



**Arab American University  
Faculty of Graduate Studies**

**The Effect of Applying Responsibility Accounting on Control and  
Performance Evaluation Processes:**

**An Empirical Study on the Palestinian Public Institutions**

**By**

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**This thesis was submitted in partial fulfillment of the requirements  
for the Master's Degree in Accounting and Auditing**

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**Thesis Approval**

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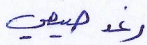
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## Declaration

I certify that this thesis submitted for the master's degree in Accounting and Auditing is the result of my own work, except where otherwise acknowledged and that this thesis (or any part of the same) has not been submitted for a higher degree to any other university or institution.

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III

**Dedication**

To

my guiding dad

my ever-supportive mom

my cherished brother and sister

my beloved fiancé

and my esteemed supervisor

I dedicate this thesis to each of you with profound gratitude and affection

for your support and encouragement.

Raghad Saifi

## **Acknowledgement**

First and foremost, I am thankful to Allah almighty for granting me the strength and wisdom to complete this thesis.

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Last but not least, I am deeply thankful to my family for their constant support and motivation.

Raghad Saifi

## **Abstract**

This study examines the effect of applying responsibility accounting on Palestinian public institutions' control and performance evaluation processes. The researcher collected the data using a questionnaire of 57 items distributed across seven domains: organizational structure and responsibility centers, planning budgets, accounting information system, reporting system, incentive system, control, and performance evaluation. The study population included all financial affairs managers from 68 Palestinian public institutions, with 67 located in Palestine and one in Jordan. The study sample consisted of 67 financial affairs managers, with one questionnaire distributed to each financial affairs manager in public institutions located in Palestine. Multiple regression method was used to analyze the relationship between variables. The study's results indicate a positive and statistically significant effect of dividing the organizational structure and the existence of an accounting information system on the control process in Palestinian public institutions. However, there is no statistically significant effect of planning budgets, periodic reports, and the incentive system on the control process. Additionally, the results show a positive and statistically significant effect of periodic reports on the performance evaluation process, while dividing the organizational structure, the existence of planning budgets, an accounting information system, and an incentive system do not have a statistically significant effect on performance evaluation in these institutions. The study recommends the importance of accelerating the adoption of organizational structures and job descriptions for all Palestinian public institutions by the competent authorities. It also suggests involving workers from various departments in preparing planning budgets and emphasizes the need to develop the accounting information system used in Palestinian public institutions. Furthermore, the study highlights the necessity of preparing periodic reports at the level of

responsibility centers and creating a system of material and moral incentives that align with the nature of the institutions' activities and service operations.

**Keywords:** Responsibility accounting; control; performance evaluation; organizational structure; planning budgets; accounting information system; reporting system and incentive system.

## Table of Contents

Subject	Page
Thesis approval	I
Declaration	II
Dedication	III
Acknowledgement	IV
Abstract	V
Table of Contents	VII
List of Tables	XII
List of Figures	XIV
List of Appendices	XV
List of Abbreviations	XVI
<b>Chapter One</b>	1
<b>Introduction</b>	1
1.1 Introduction	2
1.2 Research Problem and Questions	3
1.3 Research Significance	5
1.4 Research Objectives	6
1.5 Research Hypotheses	7
1.6 Research Model	9
1.7 Research Terminology	9
1.8 Research Structure	10
<b>Chapter Two</b>	12

## VIII

<b>Literature Review</b>	12
<b>2.1 Theoretical Framework</b>	13
2.1.1 Responsibility Accounting and Decentralization	13
2.1.1.1 Concept of Responsibility Accounting	13
2.1.1.2 Significance of Responsibility Accounting	15
2.1.1.3 Objectives of Responsibility Accounting	16
2.1.1.4 Basic Principles of Responsibility Accounting	18
2.1.1.5 Advantages of Applying Responsibility Accounting	19
2.1.1.6 Obstacles of Applying Responsibility Accounting	20
2.1.1.7 Concept of Decentralization	21
2.1.1.8 Reasons for Decentralization	22
2.1.1.9 Advantages of Decentralization	22
2.1.1.10 Disadvantages of Decentralization	23
2.1.2 Features of Applying Responsibility Accounting	23
2.1.2.1 Proper Administrative Organization	24
2.1.2.1.1 Organizational Structure	24
2.1.2.1.2 Determining Responsibility Centers	25
2.1.2.1.3 Types of Responsibility Centers	25
2.1.2.1.4 Delegate Powers to the Managers of Responsibility Centers	29
2.1.2.2 The Existence of a Planning Budget	29
2.1.2.2.1 The Basics of Preparing Planning Budgets	30
2.1.2.2.2 Advantages of Using Planning Budgets for Responsibility Centers	31

2.1.2.2.3 Linking Planned Performance to Responsibility Centers	31
2.1.2.3 The existence of an Accounting Information System	32
2.1.2.3.1 Actual Performance Measurement	33
2.1.2.3.2 Classifying the Elements of Costs and Revenues in the Centers of Responsibility	33
2.1.2.4 The Existence of an Affective System of Periodic Reports.	34
2.1.2.4.1 Using Reports to Analyze Deviations in the Performance of Responsibility Centers	35
2.1.2.5 The Existence of an Effective System of Incentives	36
2.1.2.5.1 Incentive Ratings	37
2.1.2.5.2 Features of Success of Incentive System.	37
2.1.2.5.3 Incentive System and Responsibility Accounting	38
2.1.3 Responsibility Accounting as a Basis for Control and Raising Performance Efficiency	38
2.1.3.1 Concept of Control Process	38
2.1.3.2 Significance of Control Process	39
2.1.3.3 Objectives of control process	39
2.1.3.4 Steps of Control Process	40
2.1.3.5 Importance of Responsibility Accounting in the Control Process	41
2.1.3.6 Concept of Performance Evaluation	42
2.1.3.7 Objectives of Performance Evaluation of Responsibility Centers	43

2.1.3.8 Advantages of Performance Evaluation of Responsibility Centers	43
2.1.3.9 Performance Evaluation Levels of Responsibility Centers	44
2.1.3.10 Performance Evaluation Measures of Responsibility Centers	45
2.1.3.11 Importance of Responsibility Accounting in the Performance Evaluation Process	45
<b>2.2 Previous Studies</b>	47
2.2.1 Review of Previous Studies	47
2.2.2 Comments on Previous Studies	58
<b>Chapter Three</b>	61
<b>Research Methodology</b>	61
3.1 Study Method	62
3.2 Population Respondents	62
3.3 Sample Size and Type	63
3.4 Instrumentation	64
3.5 Validity of the Study Questionnaire	65
3.5.1 Face Validity	65
3.5.2 Construct Validity	65
3.6 Reliability Analysis	67
3.6.1 Internal Consistency Reliability	67
3.7 Data Gathering Procedures	68
3.8 Statistical Treatment of Data	68
<b>Chapter Four</b>	70

<b>Data analysis and Discussion</b>	70
4.1 Analysis of the Research Questions and Hypotheses	71
<b>Chapter Five</b>	85
<b>Findings, Conclusion, and Recommendations</b>	85
5.1 Findings	86
5.2 Conclusion	87
5.3 Recommendations	88
References	90
Appendices	103
المُلخَص	113

### List of Tables

Table number	Table title	Page
(1)	Distribution of Sample Members According to Demographic Variables.	63
(2)	Scale for Representing the Estimation Level of Sample Responses	65
(3)	Pearson Correlation Matrix is used to Measure the Correlation between the Items, the Total Score for each Domain, and the Total Score of the Study Instrument.	65
(4)	Cronbach Alpha Test for the Study Tool.	67
(5)	Cronbach Alpha Internal Consistency.	68
(6)	Means, Standard Deviations and Estimated Level for Applying Responsibility Accounting on Control Process in the Palestinian Public Institutions.	71
(7)	Multiple Regression Test Determining the Effect of the Responsibility Accounting on the Control Process.	72
(8)	Excluded Variables from the Effect of the Responsibility Accounting on the Control Process.	73
(9)	Means, Standard Deviations, and Estimated Level for Applying Responsibility Accounting on the Performance Evaluation Process in the Palestinian Public Institutions.	78
(10)	Multiple Regression Test Determining the Effect of the Responsibility Accounting on the Performance Evaluation	79

### XIII

	Process.	
(11)	Excluded Variables from the Effect of the Responsibility Accounting on the Performance Evaluation Process.	80

**List of Figures**

<b>Figures number</b>	<b>Figure title</b>	<b>Page</b>
1.1	Research Model	9

**List of Appendices**

<b>appendix number</b>	<b>Appendix title</b>	<b>Page</b>
A	Questionnaire Revision	103
B	Arabic Questionnaire	104
C	Palestinian Public Institutions	110
D	Certificate of English Proofreading and Editing	112

**List of Abbreviations**

<b>Abbreviations</b>	<b>Full name</b>
RA	Responsibility Accounting
SPSS	Statistical Product and Service Solutions or Statistical Package for Social Sciences.

## **Chapter One**

### **Introduction**

#### **1.1 Introduction**

#### **1.2 Research Problem and Questions**

#### **1.3 Research Significance**

#### **1.4 Research Objectives**

#### **1.5 Research Hypotheses**

#### **1.6 Research Model**

#### **1.7 Research Terminology**

#### **1.8 Research Structure**

## **Chapter One**

### **Introduction**

In this chapter, the researcher starts with a general framework that presents the introduction, the problem of the study, questions, significance, objectives, hypotheses, the model, terminology, and the study structure.

#### **1.1 Introduction**

Research on managerial accounting has a long tradition. It is considered one of the essential sources of management that provides significant information in several aspects, such as the process of planning, organizing, directing, controlling, and making appropriate and optimal decisions to overcome the problems facing management and provide the best solutions to it to obtain the desired goals of the institution (Brewer et al., 2019).

The development in the economic system of institutions, the expansion and large size of institutions and the multiplicity of their branches and departments have led to a tendency towards decentralization. It is based on giving the administrative levels in different branches the responsibility for performance in these branches (Kaheel, 2017).

In order to increase the effectiveness of the role that accounting can play in the field of planning and control, it had to evolve. It evolved into a position in which it can hold any person accountable. The concept of responsibility accounting arose. Responsibility accounting was linked to the concept of decentralization in work, control and performance evaluation. It determines who is held responsible for the workers in the different departments with different administrative levels. This responsibility is for the actual performance compared to the planned one (Samara, 2015).

According to the responsibility accounting system, one institution is divided into several different departments with responsibility centers, which have a single organizational structure that does not differ from one center to another, where the responsibility accounting system evaluates the performance of the different responsibility centers. The planning budgets define the tasks and responsibilities of the different performance centers, facilitating the application of responsibility accounting (Kaheel, 2017).

Palestinian public institutions have expanded their organizational structures, and their branches and departments have rapidly multiplied. This is a result of job inflation occurring in the Palestinian public sector. In light of the decentralization of management followed by senior management in Palestinian public institutions due to its inability to follow up the volume of multiple operations on its own, therefore it needs advanced practical methods through which it can ensure optimal utilization of resources not only at the level of the institution as a whole but also at the level of responsibility centers and the level of individuals.

## **1.2 Research Problem and Questions**

Responsibility research accounting focuses on providing a precise, reliable, and comprehensive accounting system. This system helps evaluate performance and enhances control. It also evaluates efficiency and effectiveness in using the resources available to units and administrative departments in Palestinian public institutions (Al-Jadba, 2007).

Palestinian public institutions have developed and grown larger. They started applying organizational structures. The number of departments in each institution increased. As a result, the government accounting system must include modern tools. These tools help assess efficiency. They evaluate performance. They detect deviations before they occur. This helps

prevent deviations. The tools also address deviations that have occurred. They help reduce these deviations. Those responsible for these deviations must be held accountable and directed to avoid them in the future, so there is an urgent need to implement responsibility accounting.

Based on the short preview above, the problem of the study lies in clarifying and determining the extent to which responsibility accounting is used in Palestinian public institutions and its effect on the control and performance evaluation of Palestinian public institutions. Accordingly, the study problem is determined through the following main and sub-questions:

The first main question:

Does applying responsibility accounting affect the control process in Palestinian public institutions?

The first main question is divided into the following sub-questions:

1. Is there an effect of dividing the organizational structure on the control process in the Palestinian public institutions?
2. Is there an effect of the existence of the planning budget on the control process in Palestinian public institutions?
3. Is there an effect of the existence of an accounting information system on the control process in Palestinian public institutions?
4. Is there an effect of the existence of periodic reports on the control process in Palestinian public institutions?
5. Is there an effect of the existence of an effective system of incentives on the control process in Palestinian public institutions?

The second main question:

Is there an effect of applying responsibility accounting on the performance evaluation process in Palestinian public institutions?

The second main question is divided into the following sub-questions:

1. Is there an effect of dividing the organizational structure on the performance evaluation process in Palestinian public institutions?
2. Is there an effect of the existence of the planning budget on the performance evaluation process in Palestinian public institutions?
3. Is there an effect of the existence of an accounting information system on the performance evaluation process in Palestinian public institutions?
4. Is there an effect of the existence of periodic reports on the performance evaluation process in Palestinian public institutions?
5. Is there an effect of the existence of an effective system of incentives on the performance evaluation process in Palestinian public institutions?

### **1.3 Research Significance**

The scientific importance of this study stems from the fact that it studies one of the essential areas of managerial accounting, which is responsibility accounting. This work is considered significant because it sheds light on how responsibility accounting is applied in one of the most important sectors in Palestinian society, the public sector. It also seeks to show the advantages of applying responsibility accounting, as it is a system that helps make decisions and optimize the use of available resources. It also allows senior management to control and evaluate performance. By the same token, this system helps Palestinian public institutions lay the right foundations that contribute to work development. It can enrich the Palestinian library by adding a

simple and modest effort, especially because of the lack of studies - to the researcher's knowledge - that deal with this subject. Moreover, it helps to be a base for other researchers in the field of responsibility accounting. On the other hand, the practical importance of this study lies in the fact that the dissemination of the results of this study may contribute to increasing the level of awareness of decision-makers in Palestinian public institutions of the importance of responsibility accounting and its effect on control and performance evaluation. In addition, this study may provide an overarching framework that helps decision-makers in Palestinian public institutions to implement responsibility accounting.

#### **1.4 Research Objectives**

The main objectives of the research are as follows:

1. Explain the effect of applying responsibility accounting on the control process in the Palestinian public institutions.

The first main objective is divided into the following sub-objectives:

1. Explain the effect of dividing the organizational structure on the control process in the Palestinian public institutions.
2. Explain the effect of the existence of a planning budget on the control process in the Palestinian public institutions.
3. Explain the effect of the accounting information system on the control process in the Palestinian public institutions.
4. Explain the effect of the existence of periodic reports on the control process in the Palestinian public institutions.

5. Explain the effect of the existence of an effective system of incentives on the control process in the Palestinian public institutions.
2. Explain the effect of applying responsibility accounting on the performance evaluation process in the Palestinian public institutions.

The second main objective is divided into the following sub-objectives:

1. Explain the effect of dividing the organizational structure on the performance evaluation process in the Palestinian public institutions.
2. Explain the effect of the planning budget on the performance evaluation process in the Palestinian public institutions.
3. Explain the effect of the accounting information system on the performance evaluation process in the Palestinian public institutions.
4. Explain the effect of periodic reports on the performance evaluation process in the Palestinian public institutions.
5. Explain the effect of an effective system of incentives on the performance evaluation process in the Palestinian public institutions.

### **1.5 Research Hypotheses**

Typically, the following hypotheses are tested in this study:

1. There is no effect of applying responsibility accounting on the control process in the Palestinian public institutions.

