



An Investigation into Strategic Planning and Performance Improvement of National Social Security Fund Ilala Branch

George Godfrey Mtawa¹, Assoc. Prof. Nsubuga Haroonah², Dr. Rukkaya Wakif Muhammed³

¹ Master Student: Faculty of Arts and Social Sciences, Zanzibar University, P.O. Box 2440 Tonguu, Zanzibar

² Zanzibar University, P.O. Box 2440 Tonguu, Zanzibar

³ Zanzibar University, P.O.Box 2440 Tonguu, Zanzibar, Tanzania

ABSTRACT: This study was conducted so as to investigate the effects of strategic planning toward performance improvement of the National Social Security Fund Ilala Branch with the following specific objectives; to assess the influence of existing organizational structure to the performance improvement of NSSF Ilala Branch, to examine the influence of organizational system to performance improvement of NSSF Ilala Branch and to analyze the contribution of organization mission towards performance improvement of NSSF Ilala Branch. This study used descriptive survey design. Quantitative research approach was adopted. Population of this study comprised of 300 staff members of NSSF Ilala Branch. It employed both purposive and random sampling techniques to obtain 172 respondents. The study found out that, strategic planning aspects of structure would influence performance improvement by 17.8%, organizational system and organization mission would contribute to performance improvement by 40.8% and 50.8% respectively. The study recommended that, organizations in Tanzania should take strategic planning more seriously, differentiate it from other forms of planning, make an effort to choose strategies that are suitable for each strategic plan as well as embrace and successfully apply all of its principles.

KEYWORDS: Performance, Performance improvement, Strategic Planning.

1. INTRODUCTION

Strategy plan is “the realization of strategy and what the firm does” (Hakansons et.al., 2012: 182). The successful implementation of strategic decisions is widely thought to be critical to the achievement of organizational plans and objectives (Schweiger, 2015). In fact, the literature on strategy planning generally remains fragmented and dispersed throughout the general and specialized management literatures, with little systematic investigation of any of the major themes relating to implementation success (Bossidy et.al., 2011; Elbanna, et.al., 2020; Noble, 2009).

Dramatic changes in the economy and the consequent corporate restructuring are bringing forth significant transformation in organization structure and work practices. There are changes taking place in the structure of jobs, skills requirement and the labor management structures. Changes of this magnitude in the corporate world have significant implications for strategic planning and performance improvement at workplace. This study focused at the Contribution strategic planning to the Performance improvement of the Organization. The results showed beyond doubt that, there are a number of development programs at the scoped area and those programs are playing a significant role in regard to the performance of the organization. However, the organization is being faced with a number of challenges, which to some extent are impeding the realization of the fruits of human resource development through effective and efficient performance. The study carried in London by Certo, (2019), “Modern Management” emphasized that in developing a plan to compete with sellers, management at Bell Atlantic should begin by thinking strategically. That is, management should determine what can be done to ensure that, Bell Atlantic will be successful with its operations at some point three to five years in the future.

The historic roots of public-sector strategic planning are mostly military and tied to statecraft, meaning the art of managing government affairs and involving the use of state power (Freedman 2013). Starting in the 1960s, however, the development of the concepts, procedures, tools and practices of strategic planning has occurred primarily in the for-profit sector. Public-sector strategic planning got a serious start in the United States in the 1980s (e.g., Eadie 1983) and later in other countries such as the United Kingdom, Australia, New Zealand, Canada and elsewhere.



This history has been documented by Mintzberg, et.al., (2009) and Ferlie et.al., (2015). For-profit literature, it is reasonably clear that strategic planning is undertaken to maximize enterprise-wide or sub-unit effectiveness in terms of profit, market share and other business-related outcomes. In the public sector, achieving goal alignment, continuity of effort and performance-related effectiveness are important reasons for undertaking strategic planning. In other words, strategic planning may be adopted in the public sector because users think it will help them decide what their organizations should be doing, why and how (Bryson et.al., 2009).

