

GREAT ZIMBABWEUNIVERSITY

MUNHUMUTAPA SCHOOL OF COMMERCE



DEPARTMENT OF ACCOUNTING & INFORMATION SYSTEMS

*THE EFFECTIVENESS OF PROGRAM BASED BUDGETING IN IMPROVING  
RESOURCE ALLOCATION AND PERFORMANCE OUTCOMES AT MINISTRY OF MINES  
AND MINING DEVELOPMENT IN ZIMBABWE.*

BY

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**M225380**

Submitted in Partial Fulfillment of the Requirements of the Master of Commerce in  
Professional Accounting and Corporate Governance.

Great Zimbabwe University, Masvingo

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**RELEASE FORM**

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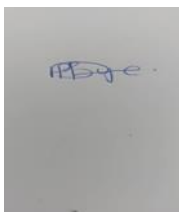
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## APPROVAL FORM

We, the undersigned do hereby certify that we have read and therefore recommend to Great Zimbabwe University for acceptance; a research project titled “The effectiveness of Program Based Budgeting in improving resource allocation and performance outcomes at Ministry of Mines and Mining Development in Zimbabwe by Patience Barbara Dambiye in partial fulfillment of the requirements of the Master of Commerce in Professional Accounting and Corporate Governance



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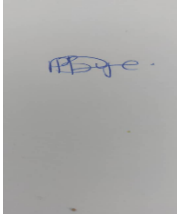
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## DECLARATION

I, Patience Barbara Dambiye, do hereby declare that this research project is a presentation of my own work except to the extent indicated in the Acknowledgements, References and by comments included in the body of the report, and that it has not been submitted in part or in full to any other University or any other Institution of higher learning.

A rectangular box containing a handwritten signature in blue ink. The signature appears to be 'P. Dambiye'.

Student Signature

Date 22 March 2024

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I am grateful to my supervisor Mr. Mwenje for his diligent and insightful guidance throughout the course of this research project. To, Ministry of Mines and Mining Development of Zimbabwe management and staff, thank you for the financial and material support you rendered me during this research project. Finally, to all my Great Zimbabwe University lecturers, thank you for opening my mind and implanting the knowledge that was used in this research project, without which this project would not have been possible.

## **DEDICATION**

This research project is dedicated to my daughter for her love, support and guidance to me throughout her living years.

## **ABSTRACT**

The purpose of this research study was to evaluate the effectiveness of Program-based budgeting in improving resource allocation and performance outcomes at Ministry of Mines and Mining Development in Zimbabwe during the period 2018 to 2023. Literature in this study covered different aspects, such as budgeting theory, agent theory and resource dependency theory. More so, the literature reviewed previous research findings from the developed world, Mexico and Africa on effectiveness of program-based budgeting in improving resource allocation and performance outcomes. The research study followed qualitative approach of data. Interviews were used to gather primary data while documentary evidence was used to gather secondary data from published annual financial statements and reports. A sample of 67 Ministry of Mines and Mining Development staff was used. There was a total of 45 respondents from the interviews. The study found that program based budgeting improves allocation of resources and performance outcomes in the ministry. It was concluded that the PBB partially improve resource allocation, performance outcome, customer satisfaction and transparency at Ministry of Mines and Mining Development. However, some performance outcomes were not achieved which include having enough mine inspections to reduce the mine accidents. Results led to the conclusion that there is adequate monitoring and evaluation of the budget and there is transparency. The study also concludes that it is not easy to track and monitor resource allocation in public organisations in Zimbabwe. Finally, it was recommended that, the public organizations should ensure that they have effective budget policies and procedure in place and followed to the letter. The organizations should follow more systematic approach in their selection processes in order to recruit the most innovative budget implementers to ensure a high success rate and also the government should invest enough resources to ensure that their objectives and goals are met without constraints. Specifically, they should have adequate fiscal formulation, preparation and execution, as well as financial accounting, auditing and reporting policies and accurate forecasting of budgetary resources that makes revenue forecast to equate expenditure forecast as per the budget statement in every fiscal year.

## **LIST OF ABBREVIATIONS**

MMMD	Ministry of Mines and Mining Development
PBB	Program-Based Budgeting
RTD	Resource Dependency Theory
MDAs	Ministries, Departments and Agencies
GoZ	Government of Zimbabwe
GoK	Government of Kenya
GoG	Government of Ghana



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# CHAPTER I

## INTRODUCTION

### 1.0 Introduction

The use of performance-based budgeting (PBB) in the public sector has been a topic of interest and debate since the 1980s and has been widely adopted in many countries as a tool to improve accountability, resource allocation, and efficiency of public programs (World bank 2022). The core premise of PBB is that performance data can be used by budget decision-makers to guide them in allocating resources to public programs that are deemed most effective and efficient (Mutero & Gumbo, 2019). This study will explore the effectiveness of PBB in improving resource allocation and performance outcomes at the Ministry of Mines and Mining Development in Zimbabwe. This chapter will provide an overview of the context and background of the study, which will include a brief history of PBB, its objectives, and its benefits. The research objectives will be clearly stated, and the importance and relevance of the study will be explained. Finally, the limitations and delimitations of the study will be outlined, to provide a clear understanding of the scope and boundaries of the research.

### 1.1 Background of the study

The concept of program-based budgeting (PBB) has gained popularity in developing countries over the past two decades, as governments have sought to improve the efficiency and effectiveness of public expenditure (Shah & Shen, 2007). OECD (2021) note that a number of factors have driven the adoption of PBB in developing countries, including financial challenges, public expenditure problems, and changes in political systems. McNamara's pioneering work in developing a budgeting system for the Department of Defence (DoD) has been credited with helping to improve the decision-making process and allocation of resources within the DoD (OECD, 2021). The success of PBB within the DoD has been a driving force behind its widespread adoption by government agencies and departments around the world. (Mutero & Gumbo, 2019). In particular, the United States Government Performance and Results Act of 1993 (GPRA) has led to the implementation of PBB in a number of government agencies, with the goal of promoting accountability, transparency, and results-based decision-making. Mutero & Gumbo (2019) note that PBB has

evolved into a rigorous finance and budgeting model that seeks to improve the effectiveness and efficiency of government programs.

Muvakure and Nyamwanza (2018), acknowledged that many governments and organizations around the world have looked to PBB as a way to improve the efficiency and effectiveness of public spending. Australia, Canada, the United Kingdom, and Mexico are just a few examples of countries that have implemented PBB (Muvakue & Nyamwanza, 2018). In these countries, the implementation of PBB has been based on the idea that performance and budgeting should be linked in order to improve the outcomes of public program (Mavukure & Nyamwanza, 2018). Specifically, Muvakure & Nyamwanza (2018) found that PBB can improve decision-making by providing more detailed and specific information about the cost and benefits of different programs and this can help organizations to make more informed decisions about which programs to invest in and how to allocate resources.

The adoption of program-based budgeting (PBB) in Mexico has been a long and complex process (Casey, 2021). The first efforts to implement PBB began in the late 1990s, with the creation of a new budgeting law that aimed to improve the efficiency and effectiveness of public spending (Casey, 2021). Casey (2021) however noted that, the implementation of the new budgeting system was slow and met with resistance from various government agencies. In recent years, the Mexican government has made a renewed effort to fully implement PBB, with a particular focus on the use of performance indicators and results-based management (Casey, 2021).

In 2010, Ghana's Ministry of Finance began piloting PBB in two government agencies (MDAs) (OECD 2021). OECD (2021) further explains that this pilot program was successful, and in 2014, the government adopted PBB as the standard budgeting method for all MDAs. In order to support the implementation of PBB, the government invested in training staff from MDAs on the new budgeting approach, and implemented a new financial management information system to facilitate the process (GoG, 2018). Since then, MDAs have been preparing and implementing budgets under the PBB model, and the government has seen significant improvements in the efficiency and effectiveness of public spending (GoG, 2018).



Like Ghana, Kenya implemented PBB in 2007 as part of a series of budget reforms designed to improve efficiency and effectiveness in the delivery of public goods and services (Sayidah & Ady, 2019). Kenya's budget reform journey began in 2000 with the introduction of the Medium Term Expenditure Framework (MTEF), which was followed by the introduction of performance contracts in 2005 and e-government initiatives such as the Integrated Financial Management Information System (IFMIS) in 2008 (Republic of Kenya, 2008). The adoption of PBB was a natural progression of these reforms, as the government sought to focus on program-level results rather than simply tracking expenditure (Legal Resources Foundation Trust, 2005).

The adoption of PBB in Zimbabwe was motivated by a desire to streamline the budgeting process and make it more strategic for MDAs (GoZ 2018). The PBB approach has helped to link planned spending with desired results, ensuring that MDAs are able to deliver improved services to the public as stated in GoZ (2018). Within the Medium-Term Expenditure Framework (MTEF), PBB provides the framework for measuring budget performance, allowing the government to track the success of its budget initiatives over time. (Muvakure & Nyamwanza, 2018). Muvakure & Nyamwanza, (2018) further explained that, this has resulted in increased accountability and transparency in the use of public funds. Zinyama & Nhema (2016) note that the implementation of PBB in Zimbabwe has been a key milestone in the country's journey towards improved transparency and accountability. Zinyama & Nhema (2016) however, caution that the continued commitment of the government is essential to ensure that the benefits of PBB are sustained over time. They further highlight the need for strong political support, ongoing capacity building for budget officials, and regular review and monitoring of the PBB process. In addition, they recommend that the government should continue to develop robust systems to measure and report on program performance, in order to ensure that resources are being used effectively.

The implementation of PBB in Zimbabwe was supported by the Zimbabwe Reconstruction Fund (ZIMREF) and national budget revenues, beginning in 2014 (Mthuli, 2023). The initial phase of the reform involved three ministries, and in 2020, the remaining 35 ministries and agencies were brought under the PBB framework (GoZ, 2018). In 2021, the government

established a dedicated unit under the public finance directorate to oversee the implementation of PBB, which was previously handled by a small team within the Ministry of Finance and Economic Development (GoZ, 2018). This new unit is responsible for capacity building, planning, monitoring, and evaluation, and reporting on the progress of PBB in Zimbabwe (GoG, 2018).

The Ministry of Mines and Mining Development in Zimbabwe has used PBB to focus on programs and activities that are key to the success of the mining sector (GoZ, 2018). This has allowed the ministry to allocate resources to initiatives that promote sustainable mining practices, improve safety and health in mines, and boost mineral exploration and development (Mthuli, 2023). In addition, the ministry has used PBB to improve transparency and accountability in the management of mineral resources and revenues (Mthuli, 2023). According to Mthuli (2023), this approach has helped the ministry achieve its strategic goals and objectives more efficiently and effectively.

## **1.2 Statement of the problem**

With traditional budgeting, it was difficult to track the performance for each program at Ministry of Mines and Mining Development in Zimbabwe and ensure that resources are being utilised wisely. Lack of transparency and accountability of minerals and revenue had made it hard for Ministry to demonstrate how resources are being used and how they're benefiting the public resulting in poor revenue collection. While the implementation of PBB has led to some improvements in the mining sector, it has also had a negative impact on citizens in some respects (Mthuli, 2023). According to Mthuli (2023), despite being highly taxed, citizens are not satisfied with the quality of services they receive from the government. The report by Mthuli, (2023) indicates that due to the mismanagement of mineral resources and revenues, the government has lost millions of dollars, which could have been used to improve the delivery of services to the public. The Ministry should ensure that resources are allocated based on priority areas such as mineral exploration and development, mine safety and health, and the promotion of sustainable mining practices so as to attain the twelve (12) billion milestone as stated in the Ministry of Mines and Mining Development website (2018).

