

**CONTRIBUTION OF FINANCIAL RECORDS TO THE SUCCESS OF
PROJECT MANAGEMENT IN NON-GOVERNMENTAL
ORGANIZATIONS IN TANZANIA: A CASE OF ILEMELA DISTRICT**

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CERTIFICATION

The undersigned certify that they have read and hereby recommend for acceptance by The Open University of Tanzania a dissertation entitled, “**Contribution of Financial Records to the Success of Project Management in Non-Governmental Organizations in Tanzania: A Case of Ilemela District**”, in partial fulfilment of the requirements for the award of the Degree of Master of Project Management of the Open University of Tanzania.

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DECLARATION

I, **Benson Johnson Mmari** declare that the work presented in this dissertation is original. It has never been presented 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 fulfilment of the requirement for the Degree of Master of Project Management of the Open University of Tanzania.

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Signature

.....

Date

DEDICATION

This work is ardently dedicated to my beloved mother, Rolister R. Temba, whose love, guidance and sacrifices have been a beacon of light throughout my life. Her unwavering faith in my abilities has been a constant source of strength and motivation that propelled me forward, even in the most challenging times. This achievement is a testament to her enduring love and support.

In the same spirit, I also dedicate this work to my late father, Johnson J.J. Mmari. His memory continues to guide me in my journey. His strength, resilience, and commitment to excellence have always been a source of inspiration for me.

Lastly, to all my friends and relatives who have stood by me, shared in my dreams and offered their support in countless ways, this work is also for you. Your friendship and support have been a valuable part of this journey.

This research work is not only an embodiment of my academic endeavor but also a testament to the love, support, and dedication of these extraordinary people in my life. It is to them that I dedicate this work with all my love and gratitude.

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ABSTRACT

This study investigates the role of financial records in enhancing project management success within non-governmental organizations (NGOs) operating in Tanzania, focusing on the Ilemela district. Specifically, it examines the influence of regulatory compliance, monitoring and evaluation, and stakeholder communication through financial records on project management success. Employing a descriptive research design, data was primarily collected through questionnaires and secondary sources. The validity and reliability of the instruments were established. Results indicate a positive relationship between regulatory compliance, monitoring and evaluation, stakeholder communication through financial records, and project management success, explaining approximately 58.9% of its variability. Analysis of Variance (ANOVA) supports the statistical significance of the regression model. The findings underscore the need for a comprehensive approach to project management in Ilemela district. NGOs are encouraged to ensure strict adherence to regulatory standards in financial reporting, establish robust monitoring and evaluation systems informed by financial data, and prioritize effective communication strategies with stakeholders to optimize project outcomes.

Keywords: *Financial Records, Project Management, Non-Governmental Organizations, Project Management*

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LIST OF ABBREVIATIONS

ANOVA	Analysis of Variances
KMO	Kaiser-Meyer-Olkin
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
NPO	Non-profit Organizations
PMI	Project Management Institute
SPSS	Statistical Software for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Chapter Overview

This chapter presents the Background to the Problem, the Statement of the Problem, Research Objectives, Hypotheses/Research questions, the significance of the study, and the chapter summary.

1.2 Background to the Problem

Financial records are fundamental components of project management, serving as systematic documentation of financial transactions and activities related to project funding, expenditure, and revenue generation. Müller & Jugdev (2019) have underscored the pivotal role of effective financial record-keeping practices, highlighting their positive correlation with project performance and stakeholder satisfaction. These records not only aid in monitoring and evaluating project progress but also ensure the financial integrity and health of project implementation.

As is the case with other forms of organizations, effective project financial management, particularly meticulous financial record-keeping, is paramount for the success and sustainability of non-governmental organizations (NGOs). Without sound financial record-keeping practices, NGOs jeopardize their financial health and their ability to successfully implement their projects (Mikeladze, 2023).

Globally, the importance of robust financial practices in bolstering project management outcomes is evident. The Project Management Institute's (PMI) report

highlights that inadequate financial management remains a pervasive issue, leading to project failure in one-third (33%) of cases worldwide (PMI, 2020). This statistic emphasizes the critical role of sound financial management practices across diverse contexts including in NGOs.

In regions such as Europe and Asia, where NGOs are actively engaged in humanitarian aid and environmental conservation efforts, transparent financial procedures are imperative for fostering accountability and ensuring compliance with regulatory standards (European Commission, 2019; Asian Development Bank, 2020). Likewise, in Africa, where NGOs play a pivotal role in addressing developmental challenges, sound financial record-keeping is indispensable for optimizing resource utilization and maximizing project impact (Jaleta, 2020). Moreover, in Tanzania specifically, where NGOs are instrumental in driving social and economic development, effective financial management practices are essential for ensuring project sustainability and fostering meaningful change within local communities (Kilapanga, et al., 2019).

Despite the importance of sound financial record keeping in NGOs, many African NGOs face difficulties in maintaining accurate financial records, adhering to regulatory requirements, and effectively managing funds, leading to inefficiencies in project delivery and a lack of transparency and accountability. A study by Kilapanga et al. (2019) revealed that a significant majority (65%) of surveyed NGOs in Tanzania encounter obstacles in effectively managing their financial resources. Inadequate record-keeping emerged as a predominant issue, exacerbating operational inefficiencies and hindering transparency and accountability within the sector.

These findings align with recent study by Johnson and Wang (2020), emphasizing the critical role of robust financial management systems in enhancing the performance and effectiveness of Tanzanian NGOs. As such, the signal is clear pointing towards the pressing need to address the challenges faced by Tanzanian NGOs in financial management.

