challenges:

Focus and Objectivity

"...I think there is difficulty in defining some sub-goals at the university or even at the college level to translate them into sub-programs to include them in the university budget ..." (Respondent 1, FGD 3).

Necessary Processes for Implementing PPB in Iraqi Universities

This research question tackled the implementation processes of a PPB system. Based on the analyses, two major themes have emerged, namely, the measurement system and implementation approach. The analyses of NVivo revealed subthemes for each central theme. The first major theme included four subthemes, namely quality measurement, timely data, link measures with strategic plans, and link measures with source allocations. In comparison, the second central theme included six subthemes, which are reform timing, top-down vs bottom-up, use of benchmarks, professional help, online reporting, and audit. The following Figure 4 shows the necessary processes to implement the PPB.

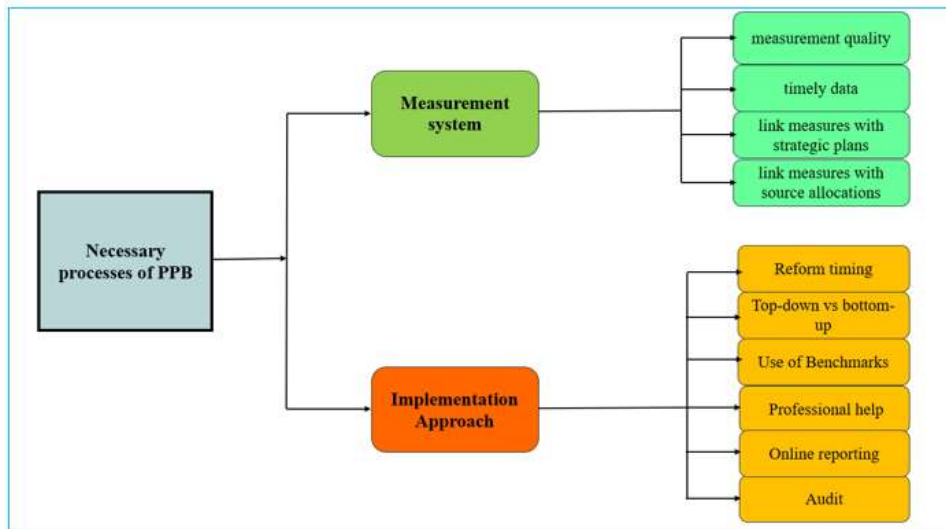


Figure 4. Themes and Sub-Themes of the Necessary Processes For PPB.

The following Figure 5 presents the word cloud of the findings, and results are given in the following sections. Word clouds show the words most repeated in the focus group discussions in a bigger size to be highlighted and to reveal that these are the main keywords of the process of implementing PPB.



Figure 5. Word Cloud on the Necessary Processes For PPB.

Based on the NVivo software, it is clear from the figure above that the words (Implementation, process, budget, measurement, time, and reporting) are the words that were repeated when interviewing top management and finance departments, and this means that they are of great importance concerning the procedures and process necessary for the successful implementation of the PPB system. According to the NVivo software, based on the analysis of the interview sessions, two main groups were identified that include several sub-processes necessary for implementing the PPB, which can be described as follows:

Measurement System

Measurement system: measure the results of the implementation of the PPB in a project or the university. The first major theme is the measurement system, which is the most needed factor for the process of the implementation of PPB. It tackles the key factors of the measurement system. This major theme refers to the required procedures in terms of measurement systems to ease the process of implementing the PPB (Azar et al., 2022). It included four subthemes, which are measurement quality, timely data, link measures with strategic plans, and link measures with source allocations. The following is an example the interviewees' opinions regarding the necessary processes of implementing the PPB system represented by the measurement system and its sub-challenges:

Measurement Quality

"...My knowledge about this specific PPB system is that it is based on the comparison between the planned objectives when preparing the budget and the results reached as a result of the implementation process in any project at the University level or the government level, so it requires an accurate measurement system to indicate the accuracy of achieving the project..." (Respondent 1, FGD 5).

