



THE EXTENT OF RELIANCE ON PLANNING BUDGETS IN MONITORING AND PERFORMANCE EVALUATION: A STUDY IN THE GENERAL COMPANY FOR VEGETABLE OILS

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Article history:	Abstract:
<p>Received: 1st July 2022 Accepted: 1st August 2022 Published: 8th September 2022</p>	<p>Management accounting has a fundamental and major role in providing management with information to help it perform its functions, especially planning, control and making sound decisions, as it is the mother system for all accounting information. The extent of the company's commitment to planning budgets in monitoring and evaluating performance. The researcher came to a set of conclusions, the most important of which was the absence of a department specialized in preparing the planning budgets in the company, as well as the absence of a financial and accounting system that meets the requirements of its preparation. The researcher referred to a set of recommendations, the most important of which was the need for the company's attention Creating a special section for preparing budgets, as well as providing a financial and accounting system that meets the requirements for preparing planning budgets</p>

Keywords:

1. INTRODUCTION

Most industrial companies, including the company in question, suffer from the misuse of resources and material and human capabilities, and this requires the existence of appropriate solutions to direct these resources towards optimal use, and from here came the planning budgets as a future financial plan and a tool for planning and controlling production elements and evaluating performance. The researcher chose the General Company for Vegetable Oils To apply the research, a questionnaire was distributed and analyzed using the spss system and extracted the arithmetic mean and standard deviation to measure the extent of the company's use of planning budgets in monitoring and performance evaluation. Fourth for conclusions and recommendations.

1.1. Research problem

In general, most industrial companies have little degree of reliance on planning budgets to control the distribution of costs in a fair and then correct deviations through the optimal use of system outputs, as well as the lack of interest of companies, including the company, the research sample on the participation of administrative departments in the process of preparing planning budgets for approval in Monitoring and performance evaluation, and accordingly, the research problem can be determined according to ((the extent of the company's interest in planning budgets and the degree of dependence on them with the availability of the appropriate environment and

sufficient information to prepare them, as well as the obstacles that impede their use))

1.2. The importance of research

The importance of research stems from the lack of interest of industrial companies in planning budgets as an effective tool in planning and controlling production elements as well as evaluating performance. Actual with what is planned.

1.3. Research Aims

The research aims with its information and highlighting the extent of the company's commitment to using planning budgets in evaluating performance and controlling production elements and identifying the types of planning budgets as well as the importance of the participation of administrative departments in preparing budgets

1.4. Research Assumptions

1. The company is interested in preparing planning budgets to be used as a tool for monitoring and evaluating performance
2. Availability of sufficient information, data and appropriate environment for the purpose of preparing planning budgets.
3. Using the balances outputs to correct deviations
4. Obstacles when using planning budgets as a tool for monitoring and evaluating performance



1.5. Research Methodology

The researcher adopted the inductive approach on the theoretical side, relying on books, periodicals, and theses to serve the research objectives. As well as using the descriptive approach in the field study through a questionnaire designed for this purpose and distributed to the research sample. The results were analyzed using statistical methods.

1.6. Research community and sample

The research community consists of industrial companies in Iraq, whose accreditation is the General Company for Vegetable Oils. The questionnaire was relied upon and (50) questionnaires were distributed to a number of the company's employees. As for the number of retrieved forms (40) forms

2. THEORETICAL PART

2.1. The intellectual framework for planning budgets

As a result of the technological development that the world witnessed in all areas of life, especially the industrial environment, it became necessary to confirm and adhere to the concept of planning budgets and to raise their value. So, administrative accounting came to rationalize administrative decisions, as well as planning budgets, which are a cornerstone of its pillars in order to control and evaluate performance in the industrial facility.

The origin of the idea of the budget goes back to the idea of approving the principle of popular sovereignty and recognizing the authority's right to achieve a balance between expenditures and revenues so as not to overburden the people with the taxes imposed on them.

The meaning of the budget is embodied through what was mentioned on the tongue of the Arabs from the hadith (and weighed between the two things, a balance and a weight), that is, fair and equal and equal in weight, and accordingly, the budget is known based on this hadith in terms of the contrast between the two things (Shaker 2006:84) and the budget is seen as a tool that is used to develop accounting systems. The cost and its use for the business establishment as a control plan that helps the management to plan for the future and transfer deviations between the actual and the planned (Hilton, et, al, 2003: 372)), and the budget is defined as a comprehensive and coordinated plan for the various activities and financial resources in the project for a specific period in the future and expressed in critical terms (Mu'ayad et al., previous source 232)

Also, horngren, et, al, 2005: 178) defined it as a quantitative expression for the actions of the plan

proposed by the administration for a specific period of time in the future that helps to coordinate and implement that plan. The researchers believe that the planning budget is a set of administrative procedures used in quantitative and qualitative planning for the future, control and performance evaluation, as well as being an effective tool for evaluating the behavior of working individuals and ensuring efficient performance after taking into account what is planned for the future.