1.3 Statement of the Problem

Despite their pivotal role in advancing social and economic development within Tanzania, non-governmental organizations (NGOs) face formidable challenges in maintaining accurate financial records and effectively managing funds. The inadequacy of financial record-keeping practices among African NGOs, including those operating in Tanzania, presents a significant barrier to the success and sustainability of their projects. This deficiency not only compromises transparency and accountability but also undermines overall project efficiency, hindering the achievement of desired outcomes. Studies such as Nombo and Nyangarika (2020) have highlighted the pervasive nature of these challenges, indicating a pressing need for interventions to enhance financial management practices within the Tanzanian NGO sector.

Further exploration of the existing literature reveals several noteworthy findings regarding the contribution of financial records to the success of project management in Tanzanian non-governmental organizations (NGOs). Previous studies have consistently emphasized the pivotal role of effective financial management practices in enhancing project outcomes and ensuring organizational sustainability. For

instance, research conducted by Kilapanga et al. (2019) and Johnson and Wang (2020) underscored the critical importance of robust financial record-keeping systems in optimizing resource utilization, promoting stakeholder confidence, and fostering meaningful change within local communities.

However, while these studies have shed light on the challenges and benefits associated with financial record-keeping practices in Tanzanian NGOs, there remains a notable gap in the literature concerning certain variables, theoretical frameworks, and analysis methods. Specifically, existing research has primarily focused on the qualitative assessment of financial management challenges and their implications for project delivery. While qualitative approaches provide valuable insights into the underlying issues, they may lack the depth and rigor provided by quantitative data that is necessary to identify causal relationships through the use of statistical analyses.

Moreover, previous studies have examined the role of financial records in success of project management in NGOs focusing on other specific variables overlooking the examination of the impact of regulatory compliance, monitoring and evaluation, and stakeholder communication. This narrow focus limits our understanding of the complex mechanisms driving project success in Tanzanian NGOs and fails to capture the full spectrum of variables that may influence project outcomes.

In addressing the identified gaps in the literature, this study primarily utilizes quantitative analyses to examine the contribution of financial records to the success of project management in Tanzanian non-governmental organizations (NGOs). By

focusing solely on quantitative methods, the research provides robust empirical evidence of the impact of financial record-keeping practices on project outcomes, specifically regarding regulatory compliance, monitoring and evaluation, and stakeholder communication.

1.4 Objectives of the Study

1.4.1 General Objective

To assess the contribution of financial record to the success of project management on non-government organization in Tanzania. A case study of Ilemela District.

1.4.2 Specific Objectives

- i) To examine the impact of regulatory compliance through financial record in project management success of NGOs in Tanzania
- ii) To describe the impact of monitoring and evaluation through financial record in project management success of non-government organization in Tanzania
- iii) To assess the impact of stakeholder's communication through financial record in project management success of non-government organization in Tanzania

1.5 Research Questions

- i) What is the impact of regulatory compliance through financial record in project management success of NGOs in Tanzania?
- ii) What is the impact of monitoring and evaluation through financial record in project management success of non-government organization in Tanzania?

- iii) What is the impact of stakeholder's communication through financial record in project management success of non-government organization in Tanzania?

1.6 Significance of the Study

The significance of this study extends to various groups. Academicians stand to gain valuable insights into the intricacies and implications of financial management practices within Tanzanian NGOs. This research presents an opportunity to enhance academic comprehension of financial management in the realm of development endeavors, particularly within an African context. The findings can serve as a foundation for the development of new theoretical frameworks, models, or methodologies, enriching discussions in disciplines like development studies, organizational management, and accounting.

Stakeholders, encompassing donors, funding agencies, and beneficiaries of NGO projects, can derive benefits from a deeper understanding of the critical role robust financial management plays within NGOs. Armed with this knowledge, stakeholders can make more informed decisions regarding funding allocation, project selection, and partnership opportunities, thereby enhancing confidence in the efficacy and sustainability of development projects.

For researchers, this study provides a springboard for further exploration in the realms of financial management and development studies. Future investigations can delve into additional factors impacting financial management practices within NGOs, such as organizational culture, leadership dynamics, and regulatory environments. Through

subsequent studies or longitudinal research, researchers can unravel the complexities of financial management in the nonprofit sector and identify innovative solutions to address existing challenges.

Policy makers can leverage the findings of this study to craft targeted interventions and policies aimed at bolstering financial management capacity within Tanzanian NGOs. Armed with insights into the specific challenges faced by NGOs in managing their financial resources, policy makers can design initiatives to offer training, technical assistance, or regulatory support, thereby enhancing financial management practices. Such efforts can culminate in more effective and sustainable development outcomes, aligning with broader national development priorities and goals.

1.7 Scope of the Study

The study's scope encompasses a detailed examination of financial management practices within Tanzanian non-governmental organizations (NGOs). It focuses on the contribution of financial record to the success of project management on non-government organization in Tanzania, casing the Ilemela District. Specifically the study aims to examine the impact of regulatory compliance through financial record in project management success of NGOs in Tanzania, to describe the impact of monitoring and evaluation through financial record in project management success of non-government organization in Tanzania and to assess the impact of stakeholder's communication through financial record in project management success of non-government organization in Tanzania.

The study was conducted cross-sectionally within a timeframe of two (2) months. This approach enabled a snapshot analysis of financial management practices within Tanzanian non-governmental organizations (NGOs) operating in Ilemela District.

The study was theoretically guided by agency theory, which posits that principals (donors, stakeholders) delegate authority to agents (NGOs) to manage resources on their behalf. This theoretical lens provides insights into the dynamics of accountability and decision-making in financial management practices within NGOs.

