EFFECT OF MANAGERS FINANCIAL KNOWLEDGE ON ORGANIZATIONAL SUCCESS: A CASE OF TANZANIA RAILWAYS CORPORATION

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CERTIFICATION

The undersigned certifies that I have read and hereby recommend for acceptance by the Open University of Tanzania a dissertation entitled: **"Effect of Motivation Employees Creativity in the Public Sector at Kwitanga Prison in Kigoma",** in partial fulfillment of the requirements for the degree of Master of Business Administration of the Open University of Tanzania.

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Dr. Chacha Matoka

(Supervisor)

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DECLARATION

I**, Saulo Mabushi,** declare that the work presented in this dissertation is original. It has never been given to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirements for the degree of Master of Business Administration of the Open University of Tanzania.

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Signature

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Date

DEDICATION

This work is dedicated to my parent, Mr, Saulo P. Nkwija and my beloved Mother, Grace M. Maige, and other friends for supporting me in the writing dissertation from the beginning to the end.

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ABSTRACT

This study examined the effect of managers' financial knowledge on Public organizational success; in the case of Tanzania Railways Corporation. The study was guided by four objectives; to determine the relationship effect of budgeting and forecasting knowledge, capital investment decision knowledge, cash flow management knowledge and strategic financial planning knowledge on Tanzania Railways Corporation's success. The Resource-Based Theory (RBT) was utilized in this study. Positivist philosophy was employed in this research. A quantitative research approach and explanatory design were utilized in this study. 353 respondents were stratified and randomly selected to respond to structured questionnaires. Descriptive statistics and multiple regression analysis were carried out. This study found that all four independent variables (budgeting and forecasting knowledge, investment decision knowledge, cash flow management knowledge and strategic financial planning knowledge) were found to be positive and significantly related to the dependent variable of Tanzania Railways Corporation's organizational success. Based on the findings the study recommends that TRC should include implementing comprehensive training programs for managers to strengthen their financial planning and forecasting skills. Secondly, TRC's success includes providing targeted training programs for decision-makers to improve their understanding of financial analysis, investment evaluation techniques, and risk management. Third, providing specialized training for managers to strengthen their understanding of cash flow forecasting, liquidity management, and financial risk assessment lastly, it is crucial to invest in continuous training and development programs aimed at improving the financial planning skills of TRC managers.

Keywords: *Managers Financial Knowledge, Budgeting and Forecasting, Capital Investment Decision, Cash flow Management, Strategic Financial Planning, Organizational Success*

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

ARDL	Autoregressive Distributed Lag
DCF	Discounted Cash Flow
EPS	Earnings Per Share
KM	Knowledge Management
NPV	Net Present Value
PBM	Payback Method
PM	Performance Management
RBT	Resource-Based Theory
SME	Small Medium Enterprises
SPSS	Statistical Packages of Social Science
TQM	Total Quality Management
TRC	Tanzania Railways Corporations

CHAPTER ONE

INTRODUCTION

1.1 Overview

The chapter provides an overview of the study's background, problem statement, and goals. The study's importance, the proposal's scope, and its structure are also discussed.

1.2 Background of the Problem

Effective financial management is a key factor in determining an organization's performance in today's complicated and dynamic business environment (Triaa, Lilia, & Hervé, 2016). The financial health, profitability, development, and long-term sustainability of a company are all significantly impacted by the financial decisions made by managers. The understanding, abilities, and expertise that managers have in areas like financial analysis, budgeting, investment appraisal, risk assessment, and strategic financial planning are referred to as managerial financial knowledge (Shapiro & Paul Hanouna, 2019). Organizations must continuously make strategic decisions to best use their limited resources in a competitive environment. In this situation, managers are better able to make wise decisions that contribute to organizational performance when they have a solid understanding of financial ideas and principles (Nagle & Georg, 2018). They are capable of navigating financial difficulties, seizing opportunities, and assisting in the accomplishment of the organization's goals and objectives.

Effective financial management is pivotal in determining organizational performance particularly within dynamic business environments (Jain, 2024). It encompasses strategic planning, organizing, directing, and controlling financial resources to achieve organizational objectives and maximize shareholder value. By implementing sound financial management practices, organizations can optimize resource allocation, enhance profitability, and ensure long-term sustainability (Putri, Djaniar, Launtu, & Cakranegara, 2024). For instance, McLaren Racing modernized its treasury management to streamline international payments, resulting in significant time and cost savings that were reinvested into enhancing car performance. Similarly, Nissan's recent management reshuffle, including the appointment of a new chief financial officer, aims to address financial challenges and improve efficiency in response to market shifts (Chowdhury, M. A. (2021). These examples underscore the critical role of effective financial management in navigating complex business landscapes and driving organizational success.

Eniola, Anthony Abiodun, and Harry Entebang (2017) show how a business owner-manager's financial education, awareness, and attitude can translate financial literacy into improved firm performance on a worldwide level. Furthermore, despite the fact that SME company managers' financial knowledge and awareness are unquestionably not a prerequisite for the success of SMEs, they confirm that financial literacy is equivalent to entrepreneur attributes in decision-making and link to financial attitude. The most financially astute investors held 18% more stock than their less astute counterparts, could anticipate earning 8 basis points more in excess returns each month, had 40% higher portfolio volatility, and had roughly 38% less idiosyncratic risk in their portfolios, according to research by Clark et al. (2017).

According to Agyapong (2019), there is a good correlation between a company's financial performance and financial literacy in Africa. According to Tuffour (2022), financial literacy has a significant impact on firm success (both financial and non-financial performance). Furthermore, financial literacy's awareness, attitude, and knowledge components all considerably enhance both financial and non-financial performance.

In Tanzania, Managers with strong financial knowledge are better equipped to make informed decisions regarding investments, budgeting, and cost management. In Tanzania, studies have shown that these capabilities improve organizational efficiency by ensuring optimal resource allocation and minimizing financial wastage. For instance, research by Mrindoko (2021) highlights that the financial knowledge of bank managers in Tanzania is directly linked to better performance in terms of profitability and risk management. Mwakagomele (2022) discovered that managers' soft skills had a beneficial impact on performance in Tanzania on managerial skill. However, no research was done on financial skills.

Accordingly, from the aforementioned standpoint, it is equally vital to study a manager's financial skills, which are one of the hard skills. Using TRC as an example, we can see how important financial management abilities are for TRC. The foundation of this work is Penrose's (1959) resource-based theory (RBT). The management and entrepreneurship literature has made extensive use of this strategic management paradigm. The RBT investigates how a business's assets could help create a sustainable competitive advantage. Physical, technological, marketing, human (knowledge, skills, and competences), and financial (liquid and illiquid) resources make up the firm's resources. According to the RBT, these assets are the characteristics of a company that impact its ability to make money, grow, and ultimately survive. This idea states that such resources should be rare, valuable, and replicable (Almarri et al., 2014; Bromiley et al., 2016).

In order for the business to gain a competitive edge, Agyapong (2019) suggests that managers identify resource shortages, analyze competitive advantage, evaluate competencies, and assess resources.

1.3 Problem Statement

Effective financial management is crucial to determining an organization's performance and sustainability in today's dynamic and competitive business environment (Trieu, 2023). The profitability, growth, risk management, and strategic planning of a business are all impacted by financial decisions made by managers (Tambunan, 2022). It is generally understood that one of the most important factors affecting the calibre of these decisions is the level of financial expertise that managers possess. Despite the acknowledged importance of management financial expertise, there is a significant information gap regarding how this expertise translates into actual organizational success. The specific nature and scope of the link are still not thoroughly studied and documented in empirical studies, despite the intuitive assumption that well-informed financial decisions result in favourable results (Roychowdhury et al., 2019).

Organizations, governments, and stakeholders have little practical insights because the impact of managers' financial expertise on organizational effectiveness has not been thoroughly and rigorously investigated. It makes it more difficult to design plans that are supported by data for advancing managerial financial knowledge and maximizing its effects on organizational performance. As a result, businesses might be passing up chances to improve their financial decision-making procedures and realize their full potential. Many businesses, including TRC, are currently struggling with the issues of budgeting and forecasting, capital investment decisions, cash flow management, and strategic financial planning.

The RBT investigates how a business's assets could help create a sustainable competitive advantage. Physical, technological, marketing, human (knowledge, skills, and competences), and financial (liquid and illiquid) resources make up the firm's resources. According to the RBT, these assets are the characteristics of a company that impact its ability to make money, grow, and ultimately survive. This idea states that such resources should be rare, valuable, and replicable (Almarri et al., 2014; Bromiley et al., 2016).

In order for the business to gain a competitive edge, Agyapong (2019) suggests that managers identify resource shortages, analyze competitive advantage, evaluate competencies, and assess resources.

The findings of Savitri and Syahza (2021) demonstrated the influence of adaptability and entrepreneurial orientation on innovation. The impact of the manager's financial expertise on organizational success was not addressed in any of the earlier research.

This study fills that vacuum by examining the impact of managers' financial understanding on the success of their organizations, using TRC as an example.

1.4 Research Objectives

The study is comprised of the general objective and four specific objectives.

1.4.1 The General Objective

The general objective of this study is to examine the relationship effect of a manager's financial knowledge on Tanzania Railways Corporation's organizational success

1.4.2 Specific Objectives

i. To determine the relationship effect of budgeting and forecasting knowledge on TRC Success
ii. To determine the relationship effect of capital investment decision knowledge on TRC Success
iii. To determine the relationship effect of cash flow management knowledge on TRC Success
iv. To determine the relationship effect of strategic financial planning knowledge on TRC Success

1.5 Significance of the Study

There are several implications for philosophy and practice from this study. The results will add to the body of information on the connection between financial expertise and organizational success, particularly in the setting of a Tanzanian state-owned firm. The study highlights how critical it is to provide managers with the necessary financial training so they can make decisions that have a good financial and operational performance impact on the company. The study's findings give TRC's management useful information on the existing state of financial literacy among employees and its possible effects on the company. The recommendations made by the study direct TRC to create specialized training programs and activities to improve managers' financial literacy, which ultimately results in better decision-making and better organizational outcomes.

1.6 Scope of the Study

This study focuses especially on how financial management knowledge affects Tanzania Railways Corporation's success. It is restricted to the setting of TRC and might not be readily transferable to other businesses or sectors. The study also uses managers' self-reported data, which could induce biases. The research is also limited by the organization's internal access to financial and performance information.

1.7 Organization of the Study

There are five major chapters in the structure. The backdrop of the study is described in detail in the first chapter, which also includes the research problem, aims, research questions, scope, significance, and any restrictions. The study's conceptual framework and a theoretical and empirical review are covered in detail in the second chapter, which also dives into the main ideas. The research design, study area, target population, sample size, sampling techniques, data sources, and the validity and dependability of the data are all covered in detail in the third chapter, which also looks closely at the research methodology. Research findings are analysed and discussed in Chapter four, and a summary, conclusion, and recommendations are presented in Chapter Five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter explains the variables and theories used in this study. Also, the empirical review and research gap are presented.

2.2 Key Research Concepts

The keywords addressed in this part include all variables under this study.

2.2.1 Manager's Financial Knowledge

According to Eniola et al. (2017), a manager's financial knowledge relates to their knowledge, aptitude, and expertise in numerous areas of finance and accounting. It includes a variety of financial theories, guidelines, and methods that empower managers to decide on an organization's financial performance and health in an informed and efficient manner. Making wise financial decisions that support the organization's financial health, environmental responsibility, and overall performance requires a manager to have a solid understanding of finance.

It gives managers the skills they need to successfully traverse complicated financial environments, allocate resources, and lead strategic initiatives that benefit the firm and its stakeholders (Wu, Zhaohui, & Pagell, 2011). In this study manager's financial knowledge refers to the understanding and skills a manager possesses regarding financial principles, processes, and practices essential for making informed business decisions. This knowledge includes competencies in areas such as financial planning, budgeting, accounting, risk management, investment analysis, and financial reporting.

2.2.2 Budgeting and Forecasting

To plan, allocate resources, and make knowledgeable judgments regarding their future financial operations and performance, companies must employ budgeting and forecasting (Bourmistrov, Anatoli, & Kaarbe 2013). To allocate financial resources, such as income and expenses, over a predetermined period typically a fiscal year a detailed plan must be created. It offers a detailed framework outlining how money will be used to accomplish the aims and objectives of the organization. The budget acts as the organization's financial roadmap and includes projections for anticipated income, expenses, and other financial factors.

Financial planning and management include forecasting and budgeting as essential elements. While forecasting enables organizations to predict future financial patterns and make decisions based on analyses and estimates, budgeting offers a defined framework for allocating financial resources (Ittner, 2017). Both procedures aid in the organization's pursuit of its strategic goals and good financial management.

According to this study, budgeting is the process of drafting a thorough financial plan for a given time frame, often a year. It lists an organization's anticipated income, expenses, and capital expenditures. Making sure that the organization's resources are used effectively and in line with its goals is the main objective of budgeting. As a control mechanism, a budget aids companies in maintaining financial discipline, adjusting operations, and comparing actual performance to projected financial goals. The technique of projecting future financial results using past data, present market patterns, and expected economic conditions is known as forecasting. Forecasting is more dynamic than budgeting, which is a set plan that is usually revised on a regular basis. In order to make well-informed judgments, it assists firms in projecting future revenues, expenses, and other financial parameters. Forecasts are frequently used to direct strategic decisions and manage possible risks. They can be either short-term (quarterly, for example) or long-term.

2.2.3 Capital Investment Decision

Investments that will last in assets, projects, or initiatives that have the potential to produce future financial returns and support the expansion and success of an organization as a whole. Making capital investment decisions entails committing a sizeable sum of money to undertakings or possessions that are anticipated to pay off over an extended period. The long-term strategy, growth trajectory, and financial success of a business are greatly influenced by capital investment decisions. To guarantee that resources are given to projects with the best chance of creating value, the assessment and selection of investment possibilities necessitate thorough research, forecasting, and consideration of numerous criteria (Payne, 2016).

The process by which an organization assesses and chooses long-term investment options is referred to in this study as capital budgeting or capital investment choice. These choices usually entail allocating large sums of money to initiatives that should yield profits over an extended length of time. These expenditures can take the form of buying new equipment, growing manufacturing facilities, introducing new goods, or acquiring other businesses.