The first main hypothesis is divided into the following sub-hypotheses:

- 1.1 There is no effect of dividing the organizational structure on the control process in the Palestinian public institutions.
  - 1.2 There is no effect of the existence of a planning budget on the control process in the Palestinian public institutions.
  - 1.3 There is no effect of the existence of an accounting information system on the control process in the Palestinian public institutions.
  - 1.4 There is no effect of the existence of periodic reports on the control process in the Palestinian public institutions.
  - 1.5 There is no effect of the existence of an effective system of incentives on the control process in the Palestinian public institutions.
2. There is no effect for applying responsibility accounting on the performance evaluation process in the Palestinian public institutions.

The second main hypothesis is divided into the following sub-hypotheses:

- 2.1 There is no effect of dividing the organizational structure on the performance evaluation process in the Palestinian public institutions.
- 2.2 There is no effect of the existence of the planning budget on the performance evaluation process in the Palestinian public institutions.
- 2.3 There is no effect of the existence of an accounting information system on the performance evaluation process in Palestinian public institutions.
- 2.4 There is no effect on the existence of periodic reports on the performance evaluation process in the Palestinian public institutions.
- 2.5 There is no effect of the existence of an effective system of incentives on the performance evaluation process in the Palestinian public institutions.

## 1.6 Research Model

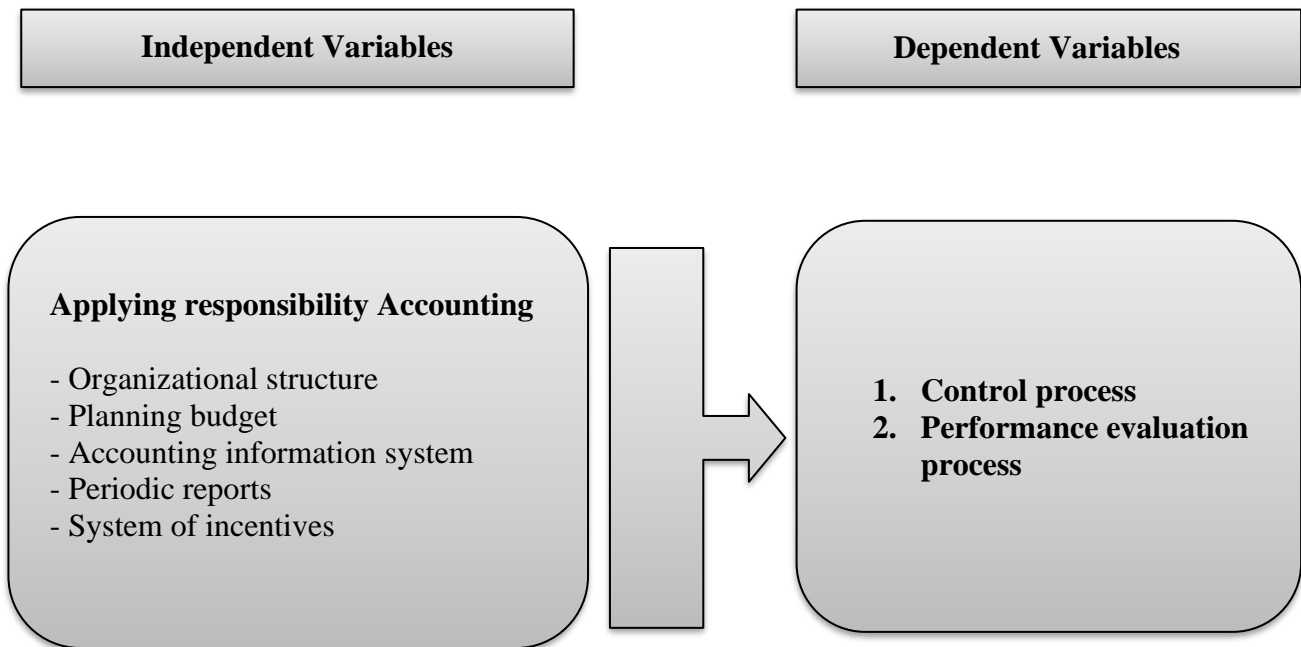


Figure (1.1): Research Model

(Prepared by the researcher)

## 1.7 Research Terminology

To ensure a consistent reading and understanding of this text, the following key terms are defined and simplified to the extent of their usage in this study.

**Responsibility accounting:** It is a control method that requires the application of decentralization, in which the responsibility of individuals in the sub-units of the organization and their efficiency in achieving the organization's goals is determined, and the appropriate information is communicated to senior management on time (Sharif, 2018).

**Control:** It is a set of actions and procedures followed by the administration to ensure the validity of the performance of the various activities by subordinates in accordance with the plans

and programs specified in advance in order to ensure the achievement of the institution's objectives with the highest possible economic efficiency. It also aims to identify the deviations that occurred and take the necessary remedial measures to prevent them from occurring in the future (Al-Samani, 2017).

**Performance evaluation:** It is defined as processes and studies. These aim to determine the relationship between available resources and the efficiency of their use in the institution. They study the development of this relationship during separate periods of time or specific periods. This is done by making comparisons. The comparisons are between the target and the achieved goals. They are based on certain measures and standards (Hamida, 2023).

**Palestinian Public Institutions:** "Any public authority, commission or institution in Palestine that enjoys a legal personality and whose budget is included in the general budget of the National Authority" Financial regulation for ministries and public institutions (2005).

## **1.8 Research Structure**

This study has been divided into five chapters to offer the reader a smooth flow of information. The study is structured into five chapters: Chapter One introduces the general framework, outlining the study's introduction, problem, questions, significance, objectives, hypotheses, model, terminology, and structure. Chapter Two summarizes contemporary and historical literature and studies from international and Palestinian sources. Chapter Three details the research methodology employed, while Chapter Four presents and discusses the data analysis, tests the hypotheses' validity, and reviews the statistical analysis results. Finally, Chapter Five highlights the findings,

provides a conclusion, and offers recommendations based on the answers to the study's initial questions.

## **Chapter Two**

### **Literature Review**

#### **2.1 Theoretical Framework**

#### **2.2 Previous Studies**

## **Chapter Two**

### **Literature Review**

This chapter summarizes the pertinent contemporary literature and studies. These include both old and recent vintage to provide a robust understanding for the reader. The researcher found these in major databases such as Springer, Elsevier, IGI Global, Google Scholar, IEEE Xplore, and graduate school libraries in Palestine. These materials aided in the construction of the questionnaire of this work. It is worth mentioning that none of these studies is identical to this study, and this work is not a replication of any of them.

#### **2.1 Theoretical Framework**

##### **2.1.1 Responsibility Accounting and Decentralization**

###### **2.1.1.1 Concept of Responsibility Accounting**

There are many definitions of responsibility accounting as they will be viewed from different points of view:

1. It is a system based on developing plans for the economic unit. This system links plans to performance reports. It identifies responsibility centers. These centers are delegated to take decisions. The system measures and evaluates their performance. It achieves effective control over them. The purpose is to achieve the objectives of the economic unit as a whole (Al-Momnie, 2016).
2. Responsibility accounting is an accounting system that divides the institution into several responsibility centers. Responsibility centers are subsections of the institution, and each responsibility center is responsible for the activities that occur in it. The method of

decentralization is followed within the institution to achieve the organisation's desired goals and increase the efficiency and effectiveness of services or goods provided by this institution (Kaheel, 2017).

3. Responsibility accounting is defined as a control method that requires the application of decentralization. In this respect, the responsibility of individuals in the sub-units of the organization and their efficiency in achieving the organization's goals is determined, and the appropriate information is communicated to senior management on time (Sharif, 2018).
4. It is a system that aims to collect data that reflects the activity of each official during a specific period compared to the responsibilities specified in advance and published in reports to evaluate the official's performance and ability to control (Al-Sheikh, 2019).
5. Responsibility accounting is an advanced control system. It has administrative and accounting aspects. It helps in evaluating the performance of individuals and officials in responsibility centers. It rationalizes the use of resources. This protects the assets in the organization. It helps achieve the goals of the organization. It helps achieve the general plans of the organization. These are achieved more efficiently and effectively. It also assists senior management in evaluating performance and identifying deviations and who is responsible for them accurately by clearly defining the centers of responsibility and the powers of the individuals responsible for the centers (Adam, 2020).
6. Responsibility accounting is defined as a system. This system includes concepts and methods. These can be used to prepare reports. The reports are on the efficiency and effectiveness of department managers. They are sent to responsibility centers. These reports include elements that the manager can control (Mohanna, 2022).

This study defines responsibility accounting as an accounting system based on the previous definitions. This system divides the organization into several responsibility centers. This is due to the increase in operations in the organization. It is also due to the difficulty of controlling them centrally. Each responsibility center belongs to a manager. This manager is responsible for making decisions in this center. This helps in achieving effective control. It helps in evaluating the performance of each responsibility center. It allows holding the center accountable. This accountability is in light of pre-established standards.

Therefore, when the size of the institution is large, and it is challenging to manage it by one individual centrally, there is a need to delegate powers that enable the center managers to perform their duties and bear responsibility for the results of their decisions following the responsibilities assigned to them.

#### **2.1.1.2 Significance of Responsibility Accounting**

Responsibility accounting regulates the flow of financial and non-financial information and regulates the gradation of the institution's objectives from senior management to responsibility centers and then to each individual in his position (Al-Huda, 2013). With this in mind, the responsibility of accounting is fundamental in all institutions. It aims to control and evaluate performance. This is based on an integrated and interconnected system. This system starts from the stage of preparing plans and goals and then moves to the implementation stage. Finally, it reaches the stage of performance evaluation. Responsibility accounting is important in tightening control processes. It is also essential in performance evaluation processes. These processes are for responsibility centers separately; therefore, they are for the entire facility (Kaheel, 2017).

Recent work by Abdul Rahman and Seet (2022) demonstrated that responsibility accounting is effective for measuring performance. It is possible to evaluate the performance of employees in the establishment through what the employee has accomplished and the tasks assigned to him. They also added that responsibility accounting is an important reference for preserving the financial performance of the organization, where performance reports and analyses can be saved in each responsibility center for long periods in the form of financial ratios and simple numbers and compared to each other to study the development in the financial performance of the organization. The importance of responsibility accounting lies in being an integral part of the internal control system. It aims to serve the planning and control over the resources used in the institution to achieve efficiency and effectiveness in using these resources, as well as in evaluating the performance of administrations and departments in the institution. Additionally, it is considered one of the accounting tools that help the management identify how each responsibility center contributes to achieving the institution's overall objectives.

### **2.1.1.3 Objectives of Responsibility Accounting**

The institution's main objective of responsibility accounting is to enable the administrative staff and officials to supervise the various revenue elements for each unit within the organization. It also contributes to measuring performance within the units of the organizational structure and gives power to officials to take the correct actions within the organization. There are several other goals that responsibility accounting seeks to achieve (Kaheel, 2017):

1. Responsibility accounting provides important information that can be relied upon at the right time, as this information helps management make decisions.

2. Responsibility accounting combines the administrative system with the accounting system. Thus, it works to activate the applied side in accounting and management.
3. Responsibility accounting encourages institutions to adopt a decentralization method in management. It happens through delegating powers that enable individuals in different responsibility positions to make decisions according to the powers of each individual in the responsibility center.
4. Responsibility accounting is an important reference for preserving and evaluating the institution's financial performance. In contrast, the cycle followed in submitting and analyzing performance reports for each center can be kept in the form of numbers and financial ratios that can be compared to evaluate the developments in the institution's financial performance.

The objectives of responsibility accounting from Samara's point of view are as follows (Samara, 2015):

1. Responsibility accounting links the accounting system with the institution's organizational structure, where the accounting system is designed based on the administrative structure. This would achieve more objectivity and accuracy in the accounting system.
2. Responsibility accounting clarifies a relationship. This relationship is between items of costs and revenues on one hand. On the other hand, it is also between the persons responsible for these items. It finds a direct relationship. This direct relationship is between these items and their causes. It is also between these items and those responsible for them.

3. Responsibility accounting classifies and analyzes the elements of costs and revenues related to the activities and tasks of each responsibility center as an independent center to measure the performance of these centers.
4. Responsibility accounting helps in applying management by exception. The administration cannot manage all the institution's work with the same interest, as some areas focus on it more than others. Therefore, it must distinguish between those areas that it will spend its time and attention on more than other areas and making such a decision requires a set of information that responsibility accounting may provide part of it.
5. Responsibility accounting helps implement operations, such as the setting of forecasts, estimates and plans for the business groups in the responsibility centers, and determining the costs and revenues of these works helps those in charge of the centers carry out the work.
6. It helps to apply management by objectives: Management by objectives focuses on the achieved results. Thereupon, it needs information about those results, which is what responsibility accounting can contribute to as it provides important information for these results, especially concerning items of planned and actual costs and revenues.

#### **2.1.1.4 Basic Principles of Responsibility Accounting**

It is important to follow certain principles to ensure success in any activity. When it comes to implementing a responsibility accounting system in an organization, the following principles should be considered (Rao, 2011):

1. Objectives: The business's overall objectives should be divided into sub-objectives, which can be further divided into sub-objectives for each. These can then be expressed as various responsibility centers.

2. Controllable costs: Responsibility accounting should only consider costs the manager can control directly.
3. Explanation: Profit center managers control certain aspects of the profit center's performance, but external factors can also impact revenue and expenses. However, responsibility accounting requires managers to explain any differences between actual and expected results, even if they are due to changes in the external environment. Managers are expected to predict and measure the behavior of relevant parts of the environment and take appropriate actions. The responsibility of the responsibility center manager is to explain the outcomes, regardless of their personal influence over the results.
4. Management by Exception: Information feedback to managers on actual performance focuses on significant deviations from the budget. This principle of management by exception allows managers to focus their attention on exceptions to the norm rather than wasting time on small deviations and focusing on planning.

#### **2.1.1.5 Advantages of Applying Responsibility Accounting**

When we talk about the advantages of responsibility accounting, we mean those benefits obtained from applying responsibility accounting through management systems, cost accounting, planning budgets, and reports to control costs and revenues. The most important of these advantages are:

1. The great advantage of applying responsibility accounting is controlling the various operations and revenues by identifying deviations and taking the correct measures (Adam, 2020).

2. Directs management on appointing and selecting appropriate supervisors to take on greater positions and responsibilities (Adam, 2020).
3. It allows the different administrative levels in the organization to recognize and focus on their responsibilities (Adam, 2020).
4. The application of responsibility accounting leads to measuring the cost at the level of departments and centers instead of at a total level, which helps in measuring the cost of public services according to their type and the departments that perform this service (Saleh, 2016).
5. It assists in evaluating the performance of organizations from the bottom up by using performance evaluation criteria that differ according to the organizational level (Saleh, 2016).
6. It helps prepare detailed budgets and enables the actual spending to be known according to the centers on which they were prepared (Saleh, 2016).

In addition to the aforementioned advantages, responsibility accounting can play an important role in the Palestinian public sector. It controls costs and revenues, evaluates performance, and follows up the implementation of the general budget, as applying a unified accounting system for all Palestinian public institutions contributes to the application of responsibility accounting. This requires identifying the basic elements on which responsibility accounting is based in Palestinian public institutions.

