

THE EFFECTS OF MANAGEMENT CONTROL SYSTEMS ON LOCAL GOVERNMENT AUTHORITIES' EMPLOYEE PERFORMANCE IN TANZANIA

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Abstract

This study examined the effects of management control systems on employee performance in Mkinga District Council. The research was guided by three objectives: to assess the effect of the budgeting system on employee performance, to evaluate the impact of the information system on employee performance, and to determine the effect of the training and development system on employee performance. The study employed a positivist research paradigm with a quantitative approach, utilizing an explanatory research design and non-proportional stratified simple random sampling. Data were collected from 93 employees at Mkinga District Council through questionnaires and analyzed using descriptive statistics and multiple regression models. The findings revealed a positive and significant relationship between the budgeting system, the training and development system, and employee performance. Additionally, a positive relationship was found between the information management system and employee performance in Mkinga District. Based on these findings, the study recommends that organizations establish comprehensive training and development programs to enhance employees' skills, knowledge, and competencies, implement efficient information control systems to ensure access to accurate and timely information, and ensure that employees clearly understand budgetary goals and targets.

Keywords: Management Control Systems, Local Government Authorities, Employee Performance.

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Introduction

Management control systems (MCS) have been extensively studied for their role in enhancing organizational performance globally. Research indicates that effective MCS usage facilitates goal achievement by ensuring timely and accurate communication of information, which in turn boosts employee performance (Rajabu & Komba, 2019; Mlaki, 2019). However, the effectiveness of MCS is highly context-specific, influenced by the unique characteristics of the organization and its operating environment (Msofe, 2020). In Africa, MCS has been recognized as crucial for improving organizational performance, especially in the public sector (Obasan & Oyewunmi, 2021; Oyelere, Ifijeh, & Falola, 2018). Nonetheless, the implementation of MCS in African organizations often faces challenges such as resource constraints, inadequate training, and resistance to change (Soobaroyen & Poorundersing, 2017).

In East Africa, MCS continues to be a significant factor in boosting organizational performance, particularly within the public sector (Abbas, 2017; Makundi & Julius, 2019; Ng'eno, Sawe & Mwhaki, 2021; Tirimba & Wanjohi, 2017). Specifically, in Tanzania, studies have highlighted the critical role of MCS in enhancing public sector performance (Machimu & Makasi, 2020). Local government authorities (LGAs) have been a focal point for research on MCS and employee performance, with findings indicating that MCS can improve both financial and non-financial performance in these organizations (Abbas, 2017; Shirima, 2016).

Despite the recognized importance of MCS in organizations like Mkinga District Council, employee performance remains suboptimal, partly due to a lack of understanding of how MCS should be effectively implemented to enhance performance. The complex nature of LGAs, which involves delivering various services to the community, exacerbates this challenge. For instance, Deloitte (2016) reported low employee performance despite staff qualifications, while Guguyu (2018) observed similar trends in Kenya despite the presence of performance management practices. Kivuyo (2020) further demonstrated that effective management practices, such as clear communication and goal-setting, positively influence organizational performance in Tanzania. However, these studies did not specifically address the impact of MCS on employee performance.

Given the mixed findings in existing research and the need for further investigation, this study aims to assess the effects of MCS on employee performance in Mkinga District Council, Tanzania. Specifically, the study will explore how budgeting systems, information systems, and training and development systems influence employee performance, addressing a critical gap in understanding the effectiveness of MCS in this context.