### **1.3 Purpose of the study**

The purpose of this study is to evaluate the effectiveness of program-based budgeting in Zimbabwe in improving resource allocation and performance outcomes specifically in the Ministry of Mines and Mining Development. The study will assess the extent to which PBB has led to improved outcomes in the mining sector, including increased revenue, better management of mineral resources, and improved customer satisfaction.

### **1.4 Research objectives**

1.4.1 To find out the effectiveness of Programme based Budgeting (PBB) in improving resource allocation at Ministry of Mines and Mining Development (MMMD) in Zimbabwe.

1.4.2 To find out the effectiveness of program-based budgeting in improving performance outcomes at MMMD in Zimbabwe.

1.4.3 To assess the effectiveness of PBB in improving customer satisfaction at MMMD in Zimbabwe.

1.4.4 To investigate the effect of transparency on the effectiveness of PBB at the MMMD in Zimbabwe.

### **1.5 Research questions**

1.5.1 What is the impact of program-based budgeting on resource allocation at Ministry of Mines and Mining Development in Zimbabwe?

1.5.2 What is the impact of program-based budgeting on performance outcomes at Ministry of Mines and Mining Development in Zimbabwe?

1.5.3 What is the impact of program-based budgeting on customer satisfaction at Ministry of Mines and Mining Development in Zimbabwe?

1.5.4 What is the effect of transparency on the performance of PBB at MMMD in Zimbabwe?

### **1.6 Justification of the study**

1.6.1 To the student

The results of this study will contribute to the existing body of knowledge on PBB, particularly in the context of developing countries like Zimbabwe. The findings can help inform future research on the effectiveness of PBB in other sectors and countries, as well as contribute to the improvement of budgeting practices worldwide. Furthermore, the findings can be used to guide the development of policies and strategies that promote transparency, accountability, and effectiveness in the budgeting process. This can ultimately benefit both learning institutions and governments by improving the management of public resources and the delivery of services to citizens.

### **1.6.2 To Great Zimbabwe University**

This research will help the university to better understand the relationship between resources and outcomes, and to make more informed decisions about how to allocate resources. Secondly, the study can help the university to improve their accountability to stakeholders, by providing a clear link between resources and results. Thirdly, the study can help the university to improve their efficiency and effectiveness, by identifying areas where resources can be used more effectively to achieve desired outcomes. Finally, the research can help universities to improve their financial management and planning, by providing a framework for budgeting.

### **1.6.3 To the policy makers**

The results of the study can also help the government of Zimbabwe to develop and implement effective policies and strategies for the successful implementation of PBB. This can include measures such as establishing clear guidelines and procedures for budgeting, ensuring adequate capacity building for government officials, and providing adequate resources and support for PBB implementation. In addition, the study's findings can help the government to improve its policies on transparency and accountability, which can ultimately lead to better outcomes for citizens. As a result, the study's findings can have a significant impact on improving the quality of life for the people of Zimbabwe.

#### **1.6.4 To the organisation**

The research findings may not only answer the existing problems but also may provide insightful contributions that would be useful in improving the implementation of PBB and other reform initiatives in the future. It may help the government to realign its priorities in budget allocation and expenditure in accordance with its developmental objectives. Besides, it may make the government establish policies and procedures that are well informed through research results. This may help the officials responsible for budget execution to be accountable to the budget outcomes. Therefore, this study is essential in understanding the impact of PBB in improving the quality of public expenditure and budgetary goals achievement.

#### **1.6.5 To the stakeholders**

Indeed, a more streamlined and effective budgeting process will help ensure that resources are allocated and used in a manner that benefits all stakeholders. This will lead to improved satisfaction among citizens and other stakeholders, who will feel that their contributions are being put to good use. In addition, by raising awareness of citizens' rights and responsibilities, the study will empower them to hold the government accountable and play an active role in shaping the future of their country. It is only through transparency and citizen engagement that we can build a better future for ourselves and our children.

#### **1.7 Research Assumptions**

- It is assumed that the respondents will give accurate information.
- The research will be carried out within the stipulated time.

#### **1.8 Delimitations of the study**

The study covers the effectiveness of Program Based Budgeting on improving resource allocation and performance outcomes at Ministry of Mines and Mining Development in Zimbabwe was done at the head office in Harare for the period 2018 to 2023.

### **1.8.1 Geographical delimitation**

The study is limited to Ministry of Mines and Mining development staff members only at head Office in Harare. This helps to narrow the focus of the study and makes it more manageable.

### **1.8.2 Theoretical delimitation**

It is important to note that this study is limited to evaluating the implementation and effectiveness of PBB in one specific context - the Ministry of Mines and Mining Development in Zimbabwe. As such, the findings of the study may not be generalizable to other contexts, or even to other ministries within the Zimbabwean government. Additionally, the study is limited by the scope of the data available, which may not be sufficient to provide a complete picture of the implementation and effectiveness of PBB. Nevertheless, the results of the study may provide valuable insights for further research in this area.

### **1.8.3 Time delimitation**

The study was carried within four months which was not enough for the researcher to gather all the necessary information.

## **1.9 Limitations of the study**

### **1.9.1 Financial constraints**

Another limitation of this study is the relatively small sample size. The research focused specifically on Ministry of Mines and Mining Development staff members at the head office, which is a relatively small sample compared to the total population of government employees. This is due to monetary constraints which makes it difficult for the researcher to move from one provincial office to another for search of information. However, the research borrowed a loan from the bank, to help the researcher in carrying out the research.

### **1.9.2 Time constraints**

The sample for the study is limited to 80 Ministry of Mines and Mining Development staff members at the head Office. This is due to time constraints which makes it difficult for the researcher to capture a very large sample as the research is carried out in three months. The

small sample size somewhat will affect the generalization of the findings to the entire population.

### **1.9.3 Access to information**

Another challenge encountered during the study was the lack of commitment from some of the respondents. Since the study was conducted during business hours, some respondents were preoccupied with their work and did not have the time or focus to answer the questions thoughtfully. Additionally, some respondents at first will think that the interviews are meant to reprimand them for not being effective in carrying out their duties in the implementation of PBB. To overcome the challenge of respondents', lack of commitment, the researcher took time to clearly introduce the purpose of the study and explain why the data was being collected. By being transparent and honest about the research, the researcher was able to gain the trust and confidence of the respondents, which led to more accurate and reliable data. This approach also served to build a rapport with the respondents, which made them more likely to participate fully in the study.

### **1.10 Definition of terms**

**Program:** category of expenditure directed at achieving a common outcome.

**Budgeting:** setting and allocating funding for various programs and services that are intended to benefit citizens.

**Program based budgeting:** is a type of budgeting that focuses on assessing the productivity of individual programs within an organization, rather than simply allocating funds based on historical spending patterns or other factors.

**Virement:** to move allocated funds from one general ledger to another different general ledger permanently.

**MMMD:** Ministry of Mines and Mining Development

**PBB:** Program- based budgeting

**RDT:** Resource Dependency theory

### **1.11 Project Outline**

In Chapter one (1), the researcher provides an introduction and overview of the research, including the problem statement, research questions, and assumptions. In Chapter two (2), the researcher reviews relevant literature to provide context for the research and highlight areas where further research is needed. Chapter three (3) explains the research methodology, including the data collection methods, scope, and population parameters. In Chapter four (4), the researcher presents and analyses the data collected, followed by a conclusion and recommendations in Chapter five (5).

### **1.12 Chapter summary**

In summary, Chapter one (1) provided an overview of the research, including the problem statement, research questions, and research objectives. The next chapter, Chapter two (2), will review relevant literature on the topic, synthesizing existing research and theories to provide context and support for the research. The literature review will identify key themes and debates in the field, and highlight areas where further research is needed.



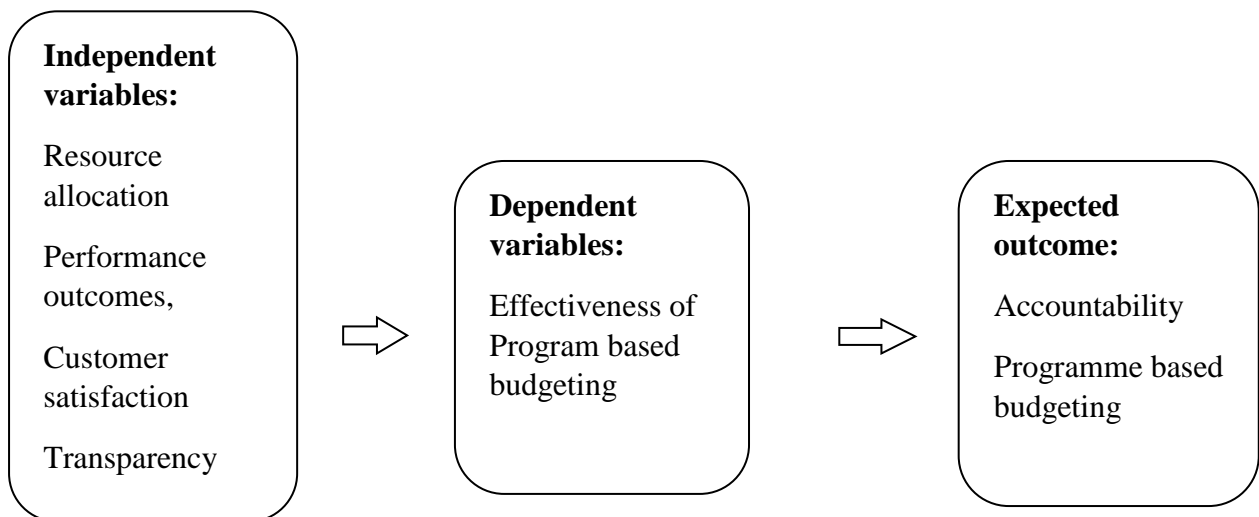
## CHAPTER II

### LITERATURE REVIEW

#### 2.0 Introductions

Building on the discussion of the background and research questions in Chapter one (1), Chapter two (2) provides a critical analysis of the existing literature on the relevant topics. The chapter begins with a theoretical review of the literature, which will help to define key concepts and frame the research. The researcher will then discuss the conceptual framework for the study, and explore the relevant literature within this framework. Finally, the researcher will identify any gaps in the existing literature and highlight the research questions that remain unanswered.

#### 2.1 Conceptual framework



**Figure 2. 1: Independent and dependent variables**

**Source: Munjire (2014), impact of factors affecting programme based budgeting performance in government organisations in Kenya**

##### 2.1.1 Budget

Ganti (2023) puts the concept of a budget into perspective by defining it as a financially quantified plan that is prepared and approved in advance of a specified period of time. Ganti (2023) further explains that it typically specifies the income and expenses expected to be incurred during this period, as well as future capital.

### **2.1.2 Program and Sub programs**

Gant (2023) defines a program as a set of related activities that are designed to achieve a specific goal or set of goals. Ganti (2023) further elaborated that a program may consist of one or more subprograms, which are smaller sets of activities that contribute to the overall program. Programs and Subprograms improve spending prioritization by ensuring that spending priorities reflect decisions made at the whole-of-government level, including the President, Cabinet, Ministers, and the Treasury Department, as well as by the Ministry of Expenditure itself (Muvakure & Nyamwanza, 2018). Muvakure & Nyamwanza (2018) suggest that programs to capture such decisions fall into spending categories that primarily focus on achieving common outcomes. For example, conservation programs include spending on a variety of activities, such as enforcing laws that prohibit the hunting of native species and marketing campaigns aimed at raising public awareness of the importance of protecting natural resources (Sibanda, 2018).

