

Exploring the Impact of Strategic Management Practices on the Governance of Local Government Authorities: Insights from Mufindi District Council in Tanzania.

Haghai Pandisha

Email: hpandisha@gmail.com

Ardhi University Tanzania

Wilbard Kombe, Institute of Human Settlement Studies, Ardhi University, Tanzania

Kim Abel Kayunze, Department of Development and Strategic Studies, Morogoro, Sokoine University of Agriculture, Tanzania

Abstract

This study examines the impact of strategic management practices on the governance of local government authorities in Tanzania, with a focus on Mufindi District Council. The study aims to identify the relationship between strategic management practices and governance outcomes and to provide recommendations for improvement. A descriptive survey method was adopted, involving the collection and analysis of data from a questionnaire survey and interviews with key stakeholders. The findings reveal that strategic management practices significantly impact the overall governance of the local government authority, enhancing participation, transparency, and accountability in decision-making, and improving service delivery and stakeholder satisfaction. The study also highlights the influence of strategic management on resource allocation, contributing to a more efficient and equitable distribution of resources. The research recommends that local government authorities in Tanzania adopt strategic management practices to enhance governance outcomes, prioritize participatory planning, transparency, and accountability, and allocate resources based on strategic priorities. By doing so, councils can improve service delivery, ensure accountability and transparency, and contribute to the development of their communities.

NG Journal of Social Development

Vol. 14 Issue 2 (2024)

ISSN(p) 0189-5958

ISSN (e) 2814-1105

Home page

<https://www.ajol.info/index.php/ngjdsd>

ARTICLE INFO:

Keyword

Strategic Management, Governance and Local Government Authorities

Article History

Received: 4th August 2024

Accepted: 29th October 2024

DOI: <https://dx.doi.org/10.4314/ngjdsd.v14i2.17>

1. Introduction

Local government authorities in Tanzania are crucial in delivering public services, promoting local economic development, and ensuring good governance at the grassroots level. Effective governance in these authorities is essential for achieving sustainable development and enhancing the well-being of local communities. However, LGAs often face limited resources, capacity constraints, and complex environmental dynamics.

Strategic management practices have been recognized as potential enablers for improving the governance of LGAs. These practices involve systematically analyzing the internal and external environment, setting strategic goals, formulating strategies, and allocating resources effectively. By adopting SMPs, LGAs can enhance their decision-making processes, allocate resources efficiently, and better respond to changing environmental conditions.

The exploration of the impact of SMPs on LGAs is a pertinent topic not only for Tanzania but also globally. In the context of increasing decentralization and the complex dynamics of local governance, effective strategic management has become crucial for LGAs worldwide. Countries across the globe, from developed to developing nations, are grappling with the challenge of enhancing the governance practices of their LGAs. This includes addressing limited resources, capacity building, and the need for transparent and accountable decision-making processes. The application of strategic management principles in the public sector is gaining traction, with a growing recognition of its potential to improve governance outcomes. This research contributes to a growing body of knowledge that seeks to understand and enhance the governance of local government authorities through the lens of strategic management, offering insights that can be applied and adapted to diverse cultural, economic, and political contexts.

The study of the Mufindi District Council in Tanzania is particularly relevant when considering the regional context of East Africa and the broader African continent. Decentralization and local governance reforms have been prominent trends in many African countries, aiming to bring decision-making closer to the people and improve service delivery at the local level. However, local government authorities in the region often face challenges related to capacity, resources, and effective governance practices. Exploring SMPs in Mufindi District Council offers insights that can apply to other LGAs in Tanzania and East Africa. By examining the impact of strategic planning, implementation, and monitoring on governance outcomes, this research contributes to the growing discourse on strengthening local governance in the region. Furthermore, the findings can inform policy formulation, capacity-building initiatives, and the development of best practices for LGAs facing similar challenges and seeking to enhance their governance practices.