Literature review

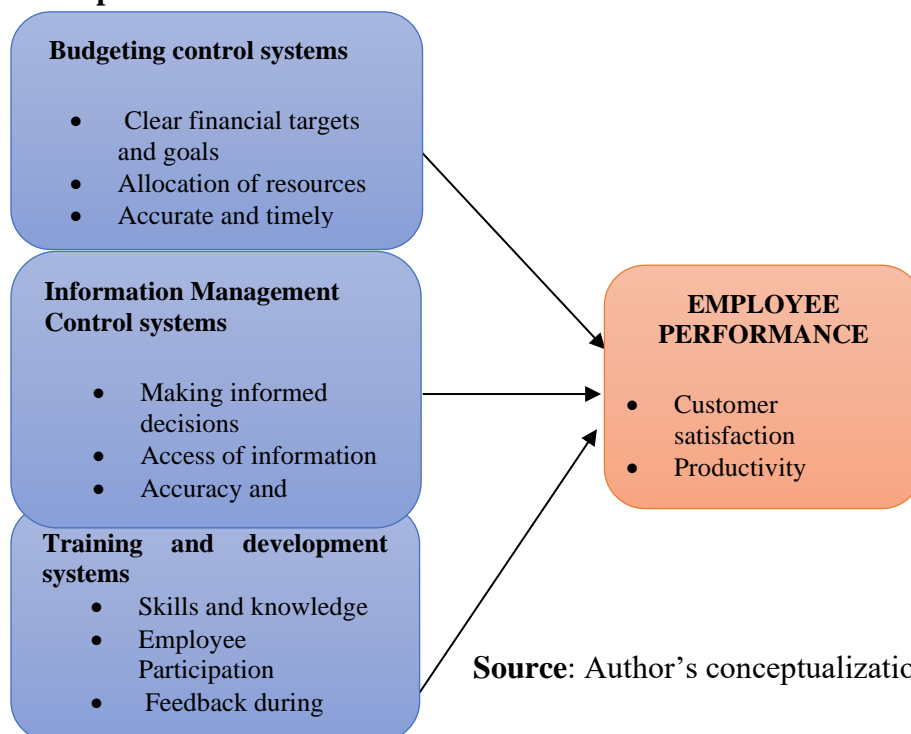
Management Control Systems (MCS) are frameworks that organizations use to ensure that their strategies and objectives are effectively implemented and achieved. These systems encompass a variety of tools, procedures, and processes designed to guide and monitor the behavior of individuals and departments within an organization. MCS typically include financial controls, performance measurement systems, and operational controls that help managers align employee

actions with organizational goals (Hassan & Siraj, 2015). Effective management control systems are crucial for ensuring that resources are used efficiently, risks are managed, and organizational performance is optimized (Nani & Safitri, 2021).

In the context of Local Government Authorities (LGAs), which are administrative bodies operating at a local level, the implementation of robust management control systems is particularly important. LGAs are responsible for managing public services and resources within specific geographic areas, including functions such as education, health, infrastructure development, and social services. The effectiveness of LGAs in delivering these services is heavily influenced by the quality of their management practices (Jeffrey & Prasetya, 2019). In many developing countries, including Tanzania, LGAs play a critical role in driving local development and improving the quality of life for citizens. Therefore, effective management practices within these bodies are essential for achieving broader national development goals (Sal & Raja, 2016).

Employee performance, which refers to the effectiveness and efficiency with which employees carry out their job responsibilities, is a critical factor in the success of any organization, including LGAs. High employee performance is often characterized by productivity, quality of work, and the ability to meet or exceed goals (Nani & Safitri, 2021). In LGAs, the performance of employees is crucial for the successful delivery of public services and the achievement of organizational objectives. Factors influencing employee performance include motivation, job satisfaction, and the quality of management practices, including the presence of effective management control systems (Rodriguez & Walters, 2017). Thus, the effectiveness of MCS within LGAs can significantly influence employee performance, thereby impacting the overall efficiency and effectiveness of public service delivery. Understanding and improving these interconnected areas is essential for achieving sustainable development and improving governance at the local level.