#### **2.1.1.6 Obstacles of Applying Responsibility Accounting**

Responsibility accounting faces several obstacles in its application, including (Adam, 2020):

1. Separating each responsibility center's revenues and expenses is necessary to evaluate its achievement normally and properly. The difficulty lies in this when there is an overlap between the centres' operations or when there is no complete control of the centers over some of the revenues, expenses or investments. This makes the senior management consider only the revenues, expenses and resources that fall under the control of the center manager and ignore the other things that are outside his control.
2. Distributing shared assets among the different responsibility centers in a way acceptable to all is one of the difficulties in applying responsibility accounting.
3. How to analyze the sources of funding, which often do not fall under the control of the center manager, and how to distinguish when evaluating performance between an internally funded center and a center funded by external loans is considered a problem in applying responsibility accounting.

#### **2.1.1.7 Concept of Decentralization**

Effective responsibility accounting relies on clearly defined lines of authority and responsibility within an institution. Divisions of authority and responsibility typically arise naturally as a business grows and operations become more complex. For example, in a small business, one person may oversee all aspects of the business, such as marketing, production, management, and accounting. However, in larger companies, it becomes necessary to divide authority and control among multiple people in order to manage the complexity of the business (Edmonds et al., 2011).

In a decentralized organization, decision-making power is distributed across the organization, with lower-level managers being given the responsibility and authority to manage their respective units (Whitecotton et al., 2020).

Delegating decision-making authority and responsibility to individuals responsible for managing specific organizational functions, such as production, marketing, and accounting, is known as decentralization. This approach enables faster decision-making and promotes accountability and responsibility at each level of the organization. However, it is crucial to maintain a balance between centralization and decentralization to ensure sufficient coordination and control to achieve the organization's goals (Edmonds et al., 2011).

#### **2.1.1.8 Reasons for Decentralization**

There are various reasons why firms choose to decentralize, including (Rich et al., 2010):

1. Facilitating the collection and utilization of local information
2. Enabling central management to focus on strategic decision-making
3. Training and motivating segment managers to enhance their performance
4. Exposing segments to market forces can increase competition and drive innovation.

#### **2.1.1.9 Advantages of Decentralization**

Decentralization offers several advantages, including (Edmonds et al., 2020):

1. Encouraging upper-level management to concentrate on strategic decisions: Since local management is responsible for routine decisions, upper-level management can focus on long-term planning, goal setting, and performance evaluation.
2. Improving the quality of decisions by delegating authority down a chain of command: Local managers are better informed about local concerns and can react quickly to changes in local conditions. This proximity to local events enables them to make better decisions.

3. Motivating managers to improve productivity: The freedom to act and responsibility for the results create an environment that encourages individuals to perform at high levels.
4. Training lower-level managers for increased responsibilities: Managers accustomed to making decisions about local issues can generally apply their decision-making skills to broader issues when promoted to upper management positions.
5. Improving performance evaluation: Clear lines of authority and responsibility allow for more accurate assignment of credit or blame. This, in turn, enables organizations to evaluate individual and team performance more effectively.

#### **2.1.1.10 Disadvantages of Decentralization**

There are some drawbacks to decentralization, including (Brewer et al., 2019):

1. Lack of understanding of the company's overall strategy by lower-level managers who make decisions independently.
2. There is a possible lack of coordination if lower-level managers make decisions without communication and alignment.
3. Conflicting objectives between lower-level managers and the overall organization's objectives.
4. Difficulty in disseminating innovative ideas across a decentralized organization.

#### **2.1.2 Features of Applying Responsibility Accounting**

The accounting system relies on several basic components, including a set of foundations, procedures, and tools that are considered the base on which the accounting system relies in practical application. Although each accounting system has special standards for its practical

application according to the nature of the institution, its field of work and its management philosophy, there are a set of basic features that are common basic rules in any responsibility accounting system (Mushtahi & Al-Masharawi, 2019).

In order to apply responsibility accounting in any economic or governmental institution, the basic features on which responsibility accounting is based must be available. They are as follows:

#### **2.1.2.1 Proper Administrative Organization**

Administrative organization is the second function of the four functions: planning, organizing, directing, and controlling. Administrative organization is defined as the process by which work is defined and divided, responsibilities are clarified, authority is delegated, and relationships are established between employees to enable them to work with the maximum possible efficiency to achieve goals.

That is, the administrative organization represents the coordination of the efforts of employees and management to achieve the institution's objectives (Al Sharif & Abu Khattala, 2020).

##### **2.1.2.1.1 Organizational Structure**

The organizational structure is a framework of an organisation's lines of authority and responsibility (Horngren et al., 2012).

The organizational structure is the first step in the success of the application of responsibility accounting. Responsibility accounting seeks to link planned performance rates with specific responsibility centers and then links actual performance rates with the same centers. This is to

follow up and measure performance and achieve full internal control. This control helps to correct the track if it deviates. The correction happens at the appropriate time (Ali, 2018).

The main goal of the organizational structure in the institution is to divide it into several different departments with different sub-activities, where workers are distributed to these activities according to specialization, experience and skill due to the impossibility of practising some activities collectively or within one workgroup. This is done by dividing the basic activity in the organization into several sub-activities and then into smaller units. It should be noted that the basis for dividing the activity in the organization may differ according to its activity (Kaheel, 2017).

#### **2.1.2.1.2 Determining Responsibility Centers**

Determining responsibility centers requires a clear organizational structure. This is dealt with in the first item. It defines responsibilities in each independent administrative unit. It establishes the delegation of powers to each responsibility center separately. It clarifies the interlocking relationships in the organization as a whole. These relationships can be vertical or horizontal exchanges of information. It takes into account the equivalence of authority with responsibility and powers. This ensures that the process of evaluation and accountability is objective. This is done through a complete enumeration of costs, revenues, production, and services as elements that must be present to determine responsibility centers, control costs, and provide accounting data according to centers (Samara, 2015).

#### **2.1.2.1.3 Types of Responsibility Centers**

Determining the approved responsibility centers in an organization is important. This allows the organization to measure the performance of various departments using specific types of

responsibility centers. The person in charge of each responsibility center is then held accountable for creating costs and generating revenue within their designated limits of responsibility and authority (Samara, 2015).

Responsibility centers have been divided into several types, as follows:

1. Cost center

It is that center that gives its director the authority to control costs. However, they do not have the authority to control revenues and investments, such as service centers in the organization (Al-Zubie, 2018). Garrison et al. (2010) defined it as the center that has the authority to control the costs that occur in the institution, and it is characterized by the fact that it has no control authority in the process of generating and achieving revenues or the use of investment funds.

The cost center is one of practical life's most widespread and used responsibility centers. This is because many activity departments in institutions can be considered cost centers more than other types of responsibility centers. After all, costs can be counted and measured more easily than profits and revenues. Therefore, achieving profits by some activity departments in institutions does not give the right to consider them as a revenue center due to the difficulty of measuring and counting profits and revenues (Abdel Qadir & Belhaj, 2021).

The cost center manager determines the size of the resources consumed in the institution and determines the activities run within the institution, then tracks the costs of these activities depending on many cost causes, and works to keep them as low as possible. Similarly, the performance of cost centers is evaluated based on a comparison between actual and standard costs (Samara, 2015).

## 2. Revenue center

Revenue center managers are accountable for generating income within their designated business sectors. Companies frequently assign sales goals or quotas to these managers and subsequently assess and offer incentives based on achieving these objectives (Brewer et al., 2019). The efficiency of the revenue center manager is evaluated by comparing the actual revenues with the estimated revenues (Adam, 2020). Nevertheless, some believe that responsibility centers should be limited to cost, profit and investment centers without revenue centers.

## 3. Profit center

That part of the institution is where the manager is responsible for the revenue and cost components in the center. In this respect, the manager is accountable and what is under his control (Drury, 2018).

This center gives its employees the authority to control costs and revenues, but they cannot make investment decisions. Therefore, it is similar to an independent institution where its employees have nothing to do with the investment operations within the institution (Abdel Qadir & Belhaj, 2021).

The profit center is considered an independent institution with its revenues and costs to maximise its profits in general and maximise the profits of the institution as a whole (Habeeb, 2022). The process of determining the profit responsibility center and linking it to a specific official aims for the following (Samara, 2015):

1. Measure the profitability of each center of the company.
2. Control over the revenues and costs of each responsibility center.
3. Assist in distributing available resources to sub-units.

4. Measure the contribution of the responsibility center relative to the company's total profit as a whole.

5. Giving as much autonomy as possible to each individual sub-unit.

#### 4. Investment center

An investment center is any responsibility center within an institution where the manager is responsible for costs, revenues, and investments to achieve returns. Managers of these centers are given the authority to plan and make decisions related to revenues, costs, and the quality and volume of investments. Examples of this type of center include branches of banks, restaurants, and hotels. The investment center manager is accountable for the return on the resources invested, so the performance evaluation measure shifts from just net profit to the rate of return on the assets invested in the department (Abu-Nassar, 2014; Kenza, 2015).

The return on assets is calculated in the following way:

Return on assets = earnings of the investment center / assets of the investment center

The success of the investment center is closely related to the managers' authority and ability to determine the level of investment.

The manager of the investment center can maximize the rate of profitability through (Allahverdi, 2014):

1. Achieve the maximum rate of profitability for a certain period of investment.
2. Maximize total investments for a given investment period without any investment restrictions.

#### **2.1.2.1.4 Delegate Powers to the Managers of Responsibility Centers**

Delegating powers to the responsibility center manager that align with the nature of the center's activities and responsibilities is necessary. This ensures that the administration can hold the manager accountable for the results of the center's work. The delegation of powers also allows the center manager to make decisions regarding their responsibility center and makes them accountable to the management for the final performance outcome of the center (Al-Hanini, 2021).

#### **2.1.2.2 The Existence of a Planning Budget**

The planning budget sets quantitative estimates for the institution's future programs and activities. It is a quantitative and monetary expression of the comprehensive and coordinated plan for the institution's operations during a specific period. The planning budget is used to plan and control the institution's business, which is considered a main part of managerial accounting (Kaheel, 2017).

It is worth noting that planning budgets in public institutions are called the general budget, and they usually have a law that explains how to prepare it, the foundations on which it is based, and how to implement it. Ali's (2018) work revealed that the general budget is not far from the planning budget, even if the foundations on which it is based differ in governmental units from those in economic units.

The general budget in Palestine is defined as "the basic financial tool and the detailed work program of the Palestinian National Authority for expenditures and revenues for the various activities estimated for a specific fiscal year to achieve the financial, economic and social goals

and policies. The general budget contains the unified fund and all special funds unless there is an exception by law, an international agreement or a legal contract” General Budget law (1998).

#### **2.1.2.2.1 The Basics of Preparing Planning Budgets**

Every institution seeks to achieve its goals by setting the necessary plans. The budget is an estimate calculated in numbers that reflect the performance plans set in advance, as it is considered the essential foundation for planning, control, and decision-making processes (Juma, 2011).

Therefore, the preparation of planning budgets requires the availability of general principles that must be taken into account in order to achieve its objectives and to comply with the requirements of responsibility accounting, which are as follows (Ali, 2018):

1. The budget must be built based on the institution's objectives, which must be specific, clear, and implementable. Thus, linking the budget to the institution's objectives will make achieving the overall objectives a collective responsibility that everyone working there seeks to achieve.
2. The appropriateness of the budget and its inclusion of the organizational structure in the institution facilitate linking the performance specified in advance to responsibility centers and prevent conflict and duplication in implementing the plan.
3. The planning budgets should include all activities in the organization, and it is not permissible to plan one activity without another to achieve linkage and integration between the activities.

4. Linking the planning budget system with a system of incentives for employees at the various administrative levels of the institution to encourage them to achieve the maximum possible degree of efficiency and productivity.

#### **2.1.2.2.2 Advantages of Using Planning Budgets for Responsibility Centers**

The preparation of planning budgets at the level of responsibility centers results in many advantages, including (Ali, 2018):

1. Achieving control over each responsibility center, whereby the planning budget is mainly used to compare the actual activities with the estimated ones to achieve control during implementation.
2. The planning budget works on distributing the institution's objectives to the responsibility centers, where the objectives of the responsibility center and the activities to be achieved are determined quantitatively and numerically.
3. Estimating the different needs of responsibility centers for future periods and taking enough time to prepare for these needs, whether in terms of securing sources for them or sources for financing them.
4. The planning budget is an incentive for workers in responsibility centers, especially if these incentives motivate workers to achieve the required performance.

#### **2.1.2.2.3 Linking Planned Performance to Responsibility Centers**

After setting the planned performance standards using the system of planning budgets, they must be linked to the responsibility centers entrusted with achieving these standards. Responsibility accounting does not aim to control the elements of costs or revenues in an abstract manner. However, rather these elements are linked to the managers responsible for them, and

this is not done unless the criteria specified in advance are linked to the responsibility center concerned (Murtaja, 2007).

The principle of linking the planning budget or planned performance to the different responsibility centers is a natural reflection of the application of responsibility accounting. The plans are prepared according to the responsibility centers so that the planned performance can be linked to these centers (Kalab, 2008).

### **2.1.2.3 The Existence of an Accounting Information System**

The accounting information system, as one of the information systems in the institution, is the most important and the largest of those comprehensive systems. It extends to all activities of the economic unit. It works to provide appropriate information for managers in all responsibility centers, and responsibility centers usually need the information produced by the accounting system, because this information contributes to helping in making the optimal decision (Jarar, 2021).

The accounting information system is defined as a system that processes data on financial transactions to provide the necessary information at a proper time to make decisions by those concerned and to assist the administration in managing its financial and human resources effectively and efficiently. This system must have sufficient flexibility to adequately provide the necessary reports and information. There must also be clarity in the accounting rules and policies used in the accounting information system (Mushtahi & Al-Masharawi, 2019).

When the responsibility accounting method is followed, the responsibility centers in the institution become the starting point in designing the accounting system and collecting accounting data, and the accounts are coded on this basis (Jarar, 2021).

The accounting system relies on three main elements, which are as follows (Al Sharif & Abu Khattala, 2020):

1. Financial documents: They are the inputs of the accounting system and are represented in the original documents such as invoices, receipts etc., or sub-documents resulting from the original document or translation of documents as a result of the requirements of accounting standards.
2. Financial records: These are divided into two parts, the journal record and the ledger record, expressed in the accounting process.
3. Financial reports represent the last link in the chain of the accounting system or the accounting cycle, as they are considered the output of the accounting system. Examples include the statement of financial position and the income statement.

#### **2.1.2.3.1 Actual Performance Measurement**

The application of responsibility accounting requires an appropriate and effective accounting system (financial, cost, and administrative) that helps measure the actual performance of the various activities in the institution at the level of each responsibility center (Adam, 2020).

The actual recording of expenses and revenues is considered one of the important elements on which responsibility accounting depends, as it requires that the actual performance be recorded by linking and agreeing with the supervision and responsibility units specified in the organizational structure to compare it with the planned performance (Habeeb, 2022).

#### **2.1.2.3.2 Classifying the Elements of Costs and Revenues in the Centers of Responsibility**

The division of the institution into responsibility centers within its organizational structure depends on the degree of powers granted to each center manager to take decisions related to the

center's costs, revenues, profits, or return on its investments. The items that the manager cannot control or supervise fall within the scope of responsibility of another responsibility center manager (Al-Hanini, 2021).

Therefore, applying responsibility accounting requires tabulating the elements of costs and revenues in each responsibility center from the perspective of the extent to which the component is affected by the decisions taken by the person in charge of the center, and thus is subject or not subject to his control. Accordingly, it can be held accountable for any differences from what is planned in relation to those elements. It is necessary to limit and define the responsibilities of each center with direct and indirect costs and revenues so that there is no overlap between the centers' responsibilities and that accountability is fair (Habeeb, 2022).

