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The Influence of Financial Resources on the Implementation of Strategic Plans in Tanzania's Local Government Authorities: A Survey of Selected LGAs in Morogoro Region

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ABSTRACT

Financial resources are critical to the successful implementation of strategic plans in Local Government Authorities (LGAs). This study aimed to investigate the influence of financial resources on the implementation of strategic plans in selected LGAs in the Morogoro region of Tanzania. The study was underpinned by the resource-based view theory and pragmatic research philosophy. The study employed a mixed research approach, using an explanatory sequential design with quantitative data exceeding qualitative data. The study sample size was 204, drawn from a target population of 860 employees in all five LGAs. Data were collected using questionnaires and interviews, and qualitative and quantitative data were analysed thematically and through descriptive and inferential statistical analyses respectively. The findings revealed that financial resources had a statistically significant weak positive relationship with the implementation of strategic plans in LGAs and only 8.3 per cent of the variations on the implementation of strategic plans are contributed by all predictors namely financial capacity, adequate budget, timely disbursement, fund utilization). Thus, other factors which were not included in this study contribute about 81.7per cent to the implementation of strategic plans of Tanzania's LGAs in the Morogoro Region. The study concludes that financial resources have a small contribution to the timely execution of strategic plans in LGAs and recommends that enough funds should be allocated and timely disbursed for the effective execution of various strategies.

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1. Introduction

The effective implementation of strategic plans is crucial for the success of any organization, including Local Government Authorities. However, the implementation of strategic plans requires adequate financial resources to support the necessary activities. The importance of financial resources in the implementation of strategic plans has been widely discussed in the literature. This article aims to explore the influence of financial resources on the implementation of strategic plans by Local Government Authorities. The study was underpinned by the resource-based view (RBV) theory, which holds that resources are the main source of competitive advantage for organizations. The RBV theory posits that organizations should possess resources that are valuable, rare, inimitable, and non-substitutable to gain a competitive advantage. According to Ali, Shahzad, and Ahmed (2017), resource availability is positively related to strategic planning and organizational performance. Ahmad et al. (2019) suggest that resource constraints can have negative effects on strategic planning in Local Government Authorities (LGAs). Inyang and Ekerete (2017) observe that the effective use of financial resources can help LGAs achieve their strategic goals.

Current research shows that financial resources have a significant impact on the implementation of strategic plans by Local Government Authorities. A study by Ssewanyana et al. (2021), found that financial resources are a critical factor in the implementation of strategic plans by Local Government Authorities in Uganda. The study highlighted the need for Local Government Authorities to allocate adequate financial resources to support the implementation of their strategic plans. Similarly, a study by Mukwada and Mukwada (2020) in Zimbabwe found that financial resources are essential in the implementation of strategic plans by Local Government Authorities. The study emphasized that the lack of financial resources could lead to delays or even failure in the implementation of strategic plans. Furthermore, a study by Ayub *et al.* (2020) in Pakistan found that financial resources were a significant determinant of the successful implementation of strategic plans by Local Government Authorities.

2. Methodology

The study utilized a mixed method approach using explanatory sequential design which involved both quantitative and qualitative data in phases, with a greater emphasis on the former (Lebo,

2015). The design facilitated efficient data collection and allowed for the collection of data from a large population within a short period. The study employed a cross-sectional time horizon, with stratified and simple random sampling used to select respondents from all departments of the five selected LGAs in the Morogoro region. Additionally, purposive sampling was utilized to select 20 key informants of which 4 informants were drawn from each council. Informants included Heads of Departments, to obtain more detailed information. The study had a sample size of 204 respondents out of the targeted population of 860 employees in the five selected LGAs in the Morogoro region. Data were collected using questionnaires and interview guides.

3.1 Analysis Procedure

Content analysis was used to analyse qualitative data and Regression analysis was used to analyse quantitative data. The regression model ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$) was used to determine the influence of Financial Resources on the implementation of strategic plans.

Whereby,

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Y =dependent variable (Implementation of strategic plans), β_0 - Is constant which explains the level of influence given Y -value when all the predictor values (X_1, X_2, X_3, X_4) are zero. $\beta_1, \beta_2, \beta_3, \beta_4$ - Are constant regression coefficients representing the conditions of the independent variables to the dependent variable. X_1 – Financial capacity, X_2 – Adequate budget, X_3 – timely disbursement, X_4 – Fund utilization, ε -Extraneous variable (An error term describing other factors not involved in this model). This model was analysed using SPSS 26 version to test the significant influence of independent variables (X_1, X_2, X_3, X_4) on the dependent variable Y – (Implementation of strategic plans).

