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RESEARCH ARTICLE

ASSESSMENT OF FINANCIAL RESOURCES ON SEAPORTS AND AIRPORTS STRATEGIC PROJECTS DEVELOPMENT PERFORMANCE IN ZANZIBAR TANZANIA

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Abstract

The study aimed at assessing the financial resource challenges facing airports and seaports development projects in Zanzibar. However, there was inadequate information on how financial resources determine the performance of airports and seaports development projects in Zanzibar. The study adopted positivism research philosophy, explanatory, and descriptive cross-sectional research designs. Also, quantitative data were collected by the use of questionnaires. The questionnaire was administered to 214 respondents all randomly drawn from the five projects selected in Zanzibar. Multiple linear regression models were used to analyse and test the hypotheses. The study found that the effect of financial resources on the performance has a positive contribution to the performance of airport and seaports development projects. The study recommends that the government should enforce and strengthen the policy on acquisition of financial budgetary allocation for public development projects.

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Introduction:-

Background of the project

The resources in development projects include persons, finance and things or materials that are capable of accomplishment of the objectives and targets of the projects. Specifically, resources include materials, human inputs, financial resources, assets and skills which assist in the achievement of expected aims and objectives of the projects (World Bank, 2019).

Sarda, & Dewalkar, (2016) describes that, projects and programs of business companies in USA are well performed because of good allocation and effective utilization of financial resources and other resources such as projects expert, materials, and good management, among others.

In Tanzania Mainland, (MFP, 2016) report shows that the good outcomes and performance of development projects such as airport and seaport are contributed by proper allocation and effective utilization of available financial resources.

In Zanzibar, According to Zanzibar UNDP Report of (2015), prepared by Zanzibar Planning Commission, shows that the resources allocation and effective utilization on its development projects, leads the performance especially social services projects like health and education as well as airport and seaport projects. The report portrays many

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achievements gained from the effective implementation of financial, materials and qualified staffs on implementing development projects.

Literature Review;-

Theoretical literature review

The study mainly used the Resource Based Theory (RBT) which highlights importance of uniquely utilising the resources to gain the sustained competitive advantage (SCA) against the competitors. Moreover, the resource based view was supported by other theories and models, namely Project Management theory and balanced score card which also enriched the study.

Resource Based Theory was popularized in the field of management science from early 1950's based on the importance and implications of resources for the performance of firms. RBT was developed and used by a number of strategic management researchers who include Penrose (1959 & 2003), Barney (2017), Peteraf (1993), and Mata et al. (2016).

Project management theory is a popular theory in the field of project planning and management. This theory aims at helping the project coordinators and managers to use the project resources effectively so as to have project good outcomes and manage to achieve its quality goals and objectives (Martin, 2016; PMI, 2017). The project management suggests the better ways to allocate and utilize resources to bring sustainability and performance in the projects.

A balanced score card is a performance measurement model that identifies and reports the performance measures for each key strategic area of the business. The proponents of balanced score card (BSC) contend that apart from measuring the project performance using only financial measures, non- financial metrics help the top management to assess the long run survival of an organization. Kaplan and Norton (2016) suggest a Balanced Scorecard (BSC) with four measurement perspectives that apply to all organizations regardless of their strategy. First, the financial perspective measures such as capital size, sales, revenue and profit. Second, customer perspective measures such as customer satisfaction, customer profitability, market share, and product and service attributes. Third, internal process perspective measures such as quality, process efficiency, and time. Fourth, innovation measures such as employee's satisfaction, skills development, and organizational climate for motivation. The BSC model is critical because it helps planners to identify what should be done and what can be measured.

Empirical literature review

Silva (2016) argued that the government should allocate the financial resources in priority areas in order to obtain maximum returns from the investment in question which consequently leads to improved performance. This concurs with previous studies that have found availability of adequate business finance is a critical factor in sustaining long-term investment leading to development project success (Silva (2016).