Program and subprogram budgets represent the allocation of budget resources used for budget planning and control purposes (Sibanda, 2018). Programs and their components have various names, such as “output classes,” “business lines,” “voting functions,” and “strategic outcomes” (Sibanda, 2018). At the program level, budgetary allocations are determined by Parliament in the Budget Act, as stipulated in GOZ (2018). In Zimbabwe, the Finance Act and the Appropriation Act are the legislative budget laws. These are legal instruments that must be legally complied with by the Ministry of Expenditure (Mahundu & Mavhondo, 2018). At the subprogram level, resource allocation (the amount spent on each subprogram within a program) is typically determined internally by ministries and is not specified in budget legislation (Mahundu & Mavhondo, 2018). The program structure of the Zimbabwe Ministry of Mines and Mining Development is shown in Figure 2. 2 below.



**Figure 2. 2: Ministry of Mines Programs and Sub-Programs**

**Source: Government of Zimbabwe, 2020**

Note that program-based budgeting does not mean that allocation of resources to programs replaces allocation to organizational units, but rather that resources are allocated to both programs and organizational units (Sofyani, 2018). Programs and subprograms should be thought of as categories of spending used in budget planning and control (Cabral & Inaco, 2019). Therefore, the selection of programs and subprograms should depend on the nature of the critical spending prioritization decisions facing the government in question (Cabral & Inaco, 2019). For example, if Zimbabwe were to face a mining accident such as the one that occurred at Chegutu in September 2023, the Ministry of Mines would allocate more funds to Program 2, which includes an explicit Mine Performance and Management sub-programme in the Preventive Mining Program.

### **2.1.3 Program Based Budgeting**

The World Bank (2022) envisions program-based budgeting (PBB) as a budgeting approach that groups resources based on the programs or services they support. This approach aims to improve the link between resources and outcomes and facilitate more effective and efficient resource allocation in governments (IMF, 2019). However, as stated by IMF (2019), it is important to note that PBB is not a panacea as it requires strong commitment from government leaders and a well-thought-out implementation plan. However, Hood (2011) pointed out that PBB is being implemented by governments around the world, including the United States, United Kingdom, New Zealand, Kenya, Ghana, Mexico, and Australia.

Sayidah and Ady, (2019), argues that PBB produce value for performance and aids resource allocation in a more optimum and productive manner hence delivery of goods and services in a most prudent manner. Sayidah & Ady, (2019) also noted that the performance management models champion good principles of performance budgeting as the one guaranteed way of achieving budgetary intended goals. The introduction of program-based budgeting (PBB) stems from the recognition that capital expenditures do not necessarily produce desired results (Guillamon, 2018). Therefore, there is a need to focus more on outcomes by establishing a mechanism to measure the performance of all programs (Muvakure & Nyamwanza, 2018). Translating the budget into programs makes sense as it provides stakeholders with a basis for monitoring and reviewing budget allocations and implementation by various ministries and agencies (World Bank 2022).

#### **2.1.4 Allocation of resources**

According to the IMF (2019), resource allocation is a key element of the PBB. The World Bank (2022) recognizes PBB as a budgetary approach that pools resources based on the programs or services they support. The World Bank (2022) also states that this approach aims to improve the relationship between resources and performance and promote a more effective and efficient allocation of resources. According to Folscher (2017), public budgeting is about the mobilization of resources and their subsequent economic and equitable distribution. Resources are received from citizens through compulsory taxes and other taxes. This requires a financial plan that should be understandable and unnecessarily punitive, (Folcher, 2017). Folcher (2017) also points out that this financial instrument, commonly referred to as the Finance Act, must be approved by Parliament to become legal.

According to the World Bank (2022), implementation of the financial plan mobilizes resources and provides services through the sharing of income and money spent. In many cases, the state does not follow the principle of value for money in the short term in providing services and goods to citizens, but rather exerts macroeconomic influence over time (IMF, 2019). It is therefore a financial plan that covers public bodies such as ministries and social security institutions (IMF, 2019). The three main objectives of the budget are good macro-financial performance, appropriate prioritization of expenditure and effectiveness and efficiency of services (Fathi & Ahmadi, 2021)

According to Fathi and Ahmadi, (2021), budget financing is a major challenge due to budget deficits, i.e. the difference between planned expenditure and planned revenue. Fathi & Ahmadi, (2021) added that Parliament has tried to address the problem through widespread budget cuts, Raids on non-general fund accounts, delays in funding regulation, partial contributions to pension funds and tricks in accounting procedures such as deferring payments until the following financial year (Fathi & Ahmadi, 2021). It is obvious that such measures will temporarily compensate for the deficit in state budgets, but they do not represent a permanent solution and the spectre will haunt them later. They arise when expenses exceed income over a longer period of time (Fathi & Ahmadi, 2021).

### **2.1.5 Performance outcomes and PBB**

Mahdavi and Ashraf, (2018) defines performance outcomes are an essential component of PBB. Shafiel & Rezael, (2020) argues that in PBB, performance outcomes are defined as the results or effects that are produced by an organization as a result of its activities. These can include a wide range of outcomes, such as improved service delivery, increased efficiency, reduced costs, and better customer satisfaction. By focusing on performance outcomes, PBB helps organizations to measure and evaluate the effectiveness of their activities, and to identify areas for improvement (Mahdavi and Ashraf, 2018). Ultimately, the goal of PBB is to ensure that organizations are using their resources in the most effective way possible to achieve the desired outcomes (Guillamon, 2018). Shafiel & Rezael, (2020) highlight that in addition to performance outcomes, PBB also focuses on performance indicators. Performance indicators are quantitative or qualitative measures that can be used to track the progress of an organization towards its goals (Shafiel & Rezael, 2020). Examples of performance indicators include customer satisfaction scores, productivity levels, error rates, and financial metrics such as cost per unit. By tracking performance indicators, organizations can gain valuable insights into their performance and make adjustments as needed. In some cases, performance indicators may also be used to determine funding levels or performance-based incentives for employees (Shafiel & Rezael, 2020).

Performance outcomes are the results or effects of government programs and services. These are the parameters by which the success of these programs and services is assessed (IMF, 2019). Program-based budgeting (PBB) is a budgeting approach that groups resources based on the programs or services they support (IMF, 2019). This approach aims to improve the relationship between resources and performance and promote more effective and efficient allocation of resources (World Bank 2022).

According to the World Bank (2022), performance outcomes are critical for PBB. The aim of the PBB is to improve the connection between resources and results by focusing on the following topics:

- Define clear and measurable performance outcomes: The PBB requires governments to define clear and measurable performance outcomes for each program. This helps ensure that resources are allocated to programs most likely to achieve desired results.
- Use performance results to make informed decisions: The PBB requires governments to use performance results to make decisions about resource allocation, program management and accountability.

#### **2.1.5.1 Advantages of using performance results in PBB**

As cited by Schick (2009), there are many advantages to using performance results in PBB. By focusing on outcomes, PBB can help governments allocate resources to programs that are most likely to achieve desired outcomes. By monitoring performance results and using them to inform program management decisions, PBB can help governments improve the performance of their programs. PBB can help increase accountability and transparency in the public sector by publishing results and using them to hold programs and services accountable for their results. The World Bank (2022) welcomes that the use of EBP results can help governments improve resource allocation, program performance and accountability. However, the World Bank (2022) also notes that a number of challenges must be overcome before performance outcomes can be effectively used within PBB.

#### **2.1.6 Customer satisfaction**

Customer satisfaction is a critical performance outcome for many organizations, and it is also an important component of PBB (Sadeghi et al. 2021). By measuring and tracking customer satisfaction, organizations can gain valuable insights into the success of their programs and services (Sadeghi et al. 2021). For example, by tracking customer satisfaction over time, organizations can determine whether or not changes made to their programs and services are actually improving the customer experience. Sadeghi et al. (2021) further noted that this can help to ensure that budgeting decisions are focused on meeting the needs and expectations of customers, and that resources are being used effectively to provide the best possible service.

In addition to customer satisfaction, PBB also focuses on other customer-related performance indicators, such as retention rates, word-of-mouth referrals, and net promoter scores (Shafiei & Rezaei, 2020). These measures can be used to track how satisfied

customers are with the organization's products and services, and how likely they are to recommend the organization to others (Shafiei & Rezael, 2020). Additionally, PBB may also track other factors that can affect customer satisfaction, such as wait times, responsiveness, and ease of use (Shafiei & Rezael, 2020). By tracking these indicators, organizations can gain a more comprehensive understanding of how well they are meeting the needs of their customers and make changes accordingly (Shafiei & Rezael, 2020).

Although government officials, businesses, and politicians tend to be sceptical of participatory approaches, citizen participation leads to customer satisfaction in the long run (Chenhall, 2019). There is growing recognition of the benefits of institutional participation, as it reduces the gap between governments, businesses, political stakeholders and the public, and ensures that decisions and policies are evaluated and supported by institutions (Chenhall, 2019). Park (2019) notes that some politicians are concerned that, for example, involving stakeholders (especially the public) may lead to unworkable proposals or a situation in which politicians are unable to make decisions independently. Park (2019) emphasized that there is a fear of uncertainty and loss of control and stakeholder involvement has left customers isolated.

Deker (2020), notes that budgeting is the fair and efficient allocation of resources to achieve specified goals. As stated by Deker (2020), it is also expected to stimulate growth to ensure sustainability and customer satisfaction. Zeithaml (2013) argues that customer satisfaction is an important aspect of PBB. Governments can achieve many benefits by incorporating customer satisfaction into their PBB, including improved resource allocation, improved program performance, and enhanced responsibility and accountability (Yang et. al., 2020). However, there are a number of challenges that need to be addressed before customers are satisfied with the effective implementation of his PBB in the public sector (Zeithaml, 2013).

### **2.1.7 Transparency and Program Based Budgeting**

Fiscal transparency refers to 'openness regarding the intention, development and implementation of policy' (OECD 2021). Several studies have found that tax transparency is associated with improved fiscal discipline, higher credit ratings, and reduced corruption



(Milward & Nixon, 2019). Some argue that citizens and taxpayers have a right to full disclosure of the management of public funds in order to ensure participation and accountability in the political process (Fölscher, 2002). As Fölscher (2002) shows, the increased focus on the provision and quality of household information has led several organizations to develop international guidelines and measurement frameworks. The OECD has developed a non-prescriptive reference tool, Best Practices for Budget Transparency (OECD, 2021).

Other initiatives include the IMF's Code of Good Practice on Fiscal Transparency (IMF, 2019), used in formal country assessments, and the development of fiscal transparency indicators to guide countries around the world. These include the Open Budget Initiative, an international budget project that we are developing. (IBP, 2006). It is difficult to define precisely what kind of information and to what extent governments should disclose it (IBP, 2006). While there is a general argument for publishing as much budget information as possible, there are two caveats to keep in mind.

First, the amount of information made available to the public should not come at the expense of its quality (IBP, 2006). For example, the OECD (2021) indicates in its best practices that all countries should produce monthly reports containing up-to-date revenue and expenditure figures during budget implementation. However, if your ability to generate high-quality data is limited, less frequent reports based on more reliable data may be a better option (OECD, 2021). Second, as IBP (2006) recommends, when the ability to use available information is limited, for example within civil society, published information can be used to influence donor groups or lobbying groups with a narrow base to distort overall accountability processes.

## **2.2 Theoretical framework**

### **2.2.1. Major theory underpinning the study**

The main theory used by researchers is resource dependence theory. However, this theory is supported by agent theory and budget theory, which provide complementary insights into the relationship between resource allocation and performance outcomes (Menon et al., 2019).

### **2.2.1.1 Resource Dependency Theory**

Resource dependence theory (RDT) was first developed by Jeffrey Pfeffer and Gerald Salancik in the 1970s (Pfeffer & Salancik, 1978). Resource Dependency Theory (RDT) is a management theory which examines how organizations depend on each other for resources (Ahn, 2021). This theory posits that organizations are more likely to adopt new practices if they believe it will help them obtain needed resources (Ahn, 2021). This theory has been used to explain a wide range of organizational phenomena, including mergers and acquisitions, strategic alliances, and organizational change, as outlined by Pfeffer & Salancik (1978).