2.2.4 Cash Flow Management

According to Kroes et al. (2014), cash flow management is an essential financial practice that has a direct impact on organizational success by ensuring that a company has enough liquidity to meet its short-term financial obligations as well as strategically managing the inflow and outflow of cash. Effectively tracking, evaluating, and controlling the flow of cash into and out of a company is the goal of cash flow management. It tries to keep a healthy balance between cash inflows (like income, investments, and financing) and cash outflows (like operational costs, debt payments, and capital expenditures). By providing continuous operations, financial stability, strategic investments, and well-informed decision-making, effective cash flow management is crucial for organizational success. Prioritizing cash flow management helps organizations negotiate obstacles, seize opportunities, and maintain a solid financial base for long-term growth and prosperity(Bragg, 2021). In this study, Cash Flow Management is the process of monitoring, analyzing, and optimizing the net amount of cash and cash equivalents flowing into and out of an organization. Effective cash flow management ensures that a company has sufficient liquidity to meet its obligations, make investments, and fund operations while avoiding financial distress.

2.2.5 Strategic Financial Planning

The process of coordinating an organization's financial objectives, resources, and activities with its overall strategic goals is referred to as strategic financial planning. Achieving organizational performance entails creating a thorough and forward-looking financial strategy that directs the allocation of resources, decision-making, and financial management procedures (Charupat, 2018). In this study, strategic financial planning is the process of aligning an organization's financial resources with its long-term goals and objectives. It involves analyzing financial data, forecasting future financial performance, and developing strategies to optimize resource allocation, manage risks, and ensure financial sustainability.

2.2.6 Organizational Success

Organizational success, according to Saadat (2016), is the accomplishment of desired outcomes, goals, and objectives by a body, often a business, charitable organization, governmental body, or any structured group with a specific goal. It represents the accomplishment of several predetermined objectives that support the entity's overall mission, effectiveness, and long-term well-being. Success in an organization has many facets and extends beyond purely financial indicators.

It includes a holistic approach that takes into account multiple efficiency, impact, and sustainability dimensions to make sure the organization serves its purpose and benefits all parties involved. In this study, organizational success refers to the achievement of a company's goals and objectives, resulting in favourable outcomes in areas such as profitability, growth, employee satisfaction, and market share. It encompasses various dimensions and is often measured through both quantitative and qualitative indicators.

2.3 Theoretical Literature Review

The Resource-Based Theory (RBT) propounded by Edith Penrose (1959), is an approach to management that focuses on how a firm's special assets and skills help it maintain a competitive edge and perform well over time. The theory emphasizes that a firm's capacity to harness and utilize valuable, rare, unique, and not replaceable resources in its marketplace determines whether or not it will be successful. The Resource-Based Theory has been developed through time by the contributions of numerous academics and researchers, rather than having a single primary creator.

The resource-based concept was established by the work of Edith Penrose (1959), who is frequently regarded as a pioneer in the field. Her famous book The Theory of the Growth of the Firm examined how managerial skills and resources contribute to the expansion and success of businesses. The Resource-Based Theory has been further advanced by the work of Jay Barney (2001). His work has emphasized the idea of sustainable competitive advantage as well as the value of resources unique to a firm that are challenging to imitate.

Both the issue of financial literacy and company success are impacted by RBT. Nunoo, Andoh, and Darfor (2015) assert that a company's selection, use, management, and disposal of financial assets are influenced by its financial expertise. A manager's level of financial knowledge can also be determined by the level of financial literacy they now possess or have progressively acquired over time (Gustman, Steinmeier, & Tabatabal 2012). The success of the business's financial decisions and strategy depends on this kind of information (resource). This is particularly true when it comes to strategic decisions, where the manager of the company usually gets the last word.

The outcomes of these decisions significantly affect their companies' lifespan, growth, and success. Eniola and Entebang (2016) assert that SMEs' capacity to sustain a competitive edge that leads to improved performance is based on their distinct, immovable tangible and intangible resources. Tangible resources include things like physical capital (like buildings and machinery) and financial capital (such debt, equity, and retained earnings). Intangible resources include things like reputation, organizational processes, skills, experiences, and entrepreneurial expertise.

The Resource-Based Theory (RBT), initially articulated by Edith Penrose in 1959, posits that an organization's resources and capabilities are fundamental to achieving and sustaining competitive advantage. One of its significant strengths is that it emphasizes the unique internal resources of a firm, such as human capital, technology, and organizational culture, which can be leveraged to create value and differentiation in the marketplace (Barney, 1991; Wernerfelt, 1984). This focus encourages firms to identify and invest in their core competencies, leading to improved performance and resilience in competitive environments.

However, the RBT also has notable weaknesses. Critics argue that it may overemphasize internal resources while neglecting the importance of external market dynamics and competitive actions (Priem & Butler, 2001). Additionally, the theory can be difficult to operationalize, as it lacks clear guidelines for identifying and measuring resources and capabilities (Hoskisson et al., 1999). This ambiguity may lead to challenges in implementation, particularly for organizations that struggle to align their resources effectively with strategic goals.

2.4 Empirical Literature Review

An empirical literature review systematically examines past studies based on observed and measured phenomena to identify trends, gaps, and relationships, providing a foundation for research by analyzing evidence rather than theory (Pare et al., 2015; Snyder, 2019).

2.4.1 The Relationship Effect of Budgeting and Forecasting on TRC Success

In their 2024 study, Prakash et al. examined the effects of forecasting and budgeting on business financial performance and strategic decision-making in the context of national finance in Oman. In order to obtain a thorough understanding of National Finance Oman's forecasting and budgeting procedures, the study combined quantitative information from surveys with qualitative information from interviews. Even with robust budgetary frameworks, forecasting models should be strengthened in several areas, especially when it comes to handling unforeseen crises and market volatility. To improve accuracy and efficiency, the report recommends utilizing cutting-edge technology including cloud-based financial management systems and AI-driven forecasts. Better resource allocation, cost control, and strategic decision-making can be facilitated by these technologies, resulting in more sustainable and balanced financial performance. Though the study's focus on national finance in Oman may limit its direct applicability to the unique operational and contextual nuances of Tanzania Railways Corporation, Prakash et al. (2024) provide a thorough analysis of how budgeting and forecasting impact financial performance and strategic decision-making, offering insightful information for improving managerial financial knowledge.

Lantukh (2021) conducted a comparative examination of budget indicator forecasting techniques. To base management decisions only on their position of balanced and logical practicality, it is vital to take into consideration the methods of employing budget indicators for the creation of state policy in the economic and social sectors. Given this approach to short- and medium-term budget indicator forecasting, they gain significant significance. The strategies put out by the article's writers are founded on tried-and-true techniques for extrapolation and value analysis that, when used in real-world scenarios, produce encouragingly trustworthy outcomes. Lantukh (2021) offers robust methodologies for forecasting budget indicators, providing a valuable framework for financial planning, but its technical focus on forecasting lacks a direct exploration of how managers' financial knowledge influences organizational success in a practical context like Tanzania Railways Corporation.

Abiola (2023) investigated how budgeting affected Nigeria Breweries NIG. PLC's business growth. Data from Nigerian Breweries PLC was gathered using an ex-post study design and multiple regression test statistics. The study uses SPSS to analyze how budgeting affects Nigeria Breweries PLC's business growth. It finds that budgeting has a strong positive relationship with the company's Retained Earnings

(RE) and that it also significantly correlates with the success of the company's human resource recruitment efforts, specifically in the form of Employee Size (ES). Abiola (2023) effectively highlights the role of budgeting in business growth through a structured financial approach, but its focus on breweries limits its applicability to assessing the broader influence of managers' financial knowledge on organizational success in diverse sectors like Tanzania Railways Corporation.

Emana (2021) used the ARDL bounds testing approach to investigate the relationship between budget deficit and economic growth: Evidence from Ethiopia. Results. According to the empirical findings, Ethiopia's budget deficit and economic growth have a weakly positive short-term correlation and a negative long-term link. Emana (2021) provides valuable insights into the macroeconomic impacts of budget deficits on economic growth, but its national-level focus on Ethiopia limits its relevance to understanding the micro-level effects of managers' financial knowledge on organizational success in a specific entity like Tanzania Railways Corporation.

In a Tanzanian institution, Mkasiwa (2022) investigated the conflicting logic of budgeting. Interviews, observations, casual conversations, and document reviews were used to gather the data for this investigation. Concepts from institutional logic and the function of actors' agency served as a guide for the data analysis procedures. The results show how academic reasoning has historically held up in a university environment when financing was guaranteed. Funding was uncertain as a result of ownership changes at the university. Business rationale was backed by the heightened level of financial uncertainty brought on by governmental and market pressure. Business logic emerged with the help of market logic, but governmental pressure changed the relative importance of the opposing logic. In response, university actors compartmentalized and selectively coupled areas where business and academic logic were applied. Academics gave priority to academic rationale, while managers gave priority to business logic. However, actors' answers exercised agency, defying both corporate and academic reasoning. Mkasiwa (2022) provides valuable insights into the complexities of budgeting within Tanzanian institutions, highlighting the influence of competing logic, but its focus on the university setting limits its applicability to understanding the role of managers' financial knowledge in driving organizational success in the Tanzania Railways Corporation.

2.4.2 The Relationship Effect of Capital Investment Decision on TRC Success

In a Tanzanian institution, Mkasiwa (2022) investigated the conflicting logic of budgeting. Interviews, observations, casual conversations, and document reviews were used to gather the data for this investigation. Concepts from institutional logic and the function of actors' agency served as a guide for the data analysis procedures. The results show how academic reasoning has historically held up in a university environment when financing was guaranteed. Funding was uncertain as a result of ownership changes at the university. Business rationale was backed by the heightened level of financial uncertainty brought on by governmental and market pressure. Business logic emerged with the help of market logic, but governmental pressure changed the relative importance of the opposing logic. In response, university actors compartmentalized and selectively coupled areas where business and academic logic were applied. Academics gave priority to academic rationale, while managers gave priority to business logic. However, actors' answers exercised agency, defying both corporate and academic reasoning. Mehdi, Ihsan, and Bashir (2019) provide valuable insights into capital investment decision-making and risk management practices in listed companies, offering frameworks relevant to financial decision-making, but their focus on Pakistan's stock exchange limits direct applicability to the public sector context of Tanzania Railways Corporation.

Ahmad, Abid, and Maqbool (2021) conducted an empirical study of Pakistani public and private sector businesses to examine the function of capital budgeting strategies in investment decision-making. One of the leading companies in Pakistan conducted a cross-sectional data analysis and a postal survey. Despite empirical evidence indicating a move toward authentic conceptions and discounted cash flow (DCF) methodologies, businesses continue to fail to meet the essential requirements. The majority of approaches are employed, such as the payback method (PBM), net present value (NPV), and inner proportion of return. While most companies compute risk-adjusted cash flow, only a small percentage of companies apply the most up-to-date risk assessment techniques. Ahmad, Abid, and Maqbool (2021) effectively demonstrate the importance of capital budgeting techniques in investment decision-making across public and private sectors, offering useful insights for managerial financial practices, but their focus on Pakistan's context limits direct relevance to the operational and financial dynamics of Tanzania Railways Corporation.

The resource-based approach was used by Appiah, Possumah, Ahmat, and Sanusi (2019) to examine the internal resources and investment choices of small and medium-sized businesses in Ghana. A stratified sample strategy and structured questionnaires were used to gather data from 245 SMEs in a variety of industries. The Chi-square test and binominal logit regression were used to analyze the survey data. We find that SMEs are more likely to invest in Ghana's oil and gas sector if they are larger, have more fixed assets, more investment capital, are more stable, have structured business ownership, have a large customer base, are registered, operate in urban areas, and reinvest their annual profits. On the other hand, the findings show that SMEs' investment decisions are unaffected by industrial structure. Furthermore, in line with the resource-based hypothesis, our results are strongest for SMEs who decide to participate in the oil and gas value chain. Appiah, Possumah, Ahmat, and Sanusi (2019) effectively apply the resource-based approach to highlight the role of internal resources in SME investment decisions, providing relevant insights for financial management, but their focus on SMEs in Ghana limits the applicability to understanding the broader impact of managers' financial knowledge on organizational success in large-scale entities like Tanzania Railways Corporation.

Using Nairobi City County's central business area as a case study, Gichuru et al. (2024) investigated how capital investment choices affect the expansion of small and medium-sized businesses in Kenya. Using a descriptive research approach, the study was based on the theories of contingency, cash flow, and acceleration. Using the Yamane approach, 310 of the 1,367 registered SMEs were sampled, and information was gathered using questionnaires. The results showed that diversification had a little effect on SME growth, whereas expansion, replacement, modernization, and contingency decisions had a considerable impact. All things considered, these variables accounted for 85.7% of the variation in SME growth. In order to address venture capital difficulties in Kenya, the report advised SMEs to make strategic investment decisions and encouraged the government and Micro and Small Enterprises Authority to create exit plans for venture capital and a thorough regulatory framework. Although their focus on SMEs in Kenya restricts the generalizability of their findings to larger organizations like Tanzania Railways Corporation, Gichuru et al. (2024) provide insightful information about how capital investment decisions affect the expansion of small and medium enterprises in Nairobi and offer a helpful framework for comprehending financial decision-making.

Nyabakora and Rwezimula (2018) investigated the influence of firm characteristics on capital structure choices in Tanzania. Due to data availability, the study makes use of secondary data gathered from the Tanzanian stock market and the yearly financial reports of selected non-financial listed companies. Descriptive statistics, regression analysis, and correlation analysis are among the statistical tools used in the data analysis. The findings indicate that two dependent variables (firm short-term and total leverage) have an inverse association with company profitability, size, liquidity, and industry type, all of which are significant at the 5% level of confidence. This implies that the more lucrative the firms, the less leverage they use. Additionally, because of the economy of the study area, many firms use short-term loans, primarily bank loans; therefore, the smaller the firm, the higher the leverage. Additionally, the more liquidity the enterprises have, the lower the leverage. Though their emphasis on firm characteristics may not adequately address the specific role of managers' financial knowledge in organizational success within the public sector context of

Tanzania Railways Corporation, Nyabakora and Rwezimula (2018) offer insightful information about how firm characteristics influence capital structure decisions in Tanzania, with pertinent implications for understanding financial strategies.

2.4.3 The Relationship Effect of Cash Flow Management on TRC Success

Kithinji et al. (2023) investigated the financial performance and cash management of Kenyan public universities. Baumol's Cash Management Model, operational cycle theory, and liquidity theory served as the study's pillars. Between 2016 and 2019, Kenyan public institutions served as the study's base of analysis. The study's second chapter included a thorough evaluation of the body of existing literature. This study employed a quantitative research design. 31 Kenyan public universities with accreditation made up the study population. The auditor general's office provided secondary data. According to the report, Kenyan public universities' financial performance is impacted by cash management. The study found that the association between cash management and the financial success of Kenyan public universities is moderated by student enrollment. Kithinji et al. (2023) provide valuable insights into the role of cash management in enhancing the financial performance of public universities, offering practical financial strategies, but their focus on universities in Kenya creates a gap in understanding how managers' financial knowledge specifically influences organizational success in the context of Tanzania Railways Corporation.