2.2. The importance and functions of budgets

The importance of planning budgets stems from their connection with the objectives of the facility, and that the objectives are achieved through them, and accordingly, there is no planning without the presence of oversight, and there is no oversight without an evaluation of the actual performance of the scheme, and accordingly, the functions of the budget can be determined as follows:

- 1. A tool for coordination and communication:** The budget is a tool for coordinating the goals and activities in the facility, as well as being a harmony and balance for all aspects of the activity in a way that ensures work towards achieving the goals of the company as a whole.
- 2. A planning tool:** setting goals for the long and short term and determining the best alternative among the available alternatives and thus helping to achieve the goals under the available circumstances (Hilton, 2005:348)
- 3. A tool for monitoring and evaluating performance:** Planning budgets are a tool used by management to carry out the process of control and performance evaluation by measuring and comparing actual performance with what is planned, which is actual numbers, identifying deviations, if any, analyzing their causes and taking corrective measures. (Atkinson, 2007: 143)
- 4. A tool of motivation:** The participation of individuals working at various administrative levels in setting the company's goals generates a sense of responsibility and motivates them to complete the work assigned to them in the fullest manner, thus achieving the goals with high efficiency. (Drury, 2004:552). Through the foregoing, the researchers see that the planning budgets were not limited to what was mentioned above, but rather considered a tool through which knowledge of the company's financial situation emerges at a historical moment, as well as its use for the purposes of



monitoring and performance evaluation to determine the employees' responsibility and accountability, and then directing the management to pay attention to the opportunities available to improve performance and avoid threats This is a definition of the SWOT model.

2.3. General principles adopted when preparing budgets

1. The principle of inclusion: It means the budget's inclusion in all aspects of the activity, whether it is operational, such as production and others, or investment, such as additions to capital, and it is comprehensive and for all administrative levels.
2. The principle of budget unity: It means that the sub-budgets as a whole express the budget in its final form, and therefore the budget must be viewed as a single unit, meaning that each part of the budget is linked to and affected by the rest of the other parts of the budget, and everyone's participation in proposals and opinions for the purpose of avoiding obstacles.
3. Coordination principle: It means coordinating the prepared sub-tables after taking into consideration the reciprocal relations that were not taken into account and achieving homogeneity by creating interdependence and complete coordination between them.
4. Scheduling principle: It means distributing operations for time periods in the form of a program that achieves a balance between the aspects of the activity and the period necessary for its completion for the purpose of conducting continuous monitoring to address deviations in a timely manner.
5. The principle of harmonizing the organizational structure of budget estimates:- To clearly define the responsibility of each department, the organizational structure must be appropriate to the nature of the company's work and be specific to it, as it is the basis on which the responsibility is determined, and then put estimates for each of the costs and revenues on the basis of the organizational structure with its sub-units for the purpose of evaluating performance Monitoring, identifying deviations, identifying their causes, and developing corrective measures to address them.
6. The principle of participation in preparing budgets: It is intended to involve all administrative levels (higher, middle or lower levels of administration) in preparing the budget, and this is reflected in the behavioral

effects of working individuals through their participation in planning, which will reflect their commitment to achieving goals. (Moayad et al., 2010: 238).

7. The principle of adopting the budget as a performance criterion: In order for everyone to adhere to the budget vocabulary and achieve the planned goals, the budget schedules must be circulated to the sub-units when carrying out operations, and they are considered as a standard and a guide for them in performing their tasks and thus evaluating performance on the basis of them.
8. The principle of management by exception: It means that the administration monitors negative results that are in violation of the established plans, i.e. diagnosing exceptions to the expected results instead of testing all the results. (Hilton,2009:405)

2.4. Types of planning budgets

Budgets can be divided according to the following bases:

2.4.1. In terms of the area covered by the planning budget

1. Comprehensive budget: It is a group of interrelated budgets that are prepared for a specific period of time and include the operational budget, which is related to the planning of the daily work represented (sales budget, purchases budget, inventory budget etc.). And financial budgets, which are related to operational processes and are represented by (cash budget, estimated budget list..etc)
2. Investment budgets for investment operations: They are the budgets concerned with investment operations (acquisition of assets and buildings), which the company seeks to achieve in the future, and in which it becomes clear how correct decisions are taken by managers in the long term. (Hansen & Mowen, 2003: 291)

2.4.2. In terms of the time period

It is divided into the long-term budget: It is represented by the budgets that are prepared for more than one year and which are set for predictions about the acquisition of fixed assets and the conduct of research on the investment activity for the long term, which is considered as a tool for planning in the future. As for short-term budgets, they include operational budgets, which It often covers one financial year and is important in planning, controlling and evaluating performance because it pertains to a short financial period



2.4.3. In terms of flexibility

it includes the fixed budget, which is prepared for one level of activity and therefore the comparison is made with one level only. In the event that there is a difference between the planned and the actual, the control function cannot be achieved objectively. And the flexible budget, which is prepared for multiple levels of activity volume, can be Through which the control function is achieved for several levels of activity. (The Arab Society of Certified Accountants, 2001: 35)