RDT is one of the most influential theories in organizational theory. As Pfeffer & Salancik (1978: 1) state, "To understand organizational behaviour, we must understand the context of the behaviour, or the ecology of the organization. Resource dependence is essential, however, this is an aspect that is often overlooked that can help explain managerial and organisational behaviours (Birdsall, 2018). An emphasis on power and a clear articulation of the strategies available to organizations are hallmarks of his RDT and distinguish it from other theories (Davis & Cobb, 2010). The main point of RDT is that control over resource allocation is the primary source of power in organizations (Kholmuminov et al., 2018). Based on this theory, what happens within an organization depends on the environment and the contingencies and constraints of that environment, such as the requirements of resource providers (Brusca et al., 2019).

Several previous studies (Kholmuminov et al., 2018) investigated the application of FDT in higher education. States allocate resources through their budgets, and universities manage their activities through their budgets (Anessi-Pessina et al., 2016). This study also supports the basic idea of RDT by testing whether power influences budgetary institutions and organizational performance (Ahn, 2021). In the context of program-based budgeting (PBB), RDT can be used to explain why some organizations are more likely to adopt his PBB than others (Pfeffer & Salancik, 1978). For example, organizations that rely on government funding are more likely to adopt PBB to increase their chances of obtaining funding (Pfeffer & Salancik, 1978). RDT can also be used to explain how PBB can lead to more effective resource allocation. By giving program managers budgetary autonomy, PBB can ensure that

resources are allocated to programs with the highest chance of success (Pfeffer & Salancik, 1978).

#### **2.2.1.1.1 RDT and the Effectiveness of Program-Based Budgeting**

Compared to all other resources, money is the most important form of resource, especially in all projects (Pandey, 2001). Without money, agencies and communities cannot activate other resources. In this market-oriented economy, how other resources are contracted or expanded depends on money (Pandey, 2001). An organization's ability to raise sufficient funds to carry out a project determines its success, or its ability to convert other types of resources into money, or to plan the activities it will provide for use (Gizachew, 2018).

According to Ogala and Kizito (2018), in ancient times there were charitable events and other events such as almsgiving that had high prestige and in which people in rich countries engaged in social fundraising and used it to realize projects. Nowadays, people perceive charity events differently and the motivations that motivate them to organize them have also changed. Over time, resources also dry up (Ogala & Kizito, 2018). Although resources are becoming scarce, there is a greater need to respond to the changes and needs of the population and therefore it is necessary to implement better methods to help the community, as Ogala & Kizito (2018) show. Therefore, the community relies heavily on the support of donors from other regions to improve the needs of the population (Andriessen & Drenth, 2018). It is difficult for the public to receive government support. Therefore, there should be adequate ways to ensure that money is collected so that society benefits (Andriessen & Drenth, 2018).

To ensure the achievement of collective goals, it is important to create crowds, groups, associations and organizations according to the theory of resource mobilization, which involves mobilization (Aras & Crowther, 2019). Resources are the main factors for establishing an organization. The study of social movements uses the sociological theory of resource mobilization (Aras & Crowther, 2019). All organizations have goals and therefore use their resources to ensure they can mobilize people to achieve those goals (Ahn, 2021).

Resources are very important factors for the development and success of any organization. Therefore, every effort is made to ensure that resources do not decrease but increase (Camison, 2019).

Pfeffer and Salancik's (1978) study found that organizations that are more dependent on the environment are more likely to adopt new practices. This suggests that organizations that rely on government funding are more likely to adopt PBB to increase their chances of receiving funding. A study by Milgrom & Roberts (1988) found that organizations with greater autonomy are more effective. This suggests that PBB can lead to more efficient resource allocation by giving program managers more autonomy in managing their budgets.

A study by Pandey (2001) showed that EBP can lead to more efficient resource allocation by improving the alignment of resources with performance. This suggests that PBB can help organizations achieve their goals by ensuring that resources are allocated to the programs that have the greatest likelihood of success. Pandey (2001) also emphasized that RDT provides a theoretical framework for understanding the effectiveness of PBB in improving resource allocation and performance. As Pandey (2001) notes, RDT suggests that organizations are more inclined to adopt PBB if they believe it can help them obtain the resources they need. RDT also suggests that EBP can lead to more efficient resource allocation by assigning program managers.

### **2.2.1.2 Theory of Budgeting**

Henry Adams was an American economist who published his ground breaking work, *The Theory of Public Expenditure*, in 1887. In this study, Adams (1987) argued that government spending should be guided by the principle of “utility,” which he defined as the ability of a good or service to meet human needs. Anderson & Lanen (2019) ushered in new trends in budget theory and policymaking. This proves that progress has been made, often on a modest scale and using fairly simple techniques. A key element of budget theory was the distinction between micro budgets and macro budgets and the inherent contradictory tensions between them. Macro budgeting involves broad decision-making that covers all sectors, aggregates revenues, and allocates budget allocations from top to bottom (Anderson & Lanen 2019).

Micro budgeting: Mid-level decisions about agencies, programs, and line items. It is usually done from the bottom up. Both levels of analysis are concerned with the power structures exercised and expressed through household decision-making (Anderson & Lanen 2019).

The basic conceptualization of budgeting ranges from micro-level domestic cycles through simple incremental administrative requests and legislative actions to short-term economic changes and relatively inflexible long-term forecasts of spending trends and revenues (Schmidt, 2019). The key question here is how micro-decisions can be reconciled with macro-level parameters as argued by Anderson & Lanen (2019). This theory is applicable to this study since budget execution is the main concern (Anderson & Lanen, 2020).

Nguyen (2018) investigates various factors that influence the successful implementation of performance-based budgeting (PBB) in public organizations. A paper by Nguyen (2018) highlights the importance of PBB adoption and organizational support to facilitate implementation success. This includes providing employees with appropriate resources, training, and technical support, and promoting a culture of performance measurement and accountability (Nguyen, 2018). Nguyen (2018) also argues that recognizing the relative benefits of PBB, such as increased efficiency, effectiveness, and transparency, is also important for motivating and gaining employee buy-in.

### **2.2.1.3 Principal Agent Theory**

Agent theory can be traced back to the early work of several economists and scientists. Although no single person has fully developed this theory, several key contributions have played an important role in its development (Propper & Wilson, 2018). Ross (1973) in his book *The Economic Theory of Agency*, Ross introduced a formal economic framework for analysing principal-agent relationships. He developed the concept of incentive contracts and studied the optimal division of decision-making authority between principals and agents.

In this model, the client is hampered in this search by information asymmetry (Ross, 1973). They have worse information than agents closer to the action. However, the client/agent in

the Public sector structures can be much more complex than the private sector (Propper & Wilson, 2018). Jackson's discussion of how performance is defined in principal-agent terms can be seen as a problem for government agencies seeking to perform multiple tasks for multiple principals (Vnouckova et al., 2018). Different clients may have different views on the goals, so there may be a lack of agreement on what constitutes performance (Darnell 2020). Performance can be viewed as maximizing the desired outcome for a particular use of resources. The issue of desired outcomes will be politically and organizationally controversial (Darnell 2020). Politics is therefore an important part of performance. If politics is seen in part as a struggle over whose preferences should take precedence in determining national policy, then the budget records the outcome of that struggle (Sofiyani, 2018)

For a given fiscal budget, inputs with maximum economic efficiency can be obtained (Arrunada & Cruz, 2029). These inputs can be processed to convert them into outputs with maximum efficiency (Arrunada & Cruz, 2029). However, it is important that the outcomes lead to the desired outcomes, and this is usually seen as a matter of maximizing effectiveness (HM Treasury 2011). HM Treasury (2011) give examples of outcome for increasing vocational training as an objective. Outcomes may include the share of human capital in GDP and the share of the workforce with vocational training and the desired outcome may be a socially optimal level of training and increased productivity for both trainees and colleagues (Sibanda, 2018). The ultimate objective of budgeting for inputs is to achieve the best result in terms of the usefulness of the desired outcome. However, the importance of measuring outcomes is often accompanied by difficulties in defining, observing, and measuring outcomes (Vnoučková et al, 2018).

#### **2.2.1.4 Application of theories in improving resource allocation and performance outcomes.**

Budgeting theory provides a framework for analysing how PBB affects the allocation of resources to various programs and activities (Robinson, 2013). This theory also focuses on the allocation of resources to achieve organizational goals (Lu & Willoughby, 2012). Robinson (2012) also argues that this can include a detailed plan for allocating resources and a process for monitoring and adjusting budgets as necessary. According to Robinson's (2013)

budgeting theory, organizations could develop systems to track and measure the effectiveness of their budgeting systems.

Lu and Willoughby (2012) suggest that resource dependence theory suggests that organizations are dependent on their resource environment. Therefore, organizations must consider how their environment affects their ability to access and utilize resources and how to best utilize these resources to improve performance. Pfeffer & Salancik (2003) argue that resource dependence theory examines how PBB affects an organization's relationships with external stakeholders and its ability to secure resources. Pfeffer & Salancik (2003) argue that PBB can lead to specific strategies for acquiring external resources, such as aligning programs with stakeholder priorities and presenting performance results.

Agency theory explains how organizations can act to ensure that employees have the best interests of the organization as well as their own interests (Bouckaert & Halligan, 2012). Behn (2014) emphasized that PBB's performance goal-based rewards and sanctions system can motivate individuals and teams to improve efficiency and effectiveness. This may include setting clear performance goals, providing incentives for achieving those goals, and monitoring employee performance as noted by Behn, (2014). Behn (2014) further explained that agent theory identifies the potential risks of distortion and manipulation of information by individuals acting in their own interests.

## **2.3 Empirical framework**

According to Gulden et al., (2020), little empirical research has been published on the actual economic impact of his PBB budgeting in government. Nevertheless, it is generally accepted that the implementation of appropriate budgetary systems can influence the fiscal efficiency and effectiveness of governments.

### **2.3.1 Program based budgeting in improving resource allocation**

In an early empirical study on allocative efficiency, Ho (2011) analysed the impact of the number of performance indicators on program budget variation in the local government

sector. They found that budget preparers below the departmental level were able to make cost-effective budget allocations for programs. Ho (2011) found that program-level staff have a better understanding of how to efficiently deliver services and that the local governments surveyed have improved strategic planning, performance management, and program budgeting. We believe this is due to the fact that there appear to be public administrators who are able to integrate. Using budget changes as the dependent variable, the results of Ryu (2013) confirmed Ho's (2011) previous finding that the number of indicators was positively related to budget allocation; was not statistically significant at the level of This is probably because Ryu (2013) was unable to distinguish between output and resulting performance information.

However, Ryu (2013)'s main finding was that GPRA results were not significantly associated with budget allocation at any level of analysis, which is consistent with his theory of improving allocative efficiency through PBB. Although several studies have reported that performance-based budgeting (PBB) initiatives have improved the productivity of government functions, one issue remains unresolved in the implementation of PBB (Arrunada & Cruz, 2019). This is the so-called allocation efficiency Ryu (2013). Eungha (2013) argues that there is a lack of research providing evidence that PBB initiatives have improved the allocative efficiency of government programs, but that the findings are primarily based on anecdotal reports or self-report surveys. Eungha (2013) emphasized that this study attempted to fill the gap in the literature by analysing actual household funds. Empirical results based on US household data of the Department of Commerce (DOC), the study during the eight years of the George W. administration did not show that the PBB system improved allocation efficiency as noted by Eungha (2013).

### **2.3.2 Program based budgeting in improving performance outcomes**

Ho (2011) from 2008 conducted a case study of his PBB exercise conducted in the City of Indianapolis in 2010 and he investigated the budgetary implications of applying performance information at the departmental program level. According to the study of Ho (2011), the regression results show that the number of performance indicators within a department is significantly and positively correlated with the change in program budget. However, after controlling other factors, he also found out that the number of outcome-related performance



indicators has a significant negative effect on program budget variation (Arrunada & Cruz, 2019).