The impact of cash flow management on financial performance was examined by Ugo and Egbuhuzor (2022) using data from Nigeria's pharmaceutical sector. Ten

(10) pharmaceutical businesses that were listed by the Nigerian Exchange Group in 2021 made up the study's population, and the ex post facto research design was used. Information was taken from the 2011–2020 annual reports of the chosen listed pharmaceutical businesses. The data collected with the help of EViews10 statistical software was analyzed using multiple regression analysis and the Pairwise Granger Causality tests. Operating operations had a favorable and negligible impact on liquidity, according to the study. Additionally, it showed that investing activities had a small but positive impact on liquidity. Lastly, it showed that financing operations had a negative but noteworthy impact on the liquidity of Nigerian pharmaceutical companies that were listed. Although Ugo and Egbuhuzor (2022) provide useful financial management strategies and insightful information about how cash flow management impacts financial performance in Nigeria's pharmaceutical industry, their findings are not as applicable to Tanzania Railways Corporation's varied operational context due to their concentration on the pharmaceutical industry.

Mang'ana, Ndyetabula, and Hokororo (2023) investigated Tanzanian agricultural small and medium-sized businesses' financial management procedures and overall performance. In Tanzania's agricultural sector, 427 SMEs in total were surveyed and investigated. In order to ascertain the impact of implementing financial management methods on the performance of agri-SMEs, the established hypotheses were assessed using Structural Equation Modeling (SEM) with Smart PLS 4. The results of the empirical study demonstrate that while accounting, financial reporting, and capital budgeting management practices have a negligible impact on the performance of agri-SMEs, working capital management and financing management practices significantly improve the financial and organizational performance of the surveyed agro enterprises. Although Mang'ana, Ndyetabula, and Hokororo (2023) offer helpful insights into the relationship between financial management practices and performance in Tanzanian small and medium-sized agricultural and medium-sized businesses, with practical implications for financial decision-making, their findings are limited in their applicability to the larger organizational and operational dynamics of Tanzania Railways Corporation due to their focus on the agricultural sector.

The impact of cash management on Tanzanian private schools' financial success was examined by Johnson and Pastory in 2022. The researcher chose a sample of 132 respondents from five private schools in Dar es Salaam: Haven of Peace Academy, Barbro Johansson Model Girls Sec. School, Dar es Salaam International Academy, International Schools of Tanganyika, and Loyola School. Purposive and basic random sampling methods were employed in the study, and data were gathered through questionnaire distribution and interviews. Descriptive statistics were used for quantitative analysis using Statistical Packages of Social Science (SPSS). The study's conclusions showed that Tanzanian private schools' financial success is impacted by cash management.

However, there is inefficiency in the way that cash management is implemented, especially in private schools when it comes to cash planning, budgeting, collection, and control. This is caused by a number of factors, such as a lack of accounting staff, a lack of financial resources, a lack of accountability and transparency, a lack of bank accounts, low computer proficiency, and a bad record. Although their focus on the education sector restricts the direct application of their findings to the public sector, especially in the context of Tanzania Railways Corporation, Johnson and

Pastory (2022) provide insightful information about the impact of cash management on the financial performance of private schools in Tanzania and offer pertinent strategies for financial optimization. In order to draw conclusions, content analyses were conducted utilizing MAXQDA10 qualitative data.

2.4.4 The Relationship Effect of Strategic Financial Planning on TRC Success

The impact of financial management techniques on the growth of small-to-medium-sized forest enterprises: A Pakistani perspective was examined by Zada, Yukun, and Zada in 2021. To investigate the five hypotheses, structured questionnaires were used to gather information from 260 SMFE owners, finance managers, and other finance employees. The results of the research demonstrate a favorable correlation between financial performance and business growth and a higher level of conduct in working capital management, financial reporting, accounting information systems, investment decisions, and financing practices. The findings also show a very substantial positive relationship between firm growth and financial management practices.

A key component of SMEs' success is the use of financial management techniques to improve their financial performances. This has important ramifications for owners, managers, and regulators. Along with suggestions for additional research, this study carries on the conversation on a number of practical implications. Although Zada, Yukun, and Zada (2021) provide helpful strategies for financial decision-making and insightful information about how financial management practices affect the growth of small-to-medium-sized forest enterprises, their findings are not as applicable to

Tanzania Railways Corporation's more varied and wide-ranging financial management issues due to their focus on the Pakistani forest sector.

Ejigu and Desalegn (2023) investigated the relationship between financial organizations' performance and strategic planning. An empirical investigation about Ethiopia. Survey-based cross-sectional research was employed in the study. By finding that SP has a direct and indirect impact on financial institutions' performance through the mediation of SI, as well as that PE plays a moderating role in the relationship between SP and performance, which has a positive and significant effect, this study advances our understanding of strategic management. Although Ejigu and Desalegn (2023) offer insightful analysis of the ways in which strategic planning affects financial institution performance and offer useful suggestions for enhancing organizational success, their findings are not directly applicable to Tanzania Railways Corporation's particular operational and financial circumstances due to their concentration on Ethiopia's financial industry.

Mature and Sreedhara (2020) investigated Tanzanian MSMEs' financial management techniques and expansion. The following goals served as the foundation for this study: working capital management, risk management techniques, investing activities, and financial innovations. Given the size of the MSME community, the study's target audience was projected to be more than 400 management personnel from particular SMEs in Dar es Salaam. The study found that the goal of innovation in a company is to turn a profit, and that financial innovations have a significant impact on the expansion of MSMEs in Tanzania. In order for investments to grow and compete against inflation and future reservations, the report also suggests that it is critical for SMEs to make investments. For investment capacity building to be successful, managers must create an efficient business support structure. According to the report, it is necessary to examine the difficulties Tanzanian MSMEs face. Although their focus on small and medium-sized businesses restricts the findings' applicability to the larger, more complex financial management requirements of a large organization like Tanzania Railways Corporation, Matare and Sreedhara (2020) offer insightful information about the financial management practices that propel growth in Tanzania's MSMEs and pertinent strategies for financial decision-making.

2.5 Research Gap

The need for a thorough understanding of the precise mechanisms by which a manager's financial knowledge directly influences various dimensions of organizational success (Menike (2019; Shahwan, 2018) centres around the research gap in the study of the Effect of a Manager's Financial Knowledge on Organizational Success. There is a dearth of in-depth analysis and empirical evidence that explores the complex linkages and causal pathways between these factors, even though current research has recognised the significance of financial literacy among managers and its potential impact on organizational outcomes.

According to numerous research (Kumar et al. 2018), there are links between managers' financial expertise and organizational performance measures. However, there is a paucity of research that uses rigorous methods to establish causal relationships, such as longitudinal studies or experimental designs, which can offer a stronger foundation for understanding how advancements in managers' financial knowledge translate into observable improvements in organizational success. As different industries and organizational environments may have distinct dynamics and methods via which financial knowledge affects success, the existing literature frequently lacks context-specific analyses. There is a research vacuum in the need to examine and distinguish these contextual aspects, which could lead to the discovery of novel insights into how financial knowledge functions within particular companies or sectors.

The examination of potential mediating or moderating factors that could affect the link between managers' financial expertise and organizational success falls outside the scope of current research (Agyapong, & Attram, 2019). The strength and type of this link may be significantly shaped by elements like organizational culture, leadership style, or technical improvements.

Independent Variables

Managers Financial Knowledge **TRC Organizational Success**

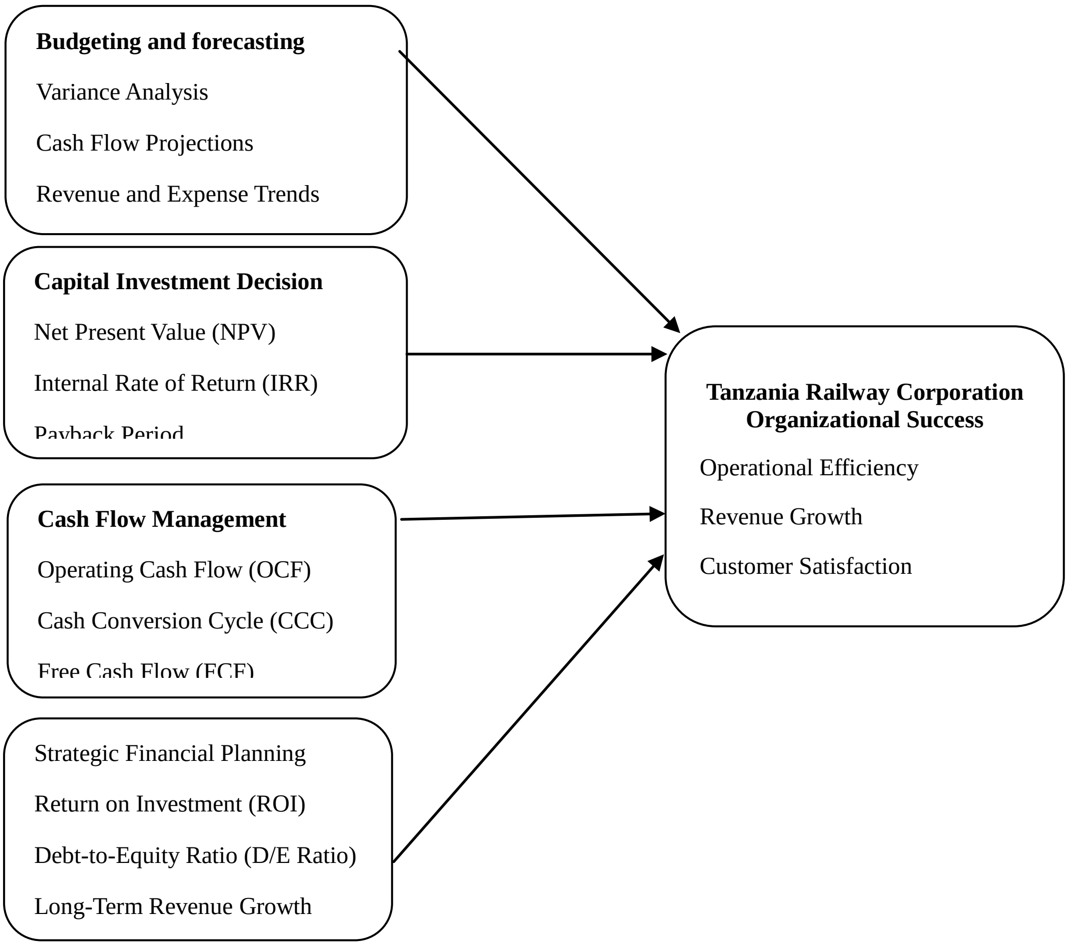

Figure 2.1: Conceptual Framework

2.6 Relationship of Variables

2.6.1 Relationship between Budgeting and Forecasting and Organizational Performance

By offering a structured approach to financial planning, distributing resources, and decision-making, budgeting and forecasting play critical roles when it comes to an organization's success (Shahwan, Yousef, 2018). Here is how forecasting, budgeting, and organizational success are related to one another. Setting financial goals and targets for the organization is a part of budgeting and forecasting. Forecasting predicts future financial trends based on historical data and market insights, whereas a well-structured budget describes predicted revenues, expenses, and investments for a certain period (Maisel, 2013).

By deciding how money will be divided among various departments, initiatives, and activities, budgeting aids in resource allocation. Based on anticipated growth or changes in demand, forecasting helps identify prospective resource demands (Shim, 2011). Forecasting and budgeting both offer useful information for making decisions. Budgets establish spending caps and priorities to serve as a guide for daily financial decisions. Forecasts assist in strategic decision-making by foreseeing prospective financial opportunities and problems. The ability of the company to make prompt and efficient decisions that contribute to its performance is improved by informed decision-making fueled by budgeting and forecasting (Steiss, 2019).

H_1: There is a positive relationship effect of budgeting and forecasting knowledge and TRC *Success*

2.6.2 Relationship between Capital Investment Decision and Organizational Performance

Because capital investment decisions directly affect an organization's capacity for expansion, innovation, and value creation, the relationship between capital investment decisions and organizational performance is both important and difficult. Listed below are some ways that decisions on capital investments affect organizational effectiveness. Making capital investment decisions entails allocating funds to initiatives, projects, and assets that have the potential to produce returns in the long run. When resources are allocated effectively, the business is better able to accomplish its strategic goals and objectives.

Improvements in performance measures might result from investments in things like new technology, machinery, or facilities that can improve operational efficiency. Investments in capital, according to Ageron (2012), frequently facilitate organizational growth and expansion. Organizations can tap into new revenue streams and expand into new markets by sponsoring activities like new product development, market growth, or acquisitions. Making wise capital investment choices can boost an organization's overall performance by increasing market share and driving revenue development.

H_2: There is a positive relationship effect of capital investment decision knowledge and TRC Success

2.6.3 Relationship between Cash Flow Management and Organizational Performance

By affecting liquidity, financial health, and the capacity to fulfil immediate obligations, cash flow management serves a critical role in determining how well a business performs. See how cash flow management impacts business performance in the next paragraphs (Owolabi et al., 2012). Effective cash flow management makes sure that a company has enough cash on hand to pay for ongoing operating costs like supplier payments, rent, and utilities. Maintaining operational continuity and preventing disruptions require sufficient money. Companies with effectively managed cash flows are better able to maintain their operations and regularly produce goods or services, which help them, build a reputation for performance (Munyoro, 2019).

A company with positive cash flow generates more cash inflows than withdrawals. The firm can pay its debts off and invest in growth prospects thanks to its stable financial position. By lowering the likelihood of insolvency or bankruptcy, maintaining a strong cash flow protects the company's reputation and overall performance. The ability to spend on expansion projects like extending product lines, breaking into new markets, or purchasing rivals is made possible by positive cash flow. Strategic money management made possible by cash flow management enables businesses to grow sustainably and increase performance and market share (Kyobe, 2004).

H_3: There is a positive relationship effect of cash flow management knowledge and TRC Success

2.6.4 Relationship between Strategic Financial Planning and Organizational Performance

Organizational performance and strategic financial planning are strongly related.

Setting specific financial goals and creating a thorough plan to attain them constitute strategic financial planning (Brigham, 2021). This procedure has a direct impact on a number of organizational performance factors. Here are some ways that strategic financial planning affects how well a business performs. By using strategic financial planning, a business may make sure that its financial goals are in line with its larger strategic goals (Oliva, & Watson, 2011). Strategic financial planning establishes financial goals that complement the organization's mission and vision, offering a unified framework for all divisions and functions to collaborate on a shared objective. This coordination improves organizational performance by focusing efforts on common objectives. To best allocate resources to various initiatives, projects, and divisions, strategic financial planning is used. The company makes sure that resources are directed toward activities that have the greatest potential to spur performance improvement by prioritizing investments and expenditures based on their alignment with strategic objectives.