Chiganga (2015), found that, access to reliable sources of funding, and the ability to generate acceptable returns on investment money determines the ability of the government to attract more funding from its stakeholders consequently leading to improved performance. This is consistent with the findings of Immyxail and Takahashi (2015), who found that availability, accessibility, and adequacy of funds gives an organization a competitive advantage in service delivery.

Wanjau et al. (2012) found that there was a significant positive relationship between financial resources and the performance of development projects. The study established that, funds were critical in acquisition of the necessary physical resources like, project supplies and equipment. However, the study ignored critical aspects like adequacy of funds and timeliness in disbursement of funds by the government. In addition, the study used service providers as respondents and ignored the service receivers who would have provided vital information in regard to customer satisfaction.

Silva, (2016), found that there was a significant relationship between financial resources and performance and those inadequate funds for allocation and acquisition of the right and quality equipment and maintenance of project equipment and staff training for handling equipment among others was responsible for the poor performance of Sri Lankan public projects.

Usman, (2015) established that timely receipt of adequate funds had a significant relationship with development project performance. This was in line with Sarda, & Dewalkar, (2016) whose observations show that, funds are the most basic resources that influence the performance of development project because they determine the amount of human capital, physical resources, information technology resources, and other needed resources to be acquired.

Laurent (2017) investigated the factors affecting the performance of airport construction projects in Tanzania. The study utilized the deduction approach, explanatory research design, quantitative research technique, primary and secondary data and 103 respondents. The collected data were analyzed by the support of SPSS version 16.0 and information was in terms of frequencies and tables. The findings indicate that factors affecting airport construction projects in Tanzania include failure to release the project fund on time, poor inputs from stakeholders especially during the project plan and design and poor project management skills.

Basing on a theoretical and empirical review (Silva, 2016; Usman, 2015; Chiganga, 2015; Laurent, 2017; Maureen, 2015; Wanjau et al., 2012;) this study hypothesises that:

Ho: Financial resources have no significant effect on the performance of the five selected projects in Zanzibar.

Ha: Financial resources have a significant effect on the performance of the five selected projects in Zanzibar.

Research Methodology:-

Research Philosophy

This study was guided by positivism research philosophy which premises that, knowledge is based on facts obtained from objective reality and expressed numerically with explanatory and predictive power and not on subjective status of an individual's views (Furrer et al., 2018). Research based on a positivistic approach depends on testing and verification of empirical facts in order to identify the relationships between variables in a given phenomenon.

Positivism research philosophy, knowledge is only considered valid if it is based on values of reason and facts gathered through direct observations and measured empirically using quantitative methods and statistical analysis leading to development of theoretical models that can be generalizable to explain cause and affect relationships. The choice of positivistic approach for this study was ideal since the study involved collection of data and hypothesis testing using statistical techniques as recommended by Lewis and Thornhill (2017).

Research strategy

The study used explanatory and descriptive cross-sectional research designs where quantitative data was collected by use of questionnaire. Descriptive survey design is advantageous since it enable the researcher to obtain an accurate profile of the people, events or situations. It has flexibility of using methods of quantitative or qualitative data or both giving a researcher greater options in selecting the instrument for data gathering (Ishengoma, 2012).

Data processing and analysis

The quantitative methods like Regression analysis, frequency tables, and percentages, among others. The regression software packages such as SPSS, Microsoft with window version 20. The Chi-square methods were used to test three Null hypotheses formulated in this study. The quantitative techniques are advantageous because they allow researchers to conduct a broad survey, which involves many subjects and generalization of findings.

Findings And Discussion:-**Table 1:-** Respond on Financial Resources Index.