Conceptual Framework



Source: Author's conceptualization (2023)

Relationship between independent and dependent variables

The integration of robust budgeting control systems, effective information management control systems (IMCS), and comprehensive training and development programs has a profound influence on various aspects of employee performance. Establishing clear financial targets and optimal resource allocation ensures that employees are well-equipped and motivated to align their efforts with organizational goals, thereby enhancing productivity and work quality (Hassan & Siraj, 2015; Kitole & Utouh, 2023; Faleti & Myrick, 2012). Access to timely financial data and diligent performance monitoring fosters informed decision-making and continuous improvement, directly impacting customer satisfaction and overall performance (Mohamed, Kerosi, & Tirimba, 2016; Utouh & Kitole, 2024). Effective IMCS further support employee performance by providing accurate and accessible information, facilitating informed decisions, and promoting effective communication, which in turn boosts productivity, work quality, and customer satisfaction (Abualoush, Obeidat, Tarhini, 2018; Kitole, Lihawa & Nsindagi, 2023; Macintosh & Daft, 2019; Nani & Safitri, 2021; Verburg, Nienaber, & Searle, 2018). Additionally, well-structured training and development programs enhance employees' skills and knowledge, leading to improved job performance, higher productivity, and better quality of work. These programs also increase employee engagement and motivation, fostering a positive feedback loop that elevates overall organizational performance (Rodriguez & Walters, 2017; Sal & Raja, 2016; Jeffrey & Prasetya, 2019; Okechukwu, 2017).

Empirical Review

Recent empirical studies highlight the significant impact of management control systems (MCS) on employee performance across various countries. In Turkey, Kiliç and Zehir (2017) found that local governments utilizing budgeting, financial management, performance measurement, and reporting systems observed enhanced control over activities, recommending improvements in these systems for better management outcomes. Similarly, Rahman and Omar (2019) in Malaysia identified that robust budgeting, performance measurement, and internal audit systems significantly influenced employee performance, advocating for stronger accountability and capacity building. In China, Chen and Chen (2018) reported that performance measurement and feedback systems positively impacted employee performance, while Wang, Zhang, Cheng, & Yang (2020) identified resistance to change and lack of participation as major challenges, recommending better communication and training.

In Africa, several studies underscore the importance of MCS in enhancing employee performance. In Kenya, Mutie, Njeru, Kihara, & Murigu (2019) observed that budgeting and variance analysis positively influenced performance, recommending enhanced communication and training. In Nigeria, Ahmed and Ahmed (2020) found formal control systems like budgeting and financial reporting beneficial, suggesting regular evaluations and support. Similarly, Baloyi and Mafini (2019) in South Africa highlighted performance measurement systems' positive impact, stressing the need for employee engagement and resource provision. Across these studies, common

recommendations include improving communication, providing training, fostering a culture of accountability, and aligning control systems with organizational goals to optimize employee performance.

Theoretical framework; Control Theory

Control Theory, also known as the Cybernetic Theory of Control, was developed by William Ouchi in the late 1970s to analyze the relationships between managers and subordinates within organizations. The theory posits that organizations function as interconnected systems where budgeting, information management, and training and development systems play crucial roles in enhancing employee performance. It assumes that budgeting control systems help allocate resources and set financial targets, information management systems facilitate informed decision-making and effective communication, and training systems align employee skills with organizational goals. Control mechanisms are deemed essential for effective performance, providing structure, relevant information, and opportunities for feedback. However, the theory has been criticized for its overemphasis on hierarchical control, limited consideration of external factors, and lack of adaptability. Despite these criticisms, Control Theory remains relevant for understanding the impact of management control systems on employee performance, particularly in contexts like the Mkinga District Council.

Research Methodology

Research paradigm

This study used a positivism research paradigm. Positivism paradigm is a research paradigm that seeks to establish causal relationship between variables through the collection and analysis of quantitative data. It assumes that objective reliability exists and that it can be measured and studied through scientific methods (Dimoso & Andrew, 2021; Kitole & Sesabo, 2022; Theodory & Kitole, 2024; Bryman, 2016).