The connection between capital investment assessment methods and firms' growth and survival in Nigeria was explored by Ejoh, Inah, and Udo in 2016. The research technique used a survey research design in which a questionnaire was given to an 80-person sample chosen at random. The ANOVA (Ratio) test was performed to evaluate the specified hypotheses after the data was provided in tables and the analysis was completed using straightforward percentages. The study's findings showed a strong correlation between capital investment assessment methods and businesses' ability to grow sustainably and create value, and that solid financial management is essential to a company's long-term viability. Based on the findings, it was suggested, among other things, that the expected returns on investment surpass the anticipated risk of such an investment to guarantee that the firm continues a steady growth that would eventually increase its capacity to produce.

H_4: There is a positive relationship effect of strategic financial planning knowledge and TRC Success

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Philosophy

Positivist Research Philosophy is grounded in the belief that reality can be objectively observed and measured through empirical evidence. This philosophy emphasizes the use of quantitative methods, such as surveys and statistical analyses, to uncover patterns and relationships among variables. In the context of studying the effect of managers' financial knowledge on organizational success at the Tanzania Railways Corporation, positivism allows researchers to systematically quantify how financial knowledge influences organizational outcomes, thus enabling the identification of causal relationships and the development of generalizable conclusions (Creswell, 2014; Saunders et al., 2016).

Using a positivist approach over other research philosophies, such as interpretivism or critical theory, is particularly advantageous for this study because it facilitates a structured examination of measurable variables, which can lead to concrete recommendations for organizational practice (Bryman & Bell, 2015). Positivism prioritizes objectivity and replicability, making it suitable for a context where clear, actionable insights are essential for improving managerial practices and enhancing organizational performance. This methodological rigor can significantly contribute to understanding how specific financial competencies among managers directly impact the operational success of the Tanzania Railways Corporation (Sekaran & Bougie, 2016; Smith, 2017).

3.2 Research Approach

In this study, a quantitative research strategy was used. In order to examine and come to conclusions about a certain phenomenon or research subject, the quantitative research strategy is a systematic and structured method of conducting research (Rahi, 2017). In order to find patterns, correlations, and trends, this method entails quantifiable data collection and analysis. To produce unbiased and empirical findings, quantitative research is frequently employed in a variety of sectors, including the social sciences, natural sciences, business, and health.

3.3 Research Design

Identifying and explaining causal connections and underlying causes between variables is the goal of an explanatory research strategy (Apuke, 2017). This method is employed by researchers when they want to know why specific events or phenomena happen, why certain patterns are seen, or how certain interactions between variables work. Explanatory research probes the why and how issues to offer deeper understanding of the research topic. It goes beyond merely reporting or linking data.

3.4 Area of the Study

The focus of the research was Tanzania Railways Corporation. After the founding of the East Africa Railways and Harbours Corporation (EAR&H) in 1948, the history of Tanzania Railways Corporation may be tracked. From 1948 to 1977, the East African rails and Harbours Corporation (EAR&H) ran rails and ports throughout East Africa.

Tanzania Railways Corporation's (TRC) success is essential for the nation's economic prosperity. The goal of the research is to find potential areas for improvement that could boost the company's overall performance, efficiency, and effectiveness by examining the relationship between management financial expertise and TRC's success. The railway sector must deal with a number of financial obstacles, such as operating charges, maintenance costs, and budgetary restrictions. Understanding how financial decisions are made within TRC and how better financial literacy can have a positive impact on cost management and resource allocation can be learned by looking at the financial knowledge of managers in that function. Therefore, it is essential to address these concerns because they were never examined at TRC.

3.5 Population of the Study

The population of the study in quantitative research refers to the total group of people, situations, or things that the researcher wants to look at and make judgments about. It stands for the bigger, more inclusive population to whom the study's conclusions are meant to be extrapolated. In quantitative research, defining and comprehending the population is essential since it serves as the foundation for sampling, data collection, analysis, and result interpretation. Around 3,000 people work for Tanzania Railways Corporation's many departments and sectors. These disqualifications include things like purchasing and supply management, accounting, mechanical and civil engineering, traffic and telecommunications engineering, administration, security, marketing, public relations, estate management, information technology, and internal auditing.

Table 3.1: Population of the Study

S/N	Department	Number of Employees
1	Procurement and Supplies	55
2	Finance	65
3	Mechanical Engineering	800
4	Civil Engineering	675
5	Traffic	300
6	Telecommunications	135
7	Administration	120
8	Security	560
9	Marketing	80
10	Public Relations	35
11	Estate Management	80
12	Information Technology	60
13	Internal Auditing	35
	TOTAL	3000

Source: TRC, 2023

3.6 Sample and Sampling Techniques

3.6.1 Sample Size

The number of people, things, observations, or data points chosen from a broader population to take part in a research study is referred to as the sample size (Vasileiou, 2018). It is a crucial component of research design that has an immediate impact on the validity and dependability of the study's conclusions. The research objectives, the required level of precision, the available resources, and the desired level of confidence in the findings all play a role in determining the sample size. The Yamane (1967) formula was used in this study to calculate the right number of respondents to represent the study population. Where n is the sample size, N is the total target population in this case the 3,000-population size is obtained (TRC report , 2022), and e is the error rate in this case 0.5 %. The sample size for this study is calculated as shown below.

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

N = the Total Population

e = the margin of error (10% has been used to obtain the best sample given the population size)

n = the sample size

n = 3,000/1+450 (0.01)

n = 353

Table 3.2 Sample Size

S/N	Department	Number of Employees	Sample Size
1	Procurement and Supplies	55	7
2	Finance	65	8
3	Mechanical Engineering	800	94
4	Civil Engineering	675	79
5	Traffic	300	35
6	Telecommunications	135	17
7	Administration	120	14
8	Security	560	65
9	Marketing	80	10
10	Public Relations	35	4
11	Estate Management	80	9
12	Information Technology	60	7
13	Internal Auditing	35	4
	TOTAL	3000	353

Source: Researcher, 2023

3.6.2 Sampling Techniques

The stratified random sampling strategy was used in this study. To achieve a representative and fair selection of participants from a larger population, researchers employ the stratified sampling methodology (Taherdoost, 2016). In stratified sampling, the population is segmented into various subgroups or strata according to particular traits or qualities that are pertinent to the study's goals. Then, samples are individually selected from each stratum according to its proportion in the whole population.

3.7 Primary Data

The primary data was used in this study to illustrate how managers' financial understanding affects the success of the TRC organization. Primary data is defined as authentic, first-hand material that has been gathered directly from sources for a particular research study or investigation (El-Shimi, 2012). It is information that the researcher generates or collects especially for their study's goals and inquiries. Primary data is unique and has never been gathered, published, or examined before.

3.7.1 Data Collection Instruments

A standardized questionnaire was used in this study to collect participant responses directly. Primary data is defined as authentic, first-hand material that has been gathered directly from sources for a particular research study or investigation (Cheung, 2021). It is information that the researcher generates or collects especially for their study's goals and inquiries. Primary data is unique and has never been gathered, published, or examined before.

3.7.2 Data Processing

In quantitative research, data processing refers to the methodical and organized steps researchers take to clean, organize, transform, analyze, and interpret the numerical data they have gathered (LeCompte, 2012). This crucial stage ensures that the unprocessed data gathered from surveys, studies, observations, or other sources is transformed into insightful knowledge that can be put to use. For accurate and trustworthy results that may answer the research objectives and contribute to the overall research conclusions, proper data processing is essential.

3.8 Data Analysis

Statistical Package for Social Sciences (SPSS) version 25 was used to clean, sort, code, and enter data from the field for further analysis. Quantitative data was analyzed using descriptive statistics. To describe the results, frequency and percentages was utilized, and graphs or charts was used where appropriate to illustrate the pattern. The link between the variables were also determined using multiple regression analysis (Ngo, 2012).The following regression model was used

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4\ \varepsilon}$$

Whereby:

Y = Dependent Variable (Organizational Success)

β_0 = y intercept (Constant)

β_1 = regression coefficient for the Budgeting and Forecasting effects

β_2 = regression coefficient for Capital Investment Decision effects

β_3 = regression coefficient for Cash Flow Management effects

β_3 = regression coefficient for Strategic Financial Planning effects

X_1 = Budgeting and Forecasting

X_2 = Capital Investment Decision

X_3 = Cash Flow Management

X_4 = Strategic Financial Planning

ε = error term

3.9 Regression Assumptions

Numerous presumptions are made regarding the acquired data when performing a multiple regression analysis (Pallant, 2005). Among the assumptions are those about linearity, normalcy, autocorrelations, multicollinearity, and multiple linear regression analysis.

3.9.1 Assumption of Linearity

The underlying presumption that the connection between the independent variables, also referred to as predictors or characteristics, and the dependent variable, also known as the outcome or response variable is linear is known as the "linearity assumption" in the context of statistical analysis and modeling. Many statistical methods, including linear regression, analysis of variance (ANOVA), and analysis of covariance (ANCOVA), all start with this fundamental presumption. It is for multiple regression analysis in this instance.

3.9.2 Normality Assumption

In the context of statistical analysis, the normalcy assumption refers to the fundamental presumption that the data or residuals (the discrepancies between observed and predicted values) of a statistical model follow a normal distribution or closely resemble a bell-shaped curve. This presumption is crucial for many statistical methods and hypothesis tests that depend on the characteristics of the normal distribution, including t-tests, ANOVA, linear regression, and many parametric tests.

3.9.3 Autocorrelations Assumption

In the context of statistical analysis, the autocorrelation assumption refers to the presumption that a regression or time series model's residuals—the disparities between observed and anticipated values are not associated with one another. It suggests that the mistakes or residuals are independent and do not reveal any regular patterns of correlation or relationship across time or across observations (Fleming, 2015).

3.9.4 Multicollinearity Assumption

The term multicollinearity assumption refers to the presumption that the predictor variables (also known as independent variables) included in a regression model are not substantially linked with one another in the context of statistical analysis and linear regression modeling (Daoud, 2017). It is challenging to separate the distinct impacts of each predictor variable on the dependent variable when two or more predictor variables are closely connected.

3.10 Validity

A validity test in research assesses how accurately a tool, measure, or study reflects or measures the concept it is intended to evaluate, ensuring the relevance and trustworthiness of the findings (Heale & Twycross, 2015). Validity encompasses several types, including construct validity (the degree to which a test measures the intended theoretical concept), content validity (how comprehensively the measure covers the construct), and criterion validity (how well one measure predicts outcomes based on another established measure) (Taherdoost, 2016). Testing for validity is crucial in quantitative research to enhance the reliability of data interpretations and the applicability of findings across similar contexts.

3.11 Reliability

A reliability test in research evaluates the consistency and stability of a measurement instrument over time or across different contexts, ensuring that it produces dependable results (Heale & Twycross, 2015). Reliability is critical because consistent measurements increase the credibility of the research findings, making it more likely that observed effects are real rather than due to random errors. Common methods for testing reliability include test-retest reliability (measuring the same group at different times to check consistency), internal consistency (assessing the correlation between items within a test, often with Cronbach's alpha), and inter-rater reliability (determining consistency between different observers) (Tavakol & Dennick, 2011). Ensuring reliability is a fundamental part of quantitative research, as it establishes a foundation of trust in the data and supports valid, replicable conclusions.

The reliability test results for each variable in the table 3.3, assessed using Cronbach's alpha, indicate strong internal consistency across all items, with values well above the commonly accepted threshold of 0.70 (Tavakol & Dennick, 2011). Specifically, Cash Flow Management shows the highest reliability with an alpha of

0.885, suggesting a high degree of internal consistency among its seven items. Strategic Financial Planning and Budgeting and Forecasting also exhibit high reliability, with Cronbach's alphas of 0.861 and 0.836, respectively, indicating reliable measurements for these constructs. TRC Success and Capital Investment Decision have alphas of 0.792 and 0.721, which, while slightly lower than other variables, still indicate acceptable reliability. Overall, these results demonstrate that the items within each variable are consistently measuring their intended constructs, supporting the dependability of the data for further analysis and interpretation.

Table 3.3 Reliability Test Results

s/n	Variable	Number of Items	Cronbach's Alpha
	Budgeting and Forecasting	7	.836
	Capital Investment Decision	7	.721
	Cash Flow Management	7	.885
	Strategic Financial Planning	7	.861
	TRC Success	7	.792

Source: Data Analysis, 2024

3.12 Ethical Considerations

It shall be taken all required steps to comply with research's ethical requirements. Before beginning the research, got approval from the appropriate authorities. Respondents were ensured of the confidentiality of the information provided, and any material acquired in this research only be utilized for academic purposes (Cameron, 2018). Additionally, accessibility to research information and anonymity was observed. The management of data gathering were handled in accordance with organizational norms.

CHAPTER FOUR

RESEARCH FINDINGS ANALYSIS AND RECOMMENDATIONS

4.1 Overview

This chapter presents and discusses the results of the study on effect of managers financial knowledge on organizational success; the case of Tanzania railways corporation. The study explored four key objectives; to determine the relationship effect of budgeting and forecasting on TRC Success, (ii) to determine the relationship effect of capital investment decision on TRC Success, (ii)to determine the relationship effect of cash flow management on TRC success and (iv) to determine the relationship effect of strategic financial planning on TRC success. Section 4.2 describes the sample, and Section 4.3 outlines the research variables and their indicators. Section 4.4 addresses regression assumptions, while Section 4.5 presents the results of from correlation analysis. Multiple regression analysis whereby relationship of variables as per hypotheses are present in section 4.6. The final section of Chapter Four which is 4.7 discusses the findings.

4.2 Demographic Characteristics of the Respondents

Demographic characteristics, such as age, gender, education, and occupation, provide essential information about the population involved in a study and are presented in research to help contextualize and interpret findings effectively. By describing the sample in detail, demographic data allow researchers to assess the representativeness of the study population, enhancing the credibility and generalizability of the results. Additionally, demographics support the analysis of variations across different groups, enabling readers to understand if certain findings apply specifically to particular subgroups or more broadly. Overall, presenting demographic characteristics ensures a comprehensive view of the sample, aiding in comparing results across studies and providing a basis for interpreting how findings may be relevant to similar populations.

4.2.1 Age Distribution of the Respondents

The age distribution of respondents (table 4.1) shows a diverse range of age groups, with the highest proportion falling in the 26-35 age bracket (35.1%), followed by the 36-45 age group (29.5%), indicating that a substantial portion of the sample consists of young to middle-aged adults. The 46-55 group accounts for 21.2%, while the youngest group, 18-25, makes up the smallest proportion at 14.2%. This distribution highlights that the majority of respondents are within the active working-age population (26-55), which may influence the study's findings if age-related factors are relevant. Cumulatively, younger adults (18-35) represent nearly half of the sample (49.3%), which could be significant depending on the topic, as perspectives, experiences, or responses may vary across age groups. The cumulative percentage reaches 100% at the 46-55 age range, confirming that all age groups were represented in the sample.

