

THE EFFECTS OF WORKING CULTURE OF LOCAL GOVERNMENT ON PERFORMANCE OF PROJECTS IN LOCAL GOVERNMENT AUTHORITIES IN TANZANIA

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Abstract

Failure of projects remains a menace in the world including Tanzania. In recent years, the government of Tanzania has made various public reforms, including project reforms. However, these efforts have proven futile, since they do not touch the heart of projects. Working culture towards project implementation is critical in Local Government Authorities as has an impact to the project performance. The purpose of the study is to determine the effects of working culture towards the performance of the projects.

This study adopted a cross sectional research design. To achieve the objectives of the study, a theoretical framework was developed. Data were collected using a self-administered questionnaire from 278 employees. The results of the multiple regression test showed a high positive impact of the study variables on the working culture towards the project performance [(R= 0.357) and R-Square= 0.127]

Since the study showed that working culture has a positive association with the project performance, thus employees should be empowered towards their crucial role in minimizing failure of the project performance.

The study contributes additional literature on working culture in projects, since very little has been done by past researchers. In addition the study provides practical recommendations on how management can positively influence the working culture to aid the project performance in local government authorities in Tanzania. The study is valuable to policy and decision making of the projects.

Key words: Working culture, Local Government Authorities, Project Performance, Tanzania

1. Introduction

As organizations today face increasingly complex, dynamic, and threatening environments, attention has been focused on both the running of day to-day business working culture and the adaptation of the organization to changing environmental conditions (Obeidat et al., 2016; Al-Sarayrah et al., 2016), and therefore on how to enhance performance through improved effectiveness, efficiency and flexibility (Orozco et al., 2015).

Working culture is an important mechanism that shapes the behavior of the project members including the organization's ethical atmosphere. Moreover, most organizations that remain successful in the long run have leaders who include ethical values as part of the formal policies and informal cultures of their organizations (Daft, 2015).

The role of culture and internal audit is periodically expanding and will continue to do so if audit professional bodies are successful in dealing with cultural issues raised by stake holders (McInnes, 1993). To carry out a wide phenomenon successfully, working culture towards the implemented projects should be wisely observed with internal audit. Internal audit is required to ensure the project is properly protected from the business risks including the organizational/project culture risks (IIA, 1999). All risks of the projects should be identified and dealt with the project management (Ernst & Young 2006). Therefore the internal audit activities should go beyond verification of the books of accounts particularly the working culture upon which the projects are implemented as being supported by IIA (1999); Macintosh (1994) and Kloot (1997)

Generally speaking, performance of projects in Tanzania suffer from low level of achievement particularly for agriculture, water, health and TASAF projects (CAG, 2018; Sparrow et al., 2014). Low performance of implemented projects is contributed by ineffective working culture. This article addresses the effects of working culture of local government on performance of projects in local government authorities in Tanzania

2. Literature Review

In South Sumatra (America) Negara *et al.*, (2018) found that, effective commitment towards the internal controls has a positive and significant impact on the performance of local government. Warrick, (2017) and Schwartz (2013) in their study concluded that organizational culture signifies the value of an organization; it is a solid base towards the compliance of internal controls. However, Kanagaretnam *et al.*, (2016) found that, top management inadequately inspires employees to build the organization culture through behaving consistently in line with organization's core value.

In Uganda, Angella and Eno, (2009) found that, managers in an organization play an influential role towards aligning an organization's culture to achieve the desired internal control objectives. However, Schultz (2015) and Watkins (2013) in their studies affirm that the process of transferring values and beliefs to new employees is not effectively done at local governments. In additional, Sunday *et al.*, (2018) in their study conclude that internal controls exist in many organizations operating in emerging economies but most of them are superficial in nature and there is a chance that they exist only in the operational manuals but they are not implemented.

In Kenya, Magara (2013) and Munine, (2009) found that, many local governments have instituted strong internal control systems, procedures and programs as well as corporate governance to safeguard their organizations from occupational fraudsters and suggested that corporate culture plays a critical role in managing the risks of fraudulent acts, particularly, when ethics is solidly implanted in corporate culture. However, Njeri, (2014) found that, there is weak system of monitoring organizational activities, disciplining non-compliant of internal controls and recognizing those that uphold the core values of local government.

In additional, Magara (2013) found that, there is inadequate organizational culture of local government management mentoring subordinates on compliance of internal controls particularly for LGAs projects.