Research Approach

This study used quantitative research approach. The researcher selects this technique due to the fact that this technique helped to quantify the effects of management control systems on employee performance which is necessary for drawing statistical inferences, the use of quantitative approach also allows for generalization of findings to a larger population beyond the study sample (Hug & Dewan, 2021; Kitole & Genda, 2024; Kitole, Lihawa, Sesabo, & Shitima, 2023). Also, the researcher used the technique due to the fact that it can help validate the findings and establish the reliability of the study.

Research Design

This study adopted an explanatory research design. An explanatory research design, also known as causal research design, is a type of research design that aims to explore cause-and-effect relationships between variables. It seeks to investigate the impact of an independent variable(s) on

a dependent variable(s) and understand the underlying mechanisms or reasons behind the observed relationship (Kitole & Sesabo, 2024; Hair, Black, Babin, & Anderson, 2019). The main objective of an explanatory research design is to determine whether changes in the independent variable(s) result in changes in the dependent variable(s) and to explain why this relationship exists.

Sample, sampling techniques and sample size

Stratified Sampling Technique

The study used a non-proportional stratified simple random sampling technique. This was necessary because of the nature of the research objectives and was used to obtain the group of employees from departments which was transformed to stratum (Anasel, Coretha, Kacholi, 2024). Each group contained individuals with homogenous characteristics that differ from the other group. To collect data by using this technique, the researcher required to define a population of the study which is employees' members. Thus, the elements from each stratum required to obtain a sample using simple random sampling techniques; where a researcher picked 93 employees from all departments.

Sample size

The study adopts the formula of Yamane (1967) as shown in equation below to determine the sample size of the research respondents with confidence level of 95% and margin of error of 10% (0.1), the formula is expressed as hereunder;

$$n = \frac{N}{1 + N(e)^2}$$

Whereas n is a required number of samples, N = Total population (1330) and, e = Error tolerance (level) or margin of error (0.1). From that point of view, the sample size is derived as follows;

$$n = \frac{1330}{1 + 1330(0.1)^2}$$

$$n = \frac{1330}{1 + 1330(0.1)^2} = 93$$

Thus, the researcher used a sample of 93 employees from various departments as presented at Table 1.

Table 1 Sample Size and Sampling Techniques

N/S	Departments and Units	Population	Sample size
1	Administration and Human Resources Management	133	11
2	Finance and Accounts Unit	6	2
3	Internal Audit Unit	2	1
4	Procurement Management Unit	2	1
5	Information Communication Technology Unit	2	1
6	Legal Services Unit	2	1
7	Planning and Coordination	5	2
8	Community Development	27	9
9	Infrastructure, Rural and Urban Development	4	2
10	Pre-Primary and Primary Education	545	25
11	Secondary Education	324	16
12	Natural Resources and Environment Conservation Unit	1	1
13	Health, Social Welfare and Nutrition Services	203	12
14	Agriculture, Livestock and Fisheries	71	8
15	Industry, Trade and Investment	3	1
	TOTAL	1330	93

Data collection methods

Questionnaire

The questionnaire was used to obtain information from the respondents. Copies of the questionnaire were distributed to a total of 93 employees including middle and lower-level employees from each department and unit in Mkinga District Council. The questionnaire was employed to make it possible to gather enough data from a significant number of respondents. Questionnaires was used also because there were chances for accurate information from respondents.

Data Analysis

The information concerning the nature of the connection between the independent variables and the dependent variables were subjected to factor analysis, regression analysis, and correlation analysis respectively. This study used multiple regression model and the overall employee performance was treated as the dependent variable, and three extracted dimensions were used as independent variables to analyze the relationship between the two.

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu_i \dots \dots \dots (1)$$

Whereas Y= Employee Performance (EP), β_0 = Constant, X_1 Budgeting Control System (BCS), X_2 Information Control System (ICS), and X_3 Training and Development System (TDS).