#### **2.1.2.4 The Existence of an Effective System of Periodic Reports**

Control reports or performance reports are among the most important elements of responsibility accounting; without them, the system cannot achieve its objectives. The importance reports appear as a tool for providing administrative levels with financial and non-financial information to identify the actual performance and compare it with the planned performance. It gives an image of the existing deviations, focusing on the negative ones that require attention while taking remedial measures. Therefore, the reporting system plays a major role in responsibility accounting, which requires the preparation of reports for each sector and responsibility center (Kaheel, 2017).

Performance reports are defined as a means of communication between the different administrative levels within the organization. They are prepared for each responsibility center based on comparing its approved plan with its actual performance and identifying deviations

between them. These reports are submitted periodically to the administrative authority responsible for this center to assist it in identifying the main problems and fundamental deviations in the concerned center and making the necessary corrective decisions (Madi &Zamal, 2017).

#### **2.1.2.4.1 Using Reports to Analyze Deviations in the Performance of Responsibility Centers**

The control reporting system is designed in accordance with the responsibility accounting system and in a manner consistent with the accounting system and the institution's organisational structure.

Periodic control reports serve as a means of communication between various responsibility centers within the institution. They help clarify the administration's problems and difficulties during implementation in these centres. These reports also highlight the size of deviations from the objective plan and diagnose the causes of these deviations. This information is provided to upper management when necessary to inform them of any exceptions. The deviations may be random deviations or caused by fundamental deviations, administrative deviations or non-administrative deviations, deviations resulting from external factors or internal factors (Adam, 2020).

Preparing reports that measure and analyze the causes of deviations of the actual performance from the planned performance helps hold each center manager accountable for the activities within this centre that fall within the scope of his control. All managers of responsibility centers must participate in setting the budgets for their centers, according to which they will be held accountable. The performance of each responsibility center must be evaluated, and performance

reports must be communicated through feedback to each manager quickly at the proper time (Al-Hanini, 2021).

Deviant analysis means studying what is discovered and analyzing when comparing the actual performance with the planned performance of the responsibility centers at the different administrative levels in the economic unit. The occurrence of deviations means that the actual performance has deviated from what was planned (Al-Homsi & Qureet, 2016).

The occurrence of deviations between the actual performance and the planned performance is limited to two variables (Al-Homsi & Qureet, 2016).

1. **Inaccuracy in planning:** It may be caused by insufficient accuracy in setting planning rates for the elements of costs or revenues. It may also be caused by the different circumstances and conditions when implementing the plan, despite the fact that sufficient accuracy was taken when setting the planning rates.
2. **Implementation inefficiency:** It is the occurrence of deviations due to the inefficiency of the actual implementation of the activity of the economic unit as it should be.

#### **2.1.2.5 The Existence of an Effective System of Incentives**

The incentive system is a system that helps satisfy the material and moral needs of workers and helps achieve the institution's objectives (Youssef & Omar, 2015).

Al-Masharawi and Mushtahi (2019) defined it as a set of internal and external factors that stimulate the individual and motivate him to perform the work entrusted to him best by satisfying his material and moral needs. The administration must link the incentive system with performance, which should be done during the planning stage, and prepare budgets to set the criteria for granting incentives.

### **2.1.2.5.1 Incentive Ratings**

The organization chooses the ideal combination of types of incentives to have an integrated system that motivates employees for their outstanding performance. There are many types of incentives used in various institutions, and there are multiple ways to classify these incentives, including (Al Sharif & Abu Khattala, 2020):

1. Material and moral incentives.
2. Collective and individual incentives.
3. Direct and indirect incentives.
4. Positive and negative incentives.

### **2.1.2.5.2 Features of Success of Incentive System**

In order for the incentive plan to succeed in achieving the objectives sought by the administration, the following elements must be available (Al Sharif & Abu Khattala, 2020):

1. Justice: The incentive plan must be characterized by fairness, as it is linked to performance, not emotions, personal impulses and not to the relationships between superiors and subordinates.
2. Persuasion: The incentive plan must be convincing to the employees, and this will only be achieved by involving them in discussing and preparing it.
3. Consistency: The incentive plan must be characterized by stability and continued application, noting that this does not mean that it is not reviewed from time to time in order to improve and develop it.
4. Immediate: Incentives must be paid immediately after performing the work or on the specified dates without delay.

5. Clarity: The incentive plan must be clear and easy, especially with regard to the method of calculation, while not linking it to salaries so that this does not lead to it being part of the salary and thus losing its function as a method of motivation.

### **2.1.2.5.3 Incentive System and Responsibility Accounting**

The incentive system is considered one of the important features necessary for applying responsibility accounting. Only the individuals entrusted with the task of carrying out the work can implement the objectives of responsibility accounting, as the senior management must seek to link the objectives of individuals with the institution's objectives (Abdul Rahman & Seet, 2022). When the administration wants to achieve a specific goal, it sets material and moral incentives to stimulate the motives of individuals to obtain these incentives, and then the objectives of both the individuals and the institution meet. Hence, the individuals seek to satisfy their moral and material needs by achieving the administration's objectives (Kaheel, 2017).

Responsibility accounting is useless if it does not include an effective system of incentives that guarantees rewards for the outstanding performance of the workers in the organization if that performance is implemented according to established standards or drawn plans (Abdul Rahman & Seet, 2022).

## **2.1.3 Responsibility Accounting as a Basis for Control and Raising Performance Efficiency**

### **2.1.3.1 Concept of Control Process**

It is a set of actions and procedures used by the administration to ensure the validity of the performance of various activities by subordinates in accordance with the plans and programs specified in advance in order to ensure the achievement of the institution's objectives with the highest possible economic efficiency. It also aims to identify the deviations that occurred and

take the necessary remedial measures to prevent them from occurring in the future (Al-Samani, 2017). It can also be defined as an organized administrative activity carried out by the responsible party, which includes continuous observation of performance, measuring its methods and comparing them with pre-established standards to identify deviations, avoid weakness and error, and determine the most appropriate remedial and corrective methods aimed at optimal use of the resources available to the institution to achieve its goals (Abdel Qadir & Belhaj, 2021).

### **2.1.3.2 Significance of Control Process**

The control process is the outcome of the project activities. It measures the efficiency of the plans developed, the efficiency of the executors, and the efficiency of senior management in selecting the best possible alternatives. The significance of control lies in the following (Abdul Rahman & Seet, 2022):

1. Achieving a balance of operations with predetermined levels as the basis of control is the information available in the hands of managers.
2. Control is considered the fourth function of management functions, as it works to modify organizational activities toward achieving the goal.
3. It prevents mistakes from occurring, making the executors realize that their performance is subject to evaluation pushing them to improve and avoid errors.
4. Control helps the administration to ensure the proper functioning of work within the institution toward achieving the set goal.

### **2.1.3.3 Objectives of Control Process**

Control objectives go beyond ensuring that activities are consistent with regulations or conducted in the best and least costly manner. They also include correcting the course of the plan

and building it on a solid foundation. Control helps facilitate coordination between the work of administrations and departments, linking them to the institution's overall performance to achieve common goals (Abdul Rahman & Seet, 2022).

Objectives of the control process are represented in the following (Sadiq, 2017):

1. Ensuring that administrations comply with all laws and instructions when performing their activities.
2. Detecting errors and their causes and working to correct them.
3. Developing procedures and administrative work in institutions and improving production in them.
4. Identifying deficiencies and shortcomings in the applicable legislation and addressing them.
5. Detection of administrative deviation, which is the exploitation of power or position to achieve personal goals far from the public interest of the institution.
6. Ensure that services are provided in a fair manner without discrimination and with the least possible procedures.
7. Verifying the implementation of plans and policies in the administrative bodies with the least possible effort and cost in order to achieve the greatest degree of effectiveness and limit wasteful spending of funds.
8. The freedom and rights of individuals are achieved because the administration is given rights and privileges that facilitate the exercising of its functions and activities.

#### **2.1.3.4 Steps of Control Process**

The steps of the control process are as follows (Kaheel, 2017):

1. Setting a goal or a future plan, including defining what is to be achieved or what needs to be achieved.
2. Measuring the actual performance of responsibility centers.
3. Comparing the actual performance with the predetermined and planned objectives to determine any default or deviation in the actual performance from what was planned.
4. Take the necessary measures to correct any defect or deviation, if there is any.

#### **2.1.3.5 Importance of Responsibility Accounting in the Control Process**

The content of control is to follow up on the necessary steps to achieve the organisation's goals and ensure that the plans are implemented according to what was previously specified (Madi &Zamal, 2017).

Therefore, the importance of responsibility accounting in controlling the performance of institutions is represented in the procedures it takes to follow up the actual implementation within the framework of the planned performance. That is, the control begins with the beginning of the actual implementation and continues with it in order to detect deviations, identify the persons responsible for them and take the necessary measures to correct them in time, then determine the reasons for their occurrence and finally prepare reports on them for the different administrative levels to take the appropriate decisions in their regard. Therefore, control is an inevitable result of applying responsibility accounting (Al-Saghir & Amshahr, 2022).

Control and planning are two inseparable processes. There is no control without planning, and there is no benefit from planning without control. The effectiveness of any control system for institutions depends on the existence of a sound internal organization and a responsible map that

clarifies for each individual or department the responsibilities that fall upon him and the requirements for implementing those responsibilities (Kaheel, 2017).

#### **2.1.3.6 Concept of Performance Evaluation**

Performance evaluation is defined as all processes and studies aimed at determining the relationship between the available resources and the efficiency of their use in the institution and studying the development of this relationship during separate periods or specific periods by making comparisons between the targeted and the achieved goals based on certain measures and standards (Hamida, 2023).

The performance evaluation process is an administrative and control process that provides honest information about individuals' behavior and performance. It can be used in evaluating and developing this performance by knowing their strengths and weaknesses and providing advice related to the development, thus increasing their motivation to work. The information the performance evaluation process provides can also be used in planning for future human resources in all fields (Madi & Zamal, 2017).

The researchers also viewed the performance evaluation process as the final link in the administrative process chain. The process typically begins by defining the goals to be achieved using the resources available to the administrative unit. Then, a well-defined plan or timetable is created to achieve these goals. Additionally, the administrative unit and its resources are organized to implement the plan. Consequently, the implementation of the plan is accompanied by a process of controlling implementation to identify the deviations of the actual results from the expected results set by the plan. The process of controlling implementation leads to the last

stage in this sequence of the administrative process, which is the performance evaluation stage (Hamida, 2023).

### **2.1.3.7 Objectives of Performance Evaluation of Responsibility Centers**

The performance evaluation process has many goals that are achieved through the application of a responsibility accounting system within the organization, and the goals are as follows (Ibrahim, 2014):

1. Finding standards for measuring actual performance, using appropriate measures according to the nature of the activity of the responsibility center. Financial, cost, and managerial accounting have contributed to finding suitable tools for measuring actual performance.
2. Introducing to the managers working in the responsibility centers the roles and tasks that are required to be achieved, and this is done through the instructions for each responsibility center separately and the job description for each job in the institution.
3. Convey the results to the officials through performance reports properly.
4. The use of performance evaluation criteria considers objectivity and accuracy, as measuring actual performance has no meaning unless compared to a specific standard, such as the use of planning budgets, standard costs, and financial analysis tools.

### **2.1.3.8 Advantages of Performance Evaluation of Responsibility Centers**

The performance evaluation process that emerges from the application of the responsibility accounting system achieves several important advantages for the institutions that implement this system within the responsibility centers, and the most important of these advantages that the institutions achieve is (Ibrahim, 2014):

1. Encouraging the managers of the responsibility centers to work hard and actively. The reports showing the evaluation process results enable the institution to develop an appropriate incentive system to encourage employees and increase their efficiency at work.
2. Recognizing the ability of the manager of each responsibility center to achieve the appropriate efficiency in carrying out his responsibilities and tasks entrusted to him.
3. Recognizing the efficiency of responsibility centers in using and exploiting available resources.
4. Achieving compatibility and harmony between the objectives of responsibility centers and the institution's objectives as a whole, as the criteria for judging the achievement of the responsibility centers are consistent with the institution's objectives.

#### **2.1.3.9 Performance Evaluation Levels for Responsibility Centers**

Responsibility centers include several levels of performance evaluation in the organization, and these levels are (Garrison et al., 2011):

1. The level of actual performance evaluation

This is done by evaluating the person in charge of the responsibility center himself, knowing the shortcomings and weaknesses in his performance, working on improving it, and avoiding existing deviations.

2. The level of the executive management evaluation

This type of evaluation is carried out by the higher administrative levels so that each official knows the level of performance of each responsibility center under his responsibility and the extent of his contribution to achieving the institution's objectives.

### 3. The level of activity performance evaluation

This type of evaluation is carried out by the institution's senior management, where the activity's progress in various responsibility centers is identified, and the extent of its conformity with the setting standard and foundations is identified.

#### **2.1.3.10 Performance Evaluation Measures of Responsibility Centers**

The most important measures used in evaluating the performance of institutions can be identified. These measures are (Sharif, 2018):

1. Measures of profitability depend on income and revenue growth.
2. Consumer satisfaction measures depend on the company's market share, consumer acceptance speed, and consumer loyalty to the commodity.
3. Innovation and renewal measures depend on creating new products or other inventions.
4. Measures of efficiency, quality and time: It measures productive efficiency and deviations in costs and time.

#### **2.1.3.11 Importance of Responsibility Accounting in the Performance Evaluation Process**

Responsibility accounting is a method that is followed to achieve decentralization and the separation of powers and responsibilities of the higher, middle, and lower administrative levels. With this in mind, there is a person responsible for each center within the organizational structure of the institution, so he is responsible for his work and management of the center within the powers authorized by it. Thus, appropriate criteria can be set to evaluate the competence of officials at all levels and determine whether they have succeeded in managing the center, so that the administration can handle errors or change the official (Sharif, 2018).

There are several centers for responsibility accounting: cost center, revenue center, profit center and investment center, where it was found that evaluating the performance of the cost, revenue and profit centers is possible by comparing the actual results with the plan, finding deviations and determining them if they are positive or negative and solving them. As for the investment center, criteria are used to evaluate it: the rate of return on invested capital, residual income, and economic value added (Sharif, 2018).

The efficiency and effectiveness of the performance of responsibility centers are affected by several factors, including (Kaheel, 2017):

1. The extent of freedom of decision-making in responsibility centers.
2. The degree of control that the responsibility center can impose on the factors that affect its performance, and the importance of this factor increases in the case of overlapping between the activities of different departments.
3. The degree of uncertainty about the factors affecting performance.
4. The period of time that may be affected by the decisions taken in the responsibility center.

## **2.2 Previous Studies:**

This chapter also reviews previous studies regarding the field of the research and comments on them. Below is a review of some of these studies, arranged chronologically from oldest to most recent:

### **2.2.1 Review of Previous Studies**

Al-Hanini (2013) conducted a study aimed to determine the extent to which Jordanian banks implement responsibility accounting. Data was collected through 55 questionnaires distributed to employees at different administrative levels, including general managers, department managers, branch managers, and ordinary employees.

The study found that Jordanian banks commit to the application of responsibility accounting in various aspects, such as dividing the organizational structure into centers of responsibility, authorizing clear powers to responsibility center managers, distributing costs and revenues according to each center's ability and validity, and using budgets for control and performance evaluation. It also revealed some details of the potential of responsibility accounting that are not fully committed to, such as non-participation of employees in budget preparation and lack of interest in non-financial aspects.

The study recommended involving all employees in setting goals, preparing budgets, and developing a guide for applying responsibility accounting in Jordanian banks. Additionally, the study encourages the use of modern methods such as Activity-Based Costing and the Balanced Scorecard.