Stiefel et. al. (1999) analysed the relationship between Chicago public school performance and budget allocation patterns through the construction and use of customized performance measures. The researchers concluded that although the overall spending gap between low-performing and high-performing schools was small, there were large differences in the allocation of discretionary spending across departments. They concluded that there is a positive correlation between performance outcomes and program-based budgets because outcomes result from allocated resources.

### **2.3.3 Program based budgeting in improving customer satisfaction**

Many empirical studies have shown that when program budgets are properly set, service quality and customer satisfaction lead to higher corporate profits (Zeithaml, 2000). Anderson & Sullivan (1993) state that a company's future profitability depends on the satisfaction of its existing customers. Anderson et al. (1994) found a significant relationship between customer satisfaction and program-based budgeting. High quality leads to high customer retention, increased loyalty, positive word of mouth, and is strongly associated with increased sales (Reichheld & Sasser 1990), and in the public sector, customer satisfaction is a key factor for success and is highly dependent on the behaviour of frontline service providers (Kutner & Cripps, 1977).

Kutner & Cripps (1997) pointed out that budgets should be allocated according to programs that meet customer needs, and each customer's needs, preferences, purchasing behaviour, and services provided are different. Government agencies remain competitive by improving the quality of their services compared to their competitors (Arrunada & Cruz, 2029). Providing superior customer value and satisfaction is critical to a company's competitiveness (Deng et al. 2013). Knowing what customers value most is critical and helps companies allocate resource usage for continuous improvement based on customer needs and desires. The results of customer satisfaction index (CSI) studies serve as predictors of a company's profitability and market value (Chiu et al. 2011). Such insights provide valuable information about

customer behaviour based on a unified approach to customer satisfaction and provide a unique opportunity to test hypotheses (Anderson et al. 1997).

#### **2.3.4 Program based budgeting in improving transparency.**

Mwiya et al. (2019) in the 2017/18 financial year, Kenyan counties used his PBB approach for health sector planning. As suggested by Mwiya et al., (2019) PBB approach was noted by key stakeholders. They improved the alignment of technical priorities with budget allocations and made the process more transparent, accountable, and open (Mwiya et al., 2019). Challenges include the lack of clear tools and guidelines to support implementation, low capacity at the district level, political interference, and the organization of public sector electronic financial management systems around line-item budgeting systems were observed as noted by Mwiya et. al., (2019).

For example, Traditional line item budgets were limited because they focus on what to buy (Mwiya et al. 2019). Expenditures for each item were categorized into expenditure categories such as salaries, materials, supplies, and purchased goods and services. Line item budgets help you track what you're spending and how much you're spending as stated by Mwiya et.al., (2019). Although it is the simplest to create, it does not provide information about the activities or roles of programs, departments, or ministries. And here, a program-based budget policy is preferred (Wang, 2022). Park & Jang (2021) argue that in results-based budgeting, managers are held accountable for results but given the freedom to change inputs as necessary to achieve those results. Ahyaruddin & Akbar, (2018) posit that Program budgeting assumes that the program should provide a level of flexibility to administrators to achieve results. This is called “results-based program budgeting,” and it increases accountability and transparency in government departments as explained by Mwiya et. al., (2019).

#### **2.4 Research Gaps**

The study focused on the effectiveness of program-based budgeting in improving resource allocation and performance in the Zimbabwe Ministry of Mines and Mining Development. Although this is not a new concept in the global platform, little has been done to assess the

effectiveness of program-based budgeting in improving resource allocation and performance outcomes in the Zimbabwean public sector.

Therefore, this study fills an obvious research gap as, to the best of my knowledge, there are no documents reporting studies on the effectiveness of program-based budgeting in Zimbabwe, and given that many states have attempted to implement PBB with little success, this research explores the missing link between expected performance outcomes and PBB, as well as between PBB and resource allocation. The research results provide solutions. This will help governments and other organizations better understand PBB and help them make rational decisions when implementing PBB to improve performance. The results will also be useful to other researchers interested in the topic of PBB.

## **2.5 Chapter Summary**

This chapter provides an overview of the research literature related to this study. Most of the reviewed literature focused on international studies as there is limited research on this topic in Zimbabwe. This chapter provided the theoretical background underlying the conceptual framework of this study. The independent and dependent variables that form the basis of the study were discussed in a conceptual framework. See Chapter 3 for an overview of qualitative approaches to discovering theory from data using grounded theory. The next chapter describes the methodology of this study that emerges from this literature review.

## CHAPTER III

### RESEARCH METHODOLOGY

#### 3.1 Introductions

The previous chapter provided a review of the literature. This Chapter presents the design, population, sample, research methods and instruments, quality of instrument, procedure and data analysis techniques that were employed in the study.

#### 3.2 Research Philosophy

Research philosophy is a framework that describes how research should be conducted based on ideas about the nature of reality and knowledge (Žukauskas, 2018). The main research philosophies are positivism, pragmatism, and interpretivism. These philosophies represent two fundamentally different ways for us humans to understand the world around us as noted by Zukauskas (2018).

The term interpretivism is commonly referred to as subjective inquiry, as stated by Punch (2009). The term interpretivism is commonly referred to as subjective inquiry, as stated by Punch (2009). According to Larkin & Thompson (2012), interpretivism is a special case that often influences subjective method choices. Positivism has its origins in the natural sciences and focuses on the scientific testing of hypotheses and the search for logical or mathematical evidence obtained from statistical analysis (Žukauskas, 2018). In positivism, reality is independent of us and therefore researchers can observe reality objectively (Mason, 2017). Therefore, positivists tend to use large sample sizes and produce accurate, objective, and quantitative data (Collis & Hussey, 2014). Positivism emphasizes empirical scientific data that is not influenced by researcher bias or subjectivity (Blaikie, 2017). According to Sileyew (2019), pragmatism generally emphasizes that the truth depends on whether it is useful or not and is characterized by the idea that it should be judged by its practical consequences) or actually effective.

This research study is based on the research philosophy of interpretivism. In line with an interpretive research philosophy, the research approach adopted for this study is qualitative and inductive (Sileyew, 2019). This means that research is exploratory and seeks depth rather than breadth, based on comprehensive and subjective findings. Qualitative research allows for a flexible data collection process (Sileyew, 2019). For example, data can be collected in multiple steps rather than just once, and researchers can adjust the process along the way as needed. Researchers may decide to add or omit certain questions based on insights gained during the process (Sileyew, 2019).

### **3.3 Research Design**

Ying (2003) states that a research design is a plan of action to get from here to there, where "here" can be defined as the first set of questions that need to be answered, and "there" is the set of questions that need to be answered. According to Mason (2017), research design is used to "plan, structure, and conduct" research to maximize the "validity of the results. Guidance is provided from underlying philosophical assumptions to research design and data collection (Oren & Skelcher 2018).

Denzin and Lincoln (2005) describe qualitative research as a multifaceted research method that incorporates an interpretive and naturalistic approach to the subject matter. The complexity of qualitative research allows researchers to get a complete picture of the phenomenon in question. Denzin & Lincoln (2005) state that qualitative research is holistic, it begins with a quest to see the big picture and understand the whole, looking at relationships within a system and focusing on understanding a particular social environment, but not necessarily making predictions about that environment.

Denzil and Lincoln (2005) also note that qualitative research requires time-consuming analysis, requires continuous analysis of data, and requires the researcher to become an instrument of the research. Denzil & Lincoln (2005) states that it also provides space for researchers to account for their own biases and ideological preferences and consider informed consent decisions and address ethical concerns. In qualitative research, the goal is exploratory and descriptive rather than explanatory (Ferreirra et al.,1998). The descriptive nature of

qualitative research allows researchers to describe participants' experiences, thereby confirming or refuting the theoretical assumptions underlying the study (Meyer, 2001). Qualitative research was deemed suitable for this research project as the purpose of this study was to explore the effectiveness of PBB in improving resource allocation and performance outcomes.

### 3.4 Population of study.

According to Uma (2007), population is defined as the total number of items or objects of interest to the researcher. Uma (2007) emphasized that this could also be the total number of people in the study area. Therefore, the population for this study consisted of 100 employees of the Ministry of Mines and Mines Development headquarters in Harare, including administrative staff with spending authority, accountants, procurement personnel, internal auditors, program managers, subprogram manager and director. When the population under consideration is large, it is nearly impossible for researchers to study all individuals within the population of interest (Willie, 2022). Therefore, researchers must make the decision to limit their research to subjects from this population and think carefully about how and why exactly a particular group of people is being studied (Thacker, 2020)

**Table 3. 1: Population Distribution**

#### POPULATION DISTRIBUTION

Population Category	Target	Percent
Directors	12	15
Sub-Program Managers	8	10
Program Managers	2	2.5
Accountants	26	32.5
Administration	12	15
Internal Audit	10	12.5
Procurement	10	12.5
Total	80	100

**Source: Human Resource Department Ministry of Mines ND Mining Development (2018)**

### 3.5 Sample

Mouton (1996) defines a sample as an element selected for the purpose of learning something about the entire population from which it is drawn. The sample included 67 Ministry of Mines staff employees from the head office.

#### 3.5.1 Sample size determination formula

Sampling is a research technique used to select a subset of individuals from the total population and estimate some characteristic from the total mass (Guthrie, 2010). The Yaro-yamane formula, also known as the Yamane sampling formula, is a mathematical formula for determining the sample size required to achieve a desired level of precision in a survey or study (Uma, 2007).

$$n = N / (1 - N(e)^2)$$

Where N is the population

1 is constant

E is the error margin

Then,  $n=80$

$$80 / (1 + 80(0.05)^2)$$

$$= 67$$

#### 3.5.2 Purposive sampling

Purposive sampling is often used in qualitative research to identify and select information-rich cases related to the phenomenon of interest (Taherdoost, 2016). The main purpose of purposive sampling is to focus on specific characteristics of interest within a population so that researchers can best answer the research questions highlighted by Taherdoost (2016). The studied sample will not be representative of the population, but will be representative of the researcher pursuing qualitative goals (Taherdoost, 2016).

### **3.6 Research Instrument**

According to Sugiyono (2013), qualitative research is research that aims to study the state of natural objects using the researcher as the main instrument. This instrument is a tool that researchers choose to use in their data gathering activities, thereby making the activities more systematic and smooth (Arikunto, 2010).

#### **3.6.1 Interviews**

Burns (2019: 118) argues that “interviews are a common and widely used means of collecting qualitative data, for this purpose, researchers would like to obtain first-hand information from a small number of knowledgeable informants. The questioner intends to “obtain a particular type of information” (Merriam, 2018: 71) and investigates for himself what is going on in the respondent's mind. Importantly, because researchers cannot observe informants' emotions and thoughts, interviews are key to understanding what and how people perceive and "interpret" the world around them (Burns, 2019). At this point, Flick (2006: 160) adds that the purpose of interviews is to “reveal existing knowledge in a way that can be expressed in the form of answers and is open to interpretation and it is conducted in two formats: individual-to-individual format and group or collective format.

Merriam (2018) considers both types of interviews to be types of goal-oriented conversations. Overall, Johnson & Turner (2003) point out some of the strengths of interviews are that interviews are good at measuring attitudes and most other things of interest. Secondly face-to-face interviews provide more detailed information, better interpretational validity, and significantly faster response times than telephone interviews. Well-constructed and well-tested interview protocols can often achieve moderately high measurement validity and relatively high response rates lastly interviews are useful for exploration and confirmation (Merriam, 2018).