Table 4.1: Age Distribution of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 -25	50	14.2	14.2	14.2
	26-35	124	35.1	35.1	49.3
	36-45	104	29.5	29.5	78.8
	46-55	75	21.2	21.2	100.0
	Total	353	100.0	100.0	

Source: Field Data, 2024

4.2.2 Gender Disruption of the Respondents

Table 4.2 presents the gender distribution of the respondents. The gender distribution of respondents reveals a higher representation of males (60.9%) compared to females (39.1%), indicating a male-dominated sample. This disparity may impact the study's findings, particularly if gender influences perspectives or behaviors relevant to the research topic. The cumulative percentage reaches 100% with the inclusion of females, confirming that both genders are represented in the sample, albeit unevenly. This skew toward male respondents may need to be considered in interpreting results, as it could affect the generalizability of the findings to a more balanced or female-majority population.

Table 4.2: Gender Disruption of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	215	60.9	60.9	60.9
	Female	138	39.1	39.1	100.0
	Total	353	100.0	100.0	

Source: Field Data, 2024

4.2.3 Education Distribution of the Respondents

The education distribution of respondents (table 4.3) shows that a majority hold either a diploma (41.4%) or a bachelor's degree (38.8%), indicating that most participants have attained a substantial level of education. A smaller portion have a certificate (8.2%) or a master's degree (10.8%), while only a minimal number hold a PhD (0.8%). This spread suggests a well-educated sample, with most respondents having post-secondary qualifications, which could influence the depth of knowledge, opinions, or behaviors related to the study topic. The relatively low representation of respondents with only a certificate or advanced degrees may affect the generalizability of findings to populations with different education levels.

Table 4.3: Education Distribution of the Respondents

		Frequency	Percent
Valid	Certificate	29	8.2
	Diploma	146	41.4
	Bachelor	137	38.8
	MASTERS	38	10.8
	PhD	3	.8
	Total	353	100.0

Source: Field Data, 2024

4.2.4 Experience of the Respondents

The distribution of respondents' experience levels (Table 4.4) shows that the largest group has 11-15 years of experience (31.7%), followed by those with 6-10 years (22.1%) and 16-20 years (19.5%). This indicates that a significant portion of the sample has moderate to extensive experience in their field, which may contribute to informed perspectives relevant to the study. Smaller groups have either less than 5 years or over 21 years of experience (both 13.3%), suggesting fewer respondents at the early and very advanced stages of their careers. This experience range helps provide a balanced view, although findings may reflect more of the perspectives and insights from mid-career professionals than from those who are either very new or highly experienced in the field.

Table 4.4: Experience of the Respondents

		Frequency	Percent
Valid	less than 5 years	47	13.3
	6-10	78	22.1
	11- 15	112	31.7
	16- 20	69	19.5
	21- above	47	13.3
	Total	353	100.0

Source: Field Data, 2024

4.3 Descriptive Statistics Results of the Variables

Descriptive statistics summarize and present data in a research study, providing an overview of key patterns, trends, and characteristics within the sample, which helps researchers understand the data distribution and interpret the study's findings more effectively.

4.3.1 Descriptive Statistics of Budgeting and Forecasting

Descriptive statistics (mean, standard deviation, minimum, and maximum scores) were computed for the effect of budgeting and forecasting variable (Table 4.2). The descriptive statistics for budgeting and forecasting at the Tanzania Railway Corporation reveal moderately high mean scores across various statements related to capital investment decisions, all close to 3.7 to 3.8, suggesting general agreement among respondents. Specifically, the highest mean (3.82) pertains to alignment with strategic objectives, indicating that respondents perceive a strong link between capital investment decisions and organizational goals. Stakeholder involvement (mean = 3.80) and risk assessments (mean = 3.79) also score high, highlighting the perceived importance of comprehensive planning and stakeholder engagement. Meanwhile, the lowest means are seen in statements about monitoring mechanisms (3.45) and the contribution of investment decisions to overall success (3.51), which may suggest areas for improvement. The relatively high standard deviations, especially for monitoring mechanisms (1.316) and overall success (1.291), indicate varied responses, suggesting differing views among respondents on these aspects of capital investment management.

Table 4.5: Descriptive Statistics of Budgeting and Forecasting

	Min	**Max**	**Mean**	**Std. Dev**
Capital investment decisions at the Tanzania Railway Corporation align with the organization’s strategic objectives.	1	5	3.82	1.083
The Tanzania Railway Corporation conducts thorough risk assessments before making capital investment decisions.	1	5	3.79	1.065
The expected return on investment is a key factor in capital investment decisions at the Tanzania Railway Corporation.	1	5	3.73	1.105
Stakeholders are actively involved in the capital investment decision-making process at the Tanzania Railway Corporation.	1	5	3.80	1.013
Capital investment decisions at the Tanzania Railway Corporation are made with a long-term perspective.	1	5	3.70	1.100
The Tanzania Railway Corporation has effective mechanisms in place to monitor the performance of capital investments.	1	5	3.45	1.316
Effective capital investment decisions contribute significantly to the overall success of the Tanzania Railway Corporation.	1	5	3.51	1.291

Source: Field Data, 2024

4.3.2 Descriptive Statistics of Capital Investment Decision

Table 4.7 presents the descriptive statistics for capital investment decisions at the Tanzania Railway Corporation indicate a moderate level of agreement among respondents regarding cash flow management practices, with mean scores ranging from 3.53 to 3.91. The highest means are observed in statements about the impact of effective cash flow management (3.90) and employee training in cash flow management (3.91), suggesting that respondents strongly perceive these as contributing to the organization’s success. Regular cash flow forecasting (3.63) and investments in advanced cash management systems (3.61) also show positive responses, though there is a slightly lower perception of cash flow considerations influencing decision-making (mean = 3.53). The standard deviations, particularly for cash flow management impact (1.134) and training (1.069), reflect some variation in responses, suggesting differing levels of confidence in these practices among respondents. Overall, the data suggest that while cash flow management is generally viewed as effective, there may be room for enhancing consistency in these practices across the organization.

Table 4.6: Descriptive Statistics of Capital Investment Decision

	Min	Max	Mean	Std. Dev
The Tanzania Railway Corporation effectively monitors its cash flow to ensure financial stability.	1	5	3.56	1.240
The organization regularly conducts cash flow forecasting to anticipate financial needs.	1	5	3.63	1.199
The Tanzania Railway Corporation has effective strategies in place to manage liquidity and meet short-term obligations.	1	5	3.71	1.265
The corporation invests in advanced cash management systems to enhance cash flow efficiency.	1	5	3.61	1.211
Cash flow considerations significantly influence the decision-making processes at the Tanzania Railway Corporation.	1	5	3.53	1.279
Effective cash flow management contributes significantly to the overall success of the Tanzania Railway Corporation.	1.00	5.00	3.9037	1.13409
Employees receive adequate training in cash flow management to improve organizational financial performance.	1.00	5.00	3.9122	1.06903

Source: Field Data, 2024

4.3.3 Descriptive Statistics of Cash Flow Management

Table 4.8 present the descriptive statistics for cash flow management at the Tanzania Railway Corporation show that respondents generally have a favourable perception of the organization’s cash flow practices, with mean scores ranging from 3.53 to 3.91. The highest mean values are associated with the effectiveness of cash flow management (3.90) and employee training in cash flow management (3.91), indicating a strong belief that these elements are crucial for enhancing financial performance. Other statements, such as the effectiveness of liquidity management strategies (3.71) and regular cash flow forecasting (3.63), also reflect positive perceptions, though the influence of cash flow considerations on decision-making received the lowest mean score of 3.53, suggesting that respondents may perceive less integration of cash flow factors in strategic decisions.

The standard deviations indicate some variability in responses, particularly for monitoring cash flow (1.240) and the influence on decision-making (1.279), which may reflect differing opinions on the effectiveness of current practices. Overall, the analysis suggests that while there is a general consensus on the importance of cash flow management, there may be areas for improvement, especially in ensuring that cash flow considerations are consistently integrated into decision-making processes.

Table 4.7: Descriptive Statistics of Cash Flow Management

	Min	**Max**	**Mean**	**Std. Dev**
The Tanzania Railway Corporation effectively monitors its cash flow to ensure financial stability.	1	5	3.56	1.240
The organization regularly conducts cash flow forecasting to anticipate financial needs.	1	5	3.63	1.199
The Tanzania Railway Corporation has effective strategies in place to manage liquidity and meet short-term obligations.	1	5	3.71	1.265
The corporation invests in advanced cash management systems to enhance cash flow efficiency.	1	5	3.61	1.211
Cash flow considerations significantly influence the decision-making processes at the Tanzania Railway Corporation.	1	5	3.53	1.279
Effective cash flow management contributes significantly to the overall success of the Tanzania Railway Corporation.	1.00	5.00	3.9037	1.13409
Employees receive adequate training in cash flow management to improve organizational financial performance.	1.00	5.00	3.9122	1.06903

Source: Field Data, 2024

4.3.4 Descriptive Statistics of Strategic Financial Planning

Table 4.9 presents the descriptive statistics for strategic financial planning at the Tanzania Railway Corporation indicate a generally positive perception among respondents regarding its effectiveness and alignment with organizational success.

The mean scores range from 3.67 to 4.14, with the highest mean (4.14) reflecting the belief that strategic financial planning enhances the efficiency of resource allocation, suggesting that respondents view this process as critical for optimizing financial resources. Long-term financial projections also received a high mean score of 3.99, indicating regular engagement in forward-looking financial planning to inform decision-making. Other areas, such as the integration of risk management strategies (mean = 3.84) and stakeholder involvement (mean = 3.86), also show favorable responses, indicating a collaborative approach to financial planning. The lowest mean score of 3.67 relates to the alignment of strategic financial planning with organizational goals, suggesting that while respondents see overall effectiveness, there may be room for improvement in ensuring complete alignment with broader objectives. The standard deviations, particularly for resource allocation efficiency (0.933) and long-term projections (1.012), indicate relatively low variability, suggesting a consensus among respondents on these aspects. Overall, the analysis implies that strategic financial planning is perceived as a significant contributor to the success of the Tanzania Railway Corporation, though alignment with organizational goals could be further enhanced.

Table 4.8: Descriptive Statistics of Strategic Financial Planning on TRC Success

	Min	Max	Mean	Std. Dev
Strategic financial planning at the Tanzania Railway Corporation aligns well with the overall organizational goals and objectives.	1.00	5.00	3.6686	1.18492
The organization regularly develops long-term financial projections to guide decision-making.	1.00	5.00	3.9858	1.01260
Strategic financial planning enhances the efficiency of resource allocation within the Tanzania Railway Corporation.	1.00	5.00	4.1416	.93377
The strategic financial planning process effectively integrates risk management strategies.	1.00	5.00	3.8442	1.12112
Key stakeholders are actively involved in the strategic financial planning process at the Tanzania Railway Corporation.	1.00	5.00	3.8640	1.08643
Effective strategic financial planning contributes significantly to the overall success of the Tanzania Railway Corporation.	1.00	5.00	3.8470	1.01654
The strategic financial planning process is adaptable to changes in the economic and regulatory environment.	1.00	5.00	3.6969	1.16112

Source: Field Data, 2024

4.3.5 Descriptive Statistics Results for TRC Success

Table 4.10 presents the descriptive statistics for the Tanzania Railway Corporation (TRC) organizational success reveal a generally positive perception among respondents regarding various aspects of performance and effectiveness. Mean scores range from 3.50 to 3.83, indicating that respondents perceive TRC as performing satisfactorily but with some areas that might require attention. The highest mean score of 3.83 pertains to improvements in overall performance, suggesting that respondents believe the organization has made significant strides in recent years. Similarly, the mean score of 3.83 for meeting customer needs reflects a strong alignment with customer expectations, highlighting TRC's commitment to service delivery.

However, the lowest mean score (3.50) is associated with the stability and sustainability of the organization's financial health, indicating concerns or perceptions of instability that could affect long-term success. Engagement and motivation among employees received a mean score of 3.59, which, while positive, may suggest that there is room for enhancing employee satisfaction and involvement. The organization's culture of innovation (mean = 3.61) and clarity of strategic direction (mean = 3.63) both suggest a generally supportive environment for progress, though respondents appear to feel that adaptability to market and regulatory changes (mean = 3.78) could be improved further. The standard deviations, particularly for financial health (1.299) and employee engagement (1.264), indicate more variability in these responses, reflecting diverse opinions on these critical success factors. Overall, the analysis implies that while TRC is perceived as making progress and meeting some expectations effectively, attention to financial stability and employee engagement could further enhance organizational success.

Table 4.9: TRC organizational Success

	Min	**Max**	**Mean**	**Std. Dev**
The Tanzania Railway Corporation has shown significant improvement in overall performance over the past few years.	1.00	5.00	3.8329	1.01570
The organization effectively meets the needs and expectations of its customers.	1.00	5.00	3.8272	1.02311
The financial health of the Tanzania Railway Corporation is stable and sustainable.	1.00	5.00	3.5042	1.29930
Employees at the Tanzania Railway Corporation feel engaged and motivated in their roles.	1.00	5.00	3.5949	1.26477
The organization fosters a culture of innovation and continuous improvement.	1.00	5.00	3.6147	1.23353
The strategic direction of the Tanzania Railway Corporation is clear and well-communicated to all stakeholders.	1.00	5.00	3.6261	1.16121
The Tanzania Railway Corporation adapts effectively to changes in the market and regulatory environment.	1.00	5.00	3.7819	1.20864

Source: Field Data, 2024

4.4 Correlation Analysis Results

The correlation analysis results indicate significant positive relationships among the variables studied, with all correlations being significant at the 0.01 level. The variable BGDT (presumably representing a variable such as budgeting or financial decision-making) shows strong positive correlations with CID (capital investment decisions), CFM (cash flow management), and "SFP" (strategic financial planning), with coefficients of 0.648, 0.666, and 0.746, respectively. This suggests that effective budgeting is closely associated with better capital investment decisions, cash flow management, and strategic financial planning. Additionally, SFP has a strong correlation with TRCOS (Tanzania Railway Corporation organizational success), indicating that effective strategic financial planning is linked to improved organizational success (0.693). The variable TRCOS also shows positive correlations with CID and CFM, with coefficients of 0.702 and 0.711, respectively, highlighting that capital investment decisions and cash flow management contribute significantly to the overall success of the organization. Overall, these results underscore the interconnectedness of budgeting, investment decisions, cash flow management, strategic planning, and organizational success, suggesting that improvements in these areas may collectively enhance the performance of the Tanzania Railway Corporation.