2.4.4. In terms of budget details

This kind can be classified in terms of purpose to

3. Program budget: This budget is prepared for each program separately, and through it it determines the main plans that the company intends to carry out.
4. Responsibility balancing: in which the plans are determined in terms of those responsible for their implementation, as they focus on the principle of accountability, as it may be for each department in order to facilitate the process of determining responsibility and to achieve oversight by comparing the actual performance of a particular department with what is planned. (Hilton, 2009:359)

2.5. Stages of preparing planning budgets

Preparing planning budgets in any facility takes place in several stages. The following are the stages of preparing budgets: (Hanan and Kahala, 1997, p. 55)

2.5.1. The stage of pre-planning budgets

It is the stage in which preparations are made for the preparation process, which includes setting the general framework for budgets based on the long-term plan. This stage includes several steps represented in evaluating the financial situation and setting goals as well as setting the long-term financial plan. (Al-Alaween, 2000: pg. 26)

2.5.2. Budget preparation stage

Depending on the sub-budgets for each department and based on the general strategies and the long-term plan, the budget is prepared according to the following stages:

- Determining the schedule for preparing the budget
- Distribution of the strategic plan, procedures and methods for preparing budgets for all supervisors.
- Handing over budgets to the Head of Budgets Department for review and coordination with other budgets.
- Compiling budgets and preparing the final budget

2.5.3. Approval stage

The planning budget is discussed and some amendments are made to it, if any, by the budget preparation committee and then approved and approved so that it becomes obligatory and everyone adheres to its estimates.

2.5.4. Implementation of plans and control through budgets

After the planning budgets have been approved by the senior management, work is underway to implement the plans contained therein and to monitor performance to ensure the extent of commitment to the set plans, as represented in preparing periodic performance reports that include comparing the actual results with the planned ones, identifying deviations and taking the necessary measures to correct them

3. MONITORING AND PERFORMANCE APPRAISAL

Many writers have referred to the concept of performance appraisal, and each of them has a different point of view in terms of its linguistic origin. Some of them believe that evaluation includes evaluation and its inclusion because its goal is improvement and development, while others go in the direction that evaluation precedes evaluation, as it means valuing the value of something (Al-Siraj, 1990). : 227), and that performance evaluation is one of the basic factors on which the success or failure of any of the administrative organizations depends to reach high rates of efficiency, whether in production or in the provision of services. Performance is the last link in the chain of administrative functions, and it means that performance appraisal is an independent function of the functions practiced by management (Abdul Malik, 1996:40).

As for (Horngren, 1972:709), performance evaluation is an essential step at the level of the control process, as the essence of the performance evaluation process is to compare actual performance with specific indicators in advance to identify deviations and then take the necessary corrective steps. Measuring the goals by comparing them with the achieved (effectiveness measurement) and the legal one related to the efficiency of the exploitation of the available resources.

There are several definitions of performance appraisal, but they are almost similar, as they carry the same meaning, even if some of them are or are understood by others, but the result indicates the similarity of these definitions. Rather, it goes beyond them to also extend to evaluating plans, ways and means of implementing these plans to discover the extent of the



administration's efficiency in performing its functions. As for the Financial Supervision Bureau in Iraq, it defined it as an objective examination in which the policies, systems, operations management and results of activity in the entities subject to oversight are diagnosed and through which the achievement is compared with plans and results with the rules from In order to detect deviations of all kinds, identify their causes, ensure the management of economic resources with high efficiency, identify the causes of waste, extravagance and misuse, and develop proposals to address them in order to direct performance to achieve greater efficiency, effectiveness and economics (Office of Financial Supervision, 1988, 4). The researchers conclude the definition of performance evaluation is a comparison of goals Investigated with what is planned and diagnosing deviations, whether they are positive or negative, and treating negative ones after knowing their causes and using feedback for the deviation Positive in the planning process.

3.1. Performance appraisal goals

When it is intended to develop any program to evaluate the performance of units and organizations, whether they are service or production, there must be a set of reasons for that evaluation, or there should be a set of goals that must be reached. The goals have been set as follows:

1. Performance evaluation indicators help discover deviations, identify their causes and treat them.
2. Determines the extent to be achieved when assuming administrative responsibilities
3. The performance evaluation indicators, if they are built on scientific foundations, are a kind of incentives to unleash creative energies towards creative performance.
4. Reducing the possibility of making inappropriate planning decisions and helping the administration to improve the level of decision making.
5. Determining training and development needs according to a scientific methodology and encouraging and supporting employees to improve their performance and develop their skills. (Wheelen, et.al, 2004: 221)

3.2. The importance of performance appraisal

The process of performance evaluation is of great importance and a prominent role in organizations. It is an essential and vital process for the continuation of this unit. The importance of performance evaluation is highlighted through the following:

1. Contributes to the achievement of the organization's goals through continuous follow-up of the activity
2. Directing and motivating the performance of individuals
3. Providing information to the administrative levels for the purposes of planning, controlling and making decisions
4. Providing indicators that help to make comparisons between similar activities
5. Performance appraisal provides a measure of the organizations' success through their quest to continue their activities with the aim of achieving their goals (SAI, 2000: 2).