#### **3.6.2 Document analysis**

Document is a term used to refer to a wide variety of material including visual sources, such as photographs, video, and film (Merriam & Tisdell, 2016). Like documents consisting of texts, those that consist of visual material can be a source for qualitative analysis (Flick,



2018). According to Saunders (2020) to get an overview from the point of view of the subject through written documents or other documents, qualitative researchers usually use the documentation. Documents can be in the form of writings, text, picture, script, drawings or monumental works of a person (Saunders 2020). The researcher will collect data from existing documents, so that researcher will get notes related to the research.

According Merriam & Tisdell, (2016) to analysing documents, such as books and journal articles, can be beneficial also because of the stability of the data. Researchers may influence the participants during interviews or observations (Bryman & Burges, 2018). However, when they conduct a document analysis with pre-existing texts, the data are unaffected (Merriam & Tisdell, 2016). In addition to the advantages previously mentioned, conducting a document analysis allows researchers to have access to data that would otherwise take enormous effort and time to collect (Merriam & Tisdell, 2016). Another advantage of conducting a document analysis with pre-existing texts involves how this approach can benefit novice researchers (Bryman & Burges, 2018). Instructors can introduce qualitative methods to beginners using one method of data collection to make qualitative research easier to conduct (Green & Chian, 2018).

### **3.7 Instrumentation procedure**

Interviews in qualitative research generally follow three primary formats: structured, unstructured, and semi-structured (Brinkmann, 2018). High structured interview is a controlled way to obtain information from interviewees as propounded by Bryman, (2008). In other words, it is a pre-planned interview where the researcher writes down the interview questions before conducting the interview. Such a format is an effective way to keep the interview tightly focused on the target topic (Casey, 2019). It also makes the interview comparable among interviewees (Bryman & Burges, 2018). It has been highlighted in the literature that this type of interview is suitable for researchers who know exactly what kind of information they are seeking (Dörnyei, 2017).

### **3.7.1 Email Interview**

If completing a structured interview, you would either send it out in questionnaire form online, or, if completing it in a face-to-face format, remain strictly focused to the questions on the interview guide without deviation in the form of prompts or follow up questions (Brinkmann, 2018). The researcher will administer interviews by use of email. In a wide range of cases, email interviews mean the researcher can obtain richer and more personal data (Bowker & Tuffin, 2014). Meho (2016) states that it is considered better to include the questions in the body of the email, rather than in an attachment.

### **3.7.2 Document analysis**

The researcher studied the budgets from previous years to enable the researcher to make a comparison and also identify some trends. Financial statements which include the profit and loss accounts were analysed to identify the revenue generated between the period 2028 and 2022. Performance reports were also analysed to identify the performance outcomes from the allocated resources.

## **3.8 Validity and Reliability**

### **3.8.1 Validity**

Validity is a construct usually associated with quantitative research methods and measures the extent to which the theories or explanations derived from the research data are true and correctly capture the phenomenon under investigation (Gibbs, 2020). In qualitative research validity is determined by the extent to which the data obtained from the participants has been consistently checked to a point where the data analysis process becomes self-correcting (Gibbs, 2020) and the researcher is able to “identify when to continue, stop or modify the research process” (Mo Barret et al., 2002: 17).

In this research process, researchers and project sponsors were looking throughout the process for evidence in the obtained data that overlapped or became irrelevant to the research question. This process helped the researcher decide when to stop or continue data collection, literature review, and data analysis (Schulink, 2018). Qualitative research focuses on understanding the phenomenon being studied (Bryman & Burges, 2018). The purpose of the

analysis was to ensure that the research results capture what participants said and what happened. Validity in this respect is measured by the extent to which the analysis reflects what the participants say (Miles et al., 2014). This understanding of validity is due to the theoretical framework of this study which does not aim to explore definitive truths, but rather focuses on identifying participants' constructions regarding the discourses being studied (social constructionism) (Miles et al., 2014).

In qualitative research, stability is also used as an indicator of validity (Burns, 2006). Stability in qualitative research refers to the reliability of the data and relates to whether observations are reproducible (Gibbs 2020). To ensure that the data are robust, it is important that the goals of the study are continually reflected on and participants are guided to remain within the scope of the study (Miles et al., 2014).

### **3.8.2 Reliability**

This study adopted social constructionism, a qualitative methodology, as its theoretical framework. Both approaches argue that multiple realities exist and that people construct different discourses at different times (Miles et al., 2014). Therefore, it is impossible to maintain data consistency between repeated studies with different participants. For social constructionists, meaning is evolutionary and historically entrenched (McLeod, 2002). Furthermore, constructivist discourse and qualitative research are not interested in making generalizations about human behaviour (Miles et al., 2014). These approaches focus on understanding the meaning attached to a particular discourse at a particular point in time (Schulink, 2018).

Therefore, qualitative research refers to trustworthiness rather than trustworthiness. According to Lincoln & Guba (2016), the process of certifying external audits aims to increase the credibility of the data presented in the research process. Researchers can determine how reliable the data presented is if an outsider can assess its accuracy and whether the results, interpretations, and conclusions are supported by the data (Miles et al., 2014). To ensure the reliability of the data, analysis of the interview texts was discussed with the study's former mentor (Schoeman, 2017). He made his own interpretations of the

information collected and questioned some of the analyses performed. The analysis not only relied on the researchers' interpretations, but also considered how other sources on the same topic explain similar results (Schoeman, 2017). According to Thurmond (2021), when all people involved in the same data analysis reach the same conclusion, the results are more likely to be true and therefore reliable. This data was provided to the research funder, who asked for his opinion and his own analysis, and he came up with a similar analysis.

### **3.9. Ethical considerations**

The researcher ensures that the primary data are not fabricated or falsified and that the results are not distorted. Results were reported completely and accurately, regardless of whether they contradicted expected results. This study was designed and conducted in accordance with the highest standards of quality, integrity, ethical correctness, and legal compliance. Again, research participants should be informed as fully and clearly as possible of the purpose, methods, intended use, and implications of their participation, and the associated risks and benefits of the study, and that they voluntarily agree to do so. The confidentiality and anonymity of the information provided by study participants was respected

### **3.11 Chapter summary**

This Chapter outlined how the research was conducted, illustrating the process used to select the participants, the method used to collect data as well as the approach that was used in analysing the information. The next Chapter details the analysis process and describes the findings of the research.

## CHAPTER IV

### DATA PRESENTATION, ANALYSIS, AND DISCUSSION

#### 4.1 Introduction

Chapter three looked at the research methodology illustrating the sample size, instruments used and the research design. This Chapter presents the description of respondents' personal data, dependent and independent variables and verification of the hypothesis. The interpretation and discussion of the results are also presented. Data was analysed using descriptive and inferential statistics. Descriptive statistics were frequencies, means and percentages.

#### 4.2 Interview response rate

Table 4.1, presents the response rate of the respondents. The researcher targeted a population of 80 and administered 67 interviews. 45 responded representing a success rate of 67.2% interviews administered. Out of the 67 interviews conducted, 22 did not respond. According to Babbie (2004) a response rate of above 50% is acceptable, therefore a response rate of 67.2% is good.

**Table 4. 1: Response Rate**

	Targeted	Administered	Respondent	%Response
Directors	12	9	6	66.7
Sub-Program Managers	8	6	3	50
Program Managers	2	2	1	50
Accountants	26	23	18	78.3
Administration	12	10	6	60
Internal Audit	10	9	6	66.7

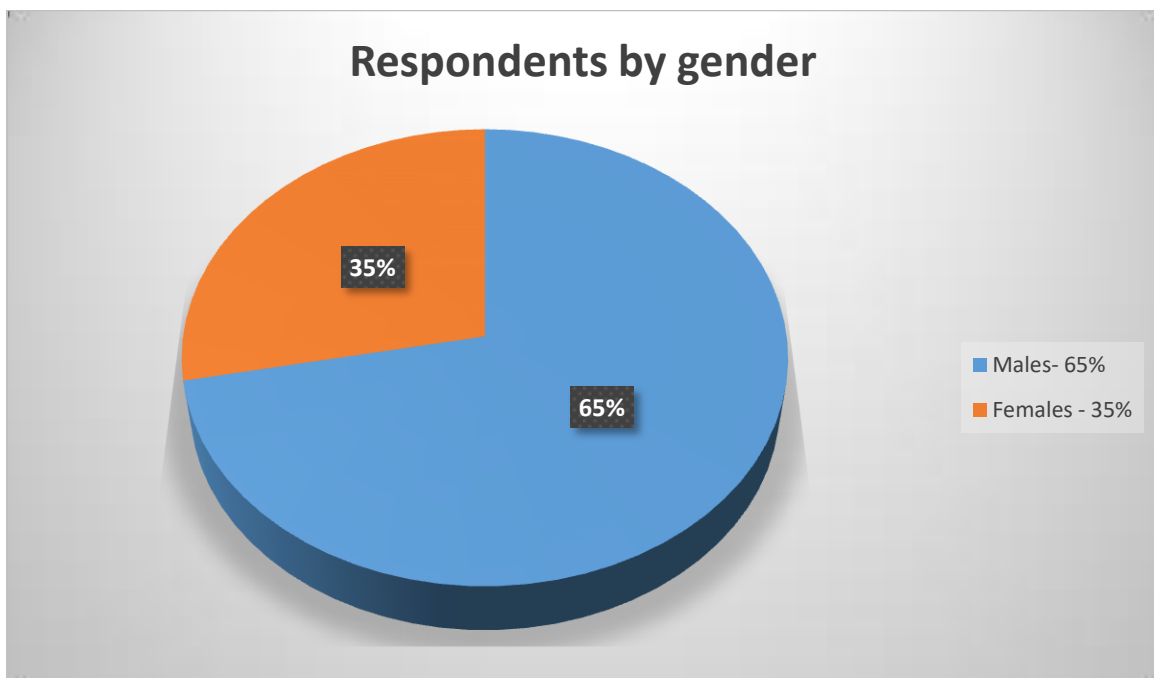
Procurement	10	8	5	62.5
	80	67	45	67.2

### 4.3 Demographic Information

This section presents the descriptive results. The results are presented in frequency and tables. Specifically, consists of information that describes basic characteristics such as gender, designation in the Ministry, and experience.

#### 4.3.1 Gender of the Respondents

The study sought to establish the gender distribution of the respondents. Figure 4.1 shows that a majority (65%) of the respondents were male and 35% were female. Gender distribution helps to ensure that the voices of both women and men are included in the evaluation of the study.



**Figure 4. 1: Respondents by gender**

#### 4.3.2 Designation in the Ministry

The respondents were asked to indicate their profession or designation in the Ministry of Mines and Mining Development in Zimbabwe. Table 4.2 indicates that 40% of the respondents were accountants, while 2.2% were program managers. The designation of the

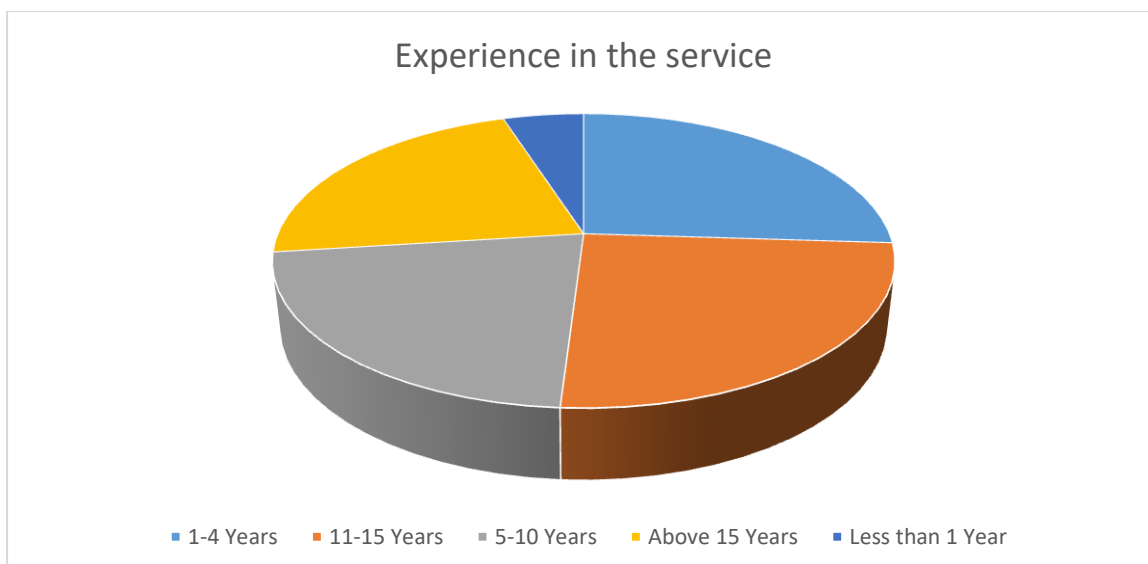
staff members impacts the responses given. This will help the researcher to understand how different groups of respondents respond differently to the same research questions or intervention.