Table 4.10: Correlation Analysis Results

		BGDT				
BGDT	Pearson Correlation	1				
CID	Pearson Correlation	.648**	1			
CFM	Pearson Correlation	.666**	.831**	1		
SFP	Pearson Correlation	.746**	.725**	.638**	1	
TRCOS	Pearson Correlation	.446**	.702**	.711**	.693**	1
**. Correlation is significant at the 0.01 level (2-tailed).						

Note: BGDT= budgeting and forecasting, CID = capital investment decision, CFM = cash flow management, SFP = strategic financial planning, TRCOS = TRC organizational Success.

Source: Data Analysis, 2024

4.5 Regression Assumptions Results

Regression assumptions are critical conditions that underpin the validity of regression analysis, and they include several key types. Firstly, linearity assumes that there is a linear relationship between the independent and dependent variables, which is crucial for accurate predictions. Secondly, independence requires that the residuals (errors) are independent of one another, ensuring that the observations do not influence each other. Thirdly, homoscedasticity means that the variance of the residuals is constant across all levels of the independent variable, which prevents biased estimates of coefficients. Fourthly, normality assumes that the residuals are normally distributed, particularly important for hypothesis testing and confidence interval estimation. Lastly, no multicollinearity indicates that independent variables should not be too highly correlated with each other, as this can distort the estimation of the regression coefficients. Meeting these assumptions is essential because violations can lead to unreliable estimates, invalid statistical tests, and incorrect conclusions, thereby undermining the integrity of the research findings.

The distribution of residuals is represented by a bell-shaped curve in the histogram (figure 4.1). (Mean is close to 0 and SD close to 1, evidencing of a normal distribution of residuals). In addition, residuals plot along the diagonal line, as seen in Figure 4.2. As a result, there isn't much departure from the usual. The histogram (Figure 4.1) reveals that some of the residual values are within the 3 cutoffs, indicating that there are no outliers. Any value outside the cutoff of |3|, according to Tabachnick and Fidell (2007), is an anomaly. The diagonal dots in Figure 4.3 are speeded up along the diagonal line, indicating that the data is linear. The case residual dots are dispersed rectangularly about zero (0) in Figure 4.3, implying homoscedasticity (equality of variance). As a result, there is no reason to suspect heteroscedasticity (unequal variance in the data).

4.5.1 Normality Assumptions Test Results

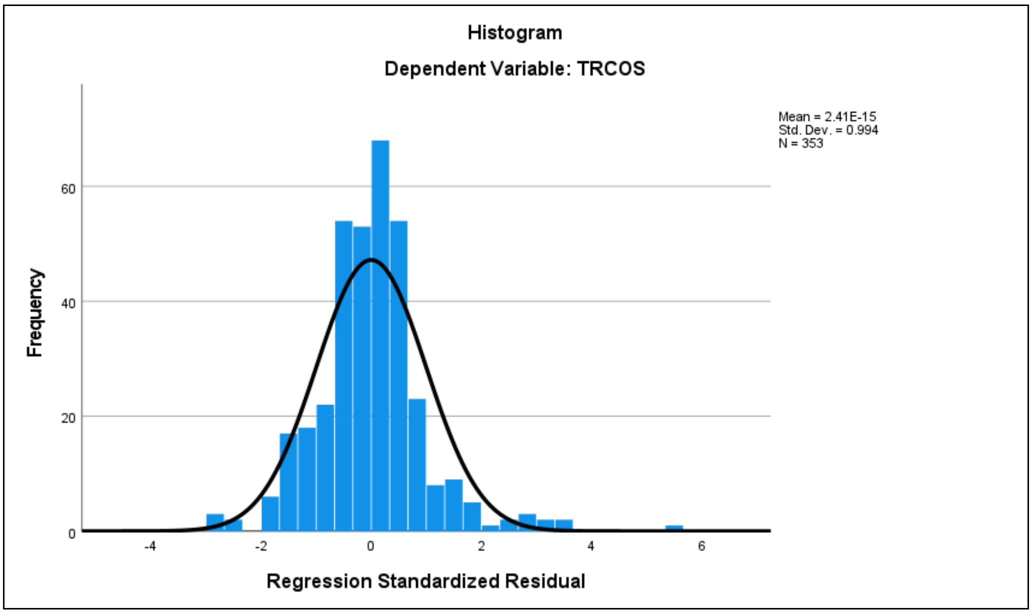

Figure 4.1: Histogram

4.5.2 Linearity Assumptions Results

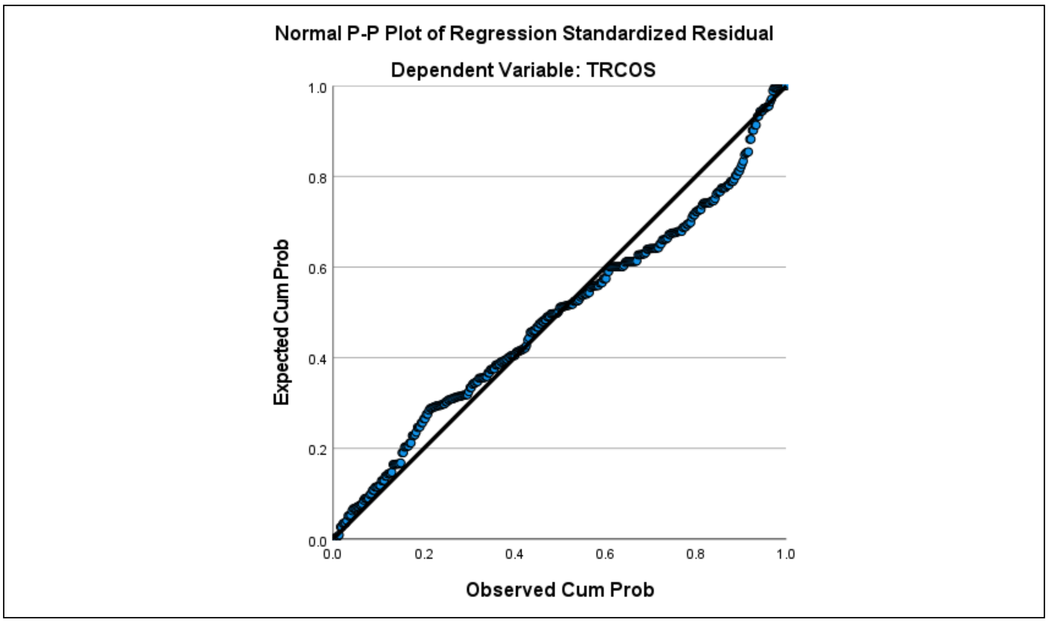

Figure 4.2: P – P – Plot for Unstandardized Residuals

Source: Data Analysis, 2024

4.5.3 Homoscedasticity Test Results

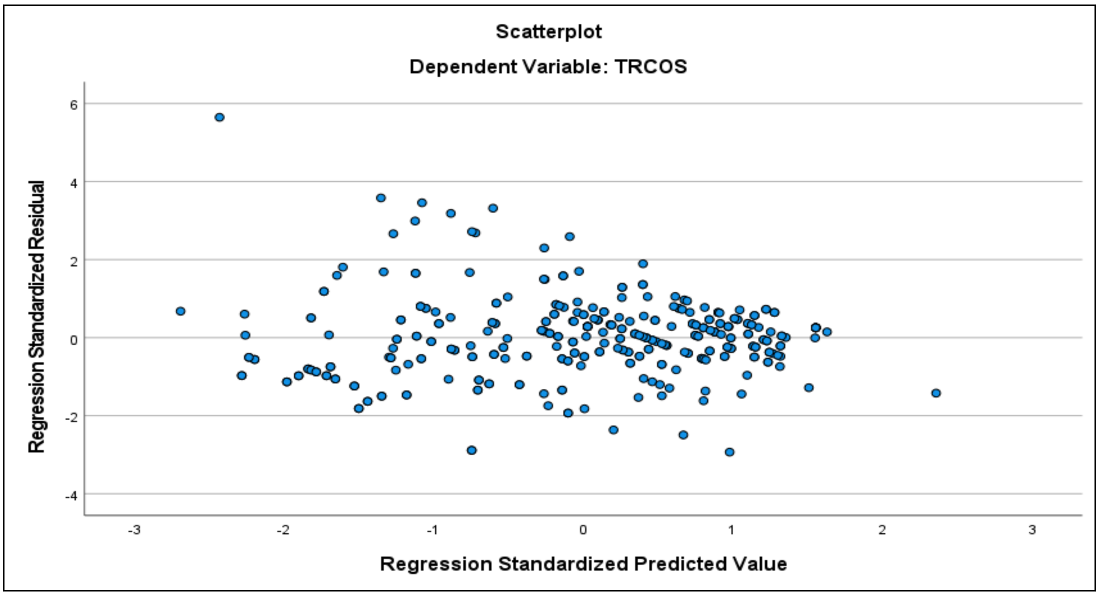

Figure 4.3: Scatter Plot for Unstandardized Residuals

Source: Data Analysis, 2024

4.5.4 Multicollinearity Assumption Test Results

The multicollinearity assumption test results provide insight into the relationships among the independent variables in the regression model predicting the dependent variable, TRCOS (Tanzania Railway Corporation organizational success). The tolerance values indicate how much of the variance in an independent variable is not explained by other independent variables in the model, while the Variance Inflation Factor (VIF) quantifies how much the variance of a regression coefficient is inflated due to multicollinearity. In this analysis, all tolerance values are above 0.1, which suggests that there is no severe multicollinearity among the independent variables. Specifically, the VIF values range from 1.584 to 2.935. Generally, a VIF value above 5 indicates a problematic level of multicollinearity, while values above 10 are typically considered alarming. Since all VIF values in this analysis are below 3, this indicates that multicollinearity is not a significant issue in the model. Therefore, we can conclude that the independent variables BGDT (budgeting), CID (capital investment decisions), CFM (cash flow management), and SFP (strategic financial planning) can be considered as distinct predictors of TRCOS, allowing for reliable interpretation of their individual contributions to organizational success.

Table 4.11: Multicollinearity Assumption Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	BGDT	.382	2.617
	CID	.245	2.083
	CFM	.279	1.584
	SFP	.341	2.935
a. Dependent Variable: TRCOS			

Note: BGDT= budgeting and forecasting, CID = capital investment decision, CFM = cash flow management, SFP = strategic financial planning, TRCOS = TRC organizational Success

Source: Data Analysis, 2024

4.6 Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to examine the relationship between one dependent variable and two or more independent variables, enabling researchers to understand the impact of multiple factors on an outcome and to quantify how changes in the predictors affect the dependent variable, typically through estimating coefficients that represent these relationships while controlling for other variables in the model. In this study the multiple independent variables were budgeting and forecasting, capital investment decision, cash flow management, strategic financial planning while the dependent variable was TRC organizational Success.

4.6.1 Model Summary Results

Table 4.13 presents the model summary for the multiple regression analysis. It provides insights into how well the independent variables explain the variance in the dependent variable, TRCOS. The R value (.819) represents the correlation coefficient, indicating a strong positive relationship between the independent variables (SFP, CFM, BGDT, CID) and the dependent variable (TRCOS). R Square (.671) signifies that approximately 67.1% of the variance in TRCOS is explained by the model, indicating a substantial proportion of explained variance, suggesting the model has a good fit for the data.

The Adjusted R Square (.667) slightly adjusts the R Square value to account for the number of predictors in the model. This adjusted figure suggests that, even after adjusting for the number of variables, about 66.7% of the variance in TRCOS is accounted for, confirming that the model is robust and reliable for explaining TRCOS without overfitting.

Table 4.12: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.819[a]	.671	.667	.53511	1.510

a. Predictors: (Constant), SFP, CFM, BGDT, CID

b. Dependent Variable: TRCOS

Note: BGDT= budgeting and forecasting, CID = capital investment decision, CFM = cash flow management, SFP = strategic financial planning, TRCOS = TRC organizational Success

Source: Data Analysis, 2024

4.6.2 ANOVA Results

Table 4.14 presents the ANOVA results insights into the statistical significance and explanatory power of the regression model. In predicting the dependent variable, TRCOS, based on the predictors (SFP, CFM, BGDT, CID). The ANOVA results indicate that the regression model, with predictors SFP, CFM, BGDT, and CID, significantly explains the variance in the dependent variable TRCOS. The Regression Sum of Squares (203.416) compared to the Residual Sum of Squares (99.649) suggests that a large portion of the total variance (303.065) is explained by the model. With 4 degrees of freedom for the regression and 348 degrees of freedom for the residual, the mean square for the regression (50.854) is substantially higher than the residual mean square (0.286). This difference results in an F-statistic of 177.596, which, with a p-value of .000, indicates statistical significance at the 0.05 level. Thus, the model is a strong fit, and the predictors collectively contribute significantly to explaining TRCOS, supporting the relevance of these variables in the analysis.

Table 4.13: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	203.416	4	50.854	177.596	.000[b]
	Residual	99.649	348	.286		
	Total	303.065	352			

a. Dependent Variable: TRCOS
b. Predictors: (Constant), SFP, CFM, BGDT, CID
Note: BGDT= budgeting and forecasting, CID = capital investment decision, CFM = cash flow management, SFP = strategic financial planning, TRCOS = TRC organizational Success
Source: Data Analysis, 2024

4.6.3 Regression Coefficients Analysis Results

Table 4.15 presents the regression coefficients table provides insights into the contribution and significance of each predictor variable (BGDT, CID, CFM, and SFP) in explaining the dependent variable, TRCOS. Unstandardized Coefficients (B) show the effect size of each predictor on TRCOS, with BGDT (.473), CID (.118), CFM (.508), and SFP (.765) indicating that for each unit increase in these predictors, TRCOS is expected to increase by the respective coefficient values, holding other variables constant. The Standard Error associated with each predictor shows the variability in the coefficient estimates, helping us assess the precision of these estimates.

Standardized Coefficients (Beta) allow for comparison of the relative importance of each predictor. Here, SFP has the largest Beta (.589), indicating that it has the strongest effect on TRCOS, followed by CFM (.517), BGDT (.409), and CID (.111). The t-values and corresponding p-values (Sig.) show the statistical significance of each predictor: BGDT (t = 8.225, p = .000), CID (t = 1.786, p = .003), CFM (t = 8.878, p = .000), and SFP (t = 11.179, p = .000), all below the conventional significance threshold ($p < .05$). This suggests that each predictor significantly contributes to the model in explaining TRCOS, with CID, though lower in significance compared to the others, still making a meaningful contribution. Collinearity Statistics (Tolerance and VIF) assess multicollinearity among predictors. Tolerance values close to 1 and VIF values below 10 indicate low multicollinearity; here, all predictors have acceptable tolerance (BGDT = .382, CID = .245, CFM = .279, SFP = .341) and VIF values (BGDT = 2.617, CID = 2.083, CFM = 1.584, SFP = 2.935), suggesting that multicollinearity is not a concern. This analysis confirms that each predictor has an independent, significant effect on TRCOS, with SFP and CFM being the strongest influencers, making the model reliable and interpretable without multicollinearity issues.