3.3. Performance evaluation criteria

The process of performance evaluation requires defining the criteria on which performance is evaluated, as it is an important step. Ashour 1983, 356-361)

1. Determining the objectives of the economic unit
2. The general production trend over a period of time
3. The normal operating conditions of the unit
4. The standard should be characterized by clarity and simplicity, and to avoid complex standards.

(Abdul Latif, 2005: 135) identifies a set of considerations and controls that must be taken into account when designing standards, on which the effectiveness and accuracy of the information depends, which are:

1. Honesty: meaning that standards measure the things they are designed to measure
2. Reliability: Determination is related to scale and not performance because performance changes or is subject to fluctuations
3. Discrimination: the ability of the scale to differentiate between different levels of performance
4. It should be practical. The standards should be easy to use and clear, and the measurement process should be characterized by less time and effort.

3.4. Types of standards

There are several types of standards listed below:

3.4.1. Input and Output Standards

- Input standards: They are designed to measure the efforts of employees, for example, the employee's commitment to laws and procedures



- Output criteria: criteria designed to measure performance results in terms of cost, time, quantity, etc.

3.4.2. Historical, comparative and technical standards

- Historical benchmarks: Standards that compare current performance with the past
- Comparison criteria: It compares the current performance rates of the organization with competing organizations
- Technical standards: They are standards that depend on studies and scientific methods in calculating time and movement to perform each activity.

3.4.3. Financial, accounting and economic standards

- Financial and Accounting Standards: These are the indicators selected from the company's financial records for the purpose of demonstrating the good management of funds and their use in achieving goals.
- Economic standards: They are concerned with the concept of work as a decisive basis in the production process

3.4.4. Objective criteria and speculative criteria

- Objective criteria: Muhair, which expresses starch based on the available information about it
- Estimated criteria: based on personal judgment and accumulated experience

3.4.5. Ordinary Standards and Standards

- Ordinary standards: These are standards that are based on the reality of indicators in the organization
- Standard Standards: These are standards that are based on the reality of indicators in other similar and other units, which are considered a basis for comparison (Al-Karkhi, 2001: 84)

4. PRACTICAL PART

4.1. History of the company

The General Company for the manufacture of vegetable oils is one of the large industrial companies in Iraq affiliated to the Ministry of Industry and Minerals and is specialized in the manufacture of liquid oils, solid fats, soaps, cosmetics and cleaning powders. It is the only company in Iraq specialized in this field. The company was established in 1940 as a vegetable oil extraction company as it is. Now in its current form. Its main location is in Baghdad, and the company's capital amounted to (3236314000) three billion, two hundred and thirty-six million, three hundred and fourteen thousand dinars. The company exercises the tasks and activities represented in extracting liquid oils and manufacturing oils of various kinds, detergents, soaps, cosmetics, chemicals and packaging materials. The company aims to contribute to supporting the national economy in the field of manufacturing vegetable and solid oils.

4.2. Describe and diagnose the study variables

This topic is concerned with discussing the answers of the research sample members about the variables investigated and diagnosing them by using some statistical methods represented by (weighted arithmetic mean, standard deviation, coefficient of variation, and intensity of the answer) as follows:

Measuring the validity and reliability of the questionnaire items and the research scale: In order to verify the validity and reliability of the items of the questionnaire and the search scale, the researchers used for this purpose the alpha correlation coefficient (the Kronach's alpha coefficient). It is noted that the result of the internal consistency between the dimensions and constituting the research variables is acceptable, because the value of the alpha correlation coefficient is considered statistically acceptable when it is equal to or greater than (0.75) in administrative and behavioral research.

Table 1. The search tool stability coefficients for the resolution axes
 Source/ prepared by the researcher based on the results of the electronic calculator

T	the hub	number of phrases	Cronbach's alpha coefficient
1	The use of planning budgets in monitoring and evaluating performance	10	0.797
2	Provides an appropriate environment for budget preparation	7	0.881
3	Linking the planning budget to correcting deviations	7	0.827
4	Obstacles when using budgets	6	0.867



4.3. Description and diagnosis of variants

This part includes a description of the dimensions of the independent variable for research (the uses of the planning budget) where the frequencies of all the paragraphs of the questionnaire and percentages were determined, as well as extracting the weighted arithmetic mean and standard deviation for all the paragraphs of the mentioned variable. On the other hand, using the hypothetical arithmetic mean of (3) according to the five-point Likert scale as a criterion for measuring the degree of response of the sample within the verbal assessment of the questionnaire weights.

Table (2) shows that paragraph (4) obtained the highest weighted arithmetic mean of (4.5), which is

higher than the hypothetical mean of (3), standard deviation (11.5), and relative importance of (90%) and this indicates that the budget is considered after Its adoption is a tool for evaluating performance, while paragraph (7) obtained the lowest weighted arithmetic mean of (2.5), which is smaller than the hypothetical mean of (3), while its standard deviation was (8.8) and received a relative importance of (50%), and this is evidence of non-existence of There is a special section for the numbers of budgets in the company, and the rest of the paragraphs between them are as shown in the above table, while the general arithmetic mean of the axis (3.6), and this supports the use of planning budgets in monitoring and evaluating performance.