1.8 Organization of the Study

The study is organized in six chapters. Chapter one has presented the background to the research problem, the statement of the problem, the research objectives and the research questions. Additionally, the significance of the study and a highlight on the scope of the study. Chapter two presents the literature review, exploring relevant theories and empirical studies to establish a theoretical foundation and identify gaps. Chapter three contains a description of the research methodology and procedure while findings of the study and discussion of findings are presented in chapters four and five respectively. Chapter six presents the conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

These chapter explain an overview of relevant literature that describes the identified concepts. It is based on theoretical literature research, empirical literature of study, knowledge gap, and conceptual framework for research and concludes with a summary.

2.2 Definition of Key Concepts

2.2.1 Financial Records

Financial records refer to documents and data that systematically record financial transactions and activities of an organization. These records include but are not limited to income statements, balance sheets, cash flow statements, expense reports, receipts, invoices, and financial ledgers. Financial records provide a comprehensive overview of an organization's financial health, performance, and transactions over a specific period (Ndulu, 2020).

2.2.2 Project Management

Project management involves the planning, organization, coordination, and control of resources, activities, and tasks to achieve specific objectives within a defined scope, budget, and timeline. It encompasses various processes such as project initiation, planning, execution, monitoring, and closure (Picciotto, 2020). Effective project management ensures that projects are completed successfully, meeting the desired

outcomes while adhering to constraints and requirements (Herath & Chong, 2021; Harold, 2021).

2.2.3 Non-Governmental Organization (NGO)

A non-governmental organization (NGO) is a legally constituted organization that operates independently of government control and is typically formed to address social, environmental, humanitarian, or developmental issues. NGOs can be non-profit, voluntary, or charitable organizations that aim to serve the public interest and work towards achieving specific missions or goals (Lewis, et al., 2020).

2.2.4 Project Management Success

Project management success refers to the achievement of project objectives within the defined scope, budget, schedule, and quality standards. It involves delivering the intended outcomes and benefits to stakeholders while effectively managing resources, risks, and constraints throughout the project lifecycle. Project management success is often measured by factors such as meeting stakeholder expectations, delivering value, and achieving desired outcomes efficiently and effectively (Shamim, 2022; Kassim, 2021).

2.2.5 Regulatory Compliance

Regulatory compliance refers to the adherence of an organization to laws, regulations, guidelines, and specifications relevant to its business processes. For NGOs, regulatory compliance often involves following financial regulations, submitting accurate and timely reports, maintaining records as required by law, and adhering to ethical

standards and donor requirements. Effective regulatory compliance ensures accountability, transparency, and proper utilization of funds, which is crucial for maintaining stakeholder trust and achieving project objectives (Helmer & Deming, 2023; Gugerty, 2008).

2.2.6 Monitoring and Evaluation

Monitoring and evaluation (M&E) are systematic processes used in project management to assess and improve the efficiency, effectiveness, and impact of projects. Monitoring involves the continuous tracking of project progress and performance against set objectives, often through financial records and reports. Evaluation, on the other hand, is a periodic assessment that determines the relevance, efficiency, effectiveness, and sustainability of project outcomes. M&E practices help identify areas for improvement, ensure resources are used efficiently, and enhance accountability to stakeholders (Chandurkar, et al., 2017; Kerzner, 2022).

2.2.7 Stakeholder Communication

Stakeholder communication in the context of project management involves the strategies and processes used to convey information to stakeholders, including donors, beneficiaries, government bodies, and the general public. This communication often relies on financial records and reports to provide transparency regarding the use of funds, project progress, and outcomes. Effective stakeholder communication helps build trust, ensures stakeholder engagement, and aligns stakeholder expectations with project goals (Safapour, et al., 2021; Herath & Chong, 2021; Ngowi, 2023).

2.3 Theoretical Review

2.3.1 Agency Theory

Agency theory, as outlined by Jensen (1976), delves into the intricacies surrounding the delegation of tasks from principals to agents amid conflicting interests. Rooted in assumptions about rationality, contracting, and informational conditions, the theory tackles challenges pertaining to both *ex ante* ('hidden characteristics') and *ex post* information asymmetry ('hidden action'). It explores the deployment of incentive instruments and monitoring arrangements to mitigate welfare loss. Despite its widespread influence in social science owing to its clear predictions and broad applicability, agency theory has faced notable criticism (Moloi, et al., 2020).

However, a critical analysis of agency theory reveals certain limitations and challenges. One issue is its oversimplification of the principal-agent relationship, which may fail to account for the complexities and nuances inherent in real-world scenarios. Moreover, the theory's reliance on assumptions of rationality and complete information may not always hold true in practice, leading to discrepancies between theoretical predictions and actual outcomes (Jensen, 1976). Additionally, agency theory may overlook the role of trust, social norms, and organizational culture in shaping agent behavior, thereby limiting its explanatory power in certain contexts. Furthermore, the focus on minimizing welfare loss may prioritize short-term financial objectives over broader organizational goals or societal well-being, raising ethical concerns. Therefore, while agency theory provides valuable insights into principal-agent dynamics, a critical examination reveals the need for a more nuanced and context-specific approach to understanding and addressing agency problems.

2.3.1.1 Impact of Monitoring and Evaluation through Financial Records

Agency theory emphasizes the importance of monitoring and evaluation mechanisms to align the interests of principals (NGO donors or supporters) with those of agents (NGO managers or employees). In the context of NGOs in Tanzania, financial records serve as a crucial tool for monitoring and evaluating the performance of projects. Effective monitoring through financial records can help ensure that resources are allocated efficiently, budgets are adhered to, and project objectives are met. By using financial records for monitoring and evaluation, NGOs can mitigate agency problems such as moral hazard and adverse selection, thereby enhancing project management success (Temu, 2022).