**Table 4. 2: Designation rate**

	Respondents	Percentage
Directors	6	13.33
Sub-Program Managers	3	6.67
Program Managers	1	2.2
Accountants	18	40
Administration	6	13.3
Internal Audit	6	13.3
Procurement	5	11.1
	45	100%

#### **4.3.3 Experience**

The respondents were asked to indicate the years of service they have been in the position. Results on Figure 4.2 indicate that 5% have less than one year in the services, 26% of the respondents had been in service for a period of between 1-4 years while 25% indicated that 11 - 15 years, 22% indicated between 5-10 years and 22% indicated over 15years in the service. The findings imply that the employees had been in their positions for more than one year therefore able to understand the programme based budgeting performance in the organization.



**Figure 4. 2: Experience in the service**

#### 4.3.4 Effectiveness of PBB in improving resource allocation.

Table 4.3 indicates that 55.5% agree that the resource allocation process is responsive to changing needs and priorities. However, 45% of the respondents indicate that the current resource allocations fairly align with the Ministry strategic objectives.

**Table 4. 3: Effectiveness of PBB in improving resource allocations.**

Statement	Greater Extent	Fairly	Lesser extent
1) How well does the current resource allocations align with Ministry strategic objectives	20%	45%	35%
	Yes	No	
2) Is the resource allocation process responsive to changing needs and priorities	55.5%	44.5%	
	Very easy	Partially easy	Not easy
3) How easy is it to track and monitor resource allocation	29%	30%	41%
	Very	Partly	Not



	satisfied	satisfied	satisfied
4) How satisfied are the stakeholders with the resource allocation process.	9%	25%	66%

**Source: Interview Guide respondents 2023- Ministry of Mines and Mining Development**

#### **4.3.5 Effectiveness of PBB in improving performance outcomes.**

Table 4.4 indicates that the level of exploration and development activity is midway. 76,2% agreed that the growth level of mineral production is high resulting in a high level of revenue generated from the ministry as indicated by 65% of the respondents, Table 4.6 indicates that 46,5% agreed that the compliance to laws and regulations by miners is low

**Table 4. 4: Effectiveness of PBB in improving performance outcomes.**

Statement	High	Midway	Low
1) Level of mine exploration and development activities	55%	35,4%	9,6%
2) Level of mineral production	76,2%	12%	11,8%
3) Level of revenue generated from the Ministry	65%	27,6%	7,4%
4) Compliance with laws and regulations by miners,	22,5%	28%	46,5%

**Source: Interview Guide respondents 2023- Ministry of Mines and Mining Development**

#### **4.3.6 Effectiveness of PBB in increasing customer satisfaction.**

Table 4.5 shows that 50,6% disagree that there are adequate mine inspections that reduce mine accidents, 37% indicated that they agree that there are adequate awareness forums and sensitisation programmes that are undertaken by the ministry to sensitise miners on safe mining methods. In addition, 47% strongly disagree that Citizens understands their rights and are competent and literate to make valuable contributions to budget decision making process.

**Table 4. 5: Effectiveness of PBB in increasing customer satisfaction.**

	Strongly Agree %	Agree %	Disagree %	Strongly disagree %
1) There are adequate mine inspections that reduces mine accidents	10	15.5	50.6	23.9
2) Adequate awareness forums and sensitization programmes are undertaken by the Ministry to sensitize miners on safe mining methods.	26	37	25	22
3) Citizens understands them rights and are competent and literate to make valuable contributions to budget decision making process.	10	16	27	41
4) Executive arm of the government and legislature make well informed decision purely for the interests of the miners	14	27	39	20

**Source: Interview Guide respondents 2023- Ministry of Mines and Mining Development**

#### **4.3.7 Effectiveness of PBB in increasing transparency.**

Table 4.6 shows that 66% agree that the Ministry publish regular performance reports that include information on program budgets and outcomes. In addition, 74% agrees that there is a process in place for monitoring and evaluating the budget. However, 70% believes that the budget documents are not easily understood.

**Table 4. 6: Effectiveness of PBB in increasing transparency.**

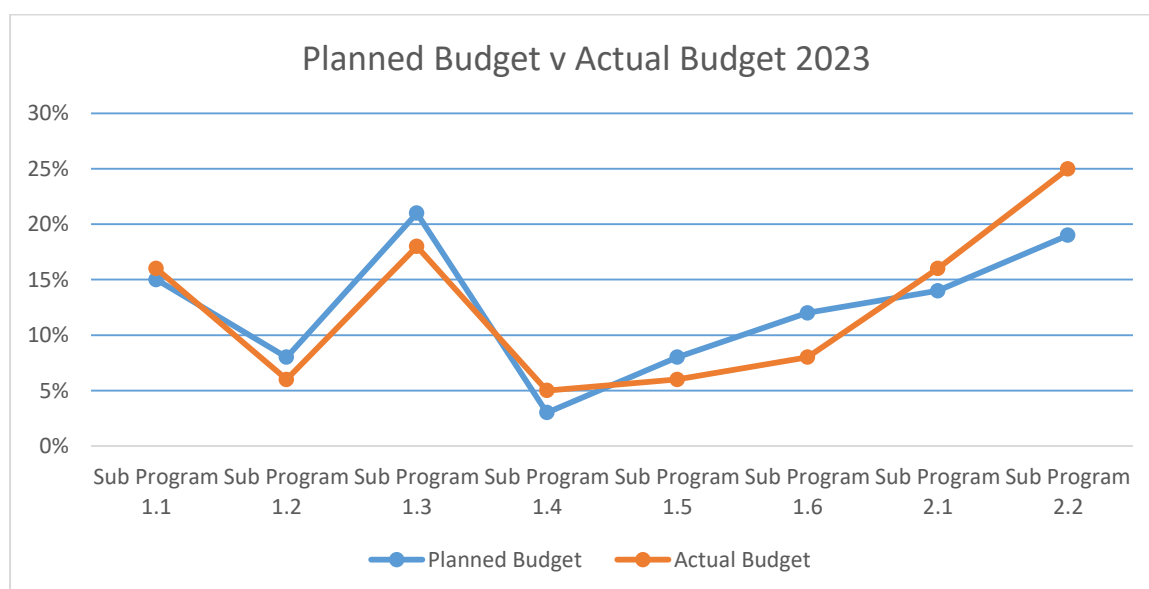
Statement	Yes	No
1) Does the Ministry publish regular performance reports that include information on program budgets and Outcomes	66%	34%
2) Are the budget documents easily understood by the public	30%	70%
3) Does the Ministry hold public consultations on the budget and allow for input from the public.	45%	55%
3) Is there a process in place for monitoring and evaluating the budget.	74%	26%

**Source: Interview Guide respondents 2023- Ministry of Mines and Mining Development**

#### 4.4 Data collected from document Analysis

##### 4.4.1 Effectiveness of PBB in improving resource allocation.

The researcher compared the actual allocations to the planned allocations for each program for the past three years. There was an increase in actual allocations for the year 2023 as shown in Figure 4.3.

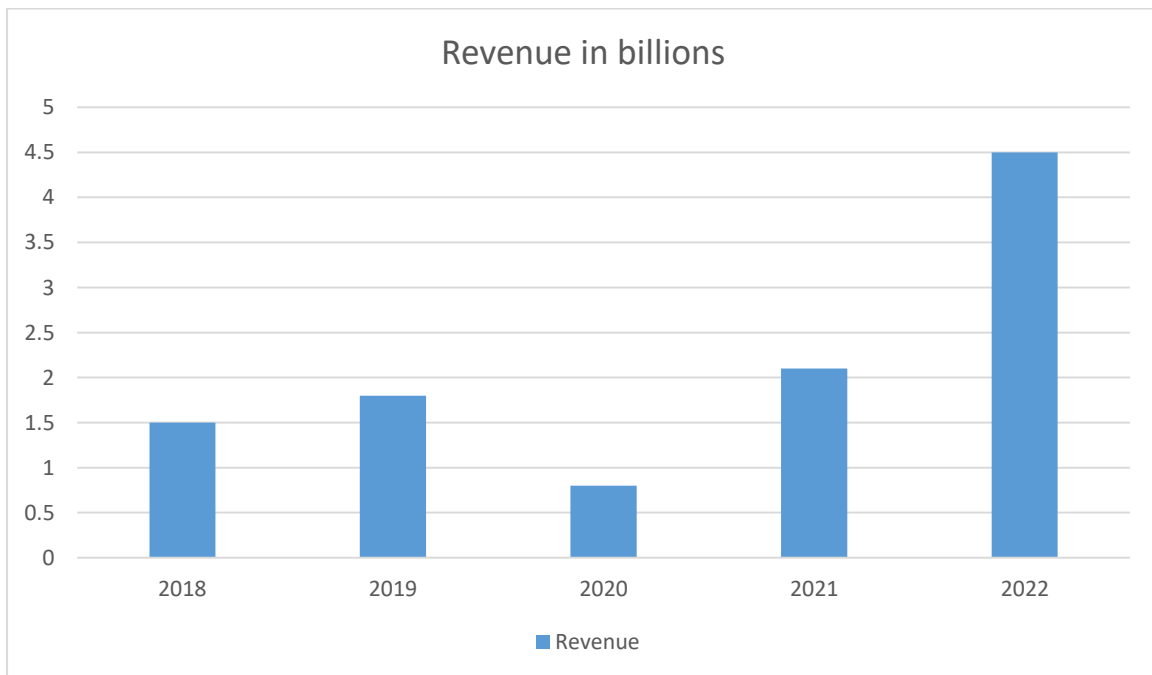


**Figure 4. 3: Planned Budget versus Actual Budget**

From the budget presented from 2018 to 2023, the budgets indicate that the allocations are aligned with the Ministry's strategic priorities but are not sufficient to achieve programs objectives as indicated by virements and unallocated reserves processed. The analysis of the budgets indicates that the allocations are not fair and equitable across programs due to scarce resources.

#### 4.4.2 Effectiveness of PBB in improving performance outcomes.

Figure 4.4 indicates that there has been an increase in the revenue generated from 2018 to 2023 by the ministry. However, in 2020 there was a decrease in revenue generated due to COVID 19 pandemic. The ministry has been targeting a twelve billion milestones by the year 2023.



**Figure 4. 4: Revenue generated**

Regular performance reports have been submitted to the Ministry of Finance, the Parliament of Zimbabwe and the Office of the Auditor General. For the past five years, the service delivery has improved due to the introduction of the CADASTRE system where miners are offered help online, this has increased the customer satisfaction.