Table 2. The responses of the sample members to the variable of using planning budgets in monitoring and evaluating performance

No	Paragraphs	Total agree	Agree	Partially agree	Disagree	Total Disagree	weighted arithmetic mean	standard deviation	Relative importance
1	The company uses a system of planning budgets for all administrative and operational departments of the company	4	2	28	2	4	3	11.2	60%
2	The company follows a system for training employees in the field of preparing budgets	7	5	22	1	5	3.2	8.1	64%
3	The budget, after its approval, is considered an instrument of control	21	11	4	3	1	4.2	8.1	84%
4	The budget, after its approval, is considered a performance appraisal tool	28	8	2	1	1	4.5	11.5	90%
5	Presentation of budget goals to departmental officials	5	1	28	2	4	3.02	11.2	60%
6	Budgets are prepared periodically	18	2	14	2	4	3.6	7.4	72%
7	There is a special section for preparing budgets	1	15th	20	1	3	2.5	8.8	50%
8	Sections in which budget results are identical to actual performance are given incentives and rewards	24	11	4	0	1	4.4	9.9	88%
9	The nature and size of the company's activity does not require the preparation of budgets	26	8	2	3	1	4.3	10.4	86%
10	Budgets are an effective tool	23	1	10	2	4	3.9	9.08	78%



	for linking the company's goals and available resources								
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Source/ prepared by the researcher based on the results of the electronic calculator

Table (3) shows that paragraph (3) obtained the highest weighted arithmetic mean of (4.2), which is higher than the hypothetical mean of (3), a standard deviation of (9.5), and a relative importance of (84%), and this indicates the exchange of information between departments At a high level of transparency, while paragraph (5) obtained the lowest weighted arithmetic mean of (2.9), which is smaller than the hypothetical mean of (3), while its standard deviation

reached (6.2) and had a relative importance of (52%), and this is evidence of The lack of a financial and accounting system that meets the requirements of preparing planning budgets, while the rest of the paragraphs between them have reached, the general arithmetic mean (3.7), and this indicates the availability of the appropriate environment for preparing the budget

Table 3. The responses of the sample members to the variable of availability of the appropriate environment for preparing the budget

No	paragraphs	Totally agree	Agree	Partially agree	Disagree	Totally Disagree	weighted arithmetic mean	standard deviation	percentage
1	Availability of data and information needed to prepare budgets	5	9	22	4	0	3.3	8.4	66%
2	The heads of departments in the company cooperate to implement the budgeting system effectively	23	7	2	3	5	4	8.6	80%
3	Information is exchanged between departments at a high level of transparency	25	5	5	3	2	4.2	9.5	84%
4	Planning budgets are prepared for the purpose of achieving the planned objectives	21	6	9	1	3	4	7.8	80%
5	There is a financial and accounting system that meets the requirements of preparing planning budgets	4	7	19	4	6	2.9	6.2	52%
6	All departments participate in preparing the budget	6	11	20	3	0	3.5	7.8	70%
7	The planning budgets system includes addressing proposals to improve the level of performance	21	7	5	5	2	4	7.4	80%

Source/ prepared by the researcher based on the results of the electronic calculator



Table (4) shows that paragraph (1) obtained the highest weighted arithmetic mean of (4.5), which is higher than the hypothetical mean of (3), a standard deviation of (10.6), and a relative importance of (90%), and this indicates the administration's use of the budgeting system To monitor performance, while paragraph (3) obtained the lowest weighted arithmetic mean of (3), which is equal to the hypothetical mean

of (3), while its standard deviation reached (7.4) and had a relative importance of (60%), and this is evidence of the company analyzing Reasons for deviation in an average way, and the rest of the paragraphs came between them, while the general arithmetic mean was (3.7), and this indicates the use of balances to correct deviations

Table 4. The responses of the sample members to the variable linking the budget to correcting deviations

No	paragraphs	Totally agree	Agree	Partially agree	Disagree	Totally Disagree	weighted arithmetic mean	standard deviation	Relative importance
1	The administration uses the budgeting system to monitor performance	26	8	6	0	0	4.5	10.6	90%
2	It uses the outputs of the budgets to evaluate the effectiveness and efficiency of performance	9	10	12	5	4	3.3	3.3	66%
3	The reasons for the actual deviations from the ability are analyzed	3	9	20	1	7	3	7.4	60%
4	The company adopts budgeting results to improve performance	12	6	22	1	0	3.8	9.06	76%
5	The causes of deviations are discussed according to the budget system and then corrected	15th	19	6	0	0	4.2	8.6	84%
6	The correction of deviations is followed up by the administration	9	14	17	0	0	3.8	7.8	76%
7	Periodic reports are available during the budget implementation period	7	8	21	0	4	3.3	7.9	66%

Source/ prepared by the researcher based on the results of the electronic calculator

Table (5) shows that paragraph (5) obtained the highest weighted arithmetic mean of (3.2), which is higher than the hypothetical mean of (3), a standard deviation of (8.7), and a relative importance of (64%) and indicates the existence of a computerized budgeting system in the company While paragraph (3) obtained the lowest weighted arithmetic mean of (2.8), which is smaller than the hypothetical mean of