2.3.1.2 Impact of Regulatory Compliance through Financial Records

Agency theory highlights the role of regulatory compliance in reducing agency costs and promoting organizational efficiency. In the case of NGOs in Tanzania, adherence to regulatory requirements as reflected in financial records is essential for maintaining transparency, accountability, and trust with stakeholders. Compliance with financial regulations helps mitigate agency conflicts by providing assurance to donors, beneficiaries, and other stakeholders that funds are being used appropriately and in accordance with intended purposes. Therefore, regulatory compliance through financial records can contribute to project management success by fostering stakeholder confidence and reducing the risk of opportunistic behavior (Ndulu, 2020).

2.3.1.3 Impact of Stakeholder Communication through Financial Records

Agency theory underscores the significance of effective communication between

principals and agents to mitigate information asymmetry and agency conflicts. Financial records serve as a means of communication between NGOs and their stakeholders, including donors, beneficiaries, government agencies, and the general public. Transparent and timely disclosure of financial information enables stakeholders to assess the performance and financial health of NGOs, understand how funds are being utilized, and evaluate the impact of projects. By leveraging financial records for stakeholder communication, NGOs can build trust, foster collaboration, and solicit feedback, ultimately enhancing project management success by aligning stakeholder interests with organizational goals (Maganga, 2024).

2.4 Empirical Review

2.4.1 Monitoring and Evaluation through Financial Record in Project Management within NGOs

Globally, the impact role of monitoring and evaluation (M&E) on project success have widely been explored. For instance, Marciszewska (2020) conducted a study on stakeholder management and project management maturity in non-profit organizations in Poland, emphasizing the role of monitoring and evaluation (M&E) in achieving project success. The study revealed that M&E practices, including financial records tracking, significantly influence project outcomes by providing necessary feedback for strategic adjustments.

Similarly, Gupta and Shukla (2020) explored M&E practices in international development projects. Their findings indicated that the continuous use of financial records for monitoring contributes to better decision-making and resource allocation,

highlighting the global importance of financial records in enhancing project management practices.

Smith et al. (2019) also analyzed the impact of M&E frameworks on NGO project success in South America. They found that NGOs with robust M&E systems, integrating financial records analysis, achieved higher project success rates, suggesting the universal applicability of financial records in improving project outcomes.

In the African context, Yesuf (2022) examined the impact of M&E practices on project success in Ethiopian NGOs. This study found that effective M&E practices, including the use of financial records for planning and stakeholder engagement, significantly contribute to project success, underscoring the importance of financial documentation in resource management.

Moreover, Oluoch (2018) investigated the role of financial records in monitoring and evaluating community-based projects in Kenya. The study concluded that NGOs that maintained accurate financial records were better positioned to evaluate project progress and address challenges, demonstrating a clear link between financial records and project success.

In Tanzania, Temu (2022) conducted a study on the use of financial records in Tanzanian NGOs for monitoring project performance. The research highlighted that regular financial reporting and analysis were key to identifying inefficiencies and reallocating resources effectively, thereby enhancing project success.

Similarly, Ndulu (2020) also explored the use of financial records in monitoring activities in Tanzanian NGOs, finding that those with comprehensive financial monitoring systems experienced fewer instances of project delays and cost overruns, illustrating the direct impact of financial records on project outcomes.

2.4.2 Regulatory Compliance through Financial Record in Project Management within NGOs

In the global context, empirical evidence suggests a common consensus around the positive impact of regulatory compliance on project success. For instance, Brown (2021) studied regulatory compliance in international NGOs, finding that adherence to financial regulations through detailed record-keeping practices improved transparency and trust with donors, facilitating smoother project execution and better outcomes.

Similarly, Watkins (2019) analyzed the role of compliance in financial management across NGOs in Southeast Asia, concluding that rigorous compliance, supported by thorough financial records, reduced fraud and enhanced project credibility.

In African, the consensus around the topic is also echoed. Mbwya (2017) focused on internal controls and compliance mechanisms within Kenyan NGOs, demonstrating that organizations with strong internal financial controls and compliance monitoring achieved higher project success rates, reinforcing the critical role of regulatory adherence in NGO operations.

Similarly, Ankomah (2018) examined regulatory compliance in Ghanaian NGOs and found that strict adherence to financial regulations, as evidenced by accurate financial

records, improved donor confidence and project funding, leading to sustained project success.

In the Tanzanian context, similar results have been noted around local study conducted. Kibwana (2021) researched the impact of regulatory compliance on project management success in Tanzanian NGOs, concluding that NGOs adhering to financial regulations through meticulous record-keeping experienced fewer legal challenges and higher project success.

More recently, Maganga (2024) investigated the relationship between financial records and regulatory compliance in Tanzanian NGOs, finding that NGOs with well-maintained financial records were more compliant with regulatory requirements, enhancing their operational efficiency and project outcomes.

2.4.3 Stakeholders' Communication through Financial Record in Project Management within NGOs

The global discourse around the role of stakeholders' communication on the success of projects in NGOs has widely been studied. Empirical evidence shows that there is a strong correlation between effective stakeholder communication through financial records and project success among NGOs. For instance, a study by Jameson and Walters (2020) which explored the role of financial transparency in stakeholder communication in NGOs in Europe found that NGOs that regularly updated stakeholders with detailed financial reports experienced higher stakeholder satisfaction and better project support.

Similarly, a study by Chong et al. (2019) which assessed the effectiveness of financial reporting in stakeholder engagement among Asian NGOs also revealed that transparent financial communication enhanced stakeholder trust and facilitated more robust project partnerships.

In the African context, Mutiso (2018) studied stakeholder communication strategies in East African NGOs, concluding that NGOs utilizing financial records for regular stakeholder updates fostered stronger relationships and improved project alignment with stakeholder expectations.