Al-Momnie (2016) conducted a study to evaluate the implementation of the responsibility accounting system as a tool for performance control and evaluation in north Jordan

municipalities, including Irbid, Jerash, Ajloun, and Mafraq. The study focused on the various elements of the responsibility accounting system. The questionnaires were distributed to a random sample of heads of municipalities, directors of departments and divisions, accountants, and auditors working in these municipalities. A total of 82 questionnaires were distributed, and descriptive statistics and T-tests were used for data analysis and testing of the study's hypotheses.

The study found that the municipalities have a traditional administrative organizational structure, and planning budgets are set up at the macro-level, but there are no sub-planning budgets for positions of responsibility. Additionally, the application of the periodic reports and incentive system for workers is less than the default application level, and the accounting information system applied in the municipalities needs to be developed.

The study recommended improving the implementation of the responsibility accounting system in these municipalities.

Owino et al. (2016) conducted a study aimed to investigate the relevance of responsibility accounting in Ugandan public universities. A cross-sectional survey was conducted using both quantitative and qualitative methods to explore the importance of responsibility accounting. The qualitative data provided supplementary information to the quantitative data.

The study found that a responsibility accounting system exists within these universities. It also demonstrated that individual departments manage costs and revenues, and the heads of those departments have the authority to manage their allocated budgets. They are held accountable for their decisions regarding their budgets or votes. The costs and revenues are then accumulated and reported to the university authorities. Finally, the study revealed that public universities' responsibility accounting is structured hierarchically.

Tuan (2017) conducted a study to establish a theoretical framework for RA and assess its application in Vietnam's textile and garment enterprises. The study examines the development of RA from four primary elements to seven elements and 43 scales. The study used SPSS 22 to collect and analyze data through questionnaires distributed to managers and department heads in 64 Vietnamese textile and garment manufacturers. The study mainly found that the application level of RA according to the seven elements is medium to high, and improvement is needed.

Habib and Ahmad (2017) conducted a study to explore the significance and nature of responsibility accounting and how it can be effectively implemented in government units, particularly in public hospitals. The study also aimed to examine the role of performance evaluation reports in these hospitals and how they contribute to effective control provisions. The researchers used the questionnaire to collect data, as 35 questionnaires were distributed to the target group, and the response rate was 100%.

The study found that the use of responsibility accounting in public hospitals helps enhance control provisions and protect the hospital's assets while promoting rational resource utilization.

The study recommended organizing seminars and workshops for departments and sections in government hospitals to raise awareness about accountability and responsibility in planning, control, and performance evaluation. It also highlighted the importance of developing employee awareness of the benefits of responsibility accounting and how it can be leveraged to improve system performance and development.

Al-Sheikh (2019) conducted a study to analyze the reporting system used in contracting companies operating in Sudan by examining its different elements. The researcher used an analytical descriptive method and collected data using a questionnaire.

The study suggested performance reports based on responsibility accounting, which can improve cost control effectiveness when contracting company projects.

The study recommended the importance of identifying deviations between actual and planned performance for each responsibility center. It also thoroughly studied and explained these deviations to determine their underlying causes and find suitable solutions to improve the internal control system's efficiency.

Mohammed et al. (2019) conducted a study that used descriptive analytical methods to explain the implementation of responsibility accounting to control costs, maintain performance efficiency levels, and identify any necessary improvements. Their study concluded that the determination of responsibilities and properties contributed to the execution of planning balances, and the implementation of responsibility accounting aided in controlling and executing planning balances while also helping to disclose deviations.

The study recommended the implementation of responsibility accounting for controlling planning budgets and their execution and identifying responsibility centers, their duties, and proposals at the company level.

Mushtahi and Al-Masharawi (2019) conducted a study to assess the implementation of responsibility accounting as a tool for monitoring and evaluating municipalities in the Gaza Strip. A questionnaire was distributed to heads of municipalities, department directors,

accountants, and auditors in large municipalities in category (A), with a recovery rate of 73.3% out of 75 distributed questionnaires.

The study showed that the Gaza Strip municipalities have the necessary components of responsibility accounting, including a municipal accounting system that meets the needs of responsibility centers to perform their work effectively. The study also recommended that more attention be given to the administrative structure of municipalities by defining the terms of reference and responsibilities of municipal responsibility.

Sari & Amalia (2019) conducted a study to analyze the impact of responsibility accounting and strategy implementation on organizational performance. The study population consists of 130 managers from an organization in Indonesia, and the purposive sampling method was used to select the sample.

The study revealed that the implementation of responsibility accounting and strategy positively influences organizational performance. Organizations must adopt responsibility accounting and implement it in their operations while creating and implementing effective strategies to enhance their competitiveness.

Mohamed and Abdallah (2020) conducted a study to determine the impact of responsibility accounting on performance evaluation, identify the relationship between responsibility accounting and the efficiency of Sudanese industrial enterprises, and explore the relationship between responsibility accounting and planning budgets for optimal resource use. In this study, the researcher used the deductive approach, inductive method, historical approach, and theoretical descriptive approach in both its theoretical and applied components.

The study found that responsibility accounting helps industrial enterprises improve efficiency and effectiveness by dividing resources into responsibility and supervision centers. The study also provides methods for measuring and evaluating performance, which increases efficiency. The study recommended using responsibility accounting as an audit tool for evaluating performance and identifying and analyzing deviations to take corrective action promptly.

Al-Taweel (2020) conducted a study to explore the possibility of using responsibility accounting to evaluate performance and address deviations at Al-Aqsa University in Gaza. The study community consists of 33 employees in the Financial Department and the Department of Supplies and Procurement, where a comprehensive survey questionnaire was distributed to the entire community.

The study found that the use of responsibility accounting as a tool for evaluating performance and addressing deviations is highly related to the presence of administrative regulations, planning budgets, incentive systems, actual vs. planned performance comparisons, and performance reports. The study recommended that Al-Aqsa University adopt written policies for accountability, involve employees in various positions of responsibility in the preparation of the planning budget, reconsider the incentive system adopted at the university, and encourage responsible center officials to compare actual performance with planned performance to address deviations and achieve the desired goals. Additionally, the study recommends improving the deviation analysis level by comparing revenues with actual costs and target revenues and costs.

Syahputri et al. (2020) investigated the impact of implementing responsibility accounting on managerial performance. The study used a purposive sampling method and obtained data from 35 respondents through a questionnaire. All 35 questionnaires were returned and analyzed using simple regression with the aid of Statistical Product and Service Solutions (SPSS).

The study results found that the application of responsibility accounting has a significant positive impact on managerial performance.

Similarly, Dinh (2020) conducted a study to explore the impact of organizational size and managers' levels of education on responsibility accounting in Vietnamese cement enterprises. Data was collected from 103 managers and department heads using SPSS 22. Their study showed a significant correlation between the organization's size, the managers' education level, and responsibility accounting practices in Vietnamese cement enterprises. The study recommended that Vietnamese cement companies focus on management accounting in general and responsibility accounting.

Tien et al. (2020) conducted a study investigating the factors that affect responsibility accounting at Joint Stock Commercial Banks in Vietnam. This study surveyed 32 joint-stock commercial banks, collecting 304 questionnaires and analyzing the data using Statistical Package for the Social Sciences software. The study concluded that factors affect responsibility accounting in joint stock commercial banks, including decentralized management, organizational structure, managerial awareness, controlling activities, qualifications of accountants, and reward systems. Based on these results, the study proposes governance implications for joint stock commercial banks, such as selecting a suitable organizational structure, developing a responsible accounting reporting system, and enhancing professional qualifications and management capacity.

Another work completed by Hidayah (2021) examined how employee responsibility accounting and competence impact managerial performance, with motivation serving as a moderating variable. The research used a sample of 100 respondents selected through purposive sampling. Linear regression was employed as the data analysis technique. The results showed

that responsibility accounting positively influences managerial performance, while employee competence has no significant effect. Additionally, work motivation does not weaken the association between responsibility accounting and managerial performance; instead, it can strengthen the relationship between employee competence and managerial performance. This study contributes to developing a new model using work motivation variables and provides practical insights into identifying the motivation levels of individual employees.

Work completed by Nguyen (2021) assessed the impact and provided empirical evidence of the effect of using the responsibility accounting model in combination with scorecards on the organizational performance of pharmaceutical companies. The study employs a questionnaire survey distributed to pharmaceutical companies and uses quantitative research through SPSS 25 software. After excluding invalid questionnaires, the author analyzed 306 questionnaires. The results found that the seven elements of the responsibility accounting model combined with the balanced scorecard positively affect the organizational performance of pharmaceutical enterprises. These elements divide the organizational structure into responsibility centers based on strategy. Second, management roles should be assigned based on vision. Third, allocating costs and revenue. Budget estimates are made using the balanced scorecard (BSC). Then, evaluate estimates with reality using BSC. Next, creating BSC analysis reports. Finally, rewarding based on BSC.

The study recommended enhancing the effective implementation of the responsibility accounting model combined with the balanced scorecard, ultimately improving the organizational efficiency of pharmaceutical companies.

Al Hanini (2021) investigated the significance of implementing responsibility accounting features in Jordanian shareholding companies in reducing occupational fraud, as perceived by

internal and external auditors. The research compared the attitudes and opinions of both types of auditors towards this issue. The study employed a questionnaire distributed to a random sample of 98 internal auditors who were also shareholders of the companies and 93 external auditors who audited the accounts of the companies. The questionnaire included sections covering the seven features of responsibility accounting, such as the division of the company's organizational structure into responsibility centers and the existence of a delegation system for the managers of responsibility centers with their powers in the shareholding. Statistical analysis of the data was carried out using the SPSS statistical package.

According to internal and external auditors, the study resulted in adopting and implementing all the features of responsibility accounting in Jordanian shareholding companies, which could help limit occupational fraud. The study also recommended adopting an accounting system in companies that aligns with responsibility accounting to limit occupational fraud. Additionally, the study emphasized the importance of external auditors reviewing and evaluating the company's organizational environment and administrative procedures to ensure their consistency with integrity and honesty.

Recent work done by Nguyen et al. (2022) identified the factors that affect the implementation of responsibility accounting and its effect on the performance of Vietnamese-listed textile companies. The research methodology used both qualitative and quantitative methods, including a questionnaire and structural equation modelling (SEM) with AMOS-SPSS, to analyze the impact of each factor. According to the study, the results found that factors such as the ability of accounting staff, managers' awareness, decentralization, reward systems, and responsibility center forecasting significantly impacted performance. It also found that structural management, competitive strategy, competitive advantages, and responsibility center reports greatly affected

the performance of listed firms. The implementation of responsibility accounting had the greatest effect on the performance of listed companies. Specifically, a 1-point change in the implementation level could increase or decrease performance by 0.409 points, regardless of other factors.

Seminal work by Chu and Pham (2022) presented an empirical research model that examines the factors affecting the implementation of responsibility accounting in automobile manufacturing enterprises in Vietnam. This study used a qualitative research method involving the ground theory method (GT), expert interviewing, and group discussion. The main finding of their work is that ten key factors impact the application of RA in these enterprises. These factors include management decentralization, company size, managers' educational background and awareness, accountant qualifications, enterprise characteristics, legal environment, competition, cost of implementing RA, and the application of information technology. By examining these factors, the study aims to provide insights that can inform the development of effective RA practices in automobile manufacturing enterprises in Vietnam.

Abdul Rahman and Seet (2022) studied the impact of the responsibility accounting system on the evaluation and control of government units at King Abdulaziz University in Jeddah, both at the administrative and academic levels. The descriptive survey method was used, with a random sample of officials at the university completing a questionnaire, which was then analyzed using statistical methods. The results showed that the availability of responsibility accounting at the university positively impacted the evaluation and control of performance, with the use of responsibility accounting components in monitoring and evaluating performance leading to improved effectiveness. Their study of the advantages of using responsibility accounting improved performance effectiveness. The study recommended the continued application of

supervisory methods that help improve performance effectiveness, with clear and achievable standards established to enable full employee performance. The study also emphasized the need for ongoing development of accountability to enhance control and performance evaluation effectiveness.

Recent work by Mohanna (2022) aimed to investigate the relationship between the application of responsibility accounting and both forensic accounting and financial performance control in companies listed on the Palestine Stock Exchange. A sample of 300 male and female employees was selected, and the study hypotheses were analyzed using the statistical program SPSS.

The study resulted in a significant positive correlation between the application of responsibility accounting and forensic accounting and controlling the financial performance of companies listed on the Palestine Exchange. The study highlighted the importance of effective administrative reports, budget planning, inspections, and investigations. The study recommended the development of a proposal for implementing responsibility and forensic accounting systems in Palestinian companies, monitoring the stages of the system's application, and comprehensively evaluating its effectiveness. Finally, the study recommended the establishment of a follow-up unit to oversee the implementation of the system.

The literature review (Habib, 2022) documented a study to assess the implementation of the responsibility accounting system in Syrian government banks. The study aimed to explore how costs and revenues are classified and allocated to responsibility centers at the department level rather than measuring them at the overall bank level. Additionally, the study seeks to investigate the impact of this system on the performance of banks from the perspective of employees. To achieve these goals, a questionnaire was distributed to bank employees during the first quarter of 2020 to gather their opinions. The results concluded that Syrian government banks have

established responsibility centers at different administrative levels and provided accurate descriptions of these centers. Also, the banks classify costs and revenues based on the responsibility centers, and they ensure that there is alignment between the goals set in the plans and strategies and the way work is carried out. The results also added that employees participate in various responsibility centers to develop planned performance standards, and a scientific method is adopted to define the performance standards for each responsibility center.

The study recommended that Syrian government banks continue to implement the responsibility accounting system to improve their performance. Additionally, it suggests that banks should establish training programs to enhance employees' knowledge and skills in implementing this system effectively. Finally, the study recommended that Syrian government banks conduct periodic evaluations of the responsibility accounting system to ensure its effectiveness and make any necessary improvements.

### **2.2.2 Comments on Previous Studies**

The current study is similar to previous studies in several axes. First, the current study and previous studies addressed variables related to responsibility accounting, focusing on areas such as having an approved organizational structure, planning budgets, developing a comprehensive accounting information system, periodic reports, and incentive systems. Examples include the studies by Al-Momnie (2016), Tuan (2017), Mushtahi & Al-Masharawi (2019), Al-Taweel (2020), and Al-Hanani (2021). Both the current study and previous studies applied responsibility accounting to public institutions, as seen in the studies by Habib & Ahmad (2017) and Abdul Rahman & Seet (2022). Additionally, these studies examined the impact of responsibility accounting on control and performance evaluation processes. This was explored in the studies by Al-Momnie (2016), Mushtahi & Al-Masharawi (2019), Mohamed and Abdallah (2020), Abdul

Rahman & Seet (2022), and Mohanna (2022). Most of the studies, including the current one, relied on a quantitative approach, using questionnaires as the primary tool. Examples include the studies by Habib & Ahmad (2017), Al-Sheikh (2019), Tien et al. (2020), Nguyen (2021), and Habib et al. (2022).

The current study differs from previous studies by focusing on public institutions, whereas earlier research examined other sectors. For example, the study by Al-Hanini (2013), Tien et al. (2020), and Habib (2022) focused on banks. Al-Momnie (2016) and Mushtahi & Al-Masharawi (2019) studied municipalities, while Owino et al. (2016) and Al-Taweel (2020) looked at universities. Tuan (2017) and Nguyen et al. (2022) examined textile companies. Al-Sheikh (2019) researched contracting companies, and Mohamed and Abdallah (2020) focused on industrial companies. Chu and Pham (2022) studied automobile manufacturing companies, Nguyen (2021) researched pharmaceutical manufacturing companies, and Dinha (2020) focused on cement companies. Some previous studies differed from the current study in their approach. While the current study used a quantitative approach, others employed different methods. For example, the study by Owino et al. (2016) and by Nguyen et al. (2022) used quantitative and qualitative approaches. In contrast, the study by Chu and Pham (2022) relied solely on a qualitative approach.