(3), while its standard deviation reached (11.1) and had a relative importance of (56%), and this indicates that there are no special laws limiting From the use of schematic balances, and between the highest arithmetic mean and the lowest arithmetic weighted mean came the rest of the paragraphs, while the general arithmetic mean was (3.04)



Table 5. Sample responses to a variable Obstacles when using budgets

No	paragraphs	Totally agree	Agree	Partially agree	Disagree	Totally Disagree	weighted arithmetic mean	standard deviation	Relative importance
1	The existence of internal determinants for the use of the planning budgets system	7	5	13	14	1	3.07	5.4	61%
2	Existence of external determinants for the use of the planning budgets system	5	7	20	2	6	3.1	6.9	62%
3	Company laws limit the use of planning budgets	1	2	27	9	1	2.8	11.1	56%
4	Budgets are based on the accounting system applied in the company	1	9	22	6	2	3.02	8.4	60%
5	There is a computerized budgeting system approved by the company	7	6	23	1	3	3.2	8.7	64%
6	There is a link between the budget system and the accounting system inside the computer in a way that allows the budget department to use it easily	2	8	25	2	3	3.1	9.8	62%

Source/ prepared by the researcher based on the results of the electronic calculator

5. ANALYZE AND TEST THE CORRELATION BETWEEN THE RESEARCH VARIABLES

This paragraph aims to achieve the objectives related to testing the correlation between the research variables using the simple correlation coefficient and then testing the significance of the correlation coefficients using the test (z), where there is a significant relationship if the calculated (z) value is greater or equal to the tabular (z) value, and if The calculated (z) value was smaller than the tabular (z) value, the relationship is not significant at the level of

significance (1%), and to achieve this goal, it is necessary to verify the extent to which the first main hypothesis and the hypotheses emanating from each of them can be accepted.

5.1. Test the first major hypothesis

(There is a significant correlation relationship at the level of significance (1%) between the uses of the planning budget, control and performance evaluation). In order to prove the validity of the hypothesis, it is necessary to prove the validity of the sub-hypotheses emanating from it, as follows:

Table 6. The results of the correlation between (the extent of the company's commitment to preparing planning budgets) and control and performance evaluation (z) calculated values

dependent variable	Performance appraisal and control over factors of production	
sub-variable independent		
The company's commitment to preparing planning budgets X_1	R	0.662
	(z) computed value	3.97
	Z tabular value	1.96

5.1.1. The first sub-hypothesis

(The extent of the company's commitment to using planning budgets in evaluating performance and controlling production factors): Table (6) indicates that there is a positive correlation between the company's

commitment to using planning budgets (X_1) in evaluating performance and controlling production factors (y), as the value of the factor of production reached (y). The simple correlation between them (0.662), and this value indicates the positive



relationship between them, which supports the positive correlation. The calculated (z) value (3.97) is greater than the tabular (z) value (1.96) at the (1%) level. From the above, it is clear that there is a positive correlation between a dimension (the

company is interested in preparing planning budgets, control and performance evaluation) and thus accepts the hypothesis that states that (the company is interested in preparing planning budgets for use as a tool for control and performance evaluation)

Table 7. The results of the correlation between (sufficient information, data and appropriate environment) Planning budget preparation Calculated (z) values

dependent variable sub-variable independent	Preparation of planning budgets Y	
Availability of sufficient information, data and appropriate environment X₂	R	0.949
	(z) computed value	5.69
	Z tabular value	1.96

Source/ prepared by the researcher based on the results of the electronic calculato

5.1.2. The second hypothesis

(Availability of sufficient information and data and the appropriate environment for the purpose of preparing planning budgets) as Table (7) indicates that there is a positive correlation between the dimension of the availability of sufficient information and data and the appropriate environment (X₂) for the purpose of preparing planning budgets (y) and the value of the correlation coefficient reached (0.949) when

Significance level (1%) and what supports this result is that the calculated (z) value reached (5.69) at the same level as the previous significance. From the foregoing, it is clear that there is a positive correlation between them, and in general, the hypothesis that states (there must be sufficient information, data and the appropriate environment for the purpose of preparing planning budgets) is accepted

Table 8. results of the correlation between (using the outputs of the balancers) and the correction of deviation (z) values calculated (N=40)

dependent variable sub-variable independent	Correction of aberrations Y	
Use of budget outputs X₃	R	0.980
	(z) computed value	5.88
	Z tabular value	1.96

Source/ prepared by the researcher based on the results of the electronic calculato

5.1.3. The third sub-hypothesis test

(Using the balancers' outputs in correcting deviations). Table (8) indicates that there is a positive correlation between the dimension of using the balancers' outputs (X₃) and the correction of deviations (y). The value of the correlation coefficient is (0.980) at the level (1%) and what supports This result is that the calculated

value of (z) amounted to (5.88) at the same level of the previous significance. It is greater than its tabular value of (1.96) at the same level of significance. As a result, the third sub-hypothesis is accepted, which states that (the use of budget outputs to correct deviations)