Implementation Approach

The implementation approach is the method of implementing the new budget system in this major theme. The analysis will discuss the key aspects of the implementation approach that guarantee the success of the process. The process of auditing and reviewing is a major focus in the approach to implementing and applying the PPB. This process requires sufficient instructions and auditing procedures to implement the PPB optimally to achieve the desired goals (Amraei et al. 2021). This major theme included six subthemes, which are reform timing, top-down vs. bottom-up, use of benchmarks, professional help, online reporting, and audit. The following is an example the interviewees' opinions regarding the necessary processes of implementing the PPB system represented by the implementation approach and its sub-challenges:

Reform Timing

"...One of the most important aspects that must be taken into account when implementing the PPB is choosing the appropriate transition timing for the new system to ensure successful implementation without accompanying negative effects..." (Respondent 2, FGD 5).

DISCUSSION

This section discusses the results that were reached through interviews with top management and the finance department to discover the challenges facing the process of implementing the program and performance budget. As well as the necessary processes for the success of the implementation process in Iraqi universities.

Discussion Challenges of Applying PPB in Iraqi Universities

The first research question was to explore the challenges of implementing the PPB system in Iraqi universities. The implementation of the PPB is not an easy task and is at an early stage. To investigate the essential challenges facing the PPB implementation process (the first research question), the study relies on the theory of change. The theory of change aims to find the appropriate way for a specific change to occur in a system or program based on an experimental basis based on accurate information (Batras et al. 2016). This assumption could contribute to arriving at the most critical challenges of PPB implementation in Iraqi universities. The data analyses revealed four main themes, which are management competence, including five sub-themes: lack of knowledge, lack of training, low qualifications, lack of awareness, and lack of skills.

The lack of knowledge is one of the most essential management competence challenges facing the process of implementing PPB in Iraqi universities. Iraqi university employees are accustomed to preparing the budget based on the traditional method and are not informed of developments regarding modern budget preparation methods. As well as not keeping pace with the rapid developments in the financial systems adopted in the countries. On the other hand, preparing the budget based on PPB requires high skills and experience among employees (Emerling & Wojcik 2018). This is the most critical challenge facing the process of implementing the new system. Since the employees do not have the skills required to prepare the budget according to this method (PPB). Also, based on the opinions of the respondents and looking at the demographic results, the current employees do not have the necessary educational qualifications to implement PPB. This system requires the availability of a high-level academic qualification for workers to ensure efficient implementation (Pratolo et al., 2020). The lack of academic qualifications may be due to the lack of inclusion in the curricula in Iraq in the relevant colleges (faculties of commerce, colleges of administration, and economics). Finally, concerning management competence, the lack of training is a major factor and a challenge with a significant impact on the management competence challenges facing the PPB implementation process. Training courses, workshops, and conferences that explain the importance and efficiency of PPB and the obstacles it may face (Li et al., 2019), in addition to methods for implementing it, have not previously been available to employees and workers in the departments responsible for preparing the budget. Courses and conferences contribute to supporting employees' information and informing them of ways to ensure the success of the implementation process. Based on the above, management competence in all its sub-thematic is considered a major challenge facing the process of implementing the new system. Therefore, any failure in management competence leads to the failure of the implementation process and failure to achieve the desired results.