The current study is distinguished from previous studies in (knowledge gap):

1. This study differs in terms of objective and field of application. No previous study has studied the effect of applying responsibility accounting (through the elements of application) on control and performance evaluation together in public institutions.
2. As far as the researcher knows, no Palestinian studies have dealt with this topic.

3. This study dealt with all the elements of the application of responsibility accounting, in contrast to some studies that examined the effect of one or some elements on performance evaluation.

## **Chapter Three**

### **Research Methodology**

**3.1 Study Method**

**3.2 Population Respondents**

**3.3 Sample Size and Type**

**3.4 Instrumentation**

**3.5 Validity of the Study Questionnaire**

**3.6 Reliability Analysis**

**3.7 Data Gathering Procedures**

**3.8 Statistical Treatment of Data**

## **Chapter Three**

### **Research Methodology**

This chapter presents and discusses the methodological procedure followed throughout the study. It includes a description of the study's methodology, the study population and sample, the instruments utilized, the sample and sampling techniques observed, the data gathering procedures employed, and the statistical tools used to treat the data gathered.

#### **3.1 Study Method**

This study explains the effect of applying responsibility accounting on Palestinian public institutions' control and performance evaluation process.

According to this, the study follows a qualitative research method using a survey approach with a questionnaire tool for collecting data. Abu-Hamda et al. (2021) stated, “Quantitative and qualitative methods are the engine behind evidence-based outcomes.” Through this method, collected data are studied, and variables are discussed to deal with testing hypotheses and showing the results and recommendations of the study.

#### **3.2 Population Respondents**

The study population consisted of all financial affairs managers of the Palestinian public institutions. They are estimated to be 68 institutions, according to the sources of the General Administration of the General Budget in the Palestinian Ministry of Finance and Planning for the year 2023, as 67 of them are located in Palestine and one is located in Jordan.

### 3.3 Sample Size and Type

The study sample consisted of 67 financial affairs managers. The sample was selected using a non-probabilistic purposive method. The researcher distributed one questionnaire to the financial affairs manager in each public institution in Palestine, some distributed on paper and some online. The director of financial affairs for the institution located in Jordan was excluded.

Table (1): Distribution of Sample Members According to Demographic Variables

<b>Variable</b>	<b>Class</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	41	61.2
	Female	26	38.8
	Total	67	100
<b>Age</b>	From 30 to 40 years	17	25.4
	From 41 to 50 years	36	53.7
	More than 50 years	14	20.9
	Total	67	100
<b>Qualification Degree</b>	B.A	38	56.7
	M.A	28	41.8
	PhD	1	1.5
	Total	67	100
<b>Major</b>	Accounting	48	71.6
	Financial and Banking Sciences	7	10.4
	Economy	9	13.5
	Business Administration	3	4.5

	Total	67	100
<b>Years of experience</b>	From 5 to 9 years	1	1.5
	From 10 to 15 years	17	25.4
	More than 15 years	49	73.1
	Total	67	100

### 3.4 Instrumentation

To achieve the study's objectives, the researcher used a 57-item questionnaire for the study sample, using previous literature and the researcher's own experience in accounting and auditing. The questionnaire consisted of four sections; the first focused on the respondents' demographic data such as gender, age, qualification, study major and years of service. The second section consisted of five domains: applying responsibility accounting (organizational structure and responsibility centers, planning budgets, accounting information system, reporting system, and incentive system). The third is about the control process, and the fourth is the performance evaluation process.

The scores of responses to each item were calculated according to a five-point Likert scale in which strongly agree =5 points, agree =4 points, Neutral = 3, disagree = 2 points and strongly disagree = 1 point.

Accordingly, the researcher used the following scale to represent the estimation level of sample responses. To limit the length of the cells of the five-point Likert scale (minimum and maximum limits, the range has been calculated  $(5-1=4)$ , divided by the correct length of the cell  $(4/5=0.80)$  and added to the lowest value of the scale (1) in order to reach the highest limit of this cell. Cell limits became as in table (2):

Table (2): Scale for Representing the Estimation Level of Sample Responses

Mean	Percentage %	Estimation Level
4.20 and more	84.0 % and more	Very High
3.40-4.19	68.0 – 83.8 %	High
2.60-3.39	52.0 – 67.8 %	Moderate
1.80- 2.59	36.0 – 51.8 %	Low
Less than 1.8	35.9% and less	Very Low

### 3.5 Validity of the Study Questionnaire

#### 3.5.1 Face Validity

To ensure the validity of the questionnaire, it was rated by a jury of experts in accounting and auditing at Palestinian universities. Their names are in the appendix (A). The respondents' comments and the jury's suggestions were considered to modify and improve the questionnaire's content and wordings by omitting, adding or rephrasing items, bringing the remaining items to 57.

#### 3.5.2 Construct Validity

The correlation coefficient between the items, the total score for each domain and the total score of the instrument of the study were calculated, and the results were as follows:

Table (3): Pearson Correlation Matrix to Measure the Correlation between the Items and the Total Score for each Domain and the Total Score of the Instrument of the Study

Number	Domain	Total	Number	Domain	Total
	Applying responsibility accounting		30	.743**	.632**

<b>Number</b>	<b>Domain</b>	<b>Total</b>	<b>Number</b>	<b>Domain</b>	<b>Total</b>
1	.799**	.636**	31	.868**	.777**
2	.862**	.707**	32	.867**	.710**
3	.671**	.585**	33	.726**	.648**
4	.639**	.583**	34	.829**	.549**
5	.864**	.767**	35	.880**	.603**
6	.879**	.716**	36	.783**	.567**
7	.834**	.725**	37	.774**	.668**
8	.635**	.489**	38	.673**	.612**
9	.670**	.666**	39	.861**	.690**
10	.666**	.646**	Control process		
11	.594**	.512**	1	.812**	.685**
12	.849**	.611**	2	.804**	.698**
13	.861**	.795**	3	.657**	.639**
14	.651**	.659**	4	.812**	.636**
15	.562**	.433**	5	.822**	.636**
16	.683**	.547**	6	.790**	.645**
17	.681**	.430**	7	.869**	.700**
18	.840**	.504**	8	.833**	.699**
19	.860**	.612**	9	.853**	.742**
20	.834**	.531**	Performance evaluation process		
21	.779**	.677**	1	.679**	.668**
22	.698**	.590**	2	.757**	.467**

Number	Domain	Total	Number	Domain	Total
23	.854**	.628**	3	.718**	.250*
24	.582**	.481**	4	.609**	.287*
25	.812**	.816**	5	.849**	.474**
26	.794**	.640**	6	.561**	.564**
27	.763**	.612**	7	.824**	.565**
28	.593**	.546**	8	.851**	.540**
29	.772**	.680**	9	.744**	.770**

The data in Table (3) indicates that the correlation coefficients between items and the total score of each domain ranged between (0.561 - 0.88) and the correlation coefficients between items and the total score of the instrument of the study ranged between (0.25 - 0.795). This indicates the validity of the instrument's items and its ability to measure what it aims to measure.

### 3.6 Reliability Analysis

#### 3.6.1 Internal Consistency Reliability

The internal consistency reliability of the questionnaire was calculated using the Cronbach Alpha formula. The following table illustrates the results:

Table (4): Cronbach Alpha Test for the Study Tool

Domain	Items	Cronbach alpha formula
Organizational structure and responsibility centers	8	0.924
Planning budgets	9	0.884
Accounting information system	7	0.908
Reporting system	9	0.920

Incentive system	6	0.916
<b>Responsibility accounting</b>	<b>39</b>	0.972
<b>Control</b>	<b>9</b>	0.945
<b>Performance evaluation</b>	<b>9</b>	0.911

Results in Table (4) illustrate that the Cronbach Alpha coefficient of the study tool ranged from (0.911) to (0.972) for the domains of (performance evaluation) and (responsibility accounting). These values are excellent and acceptable for the purpose of the study. In order to evaluate the results of Cronbach Alpha, the following scale is used as demonstrated in the following table:

Table (5): Cronbach Alpha Internal Consistency

<b>Cronbach alpha</b>	<b>Internal consistency</b>
$\alpha \geq 0.9$	Excellent
$0.7 \leq \alpha < 0.9$	Good
$0.6 \leq \alpha < 0.7$	Acceptable

### 3.7 Data Gathering Procedures

The final draft of the questionnaire was given to study samples, some online and some on paper. It took about five weeks for the instrument to be distributed, collected, and returned to the researcher. The total number of the returned employees' questionnaires was 67. This means that the sample constituted 100% of the study population.

### 3.8 Statistical Treatment of Data

The data were collected, analyzed and subjected to statistical treatment in order to answer the problems. The Statistical instruments included:

The data collected were analyzed using (SPSS) in order to provide answers to the hypotheses and questions of the study. The researcher used the following:

1. Means, frequencies, standard deviations, and percentages to estimate every item's relative percentage.
2. Cronbach's Alpha is used to test the consistency of the items in the questionnaire.
3. Pearson Correlation Matrix to show the relations between variables.
4. Multiple regression to determine the effect of independent variables on the dependent one.

## **Chapter Four**

### **Analysis of Results**

#### **4.1 Analysis of the Research Questions and Hypotheses**

## **Chapter Four**

### **Analysis of Results**

This chapter presents the data analysis collected through the study tool, explained in the previous section. It also tests the validity of the researcher's hypotheses in the first chapter. The most prominent results reached through the statistical analysis of the questionnaire items will be reviewed and discussed.

#### **4.1 Analysis of the Research Questions and Hypotheses**

This study aimed to identify the effect of applying responsibility accounting on the Palestinian public institutions' control and performance evaluation processes. To accomplish the aims of the study, the researcher analyzed the data of the questionnaire in accordance with the study questions and hypotheses, and the results were as follows:

##### **Results related to study questions and hypotheses.**

##### **1. Results related to the first main study question and related hypothesis, which are:**

**Is there an effect of applying responsibility accounting on the control process in the Palestinian public institutions?**

**Related hypothesis: There is no effect of applying responsibility accounting on the control process in the Palestinian public institutions.**

To answer this question, means, standard deviations, estimation level and multiple Regression tests have been used as shown below:

Table (6): Means, Standard Deviations and Estimated Level for Applying Responsibility Accounting on Control Process in the Palestinian Public Institutions

No.	Domains	Means	standard deviations	Percentage %	Estimated level
1	Organizational structure and responsibility centers	4.13	0.59	82.6	High
2	Planning budgets	3.88	0.54	77.6	High
3	Accounting information system	4.18	0.57	83.6	High
4	Reporting system	3.70	0.53	74.0	High
5	Incentive system	2.64	0.86	52.8	Moderate
<b>Responsibility accounting</b>		3.71	0.54	74.2	High
<b>Control process</b>		3.79	0.63	75.8	High

Table (6) shows that the total degree of employees' attitudes towards applying responsibility accounting on the control process in the Palestinian public institutions was (3.75) which suggests a high level of estimation. The highest mean was given to the domain (accounting information system). The lowest was for the domain (incentive system). The total degree of employees' attitudes towards (control) was (3.79).

Table (7): Multiple Regression Test Determining the Effect of the Responsibility Accounting on the Control Process

Model	Sum of Squares	df	Mean Square	F	Sig.	R	R Square
Regression	16.933	5	3.387	21.448	0.000*	0.798	0.637
Residual	9.632	61	.158				
Total	26.565	66					

**\* The mean difference is significant at the 0.05 level**

Table (7) shows an ANOVA test for the effect of responsibility accounting on the control process in Palestinian public institutions. Calculated (F) is (21.448), the significant value (0.000), degrees of freedom are (5 and 61), R is (0.798), and R Square is (0.637) which means it is possible the effect for applying responsibility accounting on control process in the Palestinian public institutions.

Table (8): Excluded Variables from the Effect of the Responsibility Accounting on the Control Process

Variable	B	t	Sig.
Constants	0.073	0.159	0.874
Organizational structure and responsibility centers	0.569	3.586	0.001*
Planning budgets	-0.185	-.984	0.329
Accounting information system	0.382	3.196	0.002*
Reporting system	0.070	.364	0.717
Incentive system	0.084	.947	0.347

**\* The mean difference is significant at the 0.05 level**

Table (8) shows that dividing the organizational structure and accounting information system has a significant statistical effect on the control process. Significant values (0.001 and 0.002) are less than (0.05). On the other hand, Planning budgets, Reporting systems and Incentive systems have no significant statistical effect on the control process. Significant values are respectively (0.329, 0.717 and 0.347) which are more than (0.05).

The equation is: Control process (y)= 0.073(a) + 0.569(b1) dividing the organizational structure (x1) +0.382 (b2) accounting information system(x2).

The results show that the total degree of employees' attitudes towards applying responsibility accounting to the control process in Palestinian public institutions suggests a high level of estimation. The highest mean was given to the domain (Accounting information system). The lowest was for the domain (Incentive system). The total degree of employees' attitudes towards Control and towards (Performance evaluation) was high. Also, dividing the organizational structure and the existence of an accounting information system have significant statistical effects on the control process. On the other hand, Planning budgets, reporting systems and incentive systems have no significant statistical effect on the control process.

### **1.1 Results related to the first sub-question and related hypothesis, which are:**

**Is there an effect of dividing the organizational structure on the control process in the Palestinian public institutions?**

**Related hypothesis: There is no effect of dividing the organizational structure on the control process in the Palestinian public institutions.**

Table (8) shows that Organizational structure has a significant statistical effect on the control process in Palestinian public institutions. Significant value is (0.001) which is less than (0.05).

The equation is Control process (y)= 0.073(a) + 0.569(b) Organizational structure and responsibility centers(x).

The result shows that Organizational structure has a significant statistical effect on the control process. The more the division of the organizational structure in Palestinian public institutions, the more control process there is in Palestinian public institutions.

The researcher attributes this result to an organizational structure and an approved job description in which the powers and responsibilities of departments in the institution are determined, which will help control the work of departments based on these job descriptions.

**1.2 Results related to the second sub-question and related hypothesis, which are:**

**Is there an effect of the existence of the planning budget on the control process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of a planning budget on the control process in the Palestinian public institutions.**

Table (8) shows that the existence of a planning budget has no significant statistical effect on the control process in Palestinian public institutions. The significant value is (0.329), which is more than (0.05). The result shows that the existence of a planning budget has no significant statistical effect on the control process in Palestinian public institutions.

The researcher attributes this result to the fact that some Palestinian public institutions do not prepare their planning budgets at the level of responsibility centers within the institution. Consequently, the estimated budget for the responsibility centers may not be consistent with the actual balance, which hinders the use of planning budgets to control revenues and expenses of the responsibility centers within the institution.

This result conflicts with Mohamed and Abdallah's (2020) study, which revealed that planning budgets is an effective tool for achieving comprehensive control. Nguyen (2021) revealed that the budget is a means of controlling all company resources to achieve certain goals, and Mohanna's (2022) study revealed that there is a significant positive correlation between the application of responsibility accounting by using planning budgets and both forensic accounting and controlling the financial performance of companies listed on the Palestine Exchange.

**1.3 Results related to the third sub-question and related hypothesis, which are:**

**Is there an effect of the existence of an accounting information system on the control process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of an accounting information system on the control process in Palestinian public institutions.**

Table (8) shows that the accounting information system has a significant statistical effect on the control process in Palestinian public institutions. Significant value is (0.002) which is less than (0.05).