Results and Discussions

Correlation Analysis

Pearson correlation analysis was used to determine the relationship between variables. The researcher used bivariate correlation to establish whether there is significant relationship between dependent variable i.e. employee performance and independent variables i.e. budgeting control, information control system, training and development. The value of correlation coefficient range between -1 to +1, the value of +1 show that variables are perfect and positive related in linear model, the value of -1 show that variables are perfect but negative in a linear model and 0 values shown no relationship between variables in linear model (Mwangi, 2017).

Correlation analysis, result in Table 2 revealed ($r=0.834$, $p=0.000<0.05$), which means there was strong positive and significant relationship between budgeting control system and employee performance at Mkinga District council. The results also discovered ($r= 0.873$, $p<0.05$), which means there was strong and positive significant relationship between information control system and employee performance at Mkinga District Council. Furthermore, the results depict ($r=0.743$, $p<0.05$), which means that there was strong positive and significant relationship between training and development control system and employee performance at Mkinga District. Table 2 show result of correlation analysis.

Table 2: Correlation Matrix of All Variables

		BGT	INFO	TD	EP
BGT	Pearson Correlation	1	0.872**	0.743**	0.834**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	93	93	93	93
INFO	Pearson Correlation	0.872**	1	0.838**	0.917**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	93	93	93	93
TD	Pearson Correlation	0.743**	0.838**	1	0.858**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	93	93	93	93
EP	Pearson Correlation	0.834**	0.917**	0.858**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	93	93	93	93

** . Correlation is significant at the 0.01 level (2-tailed).

Key; BGT= Budgeting Control System, INFO=Information Management System, TD=Training and Development, EP=Employee Performance

Reliability Test

The study tested the reliability of ten (10) questionnaire items and the results showed a reliability value of 0.895, which is above the minimum acceptable level of 0.7 as recommended by Tavakol and Dennick (2011). It is also within the maximum acceptable limit of 0.95 for Cronbach's Alpha value. These results are presented in Table 3.

Table 3: Item-Total Statistics

	Cronbach's Alpha if Item Deleted
V200c - ensures accurate and timely financial information	0.917
V200d - system monitors employee’s performance	0.915
V200e - effective communication and coordination among employees	0.937
V200f - provides employees with clear performance goals and targets	0.917
V200g- fosters transparency and fairness in resource allocation	0.918
V300f - effectively organizes and categorizes data	0.917
V300g- easy access to relevant and accurate information	0.939
V400g- adapt to changes in my job and work environment.	0.915
V500a - enhance customer satisfaction	0.916
V500b - Regular feedback on your performance	0.917
V500c - increases quality of work	0.915
V500e - Actively seek opportunities for growth	0.915
V500g- Employee performance improves service delivery	0.917
Total	0.926