Complementing these findings is a study by Onyango (2020) which investigated the use of financial reports in stakeholder communication among NGOs in Uganda. The study found that clear and consistent financial communication strengthened stakeholder confidence and supported project sustainability.

In Tanzania, Kamau (2022) examined stakeholder communication practices in Tanzanian NGOs, emphasizing that NGOs with transparent financial reporting practices achieved better stakeholder engagement and project outcomes.

Similarly, Marwa (2023) explored how financial records influence stakeholder communication in Tanzanian NGOs, finding that regular and transparent financial disclosures enhanced stakeholder trust and collaboration, contributing to project success.

2.5 Knowledge Gap

The proposed study aims to evaluate the impact of financial records on project management success within Non-Governmental Organizations (NGOs) in Tanzania's Ilemela District, with a specific focus on the influence of financial record-keeping on monitoring and evaluation, regulatory compliance, and stakeholder communication. While existing empirical research has explored various aspects of project management in NGOs globally, including monitoring and evaluation practices, regulatory compliance, and stakeholder communication, a significant gap exists concerning the specific role of financial records in these areas, especially within the Tanzanian context.

The majority of studies on the use of financial records in project management have been conducted in different global and regional contexts such as Poland, Kenya, and Ethiopia. These studies, while providing valuable insights into the broader understanding of financial management practices in NGOs, do not specifically address the unique socio-economic, cultural, and regulatory environment of Tanzania, particularly within the Ilemela District. The lack of localized studies limits the understanding of how financial records are utilized in Tanzanian NGOs and how they impact project management success within this specific setting.

Moreover, while prior studies have examined themes like monitoring and evaluation, regulatory compliance, and stakeholder communication, they have not explicitly analyzed the direct contribution of financial records to these themes in relation to project management success. Most studies have focused on the broader aspects of

financial management and project success, without isolating the specific functions and impacts of financial records. This leaves a thematic gap in understanding how financial records specifically contribute to enhancing monitoring and evaluation, ensuring regulatory compliance, and facilitating stakeholder communication in NGO project management.

Lastly, most existing research has centered on NGOs in broader contexts, without a particular focus on the types and categories of NGOs in Tanzania, including those operating in diverse sectors such as health, education, and community development. This study aims to fill this gap by focusing on a specific district in Tanzania, thereby providing insights that are more relevant and actionable for local NGOs and stakeholders.

By addressing these gaps, this study aims to provide a more detailed and context-specific understanding of the role of financial records in enhancing project management success in Tanzanian NGOs, offering valuable insights for both academic research and practical application in the sector.

2.6 Conceptual Framework

A conceptual framework is a model that outlines the concepts under study and their relationships (Dubey & Kothari, 2022). This framework illustrates the relationship between the independent variables—Monitoring and Evaluation, Regulatory Compliance, and Stakeholder Communication—and the dependent variable, Project Management Success.

Monitoring and Evaluation (M&E) through financial records is assessed through dimensions such as Frequency of Monitoring Activities, Accuracy of Financial Data, Timeliness of Reporting, and Financial Accountability. These dimensions help ensure effective oversight and decision-making, aligning with Agency Theory by reducing information asymmetry between principals (donors or supporters) and agents (NGO managers or employees), thus enhancing project outcomes (Temu, 2022).

Regulatory Compliance focuses on adherence to financial regulations, with dimensions including Documentation of Compliance Activities, Incidence of Non-Compliance, and Training and Awareness. These elements help mitigate agency conflicts by ensuring transparency and accountability, aligning agents' actions with principals' expectations and reducing agency costs (Ndulu, 2020).

Stakeholder Communication through financial records is measured by Transparency of Financial Information, Frequency of Communication, Regular and Effective Communication, and Stakeholder Involvement. These dimensions facilitate trust and engagement among stakeholders, reducing information gaps and aligning interests as per Agency Theory (Maganga, 2024).

The dependent variable, Project Management Success, is defined by achieving project goals within scope, time, budget, and ensuring stakeholder satisfaction.

Overall, this framework posits that effective Monitoring and Evaluation, Regulatory Compliance, and Stakeholder Communication through financial records contribute to

Project Management Success by enhancing accountability, building trust, and enabling informed decision-making. These elements are grounded in Agency Theory, which stresses the importance of aligning the interests of principals and agents to achieve organizational goals effectively.