The second major theme is organizational commitment, which emerges from the analysis, which discusses the challenges faced by the staff and universities in employing and implementing the new budget system from the organizational sites. The organizational commitment has four sub-themes: measurement systems, implementation approaches, support for performance, and inappropriate time for implementation. The measurement system represents a set of criteria and criteria used to measure performance and the effectiveness of implementing the goals previously planned to achieve them (Savignon et al.2019). The measurement system is considered the cornerstone of organizational commitment in institutions and universities and, therefore, one of the main challenges facing the implementation process. Iraqi universities do not have a measurement system through which the process of evaluating the goals to be achieved can be achieved. Implementation approaches are based on the necessary strategies that could be relied upon in the process of implementing PPB in Iraqi universities. Such approaches are identified as strategic methods for the implementation process, as the implementation methods must be compatible with the organizational structure to ensure the success of implementing the new system (PPB). Performance support is represented by the desire of the current administration and government to support performance for implementing the PPB (Li et al., 2019). Based on the results of the analysis and interviews, the current government does not pay appropriate attention to the process of implementing a new system for managing the financial situation in the country or in its affiliated institutions, despite the negative disadvantages of the traditional system. There is no financial support for implementing PPB, as this system requires many requirements for its implementation. Inappropriate time, which means the timing of the reform and implementation of the PPB, is not appropriate due to many reasons, including the fact that the political conditions are unstable and the lack of clarity of the political path and the government's financial policy. Based on the above, organizational commitment is one of the obstacles or challenges facing the process of implementing the new system (PPB) in Iraqi universities.

The third major challenge is financial challenges, which have three sub-themes, namely, rewarding systems and disincentives, budgetary, investment and capacities, and implementation cost. Rewarding systems and disincentives represent the incentives and funds provided to employees to encourage them to implement PPB (Pratolo et al., 2020). These incentives and rewards may be financial or moral. Iraqi universities do not have a system of rewards and incentives that could contribute to accepting the implementation of the new system. For budgetary, investment, and capacities, represented by the challenges related to investing funds to implement PPB, as there are no investment plans for the implementation process, as well as a decrease in financial

capabilities in the budget allocated by the MHESR to Iraqi universities for the sake of implementation (Abass 2019). This is considered a fundamental financial challenge that hinders the implementation of PPB in these universities. The process of implementing the PPB requires high costs, as funds are not allocated in university budgets by the Ministry of Higher Education and Practical Research to implement the PPB. This is considered an obstacle to the success of the implementation process. Based on that, financial challenges in all their aspects are considered one of the most important obstacles facing the implementation process.

The fourth major challenge is the features of PPB, which includes three subthemes, namely focus and objectives, complexity, and requirement for complicated accounting systems. Focus and objectives: this challenge stems from the characteristics and advantages of PPB, as there is difficulty in defining sub-goals for universities, which is an essential requirement for implementing PPB (Myers and Boothe, 2018). Not only that, but universities face another problem, which is the difficulty of dividing some goals into sub-goals, as, according to the interviews, there is an overlap in some of the goals of the universities. For complexity, the PPB is considered one of the most complex and advanced systems at the same time because of its precise branches and intertwined tasks, according to the opinions of the study sample. This system also prevents personal judgment, which may contribute to solving many of the problems and obstacles that universities may sometimes need to solve some problems. Finally, complicated accounting systems. As a result, the branching and multiple goals of PPB require an advanced accounting system that meets the requirements of the PPB system (Ouda 2013), and based on the responses of the respondents, the accounting system currently applied in Iraqi universities does not provide sufficient information for the success of implementing PPB. Based on that, this study indicates that some of the system PPB characteristics are considered essential challenges facing the implementation in Iraqi universities.

Discussion of Necessary Processes for Implementing PPB in Iraqi Universities

The second research question aimed to investigate the processes of implementing PPB at the selected universities. The study revealed two major themes that have emerged, namely, the measurement system and implementation approach. The analyses of NVivo revealed subthemes for each major theme. The first major theme included four subthemes, namely measurement quality, timely data, link measures with strategic plans, and link measures with source allocations. Measurement quality represents the quality of measuring goals and implementing strategies for any institution that follows the PPB system. Based on the responses of the respondents, no measurement system in Iraqi universities is characterized by accuracy and high quality, as PPB requires an integrated measurement system with high accuracy and quality to provide the information resulting for the evaluation (Abass 2019). Timely data: according to the PPB, the availability of information and data necessary for decision-making must be provided on time. based on the responses of the respondents, Iraqi universities need to provide a measurement system that provides information and data on time to address the errors and deviations resulting during the implementation process.