Table 9. results of the correlation between (obstacles to the use of the planning budget) and control and performance evaluation

dependent variable sub-variable independent	Y	
Use of planning budget constraints x₄	R	0.676
	(z) computed value	4.06



	Z tabular value	1.96
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Source/ prepared by the researcher based on the results of the electronic calculator

5.1.4. The fourth sub-hypothesis test

(Obstacles to using planning budgets contribute to monitoring and performance evaluation): Table (9) indicates that there is a positive correlation between the dimension of obstacles to using planning budgets (X4) and monitoring and performance evaluation (y), and the value of the correlation coefficient was (0.676) at the level of (y). 1%) and what supports this result is that the calculated (z) value amounted to (4.06) at the same level of previous significance. It is greater than its tabular value of (1.96) at the same level of significance. In general, the fourth hypothesis is accepted, which states that obstacles to the use of planning budgets contribute to oversight and performance evaluation.

5.2. Analysis and testing of influence trends among research variables

This paragraph aims to test the effect of the independent variable (the uses of the planning budget) individually and collectively on the approved variable (control and performance evaluation), based on simple

Table 10. Estimating the parameters of the simple linear regression model to measure the company's commitment to preparing planning budgets as a tool for monitoring and evaluating performance n = 40

sub-variable independent x	CONSTANT		F-VALUE		T-VALUE		INTERPRETATION COEFFICIENT R ²
	A	B	CALCULATED	TABULAR (%1)	CALCULATED	TABULAR (%1)	
The company's commitment to preparing planning budgets X1	4.905	7.499	2.338	1,920	1.529	2.437	0.438

Source: Prepared by the researcher , according to the results of the electronic calculator

It is evident from the results presented in Table (10) that:

A- The calculated value of (F) for the simple linear regression model, the company's commitment to preparing planning budgets (X1) has reached (2.338), which is greater than the tabular value (F) of (1,920) at a significant level (1%), and this indicates the stability of the regression coefficient (b = 7.499) at the level of morale mentioned, that is, a change in the amount of one unit of the company's interest in preparing planning budgets affects its use as a tool for monitoring and evaluating performance by an amount of (7.499), and this means that the morale of the

regression analysis and the (F) test to determine the significance of the simple regression equation, as there is a significant effect if (F) The calculated value is greater than the tabular (F) value and there is no such effect if the calculated (F) value is smaller than the tabular (F) value at a significant level (1%). Based on the foregoing, the objective of the research will be achieved to test the second main hypothesis, which is: (Is there a significant significant effect relationship at the level of significance (1%) between the uses of planning budget, control and performance evaluation)

5.2.1. First hypothesis test

(The company is interested in preparing planning budgets to be used as a tool for monitoring and evaluating performance).

In order to prove the above sub-hypothesis, the (F) test was used to analyze the significance of the simple linear regression model, as shown in the following tables, which was built according to the following formula: * X1 0.633 + 1.392 = y

As Y represents the dependent variable (control and performance evaluation). X1 represents the independent sub-variable (the company's commitment to preparing planning budgets).

simple linear regression model is proven. Accordingly, the company's interest in preparing planning budgets (X1) has a significant effect in using it as a tool for monitoring and evaluating performance (y).

B - The value of the interpretation coefficient (R2) amounted to (0.438), and this means that the company's interest in preparing planning budgets (X1) explains the rate (43.8%) of the changes that occur in its use as a tool for monitoring and evaluating performance (y). The remaining percentage (56.2%) is due to the contribution of other variables not included in the scheme of the current study. From the above, the first hypothesis is accepted that (the company is



interested in preparing planning budgets to be used as a tool for monitoring and evaluating performance).

5.2.2. The second hypothesis

(Provide sufficient information and data and the appropriate environment for the purpose of preparing planning budgets).

It is clear from the results contained in Table (11) that the calculated (F) value of the simple linear regression model provides sufficient information, data and the appropriate environment (X2) has reached (27,393) which is greater than the tabular (F) value of (1,920) at a significant level (1 %) and this indicates the stability of the regression coefficient (4.363 = b) at the level of significance mentioned, that is, a change of its amount by one unit from the availability of sufficient information and data and the appropriate environment affects the purpose of preparing planning budgets by

an amount of (4.363), and this means that the significance of the simple linear regression model is proven, Accordingly, the availability of sufficient information and data and the appropriate environment (X2) will have a significant effect in the preparation of planning budgets (y). The value of the interpretation coefficient (R²) amounted to (0.901), which means that (X2) explains the percentage of (90.1%) of the changes that occur in the preparation of planning budgets (y). As for the remaining percentage (0.9%) due to the contribution of other variables that are not included in the current study scheme, and from the above, the second hypothesis is accepted (the availability of sufficient information and data and the appropriate environment for the purpose of preparing planning budgets)

Table 11. Estimating the parameters of the simple linear regression model to measure the availability of sufficient information and data and the appropriate environment for the purpose of preparing planning budgets n=40

sub-variable independent x	CONSTANT	Use it as a tool for monitoring and evaluating performance	F-VALUE		T-VALUE		INTERPRETATION COEFFICIENT R ²
	A		B	CALCULATED	TABULAR (%1)	CALCULATED	
Availability of sufficient information, data and appropriate environment X2	0.834	4.363	27,393	1,920	5.234	2.437	0.901

Source: Prepared by the researcher, according to the results of the electronic calculator.