Independent Variables

Dependent Variable

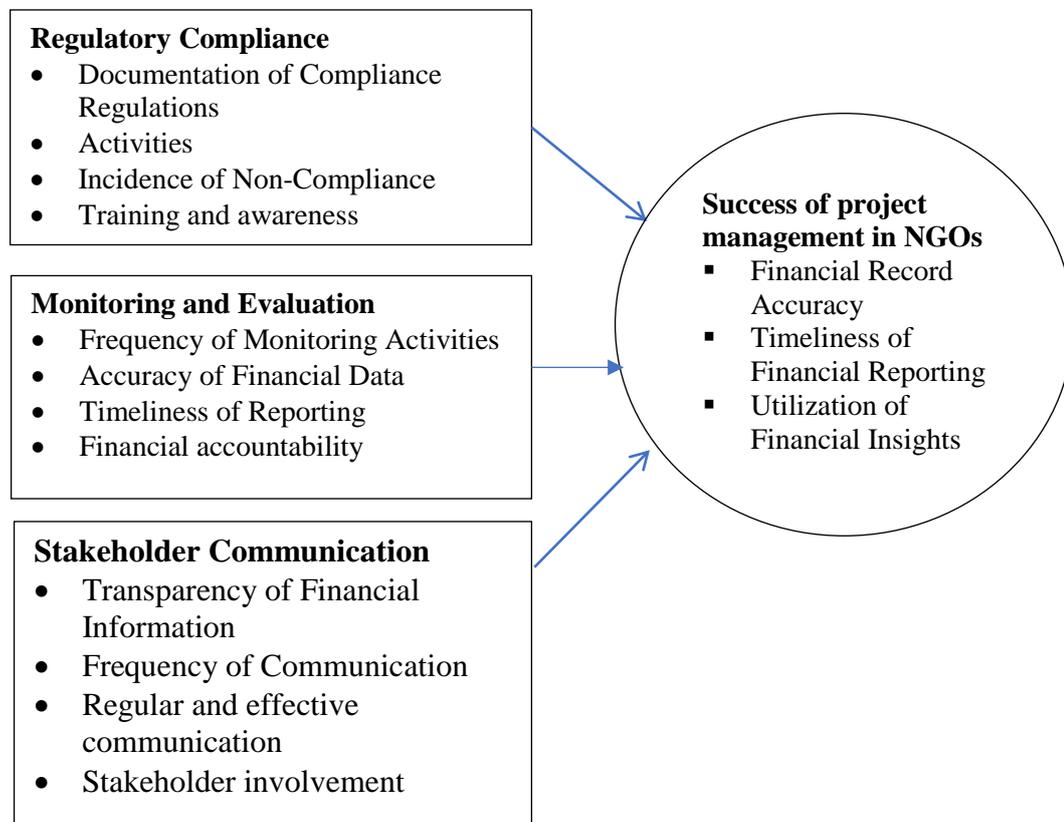


Figure 2.1: Conceptual framework

Source: Researcher (2024)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Chapter Overview

This chapter introduces the study area, study design research approach, target population, sample strategies, data collection techniques, pilot of the study, data analysis, validity and reliability data, ethical consideration, study limitations, methodology and summary.

3.2 Research Philosophy

At the core of this research endeavor lay a philosophical orientation that shaped the researcher's perspective and approach towards knowledge generation and inquiry. The chosen research philosophy served as the foundation upon which the entire research methodology was constructed. In alignment with the nature of the research questions and objectives, this study adopted a pragmatic research philosophy.

3.1.1 Pragmatism

Pragmatism, integrating elements of positivism and interpretivism, was employed to comprehensively investigate the contribution of financial records to the success of project management in non-governmental organizations (NGOs) operating in Tanzania, with a specific focus on the case study of Ilemela District.

3.2.2 Rationale for Pragmatism

The selection of pragmatic research philosophy was guided by the following rationale:

Flexibility and Utility: Pragmatism acknowledged the dynamic nature of research inquiries and aimed to provide practical solutions to real-world problems.

Integration of Quantitative and Qualitative Methods: Pragmatism allowed for the integration of quantitative data on financial records with qualitative insights from stakeholders involved in project management. This approach enabled a holistic understanding of the interplay between regulatory compliance, monitoring and evaluation, stakeholder communication, and project success.

Problem-solving Orientation: Pragmatism emphasized problem-solving and the application of research findings to improve organizational practices. By adopting a pragmatic research philosophy, this study identified practical recommendations for enhancing the utilization of financial records in project management within the NGO sector in Tanzania.

3.2.3 Incorporation of Positivist and Interpretivist Philosophy Elements

3.2.3.1 Positivist Research Philosophy Elements

Elements of Positivist Philosophy were integrated as follows:

Objective Analysis: The study employed quantitative methods to objectively assess the impact of regulatory compliance, monitoring and evaluation, and stakeholder communication on project management success. Statistical analyses of financial data provided empirical evidence to support the findings.

Causal Relationships: Positivist elements were utilized to explore causal relationships between financial record management practices and project outcomes.

By identifying correlations and trends in the data, the study aimed to uncover the direct and indirect effects of financial record utilization on project success metrics.

3.2.3.2 Interpretivist Research Philosophy Elements

Elements of interpretivist research philosophy were integrated as follows:

Contextual Understanding: Interpretivist perspectives were integrated to contextualize the findings within the unique socio-cultural and organizational contexts of NGOs in Tanzania. Qualitative data collection methods facilitated a deeper understanding of stakeholders' perceptions, attitudes, and experiences related to financial record management in project management.

Meaningful Interpretation: Interpretivist approaches were employed to interpret the qualitative data, allowing for the exploration of the meanings and interpretations attributed to financial record utilization in project management success. This qualitative analysis provided rich insights into the complexities and nuances of financial record practices within the NGO sector.

3.3 Study Area

The area of this study was Ilemela District, located Mwanza region in Tanzania. This area was chosen as the focal point for data collection for several compelling reasons. Firstly, the district hosts a vibrant array of non-governmental organizations (NGOs) actively engaged in diverse development projects spanning crucial sectors such as healthcare, education, community development, and environmental conservation. This concentration of NGOs makes Ilemela District a prime location for investigating the nexus between financial record-keeping practices and the success of project

management initiatives. The diversity of the district, with its unique tapestry of urban and rural settings, ethnic diversity, and varying levels of infrastructure development, provides an excellent opportunity to delve into how financial management strategies impact project outcomes across different contextual backgrounds.

3.4 Research Design

Research design encompasses the systematic plan outlining the procedures for data collection, analysis, and interpretation in a research study (Saunders et al., 2019). The study employed a descriptive research design, as it offers a systematic approach to understanding complex phenomena within a specific context. The design helps to analyze the relationship between financial record-keeping practices and project management success among NGOs in Ilemela District, Tanzania. By documenting practices and outcomes, the study aims to provide valuable insights that can inform future research and practical interventions in the field.

3.5 Research Approach

Research approach is a plan of action or series of steps used to gather data and analyze information (Creswell, 2018). The study employed a quantitative research approach, which offers precise measurement of variables and rigorous statistical analysis. This method allows the study to objectively assess the relationship between financial record-keeping practices and project management success among NGOs in Ilemela District, Tanzania. By using statistical techniques, the research can identify significant associations and provide robust evidence to inform decision-making.