Exploring strategic management practices in Mufindi District Council is deeply rooted in the context of Tanzania's local government system. With a long history of functioning local governance, starting with the Native Authorities Ordinance in 1926, Tanzania has a well-established structure consisting of urban and rural authorities. Tanzania's mainland is divided into 99 districts with 114 councils, including city, municipal, town, district, township, and village councils. Mufindi District Council operates within this decentralized framework, where local authorities are mandated to maintain law and order, promote economic and social welfare, and ensure the delivery of quality services to their jurisdictions. The study of strategic management practices in Mufindi District Council is significant as it contributes to understanding how local government authorities in Tanzania can enhance their governance practices. By examining the impact of strategic management, this research provides insights that can be shared and adapted by other councils in Tanzania, ultimately supporting the overall improvement of local governance and service delivery across the country.

Mufindi District Council, located in the Iringa Region of Tanzania, is an LGA responsible for providing various public services to its residents. Like other LGAs in the country, Mufindi District Council faces challenges related to resource constraints, limited capacity for strategic planning, and practical performance evaluation. There is a need to explore how SMPs can be leveraged to improve the council's governance and ultimately enhance its ability to serve the local community effectively.

2. Problem statement

There is a growing recognition of the importance of effective SMPs in improving the governance of LGAs in Tanzania. However, there is limited understanding of how SMPs influence the governance processes and outcomes within LGAs. While strategic management has gained recognition in the public sector globally, there is a scarcity of research focusing on its impact on local government authorities in Tanzania. The existing literature offers limited insights into how strategic management practices influence governance outcomes at the local level in the context of Tanzania's unique cultural, political, and economic environment. This study aims to address this research gap by examining the relationship between strategic management and governance practices in the Mufindi District Council, contributing to a more comprehensive understanding of the applicability and impact of strategic management in local government authorities within the country.

3. Material and methods

This study used a mixed-method approach to incorporate both qualitative and quantitative techniques. In qualitative methodology, this study employed in-depth interviews, focus groups, and documentary analysis. This study employed a mixed-method approach, combining both qualitative and quantitative techniques to investigate the impact of strategic management practices (SMPs) on governance in local government authorities (LGAs). The study used in-depth interviews, focus groups, and documentary analysis to gather qualitative data, while a structured survey, performance metrics, and key performance indicators (KPIs) were used to collect quantitative data. The study also conducted a comparative analysis of the Mufindi District Council's SMPs with those of other similar LGAs. The data was analyzed using thematic analysis for qualitative data and statistical techniques for quantitative data. The study integrated both qualitative and quantitative findings to provide a comprehensive understanding of how SMPs influence the governance of LGAs, incorporating the perspectives of multiple stakeholders and utilizing both qualitative insights and quantitative evidence.

4. Results and findings

4.1 Literature review on strategic management practices and governance

This literature review explores scholarly work on strategic management practices and their impact on governance, specifically within local government authorities. The review synthesizes existing research, theoretical frameworks, and empirical findings to provide insights into the relationship between strategic management and governance effectiveness.

Theoretical Perspectives:

Agency Theory: Several studies have applied agency theory to understand the relationship between local government authorities and their stakeholders. For instance, the research by Omwenga and Waweru (2015) examines how agency theory influences strategic management practices in private construction firms. The authors highlight the importance of aligning the interests of principals (citizens and higher levels of government) and agents (local government authorities) to ensure efficient and accountable governance.

Contingency Theory: Contingency theory posits that there is no universal approach to management, and practices should be tailored to the specific context. Rugman and Verbeke (2017) emphasize the applicability of contingency theory in strategic management, suggesting that local government authorities must adapt their practices to cultural, political, and economic factors unique to their environment.

Systems Theory: Systems theory views organizations as interconnected systems, where changes in one component affect the whole. Bovaird (2009) draws on systems theory to discuss the impact of strategic management practices on various aspects of local government, including decision-making, resource allocation, and performance.

4.2 Impact of Strategic Management on Governance:

Strategic Planning and Performance: Several studies underscore the link between effective strategic planning and improved organizational performance. Lameck and Kinemo (2003) investigate the impact of strategic management on resource allocation in local government, suggesting that efficient and equitable distribution of resources contributes to enhanced governance outcomes.