Index value	Frequency	Percent	Cumulative Percent
1.75	12	5.6	5.6
1.83	12	5.6	11.2
1.92	12	5.6	16.8
2.00	3	1.4	18.2
2.08	3	1.4	19.6
2.25	9	4.2	23.8
2.33	6	2.8	26.6
2.50	3	1.4	28.0
2.58	9	4.2	32.2
2.67	9	4.2	36.4
2.75	3	1.4	37.9
2.83	3	1.4	39.3
3.00	6	2.8	42.1
3.08	24	11.2	53.3
3.17	16	7.5	60.7
3.25	10	4.7	65.4
3.33	10	4.7	70.1
3.42	6	2.8	72.9
3.50	13	6.1	79.0
3.58	9	4.2	83.2
3.67	9	4.2	87.4
4.00	9	4.2	91.6
4.17	3	1.4	93.0
4.25	15	7.0	100.0
Total	214	100.0	
Mean		2.9720	
Minimum		1.75	
Maximum		4.25	
Percentiles	20	2.2500	
	40	3.0000	
	60	3.1667	
	80	3.5833	

Source: Survey data 2020

Table 1. Above shows that majority of respondents agreed that financial resources in selected projects have moderate effects which evidenced by more than 55% of total respondents. This implies that the performance of the projects selected in the study is only at an average performance due to inadequate funds.

The aggregate mean score also was 2.9720 with a standard deviation of 1.0132 implies that the respondents rated a moderate extent the various issues regarding financial resources.

Null hypothesis (H_0) was formulated with assumption that financial resources have no significant effect on performance of selected projects in Zanzibar. The regression results for hypothesis indicated that the beta coefficient of financial resources was 1.008 with a P- value of 0.000.

This implies that when other factors are kept constant a unit increase in financial resources results to an increase of 1.008 in performance of projects. Therefore, at $P < 0.05$ level of significance, the null hypothesis (H_0) is rejected implying that financial resources had a positive statistical and significant effect on performance of projects.

The findings collaborated with Dasanayaka (2010) who found a significant positive relationship between financial resources and performance of projects in Sri Lanka because they were responsible for various purposes such as

acquisition and maintenance of equipment and devices and responsible for staff training. The findings are also reliable with Immyxail and Takahashi (2015) who found that financial resources were significantly linked to firm performance irrespective of who heads the institutions.

Additionally, the findings concurs with results from URT and UNIDO, (2015) argue that the performance of Tanzania's manufacturing sector remains unimpressive due to financial resources and investment problem Tanzania lags behind regional role models both in terms of the quantity and quality of industrial goods produced and exported. It continues to rely heavily on an unproductive agricultural sector, the extractive sector and low value-added manufacturing.

The study findings are consistent with Dye and Webster (2017) who found that financial resources were critical in sustaining business success. The findings are consistent with Maureen (2015) who found that timely receipt of adequate funds had a significant relationship with projects performance. The findings work together with Wanjau, et al (2012) who found that financial resources significantly influenced the performance of public projects in Kenya since they were critical component in acquisition of necessary physical resources.

The findings also concur with results from PMI (2017) who concluded that project management if done well, clearly indicated high probability of success. The paper stated "it may be inferred with variables like good planning, availability and utilization of resources particularly financial resources and accountability this have the greatest impact on the performance of the project.

The results further more concur with the results from RGZ (2019) started that, the allocation of financial resources at the airport has grown dramatically over the last decade and continues to expand to serve the needs of international airline operators. Thus, the increases of financial resources significantly influenced the performance of airport projects performances in Zanzibar.

Conclusion and policy implication:-

The study found that there was a positive contribution of financial resources to performance of airport and seaport development projects in Zanzibar. Therefore, these five selected projects namely the Zanzibar airport, Pemba airport, Malindi seaport, Mkoani seaport and Wete seaport were the central development projects to the Zanzibar's national objectives of achieving sustained economic growth and poverty reduction. The development projects were dominated and funded by central government.

Increase project budget and disbursement, the government should increase budgetary financial allocation for the projects so as to be able to acquire the requisite physical resources. Further, the government should review and enforce policy on disbursement times and ensure adequate amount is disbursed. This ensures the projects receive adequate funds and on timely basis. The review should also focus on collaboration with other bodies such as CDF, non- government organizations and business community in order to increase financial base of the airport and seaports projects.

The study recommended that the Zanzibar government should enforce and strengthen policy on acquisition should increase financial budgetary allocation for public development projects.

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