In Tanzania, Latifa, (2015) and Mapuga, (2013) argue that, African institutions need transformational leaders that are capable of influencing employee behavior, attitude, beliefs and values by shaping the organizational culture in African institutions. Masanja (2018) and Charles (2014) found that, the major challenge for ethical behavior of LGAs employees is insufficient remuneration and working culture. In additional, Chaligha, (2007) found that, leaders of local government seems not to care about or reward appropriate behavior, and there is lack of recognition for proper job performance as well as perceived inequalities and discrimination which reduce the level of employee moral on compliance of existing internal control systems in LGAs projects.

A recent study by Kanagaretnan *et al* (2016) investigated the significant role of culture in different regions worldwide. Culture was found significant in 9 out of 10 regions worldwide at a rate of 87%, one of which was Africa. The same study revealed that 54 % of the results were obtained implicitly and explicitly from actual organizations in operation.

Organization culture signifies the value of an organization, the style of leaders and the conduct of regulations and procedures, which are a solid base for creating a successful firm (Cameron and Quinn 2005).

3. Research Methodology

This study adopted a cross sectional research design. The population consist all employees of the selected LGAs who are responsible for projects implementation. According to the council's report (2019) staffs who are responsible for project implementation are about 1,002. The sample has been derived from a sample frame of 1002 staffs from the selected LGAs. The proportional sampling has been used due to the fact that the target population is greater than 1,000 items/ respondents. Thus, upon the five LGAs selected, a sample of 278 staff has been selected from the population of 1,002 based on simple random sample size determination formula below:

$$n = \frac{\frac{z_{\alpha/2}^2 P(1-P)}{e^2}}{1 + \frac{z_{\alpha/2}^2 P(1-P)}{Ne^2}} = \frac{\frac{1.96^2 \times 0.5(1-0.5)}{0.05^2}}{1 + \frac{1.96^2 \times 0.5(1-0.5)}{1002 \times 0.05^2}} = 277.69 \text{ approximately to } 278$$

Thus, the level of confidence which placed 95% which provide us Z Value of 1.96 per the normal table. Where Z is the critical value that is 1.96 and e is the margin of error 5% which is 0.05, p is the probability

proportional which is 0.5, N is the population and n is the sample size. Proportional sampling is used when the population is large.

Primary and secondary data were employed in this study. Semi structured interview, focused group discussions and surveyed questionnaire methods were used for collection of primary data.

Secondary data also were used from the selected Councils including project progress reports, project strategic plan and project implementation reports. For quantitative data, likert scale, multiple linear regression model used under the study. Likert scale from questionnaires were used whereby data was analyzed using SPSS V. 26 and STATA software's. Moreover, in case of likert scale of 1-5 stages was used. The scale was divided into 1, Strong Dissatisfied, 2 Dissatisfied 3, Neutral, 4 Satisfied and 5 Strong Satisfied.

Estimation of Model

Multiple Linear Regression Model

Multiple linear regression model was employed under the study. The aim of the model is to obtain a model which best predicts the chance of an outcome variable (let say y) as a function of explanatory variables (let say x's).

Before employing the multiple regression and partial correlation analysis, the working culture index was obtained by adding each item in the working culture to obtain the total index which is continuous variable since the variable always is considered as continuous variable if it has at least five distinct categories as also supported by Spencer *et al.*, (2015). In the same way the project performance index was obtained by adding each item and obtaining a total index. Then after obtained these variables the partial correlation, multiple linear regression model was employed and the following diagnostics checks such as box plot employed to assess whether there is an outlier, test of heteroskedasticity by using Breusch pagan test, test multicollinearity by using variance inflation factor (VIF), test of linear association between project performance index and the working culture and finally test of autocorrelation were employed in order to assure that the estimate obtained from the multiple linear regression model are unbiased, efficient and consistence as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where by Y= project performance score or index X_1 =Nature of local government authorities this is categorical variable 1 if urban, X_2 =Age of local government authorities this is dummy variable 1 if age is above 10 years and X_3 =Working culture score or index.

4. Data Analysis, Results and Discussion

Partial correlation between working culture and project performance

Table 1 show the Partial correlation used to explore the relationship of working culture (as measured by the working culture score) and project performance (measured by the project performance score), while controlling for age of the Council where projects are implemented and nature of the Council where projects are implemented. Preliminary analyses were performed to ensure no violation of the assumption of normality, linearity and homoscedasticity. There was a weak, positive, partial correlation between working culture and project performance, controlling for Age of project and Nature of Local Government authorities, ($r=0.212$, $n =274$, $p=0.001$). As presented in the table 33, the coefficient of determination R square is 0.127 and R is 0.375 at 5% level of significance. The coefficient of determination indicated that 12.7 of variation on projected performance explained by independents variables included in the model.