About the link measures with strategic plans, The PPB implementation process requires designing a measurement system based on linking measurement to the strategic plans that the university seeks to achieve, as this linking process contributes to achieving the set goals (Mohan et al. 2023). For link measures with source allocations, the process of applying PPB requires linking measurement tools or procedures to the allocation of resources at the university, as there must be a link between the resources allocated to achieve a specific goal and the measurement process to achieve that goal. Based on that, one of the most important basic requirements for the success of the PPB implementation process is the measurement system.

The second central theme of the necessary processes is the implementation approach, which includes six subthemes: reform timing, top-down vs. bottom-up, use of benchmarks, professional help, online reporting, and audit. The implementation approach includes an essential element for the success of the PPB implementation process, which is represented by the appropriate timing of the reform. That is, a set of timings must be determined to choose from among the most appropriate timings for implementing the new system. According to the respondents' responses, a time should be chosen when the country is characterized by political and financial stability and stable oil prices, given their direct connection to the financial reality in Iraq.

According to top-down vs. bottom-up, the PPB implementation process requires the administration to develop a superior plan based on which the PPB is prepared as decision-making bodies draw up higher policies. Based on these plans and policies, the PPB is prepared. Regarding the use of benchmarks, according to respondents' responses, preparing a budget requires the adoption of international or local standards to measure and evaluate the performance resulting from the application of PPB. The process of adopting the new system requires defining measurement standards before starting to implement PPB (Lu et al. 2015). Regarding professional help, the PPB implementation process requires relying on professional assistance from entities with experience and knowledge in implementing the new system. This contributes to the success of the implementation process in Iraqi universities. According to the online reports, it is considered one of the cornerstones of the success of the PPB implementation process because this element is linked to the process of providing timely information to decision-makers (Pratolo et al. 2020). It contributes to providing a complete picture of the extent to which university events have been achieved and helps decision-makers address misconceptions and reduce harm. Finally, the successful process of implementing PPB requires continuous review, audit, and repeated audits of the strategic plans and goals that the university seeks. Based on that, the success of the implementation process of the PPB system requires determining the implementation approach that is compatible with the success of PPB.

CONCLUSION

Identifying implementation challenges is the initial crucial step towards the successful execution of Performance-Based Budgeting (PPB). This process not only facilitates the development of new policies and agendas but also serves as a strategic approach to overcome the identified challenges. This study delved into the challenges and processes inherent in implementing PPB, drawing insights from representatives of selected public universities in Iraq. Utilizing semi-structured question guides in focus group discussions, we solicited perceptions on the matter. Thematic analysis and a word cloud unveiled four primary challenges: (a) Management Competence encompassing sub-themes such as lack of knowledge, training deficiencies, low qualifications, lack of awareness, and insufficient skills; (b) Organizational Commitment highlighting four sub-themes including implementation approaches, measurement systems, support for performance, and inappropriate timing for implementation; (c) Financial Challenges comprising sub-themes like rewarding systems and disincentives, budgetary concerns, investment and capacities, and implementation costs; and (d) Features of PPB encompassing three subthemes including focus and objectives, complexity, and the requirement for sophisticated accounting systems. Participant quotes provided diverse perspectives, reinforcing the identified patterns. Notably, management competence and organizational commitment emerged as the most prominent themes, underscoring the imperative for institutions to prepare adequately for PPB implementation.

Beyond the identification of challenges, this study examined the processes involved in ensuring successful PPB implementation. Two major themes surfaced—measurement system and implementation approach. The former featured subthemes including quality measurement, timely data, linking measures with strategic plans, and linking measures with source allocations. The latter comprised six subthemes: reform timing, top-down vs. bottom-up approaches, benchmark utilization, professional assistance, online reporting, and audit procedures. The study's findings offer empirical evidence on challenges and processes pertinent to PPB implementation. These results can serve as a guide for university management in preparing their institutions for successful PPB implementation. Furthermore, policymakers can leverage these insights to formulate strategies and provide support for enhancing the financial governance of universities. Recognizing that PPB implementation hinges on legislative, regulatory, and technical considerations, it is imperative to study and draw lessons from the experiences of international institutions and countries that have adeptly prepared and applied the PPB system.

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