Table 4.14: Regression Coefficients Analysis Results

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**	**Tolerance**	**VIF**
1	(Constant)	.276	.161		1.710	.088		
	BGDT	.473	.058	.409	8.225	.000	.382	2.617
	CID	.118	.066	.111	1.786	.003	.245	2.083
	CFM	.508	.057	.517	8.878	.000	.279	1.584
	SFP	.765	.068	.589	11.179	.000	.341	2.935

a. Dependent Variable: TRCOS
Note: BGDT= budgeting and forecasting, CID = capital investment decision, CFM = cash flow management, SFP = strategic financial planning, TRCOS = TRC organizational Success
Source: Data Analysis, 2024

4.7 Discussion of the Findings

the research on the effect of managers' financial knowledge on organizational success; the case of Tanzania railways corporation aims to investigate how the financial knowledge possessed by managers influences the operational performance, decision-making, and overall success of Tanzania Railways Corporation (TRC). This study explores the relationship between managers' understanding of financial concepts such as budgeting, forecasting, cost control, and investment strategies, and how these skills contribute to the organization's ability to meet financial goals, improve efficiency, and sustain long-term growth. The research employed quantitative methods, gathering data from TRC's managerial staff, financial reports, and performance records. By analyzing these factors, the study seeks to identify the key areas where financial knowledge directly impacts the organization's performance, pinpointing strengths and weaknesses in financial management, and offering recommendations for improving financial training and decision-making practices within TRC. Ultimately, this research discussion aims to provide insights into how enhancing financial literacy among managers can contribute to the sustainable development and success of the organization.

4.7.1 The Relationship Effect of Budgeting and Forecasting on TRC Success

The relationship between budgeting, forecasting, and the success of Tanzania Railways Corporation (TRC) can be viewed through the lens of effective financial planning and resource allocation, where accurate budgeting helps set clear financial goals and forecasting enables proactive adjustments based on market conditions or operational challenges. When managers at TRC apply sound budgeting practices and forecasting techniques, they can ensure better financial stability, allocate resources efficiently, and minimize risks, all of which contribute to enhanced organizational performance. This study found that budgeting and forecating has a positive and significant related to TRC Success.

Similarly, Prakash, et al., (2024) found that advanced technologies such as AI-driven forecasting and cloud based financial management systems to enhance accuracy and efficiency. Moreover, Lantukh, (2021) also, found that forecasting budget indicators in the short and medium-term, they acquire key importance. Not only that Abiola, (2023) also found that budgeting has a strong positive relationship with the company Retained Earnings (RE) and at same time, significantly correlated human resource recruitment in form of Employee Size (ES) for their success. Emana, (2021) also, found that budget deficit and economic growth in Ethiopia have a negative relationship in the long run, and have a weak positive association in the short run.

However, if budgeting and forecasting are not aligned with the company's goals or based on inaccurate assumptions, it can lead to inefficiencies, misallocated resources, and a failure to respond to emerging challenges, ultimately hindering TRC's success. Thus, the effectiveness of these financial practices depends on the quality of managers' financial knowledge and their ability t A negative relationship between budgeting, forecasting, and organizational success may arise if these financial practices are poorly executed, unrealistic, or misaligned with the organization’s strategic objectives. Budgeting and forecasting can create rigid frameworks that constrain decision-making and hinder organizational flexibility, especially when assumptions are inaccurate or based on outdated information (Noreen et al., 2020). For example, when budgets are set too strictly, they may limit managers' ability to allocate resources dynamically in response to changing conditions, leading to missed opportunities or inefficiencies (Miller et al., 2019). Similarly, forecasting inaccuracies can lead to improper resource allocation, causing financial strain or missed growth targets (Hansen et al., 2018). In the context of Tanzania Railways Corporation, ineffective or unrealistic budgeting and forecasting could limit adaptability and responsiveness to the transportation sector's rapidly changing demands, potentially negatively impacting organizational success. Therefore, while budgeting and forecasting are vital tools for financial planning, their effectiveness hinges on their accuracy, flexibility, and alignment with broader organizational goals.

4.7.2 The Relationship Effect of Capital Investment Decision on TRC Success

The relationship between capital investment decisions and the success of Tanzania Railways Corporation (TRC) is crucial for driving long-term growth, operational efficiency, and financial sustainability. Capital investments, such as upgrading infrastructure, purchasing modern equipment, or expanding services, can significantly enhance TRC's ability to improve service delivery, reduce operational costs, and increase profitability (Brealey et al., 2020). Strategic capital investment decisions, driven by thorough financial analysis and forecasting, enable TRC to modernize its operations, stay competitive in the transport sector, and meet the growing demand for efficient rail services in Tanzania (Marris, 2021).

This study found that capital investment decision has a positive and significant relationship with TRC organizational success. Similarly, Mehdi, Ihsan, and Bashir, (2019) found that the results also show that effect of firm size as a moderator is also partial significant. Also, Ahmad, Abid, & Maqbool, (2021) found that the majority of corporations calculate risk adjusted cash flow, but only a small fraction of firms/businesses use the most modern risk assessment tools. Moreover, Appiah, Possumah, Ahmat, and Sanusi, (2019) found that SMEs of larger business size, with large investment capital, large fixed assets, more business stability, structured business ownership, large customer size, registered status, operations in urban locations and reinvested annual profits -- are more likely to invest in Ghanaian oil and gas sector. Gichuru, et al., (2024) also, found that capital investment factors explained 85.7% of the variance in SME growth. Lastly, Nyabakora, and Rwezimula, (2018) also found that the more liquidity the firms, the low the leverage, and also, due to the study area's economy, many firms use short term loans mainly bank loans; so the smaller the firm the higher the leverage.

However, poor investment decisions or underinvestment in critical areas may result in outdated infrastructure, operational inefficiencies, and a decline in performance, ultimately hindering the organization's success (Sullivan & Adams, 2022). Therefore, sound capital investment decisions are essential for TRC to achieve its objectives, optimize its resource allocation, and improve overall organizational performance. The effectiveness of these decisions depends on the financial knowledge of the management team, which allows them to evaluate risks, project returns, and make informed, strategic choices that align with the corporation's long-term goals.

4.7.3 The Relationship Effect of Cash Flow Management on TRC Success

Effective cash flow management is critical to the success of Tanzania Railways Corporation (TRC) as it ensures that the organization has the liquidity to meet its short-term obligations and finance long-term investments. Cash flow management involves monitoring, analyzing, and optimizing the inflow and outflow of funds to avoid cash shortages that could impair operational efficiency and service delivery (Miller & Modigliani, 2019). A well-managed cash flow allows TRC to maintain smooth operations, reduce the risk of financial distress, and support infrastructure projects, which are vital for the expansion and modernization of the railway system (Brigham & Ehrhardt, 2020). Furthermore, managing cash flow effectively helps TRC avoid relying on external financing, thereby reducing interest costs and maintaining financial independence (Higgins, 2021).

However, poor cash flow management, such as failing to align revenues with expenditures or relying on delayed payments from customers, could lead to liquidity crises, hinder the corporation’s ability to invest in infrastructure, and reduce its competitiveness in the transport sector (Kieso et al., 2020). Therefore, the relationship between cash flow management and TRC's success is vital, as strong cash flow practices enable financial stability and sustainable growth.

4.7.4 The Relationship Effect of Strategic Financial Planning knowledge on TRC Success

The relationship between strategic financial planning knowledge and the success of Tanzania Railways Corporation (TRC) underscores the critical role of effective financial strategy in achieving organizational goals and sustaining growth. This study found that strategic planning knowledge was positive and significantly related to TRC success. Strategic Financial Planning Knowledge Strategic financial planning was as well found to alllow organizations to anticipate future financial needs, optimize resource allocation, and align financial goals with broader business objectives (Nguyen & Duong, 2021). In the case of TRC, managers with strong financial planning skills contribute to better decision-making, cost control, and long-term investment strategies that enhance operational efficiency and service delivery. Studies indicate that organizations with effective financial planning are more resilient in managing financial challenges, leading to improved organizational performance (Jensen, 2022). However, limited expertise in integrating financial planning into daily operations, coupled with insufficient alignment between short-term operational needs and long-term strategic goals, may hinder TRC’s full potential (Khan & Pervaiz, 2020). In this context, enhancing the financial planning knowledge of TRC managers is crucial for fostering sustainable growth and ensuring the corporation's ability to adapt to market shifts.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMEMDATIONS

5.1 Overview

The chapter presents the summary of findings, conclusion, implications, conclusion and recommendations.

5.2 Summary of the Findings

5.2.1 The Relationship Effect of Budgeting and Forecasting on TRC Success

The summary of findings on the relationship effect of budgeting and forecasting on Tanzania Railways Corporation (TRC) success indicates that effective budgeting and accurate forecasting significantly contribute to the corporation's financial stability and overall performance. Managers who possess strong financial knowledge are better able to anticipate revenue and expenditure patterns, make informed decisions, and align resources with organizational goals. The study found that robust budgeting processes enable TRC to prioritize projects, manage cash flow, and address financial challenges proactively, leading to improved operational efficiency. However, challenges were noted in the implementation of forecasting methods, which occasionally led to discrepancies between projected and actual outcomes, suggesting the need for more refined and flexible forecasting techniques.

5.2.2 The Relationship Effect of Capital Investment knowledge Decision on TRC Success

The summary of findings on the relationship effect of capital investment knowledge decisions on Tanzania Railways Corporation (TRC) success reveals that well-informed capital investment decisions are crucial for the corporation's long-term growth and operational efficiency. Managers with strong financial knowledge are better equipped to assess the viability of investment opportunities, prioritize high-impact projects, and optimize resource allocation. The study found that capital investment decisions, supported by thorough analysis and strategic financial planning, have led to improvements in infrastructure, operational capacity, and service delivery at TRC. However, challenges such as limited access to capital and insufficient risk management practices were identified, suggesting that enhancing financial knowledge in managing investments and mitigating risks could further boost TRC's success.

5.2.3 The Relationship Effect of Cash Flow Management knowledge on TRC Success

The summary of findings on the relationship effect of cash flow management knowledge on Tanzania Railways Corporation (TRC) success highlights the critical role of effective cash flow management in ensuring the financial stability and sustainability of the organization. The study found that managers with strong knowledge of cash flow management were able to optimize cash inflows and outflows, ensuring that TRC could meet its operational and financial obligations without disruptions.

This knowledge helped in making informed decisions regarding liquidity, debt management, and investment planning. However, the study also revealed challenges, such as occasional cash flow shortfalls and inefficiencies in managing working capital, which hindered operational smoothness. It suggests that enhancing cash flow management skills and adopting better cash forecasting techniques could improve TRC's overall financial performance.

5.2.4 The Relationship Effect of Strategic Financial Planning knowledge on TRC Success

The summary of findings on the relationship effect of strategic financial planning knowledge on Tanzania Railways Corporation (TRC) success indicates that strong strategic financial planning is vital for long-term sustainability and growth. Managers with in-depth knowledge of financial planning were found to be more effective in setting clear financial goals, allocating resources efficiently, and aligning financial strategies with TRC’s broader objectives. The study revealed that strategic financial planning enabled TRC to navigate economic challenges, improve investment decisions, and enhance performance. However, the findings also pointed to gaps in the implementation of comprehensive financial strategies, often due to limited foresight and insufficient integration of financial planning into day-to-day operations. It suggests that improving the knowledge and application of strategic financial planning can significantly bolster TRC’s ability to adapt to market changes and drive long-term success.

5.3 Implications

5.3.1 Implications for Management

The findings emphasize that managers' financial knowledge is a critical driver of organizational success, particularly for Tanzania Railways Corporation (TRC). For management, this underscores the importance of equipping leaders with financial expertise to make informed decisions regarding budgeting, investment, and resource allocation. Enhancing managers' financial literacy can improve operational efficiency, optimize resource utilization, and ensure the financial sustainability of the corporation. Moreover, the findings suggest the need for continuous training and professional development programs to address knowledge gaps and keep managers updated on modern financial practices.

5.3.2 Implications for the Industry

Within the transportation sector, the study highlights how financial knowledge among managers contributes to improved performance, resource allocation, and infrastructure development. For TRC and similar organizations, this suggests adopting best practices in financial management to remain competitive and meet service delivery expectations. The findings also point to the need for industry-wide capacity-building initiatives, such as workshops or collaborations with financial institutions, to standardize financial decision-making practices and strengthen the sector's overall financial health.

5.3.3 Implications for Academia

The study provides a valuable reference for academic research on the relationship between financial knowledge and organizational success, particularly in developing economies. It highlights the importance of integrating practical financial management skills into academic curricula, especially for business and management programs. Researchers can build on this study to explore sector-specific challenges, refine theories, and develop frameworks that link financial knowledge with organizational performance. Furthermore, the findings encourage academia to collaborate with industries like TRC to align educational content with practical needs, fostering a workforce better equipped to handle financial.

5.3.4 Policy Implications

The findings suggest a critical policy implication for Tanzania Railways Corporation (TRC) and similar organizations: the need to institutionalize mandatory financial management training for managers. Policymakers should prioritize developing frameworks that integrate financial literacy into leadership roles, ensuring managers possess the skills to make sound financial decisions. Additionally, policies should encourage regular audits and performance reviews linked to financial practices to enhance accountability, resource optimization, and overall organizational success.

5.4 Conclusion

5.4.1 The Relationship Effect of Budgeting and Forecasting Knowledge on TRC Success

Budgeting and forecasting knowledge is crucial for Tanzania Railways Corporation (TRC)'s success as it equips managers with the skills to plan effectively, allocate resources efficiently, and anticipate financial challenges. This knowledge enables data-driven decision-making, enhances financial transparency, and supports the achievement of organizational goals. However, gaps in expertise or reliance on outdate forecasting methods can limit these benefits, emphasizing the need for continuous training and the adoption of modern financial tools to maximize TRC’s operational and financial performance.

5.4.2 The Relationship Effect of Capital Investment knowledge Decision on TRC Success

Capital investment knowledge is critical to the success of Tanzania Railways Corporation (TRC) as it empowers managers to evaluate, prioritize, and execute investment projects that align with organizational goals. This knowledge enhances the efficient allocation of resources, promotes infrastructure development, and drives long-term growth. However, a lack of expertise or ineffective evaluation frameworks can lead to poor investment decisions, underscoring the importance of capacity building and adopting robust decision-making tools to optimize TRC’s capital investments and overall performance.