Community Engagement and Participation: Mintzberg (2013) emphasizes the importance of citizen engagement and participation in shaping strategic directions. The author explores how community involvement can lead to more responsive and accountable governance practices in local government authorities.

Leadership and Strategic Direction: Marwa (2015) highlights the critical role of leadership in strategic management. The study suggests that effective leadership is essential for setting the strategic direction, gaining stakeholder buy-in, and driving governance improvements within local government authorities.

Contextual Factors and Challenges: Cultural and Contextual Sensitivity: Hyden and Court (2004) stress the influence of cultural norms, values, and power structures on governance interventions. They argue that strategic management practices must consider local contexts to ensure their effectiveness and sustainability.

Political and Economic Factors: Grant and Jordan (2016) discuss the impact of political and economic factors on strategic management in the public sector. They suggest that understanding the broader institutional environment is crucial for local government authorities to navigate challenges and make informed strategic decisions.

Performance Measurement and Evaluation: Performance Indicators and Benchmarking: Bovaird (2009) advocates using performance indicators and benchmarking as tools for evaluating the effectiveness of strategic plans. The author suggests that performance measurement enables local government authorities to assess their progress and drive continuous improvement in governance practices.

Data-Driven Decision-Making: The University of South Florida (USF) highlights the importance of data-driven decision-making in strategic management. The literature emphasizes using research, surveys, and feedback collection to inform strategic choices and enhance governance outcomes.

Capacity Building and Training: Enhancing Strategic Management Skills: Rugman and Verbeke (2017) emphasize the need for capacity building and training in strategic management. They suggest that investing in personnel development can improve governance practices and organizational performance.

Knowledge Sharing and Collaboration: Grant and Jordan (2016) discuss the benefits of sharing and collaboration among local government authorities. They argue that exchanging best practices and learning from peers can enhance strategic management capabilities and improve governance outcomes.

In conclusion, the literature review reveals a growing body of research that underscores the significance of strategic management practices in enhancing the governance of local government authorities. The impact of strategic planning, stakeholder engagement, leadership, and contextual factors on governance effectiveness is well-recognized. However, there remains a need for context-specific research, particularly in understanding the unique challenges and opportunities faced by local government authorities in Tanzania. This study aims to contribute to the existing literature by providing insights from the Mufindi District Council, offering practical implications for improving regional governance practices.

Strategic Management in the Public Sector: Several studies have emphasized the growing importance of strategic management in the public sector, including local government authorities. Abeid Francis Gaspar's research (2017) highlights the relationship between budgeting and governance in Tanzanian Local Government Authorities, underscoring the need for effective strategic planning and financial management.

Impact of Strategic Management on Governance: The influence of strategic management practices on governance outcomes has been explored in various contexts. Stella Malangalila Kinemo's work (2019) examines local government capacity for e-participation in Tanzania, suggesting that strategic deployment of technology can enhance citizen engagement and transparency in decision-making processes.

Strategic Planning and Performance: The link between strategic planning and organizational performance is a prominent theme in the literature. Wilfred Lameck and Stella Kinemo's study (2003) investigate the allocation of resources in local government, suggesting that effective strategic management can lead to a more efficient and equitable distribution of funds.

Contextual Factors and Challenges: Understanding the contextual factors and challenges faced by local government authorities is crucial. Grant and Jordan (2016) emphasize the impact of cultural, political, and economic factors on strategic management practices, suggesting that a one-size-fits-all approach may not be suitable for diverse contexts.

Capacity Building and Training; Several studies have underscored the importance of capacity building and training in effective strategic management. Rugman and Verbeke (2017) highlight the need for public sector organizations to invest in developing their personnel's skills and knowledge to implement strategic initiatives successfully.

Performance Measurement and Evaluation; The literature also emphasizes the significance of performance measurement and evaluation in strategic management. Bovaird (2009) discusses using performance indicators and benchmarking to assess the effectiveness of strategic plans and drive continuous improvement in public services.