The equation is control process (y)= 0.073(a)+ 0.382 (b) accounting information system (x).

The result shows that the accounting information system has a significant statistical effect on the control process. The more accounting information systems exist in Palestinian public institutions, the more control processes there are in Palestinian public institutions.

The researcher attributes this result to the fact that the existence of an advanced and comprehensive accounting information system that organizes work between responsibility centers and that it is linked to the general budget and the organizational structure helps in controlling the performance of departments in the organizational structure and the extent of their implementation of the plans drawn up on the general budget. This is done by controlling the departments' revenues entered into the accounting system, their sources, their expenditures, and the reasons for their spending.

This result aligns with the results of Mushtahi and Al-Masharawi's (2019) study, which revealed that responsibility accounting, including municipal accounting systems, meets the needs of responsibility centers to perform their work effectively.

**1.4 Results related to the fourth sub-question and related hypothesis, which are:**

**Is there an effect on the existence of periodic reports on the control process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of periodic reports on the control process in the Palestinian public institutions.**

Table (8) shows that periodic reports have no significant statistical effect on the control process in Palestinian public institutions. The significant value is (0.717), which is more than (0.05). The result shows that periodic reports have no significant statistical effect on the control process in Palestinian public institutions.

The researcher attributes this result to the fact that some Palestinian public institutions do not commit to preparing periodic reports at the level of responsibility centers within the institution, which hinders using these reports as a means of control within Palestinian public institutions.

This result is opposite to Al-Sheikh's (2019) study results, which revealed that performance reports based on responsibility accounting can improve cost control effectiveness in contracting company projects and Mohanna's (2022) study results, which revealed that there is a significant positive correlation between the application of responsibility accounting by using periodic reports and both forensic accounting and controlling the financial performance of companies listed on the Palestine Exchange.

**1.5 Results related to the fifth sub-question and related hypothesis, which are:**

**Is there an effect of the existence of an effective system of incentives on the control process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of an effective system of incentives on the control process in the Palestinian public institutions**

Table (8) shows that an effective system of incentives has no significant statistical effect on the control process in Palestinian public institutions. The significant value is (0.347), which is more than (0.05). The result shows that the existence of an effective system of incentives has no significant statistical effect on the control process in Palestinian public institutions.

The researcher attributes this result to the fact that in Palestinian public institutions, there is no system of financial and moral incentives for employees. Therefore, it does not affect the control process and cannot be considered a means of assisting in the control process within Palestinian public institutions.

## **2. Results related to the second main study Question and related Hypothesis, which are:**

**Is there an effect of applying responsibility accounting on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of applying responsibility accounting on the performance evaluation process in Palestinian public institutions.**

To answer this question, means, standard deviations, estimation level and multiple Regression tests have been used as shown below:

Table (9): Means, Standard Deviations and Estimated level for Applying Responsibility Accounting on the Performance Evaluation Process in the Palestinian Public Institutions

No.	Domains	Means	standard deviations	Percentage %	Estimated level
1	Organizational structure and responsibility centers	4.13	0.59	82.6	High
2	Planning budgets	3.88	0.54	77.6	High
3	Accounting information system	4.18	0.57	83.6	High

4	Reporting system	3.70	0.53	74.0	High
5	Incentive system	2.64	0.86	52.8	Moderate
<b>Responsibility accounting</b>		3.71	0.54	74.2	High
<b>Performance evaluation process</b>		3.60	0.54	72.0	High

Table (9) shows that the total degree for employees' attitudes towards applying responsibility accounting on the performance evaluation process in the Palestinian public institutions was (3.65) which suggests a high level of estimation. The highest mean was given to the domain (accounting information system). The lowest was for the domain (incentive system). The total degree of employees' attitudes towards (performance evaluation) was (3.60).

Table (10): Multiple Regression Test Determining the Effect of Responsibility Accounting on the Performance Evaluation Process

Model	Sum of Squares	df	Mean Square	F	Sig.	R	R Square
Regression	7.316	5	1.463	7.174	*0.000	0.609	0.370
Residual	12.442	61	.204				
Total	19.759	66					

**\* The mean difference is significant at the 0.05 level**

Table (10) shows the ANOVA test for the effect of the responsibility accounting on the performance evaluation process. Calculated (F) is (7.174), the significant value (0.000), degrees of freedom are (5 and 61), R is (0.609), and R Square is (0.370), which means that it is possible the effect for applying responsibility accounting on the performance evaluation process in the Palestinian public institutions.

Table (11): Excluded Variables from the Effect of the Responsibility Accounting on the Performance Evaluation Process

Variable	B	t	Sig.*
Constant	1.310	2.507	0.015
Organizational structure and responsibility centers	-0.186	-1.034	0.305
Planning budgets	0.391	1.832	0.072
Accounting information system	-0.080	-0.591	0.557
Reporting system	0.534	2.427	0.018*
Incentive system	-0.037	-0.361	0.719

\* The mean difference is significant at the 0.05 level

Table (11) shows that the Reporting system has a significant statistical effect on the performance evaluation process in the Palestinian public institutions. The significant value is (0.018), which is less than (0.05). The equation is **Performance evaluation process (y)= 1.310(a)+ 0.543 (b) Reporting system (x).**

On the other hand, (Dividing the organizational structure, Planning budgets, accounting information systems, and Incentive systems) have no significant statistical effect on the performance evaluation process. Significant values are respectively (0.305, 0.72, 0.557 and 0.719) more than (0.05).

The results show that the reporting system has a significant statistical effect on the performance evaluation process. On the other hand, the item “Dividing the organizational structure, Planning budgets, accounting information system, and Incentive system” has no significant statistical effect on the performance evaluation process in Palestinian public institutions.

**2.1 Results related to the first sub-question and related hypothesis, which are:**

**Is there an effect of dividing the organizational structure on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of dividing the organizational structure on the performance evaluation process in Palestinian public institutions.**

Table (11) shows that dividing the organizational structure has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The significant value is (0.305), which is more than (0.05).

The result shows that dividing the organizational structure has no significant statistical effect on the performance evaluation process in Palestinian public institutions.

The researcher attributes this result to the fact that some Palestinian public institutions have created many departments without amending their organizational structure and placing them on the organizational structure. Consequently, this prevents the use of organizational structures to evaluate the performance of departments within these institutions, as their organizational structure is not updated, and many departments and their job descriptions are not specified.

These results are against Tien et al. (2020), which indicated that factors affecting responsibility accounting in joint stock commercial banks include organizational structure.

**2.2 Results related to the first sub-question and related hypothesis, which are:**

**Is there an effect of the existence of the planning budget on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of a planning budget on the performance evaluation process of Palestinian public institutions.**

Table (11) shows that the existence of a planning budget has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The significant value is (0.072), which is more than (0.05). The result shows that the existence of a planning budget has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The researcher attributes this result to the fact that some Palestinian public institutions do not prepare planning budgets at the level of their responsibility centers, which hinders the use of planning budgets in the performance evaluation process, as the estimated expenditures and revenues may not reflect the reality of the responsibility center, which hinders their use as a means of performance evaluation by comparing the estimated budget with the actual. This result differs from Al-Taweel (2020), which revealed that responsibility accounting as a tool for evaluating performance and addressing deviations is highly related to planning budgets.

### **2.3 Results related to the third sub-question and related hypothesis, which are:**

**Is there an effect of the existence of an accounting information system on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of an accounting information system on the performance evaluation process of Palestinian public institutions.**

Table (11) shows that the existence of an accounting information system has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The significant value is (0.557), which is more than (0.05). The result shows that the existence of an accounting information system has no significant statistical effect on the performance evaluation process in Palestinian public institutions.

The researcher attributes this result to the fact that the accounting information system used in Palestinian public institutions is not continuously developed and updated, which hinders the use of the accounting information system to evaluate performance in these institutions.

This result conflicts with Sari and Amalia's (2019) study, which revealed that accounting information systems produce accounting information from various parts or functions within the organization. This information is used to assess performance (performance evaluation).

#### **2.4 Results related to the fourth sub-question and related hypothesis, which are:**

**Is there an effect of the existence of periodic reports on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of periodic reports on the performance evaluation process of Palestinian public institutions.**

Table (11) shows that periodic reports have a significant statistical effect on the performance evaluation process in Palestinian public institutions. The significant value is (0.018), which is less than (0.05). The equation is Performance evaluation process (y)= 1.310(a)+ 0.534 (b) Reporting system (x). The result shows that periodic reports significantly statistically affect the performance evaluation process in Palestinian public institutions. The more periodic report systems exist in Palestinian public institutions, the more employee performance evaluations will increase. The researcher attributes this result to the fact that periodic reports provide the necessary information to senior management that helps in evaluating the departments' performance and making the necessary and appropriate decisions.

This result is in line with Al-Taweel (2020), which revealed that responsibility accounting as a tool for evaluating performance and addressing deviations is highly related to periodic reports.

#### **2.5 Results related to the fifth sub-question and related hypothesis, which are:**

**Is there an effect of the existence of an effective system of incentives on the performance evaluation process in Palestinian public institutions?**

**Related hypothesis: There is no effect of the existence of an effective system of incentives on the performance evaluation process in Palestinian public institutions**

Table (11) shows that the existence of an effective system of incentives has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The significant value is (0.719), which is more than (0.05). The result shows that the existence of an effective system of incentives has no significant statistical effect on the performance evaluation process in Palestinian public institutions. The researcher attributes this result to the fact that no system of financial and moral incentives is applied in Palestinian public institutions. Therefore, it does not affect the performance evaluation process and cannot be considered a means to help in the performance evaluation process in these institutions.

This result differs from Al-Taweel (2020), which revealed that responsibility accounting as a tool for evaluating performance and addressing deviations is highly related to the incentive system.

## **Chapter Five**

### **Findings, Conclusion, and Recommendations**

#### **5.1 Findings**

#### **5.2 Conclusion**

#### **5.3 Recommendations**

## Chapter Five

### Findings, Conclusion, and Recommendations

This chapter presents the findings, answering the questions raised in chapter one, the conclusion, and the recommendations derived from them.

#### 5.1 Findings

The study reveals a high positive and statistically significant effect of dividing the organizational structure on the control process in Palestinian public institutions. This suggests that the control process improves as the organizational structure becomes more divided. However, the existence of a planning budget does not have a statistically significant effect on the control process. Similarly, there is a high positive and statistically significant effect of the presence of an accounting information system on the control process. The more prevalent the accounting information system, the better the control process.

In contrast, the presence of periodic reports and an effective system of incentives does not show a statistically significant effect on the control process in these institutions. Regarding the performance evaluation process, dividing the organizational structure does not have a statistically significant effect. Likewise, the existence of a planning budget and an accounting information system does not significantly impact performance evaluation. However, the existence of periodic reports has a highly positive and statistically significant effect on performance evaluation. The more robust the periodic reporting system, the better the performance evaluation process. Meanwhile, the presence of an effective incentive system does not significantly affect performance evaluation in Palestinian public institutions.

## 5.2 Conclusion

This study aimed to explain the effect of applying responsibility accounting on Palestinian public institutions' control and performance evaluation processes. The study population was all financial affairs managers of the Palestinian public institutions, which numbered 68 institutions, 67 of which are located in Palestine and 1 in Jordan. Data was collected by distributing one questionnaire to the financial affairs manager in each public institution located in Palestine. Multiple regression methods were used to analyze the results and test the study hypotheses.

The study results showed a positive statistical significant effect (dividing the organizational structure and the existence of an accounting information system) on the control process in Palestinian public institutions. At the same time, there is no statistically significant effect (the existence of planning budgets, periodic reports, and incentive systems) on the control process in Palestinian public institutions. The results also showed that there is a positive statistical significant effect of the existence of a periodic report on the performance evaluation process in Palestinian public institutions. At the same time, there is no statistically significant effect (dividing the organizational structure, the existence of planning budgets, an accounting information system, and an incentive system) on the performance evaluation process in Palestinian public institutions.

Nevertheless, this study has its limitations. The researcher only used the questionnaire tool to collect data. However, it is possible to obtain more accurate information by conducting interviews with the study sample. Due to the political circumstances in which Palestine is going through this period and the reduction of working days in public institutions, conducting interviews with the study sample was difficult. Another limitation is that three Palestinian public institutions refused to cooperate with the researcher. Also, most previous studies were conducted

on private companies, making obtaining studies specific to the public sector difficult. The last limitation was the difficulty of reaching the Palestinian public institution located in Jordan, which led to its exclusion from the study sample.

### **5.3 Recommendations**

1. Accelerating the adoption of the organizational structures and job descriptions for all Palestinian public institutions by the competent authorities and defining the responsibilities and powers associated with the various departments in the institution contributes to the effective application of responsibility accounting and thus will increase the effectiveness of control and performance evaluation processes in these institutions.
2. It is necessary to involve workers in the various departments in preparing planning budgets and preparing them at the level of the responsibility centers separately so that a budget is allocated to each center and not at the level of the department as a whole, which strengthens the process of controlling deviations that may occur and holding those responsible for them accountable and helps in evaluating the performance of the responsibility centers within the institution.
3. Working to develop the accounting information system used in Palestinian public institutions, which contributes to tracking costs and revenues and linking them at the department level, thus increasing the effectiveness of control and performance evaluation processes.
4. It is necessary to prepare reports at the level of responsibility centers periodically, which helps in controlling the responsibility centers, identifying the efficiency of each official in using the resources available to him and evaluating his performance.

5. It is necessary to create a system of material and moral incentives in Palestinian public institutions consistent with their activity and service operations.

Finally, based on the findings of this study, future researchers may prepare a proposed framework for using responsibility accounting to reduce random expenditures in Palestinian public institutions, especially in light of the financial crisis that the Palestinian public sector is currently suffering from. In addition, researchers may work on developing these findings by applying this study to the private sector, such as banks, insurance companies, and pharmaceutical companies.

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## Appendices

### Appendix A: Questionnaire Revision

#### List of Academic and Professional Referees:

No.	Referee	Place of work
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2	Dr. Imad Walid Ali	Arab American University
3	Dr. Majdi Wael AlKababji	Al-Quds Open University
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## Appendix B: Arabic Questionnaire

الجامعة العربية الأمريكية  
ARAB AMERICAN UNIVERSITY



الجامعة العربية الأمريكية

كلية الدراسات العليا

برنامج المحاسبة والتدقيق

السيد مدير الشؤون المالية المحترم  
تحية طيبة،

تقوم الباحثة بدراسة بعنوان :

**“The Effect of Applying Responsibility Accounting on Control and Performance Evaluation Processes: An Empirical Study on the Palestinian Public Institutions”**

" أثر تطبيق محاسبة المسؤولية على عمليات الرقابة وتقييم الأداء: دراسة تطبيقية على مؤسسات القطاع العام الفلسطيني"، وذلك استكمالاً لمتطلبات الحصول على درجة الماجستير في (المحاسبة والتدقيق) من الجامعة العربية الأمريكية.

ويسرُّ الباحثة أن تضع بين أيديكم الإستبانة المرفقة، راجيةً منكم التكرم بالإجابة على جميع فقراتها بدقة وعناية، وذلك بوضع إشارة (X) في خانة الخيار الذي يعبر عن وجهة نظركم. علماً بأن إجاباتكم سوف تُعامل بسريّة تامّة، ولن تُستخدم هذه المعلومات إلا لأغراض البحث العلمي فقط. مع جزيل الشكر والامتنان لحسن تعاونكم.