Source: Data Analysis, 2024

Diagnostic tests of variables

Normality Test

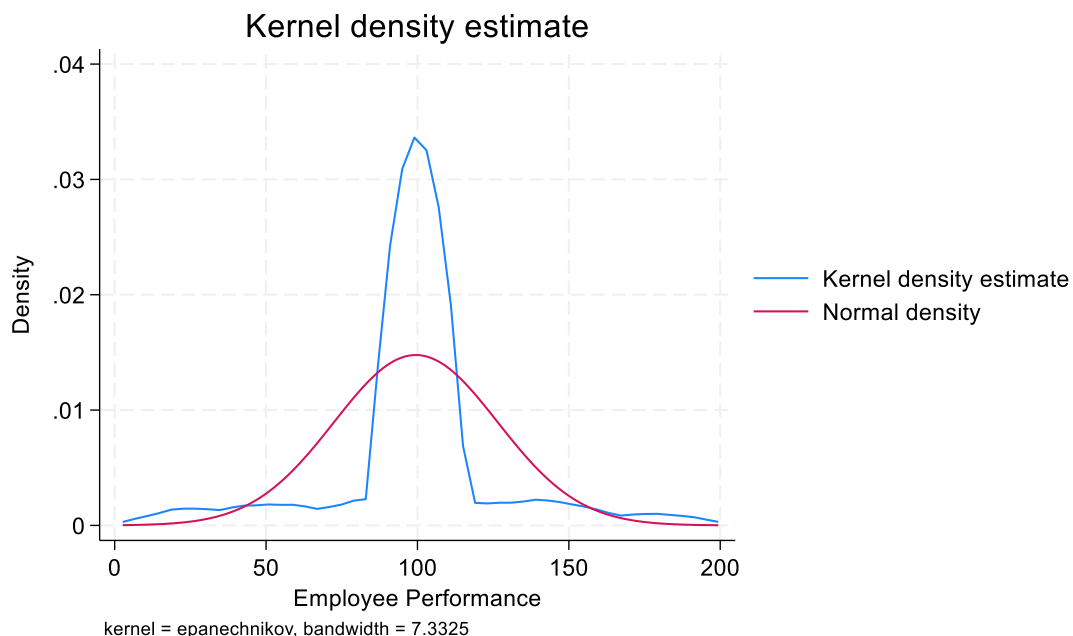
To assess the normality of the dependent variable, which is employee performance, both the Kolmogorov-Smirnov and Shapiro-Wilk tests were conducted. The normality test results indicated that the data for the employee performance variable were normally distributed. This was evidenced by the p-values obtained from both the Kolmogorov-Smirnov and Shapiro-Wilk tests, which were less than the level of significance ($\alpha = 0.05$), with values of 0.000. The results are presented in Table 4 and Figure 1 revealed that employee performance was normally distributed since data lies the line of best fit.

Table 4: Normality Test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employee performance	0.280	73	0.000	0.696	73	0.000

a. Lilliefors Significance Correction

Figure 1 Normal Distribution Curve for Employee performance



Source: Data Analysis, 2024

Multicollinearity

The results from Table 5 below reveals that the VIF for budgeting control system was 3.917, for training and development was 3.956 and for information control system was 1.0038, these values are less than 5, this means that the value are not correlated and can fit for regression model. Furthermore, Tolerance indicated that budgeting control system was 0.225, for training and development was 0.253 and for information control system was 0.963, these values are greater than 0.2, this means that value are not correlated and can fit for regression model.

Table 5: Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF

1	(Constant)		
	Budgeting System	0.239	4.178
	Training and Development	0.159	6.294
	Information System	0.297	3.370

Source: Data Analysis, 2024

Heteroscedasticity

Heteroscedasticity refers to the absence of uniform error variance, which can happen when there is non-normal distribution of responses or when the error term doesn't maintain uniform variance, according to Creswell (2014) and Kothari & Garg (2014). Since one of the basic assumptions of regression is that the error term remains constant in all observations of a study, it's crucial to ensure that the variance of errors remains constant (homoscedasticity) among independent variables to produce consistent responses and achieve better outcomes, as stated by Greene (2012). To check for heteroscedasticity in the independent variables, an ANOVA is therefore shown in Table 6. The findings conclude that there is heteroscedasticity since the p-value of 0000 which is less than 0.05, rejecting the null hypothesis.

Table 6: ANOVA Test for Heteroscedasticity

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.742	3	0.914	11.039	0.000 ^b
	Residual	7.368	89	0.083		
	Total	10.110	92			

a. Predictors: (Constant), TD, BGT, INFO

b. Dependent Variable: EP

Source: Data Analysis, 2024

Multiple Linear Regression Results

The effect of independent factors, such as budgeting control, information control system, training and development, on the dependent variable, employee performance, was examined in this study using multiple regression analysis. With an R value of 0.933, the regression analysis's findings show a significant positive correlation between the variables. The research also reveals that independent variables may account for 87.1% of the variation in electronic tax compliance (R-squared = 0.871), with other factors accounting for the remaining 12.9%. A summary of the regression analysis is presented in Table 7.