Of course, there are other often complementary reasons why strategic planning has become an increasingly standard practice. One reason is accountability and compliance – as, for example, the law requiring US federal agencies to engage in strategic planning under the Government Performance and Results Act of 1993 (GPRA) and the Government Performance and Results Modernization Act of 2010 (GPRMA) (Radin 2006; Tama 2015).

Government Performance and Results (GPRA) and Government Performance and Results Modernization Act (GPRMA) were Congressional mandates premised on the belief that strategic planning would lead to better agency performance. Other reasons include faddishness or simple mimicry (Pfeffer and Sutton 2006), the pressure of professional norms (DiMaggio and Powell 1983; Tama 2015), prior relationships and experience with potential strategic planning participants (Percoco 2016), as well as more political reasons. These political motivations can include a desire to strengthen the control of political leaders over an organization's units and personnel or to enhance an organization's external legitimacy or support (Tama, 2015).

2. LITERATURE REVIEW

A study carried out in Ethiopia by Sisay, (2019), Strategic planning process to company performance provides that, strategic planning is an effective way of improving company performance. This study has been the general perception in the strategic management literature to date. Over time, the concept and practice of strategic planning has been embraced worldwide and across sectors because of its perceived contribution to organizational effectiveness. Today, organizations from both the private and public sectors have taken the practice of strategic planning seriously as a tool that can be used to fast track their performance.

Although studies within the African context by Woodburn (1990s), Adegbite (2010) and Fubara (2016), noted that, firms that practiced strategic planning recorded better performance compared to nonplanners, their focus, however, was on the formality of planning rather than the link between planning and firm performance.

In Tanzania, according to the Ministry of Finance, Workers Compensation Act, (2018), the scheme registered 12,282 members by 2017 and 17,847 members by 2018 which gained benefits of 45.3%. This is quite different to the objectives of the scheme to register at least 50%. Registered members contributed Tshs. 81.80 billion by 2017 and Tsh 100.92 billion by 2018 equals to 23.4% which did not match with the objectives of the scheme to collect more than 50%. The scheme paid compensation and treatment to workers of Tsh 1.76 billion by 2017 and Tsh 2.21 billion by 2018 which is 25.6%.

According to Tanzania Ministry of Finance Report (2017), NSSF invested about Tsh. 70.46 billion by 2017 and Tsh. 91.72 billion invested by 2018 which is about an increase of 30.2%. From its investments, NSSF collected about Tsh. 16.35 billion by 2017 and Tsh. 21.39 billion collected by 2018 which is about 30.8% increase. This work seeks to cast light on a critical issue running through scholarly debates about strategic planning at NSSF Ilala branch and the implementation of key decisions: the role that formal strategic planning can play in determining strategy implementation success.

As such, the basic assumption underpinning the practice of strategic planning is that, it is rational to invest resources in formulating good plans because this will vastly improve the prospects of implementation success (Mintzberg, 2000). When companies don't win in the market place, it is often because they don't have a strategy. Strategy is about winning and winning is about making clear choices about where and how to play. Business can win with the right approach to thinking hard (Roger, 2014).

Despite the popularity of the idea that planning matters for implementation, there have been few empirical studies of the connection between planning and implementation in public service organizations using primary and secondary data on those organizations (Bryson et.al., 2010). Moreover, little attention has been devoted to the boundary conditions of the relationship between formal strategic planning and strategy implementation success.

Van et.al., (2012). "Fundamentals of performance is practical for successful implementation of organizational plans by using HTP model where the authors explain step by step how to spot performance indicators, analyze problems, identify their underlying causes and create workable solutions and perspective on change management."



In particular, the active participation of managers in the strategic planning process is typically regarded as essential for making strategic decisions work (Elbanna et.al., 2014; Floyd and Wooldridge, 1994) and as such, managerial involvement in planning is likely to mediate the connection between strategy formulation and strategy implementation success (Collier et.al., 2004; Floyd et.al., 1997).

At the same time, formal strategic planning could potentially enable public service organizations to better manage the support from stakeholders that is needed to achieve strategic plans (Pfeffer and Salancik, 1978).