Table 1: Partial correlation between working culture and project performance

Control Variables	Working Culture	Project Performance
Age & Nature of LGAs	Working Culture	Project Performance
	Correlation	1
	Significance (2-tailed)	0.212
	df	0
	Project Performance	1
	Correlation	0.212
	Significance (2-tailed)	0.001
	df	262
R	0.357	
R Square	0.127	
Adjusted R Square	0.117	
Std. Error of the Estimate	5.58013	

** Significant at 0.01(2-tailed).

Regression analysis on working culture versus the performance of projects in LGAs.

The analysis of variance in table 34 show that the model used was statistically significantly at ($P < 0.001$, $F=12.741$ and degree of freedom (DF) = 274) account for the joint variation of independent variables with the dependent variables. This implies that the age of the Council and nature of the Councils where projects are implemented and working culture has significant combined effect on the project performance.

Table 34: Analysis of Variance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1190.181	3	396.727	12.741	.000b
Residual	8158.105	262	31.138		
Total	9348.286	265			

Multiple linear regressions were further used to assess effect of age, working culture and nature of LGAs on project performance. Result in table 35 show the fitted model:

$$\text{Performance} = \beta_0 + \beta_0 \text{Age} + \beta_1 \text{Working culture} + \beta_2 \text{Nature of LGAs}$$

The following independent variables were statistically significant influence project performance.

Working culture statistically significance (p-value<0.01) and had positive influence on performance of project. This implies that a unit change in working culture will increase project performance by the rate of 0.163.

Nature of Councils was statistically significance (p-value<0.01) and had positive influence on performance of project. This implies that projects implemented into Councils which are in urban exceed projects implemented into Councils which are in rural areas by the rate of 2.304 in project performance.

Age statistically significance (p-value<0.5) had positive influence on performance of project with regression coefficient 1.794. This implies that projects implemented into Councils with more ten years exceed projects implemented into Councils with less than ten years in project performance by the rate of 1.794.

Even when age, Nature of Local government authorities and working culture are non-existence, project performance is still positive at 16.663 indicating that there are other drivers of project performance including participation of users, institution capacities and internal audit.

Table 35: Regression output of working culture and Project performance

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	16.663	1.358		12.275	0.000
Age	1.794	0.804	0.148	2.233	0.026
Nature of LGAs	2.304	0.830	0.183	2.775	0.006
Working culture	0.163	0.045	0.208	3.591	0.000

Note -Nature of LGAs was dummy variable 1 if urban and 0 if is rural and also the age was dummy variable 1 if is above ten years and 0 if below ten years.

Contribution of the study to the Body of Knowledge

This study contributes to the body of knowledge both in methodology, theory and practice. In order to derive more valuable and broader conclusions, the methodology adopted in this study involved administering structured questionnaires across a wide range of projects in LGAs, in order to increase the generalizability of the results. Inadequate of working culture towards the implemented projects , results to poor project performance among LGAs, this study is of scholarly interest as it has further un-covered factors that lead to enhanced working culture as an element of the internal control systems. This is likewise true for the testing of possible relation between the working culture and project performance.

In the context of aspiring to bring out supplemental factors that enhance the working culture, recent studies ignored the controlling effect of the nature of LGAs and age of LGAs on project performance. This research gap has been addressed through administering structured questionnaires at the individual level over and above quantitative analysis

The study has established that the main drivers of project performance is the strong internal control systems in which the working culture is also important.

5. Conclusion

LGAs should liaise with President's Office Public Service Management (PO-PSM) such that the project working culture is enhanced. Moreover capacity building should be adhered to project staff. This will sharpen their commitment towards the projects being implemented and hence will enable attainment of project objective. Furthermore, project implementers should priorities the effective communication at both down and at the top management of the project.

6. Areas for Further Research

Despite the contribution made by this research, it showed few aspects to be considered by future researchers. First, the proposition put forward in this research emphasize the importance of working culture in improving the project performance. An effective working culture will results to high performance of projects. The study focused on projects in Local Government Authorities in Tanzania.

Subsequent studies should consider replicating this study in Central government in Tanzania in order to establish the importance of working culture in projects found in Central government.

Secondly, future research may attempt to replicate the study in different economic sectors to confirm the role of working culture and corporate governance on project performance of public authorities

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