3.6 Unit of Analysis and Unit of Inquiry

The unit of analysis in this study is the NGOs operating within the Ilemela District. The focus is on understanding how these organizations utilize financial records and how such utilization contributes to project management success. The unit of inquiry, on the other hand, is the individuals within these NGOs—specifically, project managers, finance officers, administrators, executive directors, and government representatives. These individuals provide insights into the practices and perceptions surrounding financial record-keeping and its impact on project management within their respective organizations.

3.7 Study Population

Study population refers to the aggregate of all the cases from which a sample is drawn and to which the researcher wishes to generalize the study's findings (Ormrod, 2015). The target population for the study was 496, including Project Managers (103), Finance Officers and Administrators (265), Executive Directors (103), and Government Representatives (25).

Table 3.1: Summary of the study population

No	Population	Frequency
1.	Project Managers	103
2.	Finance Officers and Administrators	265
3.	Executive Directors	103
4.	Government Representatives	25
Total Population		496

Source: Researcher (2024)

3.8 Sample Size

In the study, the researcher used the Yamane sample size formula to determine the optimal sample size. The formula is articulated as: $n = N / (1 + N(e)^2)$, where; n = sample size, N = total population, e = acceptable sampling error at 90% confidence level (0.1). The chosen sample size, established at 83, was critical for ensuring the representation of the entire population and enabling the extraction of valuable insights into the research problem.

Table 3.2: Summary of the sample size distribution

No	Sample size	Frequency
2	Project Managers	14
3	Finance Officers and Administrators	50
4	Executive Directors	14
5	Government Representatives	5
Total sample size		83

Source: Researcher (2024)

3.9 Sampling Procedures

Sampling procedures encompass the explicit methodologies employed by researchers to select a subset from a larger population, emphasizing a systematic approach to sampling (Smith, 2020). The chosen method for this study was Simple Random Sampling, a technique ensuring that each member of the population has an equal likelihood of being selected as a sample. This method ensures every member of the population has an equal chance of selection, leading to a representative sample. Simple random sampling minimizes bias, as it does not favor specific characteristics within the population. Also, it is easy to implement, making it suitable for studies with resource or time constraints. It enhances the validity and reliability of the study findings by ensuring representation and minimizing bias.

3.10 Data Collection Methods

In the study, two primary method was employed for data collection: questionnaires and documentary review.

3.2.4 Questionnaires

Closed-ended questionnaires were used as the principal tool to gather data from key personnel within non-governmental organizations (NGOs) operating in the Ilemela District of Mwanza district, Tanzania. Closed-ended questions were chosen to ensure uniformity in responses, facilitating easier analysis and comparison across different respondents. This method allows for the efficient collection of data from a large number of respondents and enhances the reliability of the results by minimizing the variability in responses.

3.2.5 Documentary review

Documentary review was conducted to supplement the data collected. This method involves examining existing documents, records, and reports related to the research topic. It offers comprehensive data collection by accessing a wide range of relevant documents, such as financial reports, project proposals, and organizational documents.

By combining questionnaires and documentary review, the study adopts a comprehensive approach to gather information on the contribution of financial records to project management success among NGOs in Ilemela District. Questionnaires offer direct insights from key personnel, while documentary review offers supplementary evidence and validation of findings. Together, these methods ensure a robust and

multifaceted analysis of the research topic, thereby enhancing the validity and reliability of the study's outcomes.

3.11 Addressing Missing Data

In this study, missing data were addressed using various strategies. During the data collection phase, the research team took proactive measures to minimize missing data. This included designing the questionnaire in a user-friendly manner, pre-testing it through a pilot study to identify potential areas of confusion, and providing clear instructions to respondents to ensure they understood the importance of completing all questions.

After data collection, the dataset was carefully reviewed to identify any missing responses. For missing data that were random and minimal, the study used imputation methods such as mean or median imputation for quantitative data and mode imputation for categorical data.

These methods allowed for maintaining the dataset's integrity without introducing significant bias. The extent and handling of missing data were transparently reported in the study, ensuring that readers were aware of the measures taken to address this issue and the possible limitations it introduced to the findings.

3.12 Data Analysis and Presentation

Data analysis constitutes a systematic process essential for extracting valuable insights and supporting decision-making (Creswell, 2018). This method was chosen to comprehensively understand the factors shaping the effectiveness of financial record-

keeping practices among non-governmental organizations (NGOs) operating within the Ilemela District of Tanzania. The utilization of a descriptive research design was purposeful, serving to furnish a detailed depiction of the factors influencing project management success within the specified context.

By embracing this approach, the study aimed to establish a robust foundation for subsequent analyses and interventions, offering nuanced insights into the dynamics at play within NGO project management processes. For data analysis, multiple linear regression was used to explore the relationships between independent variables (such as financial record accuracy, budget allocation efficiency, and resource utilization effectiveness) and the dependent variable (overall project management success). The regression model was structured as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

where: Y represents overall project management success, X1, X2, and X3 denote the independent variables, β_0 , β_1 , β_2 , and β_3 signify the respective coefficients, and ε denotes the error term.

Descriptive statistics were computed using statistical software, specifically SPSS (Statistical Package for the Social Sciences), version 20. The results presented in tables and figures to offer a clear and concise representation of the findings. This analytical approach aims to provide a comprehensive understanding of how financial record-keeping practices contribute to project management success among NGOs in the Ilemela District. Ultimately, it seeks to inform decision-making processes and guide future interventions in this domain.