Community Engagement and Participation; In the context of local government, community engagement and participation are vital aspects of governance. Mintzberg (2013) explores the role of citizen involvement in shaping strategic directions and ensuring that the needs and aspirations of communities are reflected in decision-making processes.

Governance and Development: The relationship between governance and development outcomes is a broader theme explored in the literature. Grindle (2004) introduces the concept of "good enough governance," suggesting that practical improvements in governance practices can lead to significant development impacts.

Cultural and Contextual Sensitivity:

Hyden and Court (2004) emphasize the importance of cultural and contextual sensitivity in strategic management practices. They argue that understanding local norms, values, and power structures is essential for effective governance interventions.

Time Management and Prioritization: Macan (1994) offers insights into the role of time management in strategic planning and implementation. The ability to prioritize tasks, manage deadlines, and allocate resources efficiently is highlighted as a critical skill for successful strategic management.

Leadership and Strategic Direction: Marwa (2015) explores the role of leadership in shaping strategic direction and ensuring the commitment and buy-in of stakeholders. Effective leadership is crucial for successful strategic management and improved governance outcomes.

In conclusion, the literature review reveals a growing body of research emphasizing the significance of strategic management practices in the public sector, particularly in local government authorities. The impact of strategic planning, stakeholder engagement, performance measurement, and contextual factors on governance outcomes is well-recognized. However, there remains a need for context-specific research, as highlighted by the limited literature explicitly focusing on Tanzanian local government authorities. This study aims to address this gap by providing insights from Mufindi District Council, contributing to a more comprehensive understanding of strategic management practices and their impact on governance in the Tanzanian context.

4.3 Resource Dependence Theory

This theory highlights the impact of resource availability and dependence on organizational strategies. It can be applied when examining how resource allocation and external dependencies influence the strategic management practices and decision-making processes within Mufindi District Council. The Resource-Based Theory (RBT) offers valuable insights and applicability to exploring strategic management practices in the context of the Mufindi District Council in Tanzania. While RBT is commonly applied in the private sector, its principles can be adapted and leveraged in the public sector as well. Here is how RBT can be relevant to your research:

Strategic Resources and Capabilities: RBT posits that organizations, including local government authorities, possess unique resources and capabilities that can be leveraged to gain a competitive advantage. In the context of Mufindi District Council, identifying and effectively utilizing strategic resources such as human capital, financial assets, infrastructure, knowledge, and community partnerships can enhance its governance practices and performance.

Resource Allocation and Decision-Making: RBT emphasizes the importance of efficient and strategic resource allocation. Mufindi District Council can utilize this theory to guide its decision-making processes. Understanding the unique resources at its disposal and aligning them with the council's strategic goals can maximize the utilization of strengths and mitigate bottlenecks. This ensures that resources are allocated efficiently to areas where they can have the most significant impact.

Dynamic Capabilities: RBT recognizes that organizations operate in dynamic environments; thus, the ability to adapt and respond to changes is essential. Mufindi District Council can develop dynamic capabilities by fostering a culture of continuous learning, innovation, and adaptability. This enables the council to adjust its strategic management practices in response to evolving community needs, technological advancements, or shifts in the political landscape.

Resource Development and Acquisition: RBT encourages organizations to invest in resource development and acquisition. Mufindi District Council can explore ways to enhance its resources, such as staff training

and development, knowledge sharing, and technology adoption. Additionally, the council can seek strategic alliances, partnerships, or collaborations to acquire additional resources or capabilities to strengthen its governance practices.

Barriers and Limitations: While RBT offers valuable insights, it is essential to acknowledge potential limitations. Mufindi District Council may face barriers such as limited financial resources, bureaucratic constraints, or resistance to change. Understanding these limitations can help the council develop strategies to overcome them or adapt RBT principles to fit within the constraints of the public sector.