3. METHODOLOGY

This study used descriptive survey design. Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). Quantitative research approach was adopted because it relies on the principles of verifiability. This included confirmation, proof, corroboration or substantiation thus knowledge emerges from what can be proven by direct observation. Objectivity is also much reinforced by Kombo and Tromp (2006), thus researcher's values, interpretation and personal feelings were not considered through quantitative approach.

This study was carried out at NSSF Ilala Branch Dar Es Salaam, which is one among the several branches of NSSF in Tanzania. Best and Khan, (1998) have stated that; "a population is a group of individuals who have one or more characteristics in common that are of interest to the researcher." Population is the group of individuals, objects, or items from among which samples are taken for measurement. Population as defined by Bryman is an entire cohort of subjects that a researcher is interested with (Bryman, 2004). Population of this study comprised of 300 staff members.

Hair et.al., (2013), in multiple regression a minimum sample of 50 and preferably 100 respondents is normally required for most research situations. However, the minimum ratio of respondents to predictors is 15:1 or 20:1. The sample size of this study calculated by using Yamane's (1967) formulae in regard to this study sample size were 172 respondents from 300 members of NSSF Ilala Branch.

This study employed both purposive and random sampling techniques to obtain participants. Purposive sampling technique was used to obtain staffs in various positions, respondents were classified by gender, age, marital status and occupation. Cronbach's Alpha test was conducted to measure the reliability of the instrument for all items and the result was 0.750 indicating a satisfactory level of internal consistency. The statistical tool used for data analysis was inferential statistics such as correlation. Data analyzed by the help of a Statistical Package for Social Sciences (SPSS) software version 23.

4. RESULTS AND DISCUSSION

4.1 Demographic Features of the Respondents

In this study, both males and females participated fully in providing information concerning with the influence of strategic planning towards performance improvement of the Ilala Branch. The respondents in this study were of different age groups, the study has revealed that, 43 equal to (25%) of the respondents were from the age group between 18 and 30 years old, while those who were aged between 31 to 45 were 81 equal to (47.1%), those who were aged between 46 and 60 were 48 equal to (27.9%).

Experience is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by his experience status and therefore it becomes imperative to know the working experience of the respondents. In this study, the respondents possess different level of working experience as indicated in Table 1.

In this study the respondents possess different level of education as indicated in Table 1. Majority of the respondents; 9 equal to (5.3%) had certificate, another 24 equal to (13.9%) of the respondents had diploma, 92 equal to (53.5%) of the respondents had Bachelor Degree, 41 equal to (23.9%) had Master Degree and 6 equal to (3.4%) had other levels of education. The aforementioned data is represented in Table 1.



Table 1: Demographic Characteristic of the Respondents

Gender	Frequency	Percentage (%)
Male	96	55.8
Female	76	44.2

Age	Frequency	Percentage
18-30	43	25
31-45	81	47.1
45-60	48	27.9

Experience in years	Frequency	Percentage (%)
0 to 5	52	30.2
5 to 10	91	52.9
10 and above	29	16.9
Total	172	100

Level of Education	Frequency	Percentage (%)
Certificate	9	5.3
Diploma	24	13.9
Bachelor's Degree	92	53.5
Master's Degree	41	23.9
Others	6	3.4

Source: Survey Data, (2022).

According to Table 1, there were 76 equal to (44.2%) women and 96 equal to (55.8%) men among all respondents. This gender status suggested that, both gender were fairly represented in the material gathered.

This demonstrated the diversity of opinion held by both men and women, as well as the fact that, in many industries, male employees were more similar to female employees. Due to the traditional ideal of educating men more than women, there are fewer female workers than male employees; as a result, the majority did not meet the requirements for the position.

Table 1 also reveals the finding that, 81 equal to (47.1%) of respondents were of the age range of 31 to 45. Only 48 equal to (27.9%) of respondents were aged 45 to 60, while 43 equal to (25%) were between the ages of 18 and 30. According to the findings, the majority of banking industry workers were of an adult and productive age, which allowed them to work hard and rapidly to grow their business. They also had a good understanding of the organizational culture and stress levels in the industry.