3.2 Consideration of Ethical Issues

This study adhered to ethical principles throughout the research process. Before data collection, the researcher ensured that permission regarding data collection was granted. During data collection, the researcher-maintained integrity, and confidentiality and the participant's consent was given much attention. However, in report writing a researcher considered the requirements of the research guidelines including using simple language and avoiding plagiarism.

4. Results and Discussion

The study collected data from 202 employees from five LGAs in the Morogoro region, with a high response rate of 99 per cent. This high response rate is in line with the suggestion by Shillingi (2018) that a response rate over 75 per cent is appropriate for reliable information. This indicates that the data collected in this study is likely to be reliable and representative of the target population. The use of a high response rate is also supported by previous studies such as Smith et al. (2008), who suggest that high response rates are important for ensuring data quality and minimizing bias in survey research.

4.1 Financial Resources and Implementation of Strategic Plans in LGAs

The study examined the impact of financial resources on the implementation of strategic plans in five LGAs in the Morogoro region. Respondents were asked a categorical question which required a yes or no as an answer to indicate whether financial resources influenced the implementation of strategic plans at their council. Out of 202 respondents, 93.60 per cent confirmed that financial resources had an impact on the implementation of strategic plans, while 6.40 per cent did not see any influence on financial resources. This finding is consistent with the findings of previous studies, such as Nkosi (2015), which also found that financial resources have a significant impact on the successful execution of strategic plans in LGAs. Also, various narrations were reported to support the findings. One of the key informants was the Head of Economics, Planning and Statistics from Gairo District Council during the interview had this to say,

Of course, the fund is very important for the successful execution of strategies but the shortage of fund in our district ruined the implementation of some strategies, this situation contributed to little budget as well as low revenues collection at our council (Interview, Head of Economics, Planning and Statistics Department, Gairo DC Headquarter; 25/04/2022).

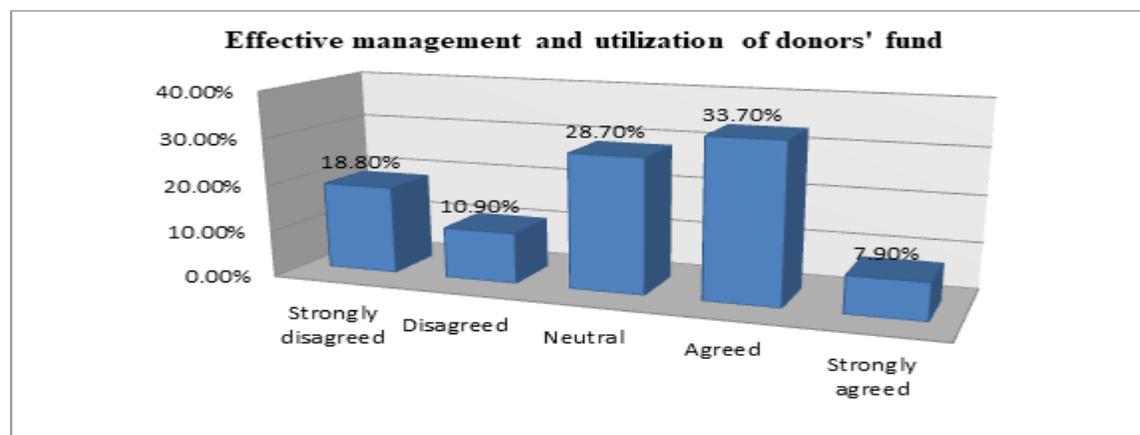
Further, the study asked respondents about the availability of funds and subsidies for executing strategic plans, as well as alternative sources of income in their LGAs. Out of 202 respondents, 37.1 per cent strongly disagreed and 27.7 per cent disagreed that their institutions have enough budgets. Regarding subsidies, 28.2 per cent strongly disagreed and 15.3 per cent disagreed that their LGAs received enough subsidies from the central government. In terms of alternative

sources of income, 27.2 per cent strongly disagreed and 11.4 per cent disagreed, while the majority (38.6%) agreed and 6.4 per cent strongly agreed.