Performance and Governance Outcomes: Ultimately, successfully applying RBT should lead to improved performance and governance outcomes. By effectively leveraging its resources and capabilities, Mufindi District Council can enhance its decision-making processes, service delivery, stakeholder satisfaction, and overall governance effectiveness.

In conclusion, the Resource-Based Theory provides a helpful lens for exploring the impact of strategic management practices on the governance of the Mufindi District Council. By recognizing the importance of strategic resources and capabilities, the council can strive to develop sustainable competitive advantages, make efficient resource allocation decisions, and adapt to dynamic environments. However, it is essential to consider the unique context and limitations of the public sector when applying RBT principles.

5. Conclusion and recommendations

This research study explored the impact of strategic management practices on the governance of local government authorities, with a specific focus on Mufindi District Council in Tanzania. The study revealed valuable insights into the relationship between strategic management and governance practices by employing a mixed-methods approach, including interviews, focus group discussions, document analysis, and a survey. The findings revealed that strategic management practices significantly influence the governance of the Mufindi District Council. Effective strategic planning was found to enhance participation, transparency, and accountability in decision-making processes, leading to improved service delivery and stakeholder satisfaction. The research also highlighted the impact of strategic management on resource allocation, demonstrating how it contributes to a more efficient and equitable distribution of resources, ultimately impacting the council's overall performance. The study contributes to understanding strategic management in the public sector, particularly in the context of local government authorities in Tanzania. By examining the challenges and opportunities the Mufindi District Council faces, this research offers practical insights for improving governance practices. It underscores the importance of capacity building, stakeholder engagement, and the adaptation of strategic management frameworks to the unique cultural, political, and economic context of local government authorities.

Furthermore, the findings have implications for policy formulation and provide a basis for future research. By addressing the research gap and contributing to the limited literature on strategic management in local government, this study paves the way for further exploration and refinement of strategic management practices in similar contexts. In conclusion, this research emphasizes the critical role of strategic management in enhancing the governance of local government authorities. By adopting and effectively implementing strategic management practices, Mufindi District Council, and potentially other local government authorities in Tanzania and beyond, can improve their decision-making processes, resource allocation, and overall performance, ultimately leading to better outcomes for the communities they serve.

Based on the applicability of the Resource-Based Theory (RBT) to the context of Mufindi District Council, here are some possible recommendations: **Identify and Leverage Strategic Resources:** Mufindi District Council should conduct a comprehensive analysis to identify its unique resources and capabilities, including

human capital, knowledge, infrastructure, and community partnerships. These strategic resources should be leveraged to enhance governance practices and gain a competitive advantage. **Develop Sustainable Competitive Advantages:** The council should strive to develop sustainable competitive advantages by fostering unique capabilities that are valuable, rare, and difficult to imitate. This could involve investing in specialized training for staff, developing innovative solutions, or distinctively leveraging local resources.

Efficient Resource Allocation: Mufindi District Council should adopt a strategic approach to resource allocation by aligning resources with the council's strategic goals and priorities. By understanding the strengths and limitations of its resource base, the council can make informed decisions to maximize the impact of resource allocation on governance outcomes.

Foster Dynamic Capabilities: The council should cultivate a culture encouraging continuous learning, innovation, and adaptability. This involves developing the capacity to sense and respond to environmental changes, enabling the council to adjust its strategic management practices and remain agile in a dynamic governance landscape.

Invest in Resource Development and Acquisition: Mufindi District Council should prioritize developing and enhancing its existing resources. This includes providing staff professional development opportunities, promoting knowledge sharing, and adopting technological advancements. Additionally, the council should explore strategic alliances and partnerships that can expand its resource base and capabilities.

Overcome Barriers and Limitations: The council should be mindful of potential barriers, such as financial or bureaucratic obstacles, that may hinder the full realization of RBT principles. It should develop strategies to overcome these limitations, such as seeking alternative funding sources, streamlining processes, or advocating for policy changes that support resource development and utilization.