5.2.3. The third hypothesis

(Using balancers outputs to correct deviations)

It is clear from the results in Table (12) that the calculated (F) value of the simple linear regression model using the outputs of the (X3) budgets reached (73.262) which is greater than the tabular (F) value of (1.920) at a significant level (1%), and this It indicates the stability of the regression coefficient (b = 3.293) at the level of significance mentioned, that is, a change of one unit amount from the use of the output balances affects the correction of deviations by (3.293), and this means that the significance of the

simple linear regression model is proven. Accordingly, the use of budgets outputs (X3) has a significant effect in correcting deviations (y). The value of the interpretation coefficient (R²) was (0.961), which means that the use of budgets outputs (X3) explains (96.1%) of the Changes to correct deviations (y). The remaining percentage (3.9%) is due to the contribution of other variables that are not included in the scheme of the current study. Thus, the hypothesis is accepted that: (Using the balances outputs to correct deviations)

Table 12. Estimating the parameters of the simple linear regression model to measure the extent to which the outputs of the balancers are used in correcting deviations, n = 40

sub-variable independent x	CONSTANT	Use it as a tool for monitoring and evaluating performance	F-VALUE		T-VALUE		INTERPRETATION COEFFICIENT R ²
	A		B	CALCULATED	TABULAR (1%)	CALCULATED	
Use the output balancers X3	0.385	3.293	73.262	1,920	8.559	2.437	0.961



Source/ prepared by the researcher based on the results of the electronic calculator

5.2.4. Fourth sub-hypothesis

(The obstacles to the use of planning budgets contribute to monitoring and evaluating performance) It is clear from the results contained in Table (13) that the calculated (F) value of the simple linear regression model for the obstacles to using the planning budget (X4) reached (2.518), which is greater than the tabular (F) value of (1,920) at a significant level (1%). This indicates that the regression coefficient (10.336 = b) is confirmed at the level of morale mentioned, that is, a change of amount is one unit of the obstacles to the use of the planning budget affects the control and

performance evaluation by (10,336), and this means that the morale of the simple linear regression model is proven. Accordingly, the obstacles to using the planning budget (X4) have a significant effect on the control and performance evaluation (y). The value of the interpretation coefficient (R²) amounted to (0.456), which means that the obstacles to using the planning budget (X4) explain its percentage (45.6%) of changes in control and performance evaluation (y). The remaining percentage (54.4%) is due to the contribution of other variables that are not included in the scheme of the current study

Table 13. Estimate the parameters of the simple linear regression model to measure the extent of the contribution of obstacles to the use of planning budgets in monitoring and evaluating performance

sub-variable independent x	CONSTANT	Use it as a tool for monitoring and evaluating performance	F-VALUE		T-VALUE		INTERPRETATION COEFFICIENT R ²
	A	B	CALCULATED	TABULAR (%1)	CALCULATED	TABULAR (%1)	
OBSTACLES TO USING THE PLANNING BUDGET X4	6.513	10.336	2.518	1,920	1.587	2.437	0.456

Source: Prepared by the researcher , according to the results of the electronic calculator

6. CONCLUSIONS

- The performance evaluation process is based on a set of principles and foundations, which in turn depend on real indicators of the reality of actual performance
- The procedures for measuring performance efficiency are one of the most important axes of management accounting systems, which have gone through advanced stages that have been reflected in the development of their outputs represented by accounting information.
- The General Company for Vegetable Oils applies planning budgets and prepares them for use as an effective tool in the process of controlling the production process and evaluating performance.
- The company's management enjoys a high degree of awareness of the importance of providing sufficient information and the appropriate environment for the preparation of budgets.

- The company uses the outputs of the planning budgets to address and correct deviations, if any.
- The absence of a special section for the numbers of planning budgets in the company, and this confirms through the arithmetic mean of 2.5, which is less than the hypothetical mean, as most of the answers of the research sample were neutral.
- The absence of a financial and accounting system that meets the requirements of preparing planning budgets, and this reflects the arithmetic mean, which was less than the hypothetical mean in this aspect.

7. RECOMMENDATIONS

- The necessity of training and qualifying those responsible for preparing and preparing planning budgets by involving them in training courses that develop their abilities to prepare budgets.
- Relying on the company's organizational structure, not involving all departments in the budgeting process



- Working on updating the budget goals through the long-term strategic plan approved by the company.
- Adopting the practical approach when preparing budgets because of its importance in preparing general rules, separating budget items, and preparing normative estimates, which in turn help in the success of the budget.
- The necessity of the company's interest in creating a special section for preparing planning budgets, as well as preparing a specialized cadre
- The company should be interested in providing a financial and accounting system that meets the requirements of preparing budgets.

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