In addition, respondents were asked about the timeliness and effectiveness of budget allocations and financial support. The majority of respondents strongly disagreed and disagreed that the central government allocated budgets on time to their LGAs and that their LGAs received financial support on time from various donors. As to whether subsidies from the central government were properly managed and utilized effectively in their LGAs; the results show that over 40 per cent of the respondents disagreed or strongly disagreed, while around 36 per cent agreed or strongly agreed.

Moreover, the respondents were asked to air out their views on whether the departments in their LGAs properly managed and utilized effectively the allocated budget by their councils. The findings show that 11.9 per cent strongly disagreed and 14.9 per cent disagreed and 20.8 per cent of the respondents were neutral. The majority of respondents about 41.1 per cent agreed and 4.0 per cent strongly agreed that the departments in their LGAs properly managed and utilized effectively the allocated budget by their councils. Also, the question of whether donors' support in their LGAs is properly managed and effectively utilized. Results in Figure 3.1 revealed that 18.8 per cent strongly disagreed and 10.9 per cent disagreed and 28.7 per cent were neutral. About 33.7 per cent agreed and 7.9 per cent strongly agreed that donors' support in their LGAs is properly managed and effectively utilized.

Figure 4.1: Effective Management and Utilization of Donors’ Fund



Source: Field Data, 2022

4.2 Implementation of Strategic Plans in LGAs

The study included a categorical question for respondents from all five LGAs to indicate whether they were aware of the implementation of strategic plans in their LGAs, with a yes or no answer. Results showed that out of 202 respondents, 72.3 per cent reported being aware of the implementation of strategic plans in their LGAs, while the remaining 27.7 per cent reported not being aware of the implementation of strategic plans in their respective LGAs. The results correlate with the results of other scholars (i.e., Morgan, Levitt & Malek, 2007; Inyang & Ekerete, 2017) who observed that, that while awareness of strategic plans is important, it is also crucial to ensure that officials and citizens have a clear understanding of the contents of the plans and are involved in the planning process. Reporting on the implementation of strategic plans, one respondent from Morogoro DC had this to say,

Executions of strategic plans in our council are done in cooperation with other departments such as the Finance Department, Economics, Planning and Statistics Department. There is an effective follow-up in my department on various projects that we initiated with our farmers from the district to the village level whereby we are working together with our agricultural experts from the wards to villages... (Interview, Agricultural Officer, Morogoro DC Headquarters, 13/05/2022).

Furthermore, the respondents were asked to indicate whether their LGAs frequently conducted monitoring and evaluation of the crafted strategies. The majority (39.1%) of respondents strongly disagreed, 11.9 per cent disagreed and 14.4 per cent were neutral. About 31.7 and 3.0 per cent of the respondents agreed and strongly agreed respectively with the statement that LGAs frequently conducted monitoring and evaluation of the crafted strategies. The respondents were asked to indicate whether their LGAs management provides feedback to their employees after conducting monitoring and evaluation. Results revealed that the majority (28.7%) of the respondents strongly disagreed while 25.2 per cent disagreed and agreed with the statement that their LGAs management provides feedback to their employees after conducting monitoring and evaluation. About 18.3 and 2.5 per cent were neutral and strongly agreed with the referred-to statement.

Moreover, the respondents were asked whether their LGAs have succeeded to execute their strategies and whether those strategies enabled them to attain the required targets. Findings revealed that the majority of respondents 36.6 per cent agreed and 4.0 per cent strongly agreed and 19.8 per cent were neutral with the statement that their LGAs have succeeded to execute their

strategies and whether those strategies enabled them to attain the required targets. About 22.8 and 16.8 per cent of the respondents strongly disagreed and disagreed respectively with the statement. The respondents were also asked to indicate whether their LGAs have achieved their objectives due to the successful execution of their strategies. Results revealed that the majority (37.1%) of the respondents agreed, 5.9 per cent strongly agreed and 22.8 per cent were neutral with the statement that their LGAs have achieved their objective due to the successful execution of their strategies. About 15.8 and 18.3 per cent of the respondents strongly disagreed and disagreed with the statement respectively. Also, another question required respondents to show their opinion on whether their strategic plans in their LGAs were successfully implemented. Results revealed that the majority (33.7%) of the respondents agreed, 14.9 per cent strongly agreed and 18.8 per cent were neutral with the statement that their LGAs were successfully implemented. Furthermore, 15.8 and 16.8 per cent of the respondents strongly disagreed and disagreed with the statement respectively. The result correlate with the results of other scholars (i.e., Kalali, Anvari, Asghar & Karimany, 2011; Lemarleni & Gakobo, 2017; Memon et al., 2020) who revealed that a lack of sufficient financial resources affects negatively the implementation of strategic plans