إشراف  
د. راند ابراهيم سعد

الباحثة  
رغد مصطفى صيفي

الجزء الأول: البيانات الشخصية والوظيفية  
يرجى التكرم بوضع إشارة (X) في المربع المحاذي للإجابة الممثلة لوضعكم:

- الجنس  ذكر  أنثى
- العمر  أقل من 30 عام  من 30 الى 40 عام  من 41 الى 50 عام  أكثر من 50 عام
- المؤهل العلمي  بكالوريوس  ماجستير  دكتورة  أخرى، أذكرها .....
- التخصص الجامعي  محاسبة  علوم مالية ومصرفية  ادارة أعمال  اقتصاد  غير ذلك، أذكرها .....
- عدد سنوات الخدمة  أقل من 5 سنوات  من 5 الى 9 سنوات  من 10 الى 15 سنة  أكثر من 15 سنة

### الجزء الثاني: فقرات الاستبيان

يتكون هذا الاستبيان من عدد من المحاور الرئيسية، ويتكون كل محور من عدد من الفقرات، أرجو الإجابة على جميع فقرات الاستبيان من خلال وضع إشارة (X) في الخانة الممثلة لما هو الواقع لديكم، علماً بأن مقياس الإجابة مكون من خمس درجات.

### المحور الأول: محاسبة المسؤولية

5	4	3	2	1	العبارة
موافق بشدة	موافق	محايد	معارض	معارض بشدة	
<b>العنصر الأول: الهيكل التنظيمي ومراكز المسؤولية</b>					
					1 يتوفر هيكل تنظيمي واضح لدى المؤسسة.
					2 هناك تحديد واضح ودقيق لمراكز المسؤولية في الهيكل التنظيمي للمؤسسة.
					3 هناك مدير مختص لكل مركز مسؤولية في المؤسسة.
					4 هناك وصف محدد ودقيق لكل وظيفة في المؤسسة.
					5 هناك تحديد للمسؤوليات والصلاحيات في مراكز المسؤولية.
					6 يتحمل مدير مركز المسؤولية كافة مسؤولياته ومسؤوليات الموظفين الخاضعين لسلطته.
					7 هناك وضوح في العلاقات ما بين الأقسام والإدارات داخل المؤسسة.
					8 تتوفر الخبرة والكفاءة الكافية لدى الموظفين للقيام بمهام مركز المسؤولية.
<b>العنصر الثاني: الموازنات التخطيطية</b>					
					9 يتم تحديد أهداف كل مركز مسؤولية على حده.
					10 يتم عكس الأهداف التفصيلية المراد إنجازها في الموازنات التخطيطية بصورة رقمية قابلة للقياس.
					11 يتم الاعتماد على الموازنات التخطيطية في تخطيط الإيرادات والنفقات لمراكز المسؤولية في المؤسسة.
					12 يتم اعداد الموازنة التخطيطية بمشاركة الموظفين في مراكز المسؤولية المختلفة.
					13 عند اعداد الموازنات التخطيطية يتم مراعاة امكانية تحققها من قبل العاملين.
					14 يتم الاعتماد على الموازنات التخطيطية كأحد الأساليب المهمة لمقارنة الأداء الفعلي مع الأداء المخطط.
					15 يمكن فصل الموازنة التخطيطية الخاصة بمركز مسؤولية محدد عن الموازنة الإجمالية.

					16	تتم اعادة النظر في الموازنات التخطيطية عند حدوث الحالات الطارئة.
					17	تستخدم الموازنات التخطيطية كوسيلة لتحفيز الموظفين وحثهم على تحقيق أهداف المؤسسة مع ضرورة ان تكون هذه الأهداف طموحة وواقعية في آن واحد.
<b>العنصر الثالث: نظام المعلومات المحاسبي</b>						
					18	يتناسب نظام المعلومات المحاسبي المستخدم مع طبيعة النشاط في المؤسسة.
					19	يوفر النظام المحاسبي المستخدم التقارير المالية اللازمة في الوقت المناسب.
					20	يتم تطوير النظام المحاسبي المستخدم في المؤسسة باستمرار.
					21	القواعد والسياسات المحاسبية المستخدمة في المؤسسة تمتاز بالوضوح.
					22	يتم تبويب وحصر وتسجيل كافة الإيرادات والنفقات وفقاً للأسس والمبادئ المحاسبية المتعارف عليها.
					23	يتم عكس كافة المعاملات المالية التي وقعت خلال الفترة من خلال البيانات المالية المستخرجة في نهاية الفترة المالية.
					24	يوجد ربط بين نظام المعلومات المحاسبي ونظام الموازنات التخطيطية والهيكل التنظيمي للمؤسسة.
<b>العنصر الرابع: نظام التقارير</b>						
					25	يسمح نظام التقارير المتبع في المؤسسة بقياس وتقييم الأداء بسهولة.
					26	يوجد وصف واضح للمعلومات التي يجب أن تتضمنها تقارير الأداء في مراكز المسؤولية.
					27	تتم مراعاة تسلسل خطوط المسؤولية في إعداد تقارير الأداء ورفعها.
					28	يحصل المسؤول عن مركز المسؤولية على تقارير بصورة دورية.
					29	يحتوي التقرير على تفصيلات عن الأداء المخطط له والأداء الفعلي والانحراف بينهما.
					30	يتم من خلال التقارير الدورية قياس أداء كل مركز مسؤولية على حدة.
					31	تتم دراسة وتحديد أسباب الانحرافات الواردة في تقارير الأداء لكل مركز مسؤولية.
					32	يتم تحديد الجهات المسؤولة عن انحرافات أداء كل مركز مسؤولية.
					33	يتم وضع وسائل لمعالجة الانحرافات في الأداء لكل مركز مسؤولية.
<b>العنصر الخامس: نظام الحوافز</b>						
					34	هناك نظام واضح للحوافز في المؤسسة يشجع الموظفين على تحقيق الأداء المطلوب في مراكز

					المسؤولية .
					35 يتم منح الحوافز على أسس عادلة وموضوعية وعلى أساس الكفاءة والانجاز.
					36 تتناسب الحوافز الممنوحة للموظفين مع المسؤوليات التي يكلفون بها تبعا للهيكل التنظيمي.
					37 يتوافر الرضا لدى الموظفين عن نظام المكافآت والحوافز المتبع في المؤسسة.
					38 تشجع المكافآت والحوافز الموظفين على أداء مهامهم بشكل أفضل.
					39 يتم إعادة النظر في نظام الحوافز المعمول به في المؤسسة بشكل دوري.

### المحور الثاني: الرقابة

5	4	3	2	1	العبارة
موافق بشدة	موافق	محايد	معارض	معارض بشدة	
					1 تتصف الرقابة بالمرونة ومواكبة تطورات الأداء.
					2 تعتمد الرقابة على الأساليب العلمية في متابعة ومراقبة الأداء.
					3 هناك سهولة في الرجوع إلى السجلات الخاصة بأداء العمل لمراقبة الأداء.
					4 تلعب الرقابة دوراً مهماً في سرعة اكتشاف الأخطاء وانحرافات الأداء.
					5 تعمل الرقابة على تقويم الأخطاء وانحرافات الأداء.
					6 تقوم الرقابة بالتدابير اللازمة للحد من حدوث الانحرافات مستقبلاً.
					7 تمتاز الأهداف والخطط بالوضوح وسهولة الفهم.
					8 المعلومات المعتمد عليها في وضع الخطط سليمة وأعدت وفق إجراءات صحيحة.
					9 هناك متابعة لتنفيذ الخطوات اللازمة لتحقيق الأهداف المحددة واتخاذ الإجراءات التصحيحية اللازمة إذا استدعى الأمر.

### المحور الثالث: تقييم الأداء

5	4	3	2	1	العبارة
موافق	موافق	محايد	معارض	معارض بشدة	

بشدة				بشدة	
					1 يوجد تحديد واضح للقواعد المحاسبية والسياسات المستخدمة في تقييم الأداء.
					2 يوجد نظام تقارير أداء لكل مركز مسؤولية في المؤسسة.
					3 يتم الاعتماد على النسب المالية المختلفة في تقييم الأداء الفعلي والمخطط له والانحرافات لكل مركز مسؤولية على حدة.
					4 يتم إعداد البيانات المقدره لكل مركز مسؤولية من قبل العاملين فيه.
					5 تتم مقارنة الأداء الفعلي بالأداء المخطط له عند التقييم.
					6 يتم من خلال التقييم تحديد الشخص المسؤول عن حدوث الانحرافات لكل مركز مسؤولية.
					7 يتم قياس النتائج الفعلية المحققة في ضوء مستويات الأداء المستهدفة الواردة بالموازنات التخطيطية.
					8 يتم تحديد الانحرافات بمقارنة النتائج الفعلية مع التقديرات.
					9 يتم تحليل الانحرافات إلى أسبابها وحسب مراكز المسؤولية وذلك حتى يمكن للإدارة اتخاذ الإجراءات العلاجية التي تكفل تفادي تكرار حدوث الانحرافات غير المرغوب فيها مستقبلاً.

شاكراً لحضراتكم حسن تعاونكم

## Appendix C: Palestinian Public Institutions

## مؤسسات القطاع العام الفلسطيني

## بناءً على بلاغ اعداد الموازنة للعام 2023-2025

1	وزارة الزراعة	35	هيئة تشجيع الاستثمار الفلسطينية
2	وزارة الاوقاف و الشؤون الدينية	36	ديوان الموظفين العام
3	وزارة الثقافة	37	الهيئة العامة للشؤون المدنية
4	وزارة الأسرى والمحربين	38	مجلس القضاء الأعلى
5	وزارة التربية والتعليم	39	مؤسسة رعاية أسر الشهداء
6	وزارة المالية	40	سلطة الأراضي
7	وزارة الشؤون الخارجية	41	وزارة الريادة والتمكين
8	وزارة الصحة	42	بنك الاستقلال للتنمية والاستثمار
9	وزارة الإعلام	43	الصندوق القومي الفلسطيني
10	وزارة الداخلية	44	مفوضية التوجيه الوطني
11	وزارة العدل	45	دائرة شؤون المفاوضات
12	وزارة العمل	46	هيئة الاذاعة والتلفزيون الفلسطيني
13	وزارة الحكم المحلي	47	وكالة الأنباء الفلسطينية والمعلومات – وفا
14	وزارة الاقتصاد الوطني	48	الجهاز المركزي للإحصاء الفلسطيني
15	وزارة الأشغال العامة والاسكان	49	المحاكم الإدارية
16	وزارة التنمية الاجتماعية	50	سلطة الطاقة والموارد الطبيعية الفلسطينية
17	وزارة الاتصالات وتكنولوجيا المعلومات	51	المجلس التشريعي الفلسطيني
18	وزارة السياحة والآثار	52	المجلس الوطني الفلسطيني
19	وزارة النقل والمواصلات	53	سلطة المياه الفلسطينية
20	وزارة شؤون المرأة	54	النيابة العامة
21	المجلس الأعلى للشباب والرياضة	55	المجلس الأعلى لسياسات الشراء العام
22	الإدارة المالية المركزية	56	دائرة شؤون اللاجئين
23	الهيئة العامة للمعابر والحدود	57	الهيئة الوطنية للتعليم والتدريب المهني والتقني
24	وزارة التعليم العالي والبحث العلمي	58	مؤسسة المواصفات والمقاييس
25	لجنة الانتخابات المركزية	59	المدرسة الوطنية الفلسطينية للإدارة
26	ديوان الفتوى والتشريع	60	هيئة مكافحة الفساد
27	صندوق درء المخاطر والتأمينات الزراعية	61	المؤسسة الفلسطينية للإقراض الزراعي
28	ديوان قاضي القضاة	62	هيئة تسوية الأراضي والمياه
29	هيئة شؤون المنظمات الأهلية	63	المحكمة الدستورية العليا
30	الأمانة العامة لمجلس الوزراء	64	المعهد القضائي الفلسطيني
31	هيئة مقاومة الجدار والاستيطان	65	دار الحياة الجديدة للصحافة والطباعة
32	سلطة جودة البيئة	66	هيئة العمل التعاوني

اللجنة الوطنية للمخيمات الصيفية	67	دار الافتاء الفلسطينية	33
وزارة شؤون القدس	68	ديوان الرقابة المالية والإدارية	34

## Appendix D: Certificate of English Proofreading and Editing

### Certificate of English Proofreading and Editing

This certificate confirms that the thesis mentioned below was proofread by an expert in academic English and edited by a native speaker.

The following issues were corrected: grammar, punctuation, sentence structure, and phrasing.

*Faculty of Graduate Studies at the Arab American University can contact us for a copy of the edited document the author submitted.*

#### Title

The Effect of Applying Responsibility Accounting on Control and Performance Evaluation Processes: An Empirical Study on the Palestinian Public Institutions

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## الملخص

هدفت هذه الدراسة الي اختبار اثر تطبيق محاسبة المسؤولية على عمليات الرقابة وتقييم الأداء في مؤسسات القطاع العام الفلسطيني. وتم الاعتماد في جمع البيانات على أداة الاستبانة، والتي تكونت من (57) فقرة موزعة على (7) محاور وهي (الهيكل التنظيمي ومراكز المسؤولية، الموازنات التخطيطية، نظام المعلومات المحاسبي، نظام التقارير، نظام الحوافز، الرقابة، تقييم الأداء). وتكون مجتمع الدراسة من جميع مدراء الشؤون المالية في مؤسسات القطاع العام الفلسطيني البالغ عددها 68 مؤسسة، 67 منها تقع في فلسطين و1 في الأردن، وعينة الدراسة تكونت من 67 مدير للشؤون المالية حيث قامت الباحثة بتوزيع استبانة واحدة على كل مؤسسة من مؤسسات القطاع العام التي تقع في فلسطين. وتم استخدام أسلوب الانحدار المتعدد لتحليل العلاقة بين المتغيرات.

بينت نتائج الدراسة أن هناك أثر ايجابي وذو دلالة احصائية لكل من (تقسيم الهيكل التنظيمي ووجود نظام معلومات محاسبي) على عملية الرقابة بينما تبين عدم وجود أثر ذو دلالة احصائية لكل من (وجود موازنات تخطيطية، ووجود تقارير دورية، ووجود نظام للحوافز) على عملية الرقابة في مؤسسات القطاع العام الفلسطيني، كما توصلت الدراسة الى أن هناك أثر ايجابي وذو دلالة احصائية لوجود التقارير الدورية على عملية تقييم الأداء في حين تبين عدم وجود أثر ذو دلالة احصائية لكل من ( تقسيم الهيكل التنظيمي، ووجود الموازنات التخطيطية، ووجود نظام معلومات محاسبي ووجود نظام للحوافز) على عملية تقييم الأداء في مؤسسات القطاع العام الفلسطيني.

وأوصت الدراسة بضرورة الاسراع في اعتماد الهياكل التنظيمية والوصف الوظيفي لكافة مؤسسات القطاع العام الفلسطينية من قبل الجهات المختصة، كما أوصت باشتراك العاملين في الدوائر المختلفة في اعداد الموازنات التخطيطية، اضافة الى ضرورة العمل على تطوير النظام المحاسبي المستخدم في مؤسسات القطاع العام الفلسطينية، وأوصت الدراسة أيضاً بضرورة اعداد التقارير على مستوى مراكز المسؤولية وبصورة دورية، وأخيراً، هناك حاجة لإيجاد نظام للحوافز المادية والمعنوية في مؤسسات القطاع العام الفلسطيني يتفق مع طبيعة نشاطها وعملياتها الخدمية. الكلمات المفتاحية: محاسبة المسؤولية، الرقابة، تقييم الأداء، الهيكل التنظيمي، الموازنات التخطيطية، نظام المعلومات المحاسبي، نظام التقارير، نظام الحوافز.