Table 7: Overall Model summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.933 ^a	0.871	0.867	0.37339

a. Predictors: (Constant), TD, BGT, INFO

b. Dependent Variable: EP

Source: Data Analysis, 2024

Analysis of variance (ANOVA) for all variables

The ANOVA findings in Table 8 demonstrate the validity of the model employed to examine the connection between budgeting control, information control system, training and development, and employee performance in Mkinga District. This is because the F-value is 200.493 and the p-value is less than 0.05 with degrees of freedom of 89. This result suggests that the effect budgeting control, information control system, training and development, can accurately predict the relationship with employee performance at Mkinga District Council.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.859	3	27.953	200.493	0.000 ^b
	Residual	12.409	89	0.139		
	Total	96.268	92			

a. Dependent Variable: EP

b. Predictors: (Constant), TD, BGT, INFO

The effect of independent variables to dependent variable

Table 9 shows the results of a regression analysis, with employee performance as the dependent variable, and information system, budgeting system and training and development as the independent variables. The results suggest that all three independent variables have a significant positive effect on employee performance, as indicated by their positive beta coefficients and low p-values. However, the constant or intercept (-0.218) represents the expected value of the dependent variable (employee performance) when all independent variables (budgeting system, training and development, information system) are zero. In this context, when all independent variables are zero, the expected employee performance is equal to -0.218.

The coefficient for budgeting control system was found to be positive and significant, indicating that it has a direct effect on employee performance. The results in Table 9 revealed that ($\beta=0.178$, $t=1.685$, $p=0.096$) which means budgeting control system significantly affect employee performance in Mkinga District. Budgeting control system has a positive coefficient of 0.456, which indicates that it for every unit increase in budgeting control system, there is a 0.456 unit increase in employee performance, holding other variables constant. This means that when

employees have a clear understanding of budgetary goals and targets, they are better able to align their efforts and resources to achieve them.

The coefficient for training and development control system was found to be positive and significant, indicating that it has a direct effect on employee performance. The results in Table 9 revealed that ($\beta=0.307$, $t=4.213$, $p=0.000$) which means training and development control system significantly affect employee performance in Mkinga District. Training and development control system has a positive coefficient of 0.307, which indicates that it for every unit increase in training and development control system, there is a 0.307 unit increase in employee performance, holding other variables constant. This means that when these systems exist may enhance provision of employees with opportunities to acquire new skills, knowledge, and competencies can enhance their job performance, productivity, and job satisfaction.

Table 9: Multiple regression model results

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1	(Constant)	-0.218	0.191	-1.141	0.257
	BGT	0.178	0.106	0.131	0.096
	INFO	0.566	0.097	0.556	0.000
	TD	0.307	0.073	0.294	0.000

The coefficient for the information control system was found to be positive and significant, indicating that it has a direct effect on employee performance. The results in Table 9 revealed that ($\beta=0.566$, $t=5.820$, $p=0.000$) which means information control system significantly affect employee performance in Mkinga District. Information control system has a positive coefficient of 0.566, which indicates that it for every unit increase in information control system, there is a 0.566 unit increase in employee performance, holding other variables constant. This means that an efficient information control system plays a crucial role in facilitating employee performance. Access to accurate and timely information enables employees to make informed decisions, solve problems effectively, and perform their tasks efficiently.

Discussions of findings

Budgeting control system and employee performance

The coefficient for the budgeting control system was found to be positive and significant, indicating that it has a direct effect on employee performance. The results mean that budgeting control system significantly affect employee performance in Mkinga District. Budgeting control system has a positive coefficient, which indicates that it for every unit increase in budgeting control system, there is an increase in employee performance, holding other variables constant. This means that when employees have a clear understanding of budgetary goals and targets, they are better

able to align their efforts and resources to achieve them. This clarity enhances motivation, accountability, and performance, leading to improved outcomes for both individuals and organizations. Results suggests that an effective budgeting control system can positively influence employee performance.