More over, half of the participants 91 equal to (52.9%) had job experience ranging from five to ten years, according to Table 1 breakdown of the participants' work history. The remaining respondents 29 equal to (16.9%) had experience of more than 10 years in the company, while 52 equal to (30.2%) of the respondents had experience of 0 to 5 years.

According to Table 1, 9 equal to (5.3%) members with certificate, 24 equal to (13.9%) members among all respondents with diploma, 92 equal to (53.5%) members with bachelor degree, 41 equal to (23.9%) members with masters degree, 6 equals to (3.4%) members having other levels of education. This level of education suggested that, all members with deferent levels of education, gender was



fairly represented in the material gathered. The information supplied by the respondents was significantly impacted by grouping the respondents based on their level of education.

This demonstrated the diversity of opinion held by men and women as well as the fact that, in many industries, male employees were more compared to female employees. Due to the traditional ideal of educating men more than women, there are fewer female workers than male employees; as a result, the majority did not meet the requirements for the position. In this study, characteristics of respondents were accorded much significance given the problem of investigation at stake. Therefore, characteristics namely, age, gender, education, working experience of the 172 respondents were examined as clearly observed in Table 1.

4.2 Correlation Statistical Technique

The study was designed to assess the effect of strategic planning to performance improvement at NSSF Ilala Branch. The linear regression analysis was used to examine at what extent the 5 dimensions of the strategic plan had an influence to the dependent variable. The findings obtained are illustrated in Table 2.

Table 2: Coefficients Results

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
	(Constant)	-0.3640	1.5790		-0.2310	0.8180
1	Mission of the company	0.0570	0.0890	0.0660	0.6360	0.5260
	Structure	0.4080	0.0930	0.4560	4.3680	0.0000
	Policies and procedures	0.5080	0.1130	0.4990	4.5170	0.0000
	System	0.0430	0.0820	0.0500	0.5170	0.6070

a. Dependent Variable: Strategic implementation

According to Table 2, the model that included every independent variable, it explains 63.4% of the variance in the overall strategy implementation performance of the firm (correlation coefficient: 0.806, coefficient of determination: 0.65 and adjusted coefficient of determination: 0.634).

It was discovered that, the $b_0 = -0.364$ indicated that, the performance of the firm's strategy implementation will suffer without the elements Mission of the company, Structure, Planning, and System. Additionally, each of the factors ($b_1 = 0.057$, $b_2 = 0.408$, $b_3 = 0.508$ and $b_4 = 0.043$) positively contributed to the achievement of improved strategy implementation performance. However, only structure and planning were significant.

John A.P. (2004), provides that, new perspective on the issue of organizational structure as a central mechanism for strategic implementation, particularly in large companies, explores three fundamental driving forces on contemporary organizational structure – globalization.

5. CONCLUSION

There is a positive effect of strategic planning to the performance improvement at NSSF Ilala Branch, the linear regression analysis was used to examine the extent to which the 5 dimensions of the strategic plan had an influence to the dependent variable. According to the model that included every independent variable, it can explain 63.4% of the variance in the overall strategy implementation performance of the firm (correlation coefficient: 0.806, coefficient of determination: 0.65 and adjusted coefficient of determination: 0.634).



There is outstanding role played by the strategic planning toward performance improvement at NSSF Ilala Branch. The study assessed the role of the strategic planning to performance improvement of NSSF Ilala Branch. The results reveal that, most respondents believed that, the strategic plan helped them perform better because everyone in the company is free to think creatively and come up with new ideas and they always treat one another and other people with respect.

The results also showed that, the majority of respondents believed that, strategic plan helped them perform better. Being successful in this company is acceptable to everyone personally. So, it is important to carry out tasks exactly as they are allotted to everybody.

6. RECOMMENDATION

Organizations in Tanzania should take strategic planning more seriously, differentiate it from other forms of planning, make an effort to choose strategies that are suitable for each strategic plan, as well as embracing and successfully applying all of its principles. In order to ensure successful strategic planning, every business must make an effort to treat the welfare of its human resources seriously. This is because all strategic planning tenets (formulation, execution, assessment and control) must be carried out via its human capital. In other words, workers must play a crucial part if business entities are to succeed in achieving their set goals for which they were established..

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