4.3 Inferential Analysis

Inferential statistical analysis was applied to test the statistical significance of predictors such as financial capacity, adequate budget, timely disbursement and utilization against the dependent variable which was the implementation of strategic plans in LGAs. The results in Table 1 show that the value of R of collective predictors on the implementation of strategic plans in LGAs is 0.287 at a 0.05 level of significance. This implies that there is a statistically weak positive correlation between all predictors (independent variables) and the Implementation of Strategic plans in Tanzania's LGAs in the Morogoro region.

Table 1: Model of Summary of Combined Effect

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.287 ^a	.083	.078	.66558

a. Predictors: (Constant), Financial capacity, Adequate budget, Timely disbursement, Fund utilization

The model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ is described by $R^2 = 0.083$ presented in Table 1 implies that 8.3 per cent of the variations on the implementation of strategic plans is influenced by all predictors (financial capacity, adequate budget, timely disbursement, fund utilization). Thus, other factors which are not included in this study contribute about 81.7 per cent to the implementation of strategic plans in Tanzania's LGAs in the Morogoro Region. This result is supported by descriptive analysis, which revealed that the majority of respondents strongly disagreed that their LGAs had a sufficient budget for the execution of strategic plans. The study's findings are consistent with the findings reported in a study by Ndegwah (2014), who found that resource allocation is a critical factor affecting the implementation of strategic plans in public secondary schools in Nyeri Country-Kenya. Similarly, Nkosi (2015) found that inadequate funds in Mpumalanga province in South Africa posed a significant challenge to the effective execution of strategic plans. Also, the result aligns with the results in a study by Inyang and Ekerete (2017) who suggested that inadequate financial resources can impede the implementation of strategic plans by Local Government Authorities. Similarly, Ali, Shahzad, and Ahmed (2017) argue that resource availability, including financial resources, is a critical factor for the successful implementation of strategic plans. In another study, Memon et al. (2020) found that financial resources are positively associated with the successful implementation of strategic plans in the public sector. Finally, Ahmad et al. (2019) point out that Local Government Authorities face resource constraints that can undermine the effective execution of their strategic plans, particularly in developing countries. These studies demonstrate that the influence of financial resources on the implementation of strategic plans is an important topic of research and practice in the field of public administration.

5. Conclusion

This current study investigated the influence of financial resources on the implementation of strategic plans in selected LGAs in the Morogoro region of Tanzania. The study, which was underpinned by the resource-based view theory, and pragmatic research philosophy, employed a mixed research approach, using an explanatory sequential design with quantitative data exceeding qualitative data. The study findings revealed that financial resources have a statistical influence on the implementation of strategic plans in LGAs. The study concludes that leadership from all five such as Gairo DC, Kilosa DC, Mvomero DC, Morogoro DC and Morogoro MC seems to allocate

inadequate budgets to its departments for the execution of their strategic plans. Similarly, the central government provided insufficient subsidies to LGAs. Accordingly, funds should be utilized effectively by all councils from their internal sources, the central government as well as donor support on the process of implementing their strategic plans in LGAs.

6. Limitations And Areas for Further Studies

The study had some limitations that might have affected the generalizability of its findings. Firstly, the study was conducted in a specific geographic area and may not reflect the experiences of LGAs in other regions. Secondly, the study relied on self-reported data from respondents, which may be subject to social desirability bias. Areas for further studies include an investigation of the relationship between budget allocation and service delivery in LGAs. Additionally, future research could explore the factors that influence the effectiveness of monitoring and evaluation systems in local government. Another area of study could be the impact of political factors on budget allocation and service delivery in LGAs. Finally, research could also be conducted to explore the factors that contribute to the proper management and utilization of resources in LGAs.

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