The findings were consistent with the study by Arega and Adem (2020) on the impact of budgeting on employee performance in Ethiopian public sector which found that budgeting positively influenced employee performance, particularly when employees were involved in the budgeting process. Ahmed and Ahmed (2020) conducted a study in Nigeria to investigate the relationship between management control systems and employee performance and found that the use of formal control systems, such as budgeting and financial reporting, positively influenced employee performance. Similarly, Trigo and Santos (2020) examined the impact of management control systems on employee performance in Brazilian companies and the findings suggested that the use of performance measures, such as financial and non-financial indicators, can improve employee performance by providing clear objectives and feedback. Also, a study by Kiliç and Zehir (2017) on the implementation of management control systems in local governments in Turkey found that local governments use a variety of management control systems such as budgeting, financial management, performance measurement, and reporting systems to monitor and control their activities.

Training and development control system and employee performance

The results show that training and development control system was found to be positive and significant, indicating that it has a direct effect on employee performance which means that training and development control system significantly affect employee performance in Mkinga District. Training and development control system has a positive coefficient, which indicates that it for every unit increase in training and development control system, there is a unit increase in employee performance, holding other variables constant. This means that when these systems enhance the provision of employees with opportunities to acquire new skills, knowledge, and competencies, they enhance their job performance, productivity, and job satisfaction. Effective training initiatives also contribute to employee engagement and organizational commitment, leading to improved overall performance.

Numerous studies have demonstrated the positive impact of training and development programs on employee performance. Similar studies were conducted by Chen and Chen (2018) who studied the relationship between management control systems and employee performance in China and found that performance measurement and feedback systems had a significant positive impact on employee performance. The study also found that goal setting had a positive but not significant impact on employee performance. Also, a study by Wang, Zhang, Cheng, and Yang (2020) on the challenges of implementing management control systems in public organizations in China and the findings indicate that resistance to change, lack of employee participation, and

inadequate training were the main challenges facing the implementation of management control systems.

Information control system and employee performance

The coefficient for information control system was found to be positive and significant, indicating that it has a direct effect on employee performance. The results revealed that information control system significantly affect employee performance in Mkinga District. Information control system has a positive coefficient, which indicates that for every unit increase in information control system, there is a unit increase in employee performance, holding other variables constant. This means that an efficient information control system plays a crucial role in facilitating employee performance. Access to accurate and timely information enables employees to make informed decisions, solve problems effectively, and perform their tasks efficiently. A well-designed information control system fosters effective communication, collaboration, and knowledge sharing, which positively impact employee performance and overall organizational outcomes.

The findings regarding the positive effect of information control systems on employee performance are consistent with prior research. A study by Bosua, Venkitachalam, and Fam (2016) showed that access to accurate and timely information positively influences employee decision-making, problem-solving, and task performance. A study by Sarker, Khan, Hossain, & Hosen (2020) which examined the effect of management control systems on employee performance in the context of Bangladesh showed that the use of control practices, such as performance measurement and feedback, positively impacted employee performance. A study by Moshi (2017) on the effective implementation and application of management control practices identified the lack of clear communication channels and feedback mechanisms as a major challenge in the application of management control practices.

Conclusion and Recommendations

The findings indicate that well-implemented budgeting control systems, training and development programs, and information control systems significantly enhance employee performance in the Mkinga District. A clear understanding of budgetary goals boosts motivation and accountability among employees, leading to better performance outcomes and alignment with organizational objectives. Similarly, comprehensive training programs enhance job performance, productivity, and job satisfaction by equipping employees with new skills and knowledge. Efficient information control systems facilitate informed decision-making, effective problem-solving, and improved communication, thereby optimizing employee performance.

To leverage these positive effects, organizations should prioritize the effective communication of budgetary goals and involve employees in the budgeting process to foster ownership and commitment. Implementing comprehensive training programs tailored to individual needs and career aspirations can significantly enhance employee performance and engagement. Moreover, organizations should develop efficient information control systems that

provide accurate and timely information, promoting collaboration and knowledge sharing. Additionally, fostering a culture of continuous learning and performance-based incentives can further motivate employees and improve overall organizational success.

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