5.4.3 The Relationship Effect of Cash Flow Management Knowledge on TRC Success

Cash flow management knowledge is essential for Tanzania Railways Corporation (TRC) to maintain financial stability, ensure liquidity, and support operational efficiency. Proper management of cash inflows and outflows allows TRC to meet its financial obligations, invest in growth opportunities, and navigate financial challenges effectively. However, insufficient cash flow management expertise or reliance on outdate practices can lead to cash shortages and operational disruptions, highlighting the need for on-going training and the adoption of modern financial tools to improve TRC's financial performance and sustainability.

5.4.4 The Relationship Effect of Strategic Financial Planning knowledge on TRC Success

Strategic financial planning knowledge is vital for Tanzania Railways Corporation (TRC) to align its financial goals with long-term organizational objectives, ensuring sustainable growth and optimal resource utilization. This knowledge enables managers to make informed decisions, anticipate financial challenges, and adapt to changing market conditions. However, gaps in strategic planning expertise or inadequate implementation can hinder TRC's ability to achieve its financial and operational goals, emphasizing the need for continuous training and robust financial strategies to enhance TRC's success and long-term viability.

5.5 Recommendations

5.5.1 The Relationship Effect of Budgeting and Forecasting knowledge on TRC Success

For enhancing the relationship between budgeting and forecasting knowledge and TRC's success include implementing comprehensive training programs for managers to strengthen their financial planning and forecasting skills. TRC should also adopt advanced budgeting tools and data analytics to improve accuracy in financial projections and resource allocation.

Regular reviews and updates of budgeting practices are essential to ensure they remain relevant and responsive to changing financial conditions. Additionally, fostering a culture of continuous learning and integrating financial knowledge into decision-making processes will empower managers to make informed, data-driven decisions, ultimately enhancing TRC’s operational efficiency and success.

5.5.2 The Relationship Effect of Capital Investment Decision knowledge on TRC Success

For enhancing the relationship between capital investment decision knowledge and TRC's success include providing targeted training programs for decision-makers to improve their understanding of financial analysis, investment evaluation techniques, and risk management. TRC should adopt more robust frameworks for assessing capital projects, ensuring alignment with long-term strategic goals and operational needs.

Additionally, investing in advanced decision-making tools, such as cost-benefit analysis and financial modelling, can enhance the accuracy and effectiveness of investment decisions. Regular review of past capital investments and incorporating lessons learned can also help refine future investment strategies, contributing to improved organizational growth and performance.

5.5.3 The Relationship Effect of Cash Flow Management knowledge on TRC Success

For enhancing the relationship between cash flow management knowledge and

TRC’s success include providing specialized training for managers to strengthen their understanding of cash flow forecasting, liquidity management, and financial risk assessment. TRC should implement advanced cash flow management tools and technologies to monitor and optimize cash inflows and outflows in real-time, ensuring efficient use of resources. Developing a clear cash flow policy that aligns with the organization's financial goals and adopting a proactive approach to managing working capital can improve financial stability. Additionally, fostering collaboration between departments to ensure synchronized cash management practices will further enhance TRC’s financial performance and sustainability.

5.5.4 The Relationship Effect of Strategic Financial Planning knowledge on TRC Success

To enhance the relationship between strategic financial planning knowledge and the success of Tanzania Railways Corporation (TRC), several key recommendations can be made. First, it is crucial to invest in continuous training and development programs aimed at improving the financial planning skills of TRC managers. These programs should focus on modern financial management practices, risk analysis, and strategic forecasting to ensure that decision-makers are equipped with the latest tools and methodologies. Second, TRC should foster a culture of strategic alignment by ensuring that financial planning is integrated with the corporation's broader organizational objectives, enabling more coherent long-term strategies.

Furthermore, the development of a dedicated financial planning department, with a focus on strategic forecasting and resource allocation, can streamline operations and better position the corporation to handle financial challenges. Lastly, adopting advanced financial management technologies and data analytics will improve decision-making capabilities, ensuring that TRC can quickly adapt to changes in the economic environment and optimize resource utilization. By implementing these strategies, TRC can enhance its operational efficiency, financial stability, and overall organizational success.

5.6 Limitations

The limitations of the study on the effect of managers' financial knowledge on organizational success at Tanzania Railways Corporation (TRC) included potential biases in the data collection process, as the findings were influenced by the respondents' subjective perceptions or limited sample size. The study also was constrained by the availability and reliability of financial data, which affected the accuracy of conclusions drawn regarding the impact of financial knowledge. Additionally, the research did not fully capture the complex, multifaceted nature of organizational success, as external factors such as market conditions, government policies, and industry trends were not adequately considered. Furthermore, the focus on TRC limits the generalizability of the results to other organizations or industries. Lastly, the study’s cross-sectional design did not account for long-term changes in financial knowledge and its cumulative impact on organizational performance over time.

5.7 Suggestion for Further Studied

Further areas of study could include exploring the impact of financial knowledge on decision-making processes within other public organizations in Tanzania, such as utilities or state-owned enterprises, to compare how financial literacy affects their organizational success. Additionally, research could focus on the role of financial knowledge in improving resource allocation, risk management, and strategic planning in public sector enterprises, with an emphasis on training and development programs for managers. Another area of interest could be investigating the relationship between financial knowledge and organizational culture, employee engagement, and leadership effectiveness in enhancing overall performance and long-term sustainability of organizations like Tanzania Railways Corporation.

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APPENDICES

Appendix I Questionnaires

Dear Sir/Madam

My name is SAULO MABUSHI, a student pursuing a Master's Degree in Business Administration at the Open University of Tanzania with a registration of PG2017993130. I am conducting research titled "*EFFECT OF MANAGERS FINANCIAL KNOWLEDGE ON ORGANIZATIONAL SUCCESS; THE CASE OF TANZANIA RAILWAYS CORPORATION"* I request you to give me your time in participating to this interview. I assure you that the information you provide will be used only for the aim of this study.

From The Following Questions Circle the Correct Answer and Fill in Blanks Where Necessary.

1. The respondents age

a) 18-25

b) 26-35

c) 36-45

d) 46-55

e) 56 and above

2. The respondents sex

a) Male

b) Female

3. The respondent's highest level of education

a) Secondary

b) Certificate

c) Diploma

d) Bachelor Degree

e) Master's Degree

f) Other (Please Specify)

4. The respondents working experience

a) 0 – 5 Years

b) 6 – 10 Years

c) 11 – 15 Years

d) 16 Years and above

5. The following table has statement about the effect of Budgeting and forecasting on Tanzania Railway Corporation Organizational Success. Rate with each of the statements by ticking the appropriate answer using the scale provided in the tab le below Rank; 1 = SD; Strongly Disagree 2= D: Disagree, 3= Neutral, 4= A: Agree, 5= SA: Strongly Agree

CODE	**Budgeting and forecasting on Tanzania Railway Corporation Organizational Success**	1	2	3	4	5
BDGT1	The budgets prepared by the Tanzania Railway Corporation accurately reflect the anticipated revenues and expenditures.	1	2	3	4	5
BDGT2	The forecasting techniques used by the Tanzania Railway Corporation are effective in predicting	1	2	3	4	5

	financial outcomes.					
BDGT3	Management actively participates in the budgeting process at the Tanzania Railway Corporation.	1	2	3	4	5
BDGT4	The budgeting process at the Tanzania Railway Corporation is aligned with the overall strategic goals of the organization.	1	2	3	4	5
BDGT5	The budgeting process effectively prioritizes resource allocation in critical areas of the Tanzania Railway Corporation.	1	2	3	4	5
BDGT6	The Tanzania Railway Corporation has a robust system for monitoring and reviewing budget performance.	1	2	3	4	5
BDGT7	Effective budgeting and forecasting have a significant positive impact on the overall success of the Tanzania Railway Corporation.	1	2	3	4	5

6. The following table has statement about the effect of Capital Investment Decision on Tanzania Railway Corporation Organizational Success. Rate with each of the statements by ticking the appropriate answer using the scale provided in the tab le below Rank; 1 = SD; Strongly Disagree 2= D: Disagree, 3= Neutral, 4= A: Agree, 5= SA: Strongly Agree

CODE	**Capital Investment Decision**	1	2	3	4	5
CID1	Capital investment decisions at the Tanzania Railway Corporation align with the organization’s strategic objectives.	1	2	3	4	5
CID2	The Tanzania Railway Corporation conducts thorough risk assessments before making capital investment decisions.	1	2	3	4	5
CID3	The expected return on investment is a key factor in capital investment decisions at the Tanzania Railway Corporation.	1	2	3	4	5
CID4	Stakeholders are actively involved in the capital investment decision-making process at the Tanzania Railway Corporation.	1	2	3	4	5
CID5	Capital investment decisions at the Tanzania Railway Corporation are made with a long-term perspective.	1	2	3	4	5
CID6	The Tanzania Railway Corporation has effective mechanisms in place to monitor the performance of capital investments.	1	2	3	4	5
CID7	Effective capital investment decisions contribute significantly to the overall success of the Tanzania Railway Corporation.	1	2	3	4	5

7. The following table has statement about the effect of Cash Flow Management on Tanzania Railway Corporation Organizational Success. Rate with each of the statements by ticking the appropriate answer using the scale provided in the tab le below Rank; 1 = SD; Strongly Disagree 2= D: Disagree, 3= Neutral, 4= A: Agree, 5= SA: Strongly Agree

CODE	**Cash Flow Management**	1	2	3	4	5
CFM1	The Tanzania Railway Corporation effectively monitors its cash flow to ensure financial stability.	1	2	3	4	5
CFM2	The organization regularly conducts cash flow forecasting to anticipate financial needs.	1	2	3	4	5
CFM3	The Tanzania Railway Corporation has effective strategies in place to manage liquidity and meet short-term obligations.	1	2	3	4	5
CFM4	The corporation invests in advanced cash management systems to enhance cash flow efficiency.	1	2	3	4	5
CFM5	Cash flow considerations significantly influence the decision-making processes at the Tanzania Railway Corporation.	1	2	3	4	5
CFM6	Effective cash flow management contributes significantly to the overall success of the Tanzania Railway Corporation.	1	2	3	4	5
CFM7	Employees receive adequate training in cash flow management to improve organizational financial performance.	1	2	3	4	5

8. The following table has statement about the effect of Strategic Financial Planning on Tanzania Railway Corporation Organizational Success. Rate with each of the statements by ticking the appropriate answer using the scale provided in the tab le below Rank; 1 = SD; Strongly Disagree 2= D: Disagree, 3= Neutral, 4= A: Agree, 5= SA: Strongly Agree

CODE	**Strategic Financial Planning**	1	2	3	4	5
SFP1	Strategic financial planning at the Tanzania Railway Corporation aligns well with the overall organizational goals and objectives.	1	2	3	4	5
SFP2	The organization regularly develops long-term financial projections to guide decision-making.	1	2	3	4	5
SFP3	Strategic financial planning enhances the efficiency of resource allocation within the Tanzania Railway Corporation.	1	2	3	4	5
SFP4	The strategic financial planning process effectively integrates risk management strategies.	1	2	3	4	5
SFP5	Key stakeholders are actively involved in the strategic financial planning process at the Tanzania Railway Corporation.	1	2	3	4	5
SFP6	Effective strategic financial planning contributes significantly to the overall success of the Tanzania Railway Corporation.	1	2	3	4	5
SFP7	The strategic financial planning process is adaptable to changes in the economic and regulatory environment.	1	2	3	4	5

9. The following table has statement about the Tanzania Railway Corporation Organizational Success. Rate with each of the statements by ticking the appropriate answer using the scale provided in the tab le below Rank; 1 = SD; Strongly Disagree 2= D: Disagree, 3= Neutral, 4= A: Agree, 5= SA: Strongly Agree

S/n	**Tanzania Railway Corporation Organizational Success**	1	2	3	4	5
TRCOS1	The Tanzania Railway Corporation has shown significant improvement in overall performance over the past few years.	1	2	3	4	5
TRCOS2	The organization effectively meets the needs and expectations of its customers.	1	2	3	4	5
TRCOS3	The financial health of the Tanzania Railway Corporation is stable and sustainable.	1	2	3	4	5
TRCOS4	Employees at the Tanzania Railway Corporation feel engaged and motivated in their roles.	1	2	3	4	5
TRCOS5	The organization fosters a culture of innovation and continuous improvement.	1	2	3	4	5
TRCOS6	The strategic direction of the Tanzania Railway Corporation is clear and well-communicated to all stakeholders.	1	2	3	4	5
TRCOS7	The Tanzania Railway Corporation adapts effectively to changes in the market and regulatory environment.	1	2	3	4	5

Research Clearance Letter

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

THE OPEN UNIVERSITY OF TANZANIA

Ref. No OUT/**PG2017993130** **16th October, 2024**

Rector,

Local Government Training Institute,

P.O.Box 1125,

DODOMA.

Dear Rector,

RE: RESEARCH CLEARANCE FOR MR. SAULO MABUSHI, REG NO: PG2017993130

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1stMarch 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1stJanuary 2007.In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief

background, the purpose of this letter is to introduce to you **Mr. Saulo Mabushi, Reg.No: PG2017993130)**, pursuing **Master of Business Administration (MBA).** We here by grant this clearance to conduct a research titled **"Effect of Managers Financial Knowledge on Organizational Success: The Case of Tanzania Railways Corporation.** He will collect his data at your office from 17th October to 30th November 2024.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

THE OPEN UNIVERSITY OF TANZANIA

Prof.Gwahula Raphael Kimamala

For: VICE CHANCELLOR

TANZANIA RAILWAY CORPORATION
P.O.BOX 76959
DAR ES SALAAM
PHONE: 0800 11 00 42
FAX: 022 21334028

25 October, 2024

TO
Director of Postgraduate Studies
The Open University of Tanzania
P.O.BOX 23409
Dar es Salaam
Tanzania

Dear Sir Madam

RE: **RESEARCH CLEARANCE**

Reference is made to your letter with reference number OUT PG2017993130 dated 16th, October 2024 introducing Mr. SAULO, Mabushi, to give him a clearance to conduct research title "Effect of Managers' Financial Knowledge on Organisational Success; The Case of Tanzania Railways Corporation".

In response, we hereby offer our cooperation and facilitation of tins research academic activity within the time specified, and we advise Mr. Saulo Mabushi to visit the Regional Administration Dar es Salaam, Human resources where he will be given the introduction to the employees and contacts of the potential respondents for his research activity.

In line with your mission, we will appreciate to receive the copy of Saulo's research work from you so that we can collectively apply the assumed valuable knowledge from his work in the spirit of good cooperation.

Yours sincerely,

TANZANIA RAILWAY CORPORATION
P.O. Box 76959
DAR ES SALAAM

Emmanuel Joseph
Principal Human Resources Officer
Copy to Saulo Mabushi