#### **4.4.3 Effectiveness of PBB in increasing customer satisfaction.**

The data was collected from the analysis of customer satisfaction surveys, customer feedback forms, and service delivery performance data. Customer satisfaction surveys provided direct feedback from customers on their level of satisfaction with the services provided. Customer feedback forms provided insight into specific areas where customers are or are not satisfied with the services provided. Finally, service delivery performance data provided information on the efficiency and effectiveness of the services provided. The data collected indicated that the customers which are mainly miners are not satisfied with the services at Ministry of Mines and Mining Development.

#### **4.4.4 Effectiveness of PBB in increasing transparency.**

Documents analysed included the budget itself, budget process documents, financial reports, and independent audits. The analysis of the budget indicated that it is clear but however it is not easily understood by the public. Budget process documents, such as minutes from budget meetings and reports on budget changes, provided an insight into how transparent the budgeting process is and are open for perusal by any public figure. Financial reports, which are often published, gave information on the availability of budget information to the public and are submitted to Parliament and Office of the Auditor General for recommendations. Finally, independent audits assessed whether the budgeting process is transparent and free from corruption, and the opinion by the independent auditors explained how transparency the reports were.

### **4.5 Data analysis, discussion and interpretation.**

#### **4.5.1 Interviews and document analysis**

The data collected from both interviews and document analysis showed that program-based budgeting has a positive correlation with resource allocation and performance outcomes.

##### **4.5.1.1 Effectiveness of PBB in improving resource allocation.**

The allocation of resources has improved, and the resources are allocated according to the program. PBB implementation improves resource allocation as it is responsive to the changing needs and priorities.

#### **4.5.1.2 Effectiveness of PBB in improving performance outcomes.**

The data analysed from the financial and performance reports indicated that financial reports indicate that revenue collection and level of mineral production are some of the key performance outcomes measured in the ministry. The data collected indicates that the revenue generated by the ministry has been increasing each year. This includes revenues application fees, licence fees, renewal fees, export fees and other miscellaneous fees. The 76,2% of respondents from the interviews conducted agreed that the level of mineral production was high as it is one of the strategic objectives of the ministry. However, there is low compliance by miners with laws and regulations as indicated by 46.5% of the respondents.

#### **4.5.1.3 Effectiveness of PBB in increasing customer satisfaction.**

However, from the interviews collected, 37% agree that there are awareness forums and sensitisation programmes undertaken by the ministry to sensitise miners on safe mining methods which help miners increase the mineral production. This also agrees with data collected from analysis of survey forms, customer feedback forms and service performance data which indicated that customer satisfaction is very low. However, the 50,6% respondents indicated that there are no adequate mine inspections that reduce mine accidents and this might be as a result of inadequate resources to carry out the mine inspections.

#### **4.5.1.4 Effectiveness of PBB in increasing transparency.**

From the documents analysed, the ministry submits the financial statements to different offices, performance reports and different annual returns, and this also was supported by 66% respondents who agreed that regular performance reports are published for transparency. However, the budget documents are not easily understood by the public, which then affects transparency as indicated by 70% of the respondents. There is also transparency as there is regular submission of financial reports. The data collected indicate that the Ministry fairly aligns resources with the Ministry strategic objectives as indicated by the respondents and the information obtained from the analysis of the documents.

#### **4.6 Chapter summary**

The chapter covered data presentation, data analysis, discussion and interpretation from the interviews administered and the documents analysed. Chapter five is going to look at summary of the research findings and the recommendations

## **CHAPTER V**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter finalises the study by providing the summary of key findings, conclusions and recommendations. The summary, conclusions and recommendations are aligned to the specific objectives of the study. The study also highlighted the programme based budgeting outcomes.

#### **5.2 Summary of the study**

The focus of this study was to evaluate the effectiveness of Program Based Budgeting in improving resource allocation and performance outcomes at Ministry of Mines and Mining Development in Zimbabwe. The background of this study was done by studying literature on the international, regional and domestic situations. The literature study was done in chapter two on the research already conducted by on the effectiveness of PBB in improving resource allocation and performance outcomes in other countries. The research population was 80 MMMD head office staff members, the research population was obtained from the Ministry Human Resources data base. Interviews were conducted on 67 participants and the findings were presented in chapter four by making use of the table, graphs and pie charts. Document analysis from the ministry documents was also done.

#### **5.3 Summary of the major findings**

##### **5.3.1 Effectiveness of Program based budgeting in improving resource allocation**

The study found out that there is improvement in allocation of resources for each of the program based on the respondents' observation and experience for financial year 2018 to

2023. The findings of this research revealed the majority of the respondents have a good knowledge of how resources are allocated in the ministry. The findings indicate that they knew that PBB there has been efficient and effective allocation of resources. This was supported by responses from over 55.5% of the respondents who indicated that the resources are changing according to the needs and priorities. Resources are allocated according to the organization's programs and strategic goals (Wardhani, 2019). Abeysekera & Fernando (2020) state that all organizations must allocate resources efficiently and effectively to achieve desired results.

### **5.3.2 Effectiveness of PBB in improving performance outcomes**

The study found out that performance outcomes have been attained as outlined for each of the program based on the respondents' observation and experience for financial year 2018 to 2023. According to the findings the respondents indicated that not all performance outcomes has been improved. Gulden et al., (2020) argue that performance outcomes are not influenced by budget alone, but there are other direct and indirect factors that influence organizational performance outcomes. Results indicated that the PBB has effectively improved performance outcomes. This was supported by responses from over 50% of the respondents who indicated that the level of mine exploration and development activities, mineral production and revenue generated by the ministry is high. However, compliance with laws and regulations by miners is very low as indicated by the respondents. Bobe & Kober (2018) recommends that PBB is suitable for public organizations to use to improve performance outcomes.

### **5.3.3 Effectiveness of PBB in increasing customer satisfaction**

The study found out that customer satisfaction is a key driver in program based budgeting in public organizations. This was evidenced by the responses from the respondents agreeing that there is adequate awareness forums and sensitization programmes are undertaken by the ministry to sensitize miners on safe mining methods. The findings of this study are consistent with those of Ndiritu (2018), who considers issues that involve choices between core values and principles, policy issues that involve a combination of public attitudes, learning, a search that requires finding a solution and emotionally or morally accepting the final decision.



### **5.3.4 Effectiveness of PBB in increasing transparency.**

According to the findings, the respondents indicated that transparency has improved. The ministry publishes the performance reports monthly, quarterly, bi-annually and annually which is a requirement in the Public Finance Management Act {Chapter 22:19}. The respondents agreed that there is a process in place for monitoring and evaluating the budget.

### **5.4 Conclusions**

From the study, it can be concluded that the PBB partially improves resource allocation, performance outcome, customer satisfaction and transparency at the Ministry of Mines and Mining Development. However, some performance outcomes were not achieved which include having enough mine inspections to reduce the mine accidents. Results led to the conclusion that there is adequate monitoring and evaluation of the budget and there is transparency. The study also concludes that it is not easy to track and monitor resource allocation in public organisations in Zimbabwe. This implies that some resources might be abused and mismanaged in some government departments. The PBB was found to be partially effective in improving customer satisfaction. This indicates that PBB has a partial effect in increasing customer satisfaction in public organisations through the services they offer to the public in Zimbabwe.

### **5.5 Recommendations**

Based on the results, findings and conclusions the following recommendations have been deciphered.

- The public organizations should emphasize on PBB since it gives the citizens better information about budget and offers a platform for improved results and accountability and transparency, a platform of improved efficiency and reduction of wastage, offers a platform for performance information to enhance decision making on setting priorities and targets.
- The public organizations should ensure that they have effective budget policies and procedures in place and followed to the letter. From the other hand, the organizations should follow a more systematic approach in their selection processes in order to recruit the most innovative budget implementers to ensure a high success rate.

- The government should invest enough resources to ensure that their objectives and goals are met without constraints. Specifically, they should have adequate fiscal formulation, preparation and execution, as well as financial accounting, auditing and reporting policies and accurate forecasting of budgetary resources that makes revenue forecast to equate expenditure forecast as per the budget statement in every fiscal year.
- The study further recommends that staff competence be emphasized in the organizations as it has an effect on the overall achievement of its goals and objectives. Therefore, the management is urged to ensure that career growth, training and development on reward and motivation are emphasized.
- Finally, the management ensures that employees are satisfied on job design and responsibilities, working environment and remuneration to avoid temptations concerning integrity issues.

#### **5.6 Recommendations for further study**

Arising from the findings and the gaps in the study a replica study is recommended in private organizations in order to test whether the conclusions of this study will hold true. Future studies should apply different research instruments like focus group discussions to involve respondents in discussions in order to generate detailed information which would help improve programme based budgeting performance and implementation process

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## **APPENDIX I**

### **INTERVIEW GUIDE**

Section A: Respondents' profile.

Dear respondent

My name is Patience Barbara Dambiye a final year student at Great Zimbabwe University studying a Master's Degree in Professional Accounting and Cooperate Governance. The purpose of this interview guide is to collect data for a study on the "effectiveness of Program Based Budgeting in improving resource allocation and performance outcomes at Ministry of Mines and Mining Development in Zimbabwe. Data collected will be treated with utmost confidence and used only for the purpose of this study. Also note that there is no right or wrong answer. I deeply appreciate your cooperation and support.

Thank you for your cooperation.

Instructions on how to fill the interview;

- (i) Fill in your answer to all Questions in the spaces provided either by writing or ticking.
- (ii) Do not indicate your name anywhere in the questionnaire.
- (iii) It is absolutely important that all questions have a response.
- (iv) Your response should be based on your experience in the government budget making and implementation process.

Please when answering the question tick in the box against.

1. Department.....

2. Please tick your designation

Gender

Male { }

Female { }

3. What is your profession/Designation in the ministry?

Director { }

Program Manager{ }

Sub Program Manager { }

Accountant { }

Internal Auditor { }

Administration { }

Procurement { }

4. How long have you been in that position?

Less than 1 yr. { }

1 yr. – 4yrs { }

5 yrs. – 10yrs { }

11 yrs. – 15yrs { }

Over 15 yrs. { }

#### Section B: PBB Outcomes

This section contains expected outcomes of the programs. Please tick the most appropriate personal observation indicating whether outcomes have been attained as outlined for each of the program based on your observation and experience for financial year 2018 to 2023: Tick the option that best describes your feelings on each of the issues stated:

#### I. Effectiveness of PBB in improving resource allocation.

Statement	Greater Extent	Fairly	Lesser extent
5) How well does the current resource allocations align with Ministry strategic objectives			
	Yes	No	

6) Is the resource allocation process responsive to changing needs and priorities			
	Very easy	Partially easy	Not easy
7) How easy is it to track and monitor resource allocation			
	Very satisfied	Partly satisfied	Not satisfied
9 How satisfied are the stakeholders with the resource allocation process.			

## II. Effectiveness of PBB in improving performance outcomes.

Statement	High	Midway	Low
10) Level of mine exploration and development activities			
11) Level of mineral production			
12) Level of revenue generated from the Ministry			
13) Compliance with laws and regulations by miners,			

## III. Effectiveness of PBB in increasing customer satisfaction

	Strongly Agree	Agree	Disagree	Strongly disagree
14) There are adequate mine inspections that reduces mine				



accidents				
15) Adequate awareness forums and sensitization programmes are undertaken by the Ministry to sensitize miners on safe mining methods.				
16) Citizens understands their rights and are competent and literate to make valuable contributions to budget decision making process.				
17) Executive arm of the government and legislature make well informed decision purely for the interests of the miners				

**IV. Effectiveness of PBB in increasing transparency.**

Statement	Yes	No
18) Does the Ministry publish regular performance reports that include information on program budgets and Outcomes		
19) Are the budget documents easily understood by the public		
20) Does the Ministry hold public consultations on the budget and allow for input from the public.		
21) Is there a process in place for monitoring and evaluating the budget.		