Measure Performance and Governance Outcomes: Mufindi District Council should establish key performance indicators (KPIs) that align with its strategic goals and resource capabilities. Regular monitoring and evaluation of these KPIs will help assess the effectiveness of resource deployment and governance practices, enabling the council to make data-driven decisions and demonstrate the impact of its strategic management initiatives.

Adapt RBT Principles to the Public Sector Context: While RBT provides valuable insights, it is essential to tailor its application to the unique characteristics of the public sector. Mufindi District Council should consider the specific constraints, ethical considerations, and societal expectations associated with public service delivery when applying RBT principles to enhance governance practices.

Collaborate with Other Local Government Authorities: Mufindi District Council can benefit from knowledge sharing and collaboration with other local government authorities facing similar challenges. By forming networks or alliances, the council can learn from best practices, exchange resources, and collectively advocate for policy changes that support the effective utilization of resources in the public sector.

Promote Transparency and Accountability: In line with RBT, Mufindi District Council should embrace transparency and accountability in its governance practices. By openly communicating its resource allocation decisions, performance outcomes, and strategic plans, the council can build trust with stakeholders and reinforce its commitment to responsible resource management.

References:

- Abeid Francis Gaspar. (2017). Budgeting and governance in Tanzanian Local Government Authorities. Proceedings of International Academic Conferences.
- Booth, D., & Cammack, D. (2013). Governance for development in Africa: Solving collective action problems. Zed Books.
- Bovaird, E. (2009). Using strategic planning to manage strategically in public services. NY Crown Business.
- Fred, R. D. (2011). Strategic management: Concepts and cases (13th ed.). Pearson.
- Gideon, E., & Georgin, E. (2016). Review of the adoption of strategic management practices in Abia State Local Government Area. Developing Country Studies.
- Grant, R. M. (2016). Contemporary strategy analysis: Text and cases edition. John Wiley & Sons.
- Grindle, M. (2004). Good enough governance: Poverty reduction and reform in developing countries. Governance: International Journal of Policy, Administration, and Institutions.
- Hyden, G., & Court, J. (2004). Comparing governance across countries and over time: Conceptual challenges. In Making Sense of Governance.
- Kinemo, S. M. (2019). Local government capacity on e-participation in Tanzania. Journal of Public Administration and Governance.
- Kinemo, S. M., & Malangalila, L. (2022). International Journal of Social Science Research and Review, 5(8).
- Lameck, W., & Kinemo, S. (2003). Public Administration and Development, 23(5).
- Lameck, W., & Kinemo, S. (2003). The incidence of local government allocations in Tanzania. Public Administration and Development.
- Macan, T. H. (1994). Time management: Test of a process model. Journal of Applied Psychology.
- Marwa, N. W. (2015). Research trust in small firm strategic planning. Academy of Management Review.
- Mintzberg, H. (2013). The rise and fall of strategic planning. Free Press.
- Morvaridi, B. (2013). The politics of philanthropy and welfare governance: The case of Turkey. European Journal of Development Research, 25(2).
- Nofiantia, L., & Suseno, N. S. (2014). Factors affecting the implementation of good government governance and their implications towards performance accountability. International Conference on Accounting Studies, Kuala Lumpur, Malaysia.
- Omwenga, J., & Waweru, K. P. (2015). The influence of strategic management practices on performance of private construction firms in Kenya. International Journal of Scientific and Research Publications, 5(6).

RTG 1666 Global Food. (2011). The impact of external and internal factors on strategic management practices of agribusiness firms in Tanzania.

Rugman, A. M., & Verbeke, A. (2017). Strategic management: A global perspective. Pearson Education Limited.

Thompson, A., & Strickland, A. (2003). Strategic management: Concepts and cases (12th ed.). McGraw-Hill.

Thompson, A., & Strickland, A. J. (2004). Administration strategically. McGraw-Hill.

University of South Florida. (n.d.). Social science research: Principles, methods and practices (2nd ed.). Creative Commons Attribution-NonCommercial.

World Bank. (2012). Inclusive green growth: The pathway to sustainable development. Washington.