3.13 Validity and Reliability Data

3.2.6 Validity

Validity, underscores the precision and suitability of research instruments or measures concerning their intended purpose (Creswell, 2018). In the context of the study, upholding validity necessitates meticulous selection of research methods, data collection techniques, and the utilization of established research instruments alongside validated scales. The study incorporate the KMO (Kaiser-Meyer-Olkin) test to evaluate the adequacy of data for factor analysis. A high KMO value approaching 1 indicates robust correlations among variables, rendering them suitable for factor analysis. Conversely, a lower KMO value suggests weaker correlations. This process enhances data validity, ensuring that factor analysis was an apt technique for scrutinizing relationships among variables in alignment with the research objectives.

3.2.7 Reliability

Reliability, centers on the stability and consistency of research findings (Sekaran, 2018). To ensure reliability in this inquiry, rigorous research methodologies, meticulously crafted questionnaires, standardized interview protocols, and consistent data coding procedures was employed. The internal consistency of research instruments was evaluated using Cronbach's alpha, a widely recognized measure for assessing reliability. The resulting alpha coefficient, ranging from 0 to 1, indicate a higher level of internal consistency reliability with an increased alpha value. By computing Cronbach's alpha, the study aims to gauge how consistently and dependably

the items measure the intended construct, thereby bolstering the credibility of the research outcomes.

Under this study, the Cronbach's Alpha coefficient was 0.708, which is greater than the benchmark i.e., 0.7. This suggests that the four-item Likert scale questionnaire was internally consistent and reliable for measuring the construct of interest. Therefore, a Cronbach's Alpha value of 0.708 is a positive indicator of the reliability of this questionnaire, and it suggests that the questionnaire was suitable for assessing the construct it was designed to measure.

Table 3.3: Cronbach's Alpha value

Reliability Statistics		
Variables	N of Items	Cronbanch Alpha
Regulatory Compliance	4	0.719
Stakeholder Communication	4	0.786
Monitoring and Evaluation	4	0.801

Source: field data, (2024)

3.14 Ethical Consideration

The research was adhered to several key ethical principles to ensure ethical conduct throughout the study. Firstly, informed consent was obtained from all participants, providing them with comprehensive information about the study's purpose, procedures, risks, and benefits. Participants had the autonomy to decide whether to participate and the freedom to withdraw from the study at any time without consequences. Confidentiality measures was strictly followed to protect the privacy and anonymity of participants, with data handled and stored securely to prevent unauthorized access. Furthermore, the research respect cultural sensitivities within the

Ilemela District, fostering trusting and respectful relationships with participants. Efforts were made to minimize any potential harm or discomfort to participants, ensuring that data collection methods are non-invasive and participants are not subjected to undue stress. Transparency and integrity were upheld throughout the research process, with accurate representation of the study's purpose, scope, and findings. By adhering to these ethical principles, the research aims to maintain the integrity, credibility, and ethical conduct of the study while contributing to the advancement of knowledge in project management practices within the Tanzanian NGO sector.

3.15 Limitations that Influenced Research Methodology

The research methodology was influenced by several limitations that warranted careful consideration. One notable constraint was the potential difficulty in accessing comprehensive financial records and project management data from non-governmental organizations (NGOs) operating within the Ilemela District. Limited access to organizational data impacted the depth and accuracy of the study's findings. To address this challenge, the research methodology was prioritized establishing collaborative relationships with NGOs to facilitate data collection and ensure access to relevant information. Additionally, resource limitations, including constraints on time and finances, affected the scope and scale of the research. Maximizing efficiency and leveraging available resources effectively were essential strategies to address this limitation.

Moreover, challenges related to sampling, such as incomplete directories of NGOs and variations in organizational size and capacity, impacted the selection of a representative sample. Rigorous sampling techniques, such as random or purposive sampling, were employed to ensure the selection of a diverse and representative sample of NGOs. Furthermore, concerns regarding data quality and reliability, stemming from variations in reporting practices and organizational cultures among NGOs, necessitated the incorporation of validation techniques to enhance data quality and reliability. Lastly, limitations in the external validity of the study, the arised from the unique socio-economic and organizational context of the Ilemela District, was addressed by emphasizing contextualization of findings and careful interpretation of results within the specific research context. Overall, these limitations informed the research methodology, guiding decisions to ensure the validity, reliability, and feasibility of the study within the constraints of the research context.

CHAPTER FOUR

FINDINGS

4.1 Chapter Overview

This chapter presents the analysis, presentation, and interpretation of data about contribution of financial records to the success of project management on non-governmental organizations in Tanzania. a case of Ilemela district. Data was collected from 83 respondents and data were analyzed using SPSS. The findings and results of the study were mainly presented in contingency coefficient table in frequency and percentage.

4.2 Presentation of Findings

4.2.1 Response Rate

Questionnaires were distributed to 83 respondents and only 77 questionnaires were returned. This made the feedback rate to be 87.5%. The feedback rate was reasonable for the researcher to proceed with report writing.

Table 4.1: Response rate

Variables	Frequency	Percentage
Questionnaires distributed and returned	77	87.5
No response	6	12.5
Total	83	100

Source: Field Data (2024)

4.2.2 Socio - Demographic Information of the Respondents

The Socio - demographic information of the respondents refer to the characteristics of individuals who participate in a research study. In this study demographic information includes gender, age, education and experience with NGOs projects.

In this study, among the total of 83 respondents, female was higher (53.2 %) than that of male (46.8%). About 28.6% were young adults (between 18–30 years), 44.2% between 31-40 years, 20.8% between 41-50 years and 6.5% had 51 years and above. Regarding on the education background 10.4% had Certificate level of educated, 35.1% attained Diploma level, 44.2% Graduate level and 10.4% postgraduate level. Based on the Experience with NGO Projects, 14.3% had Less than 2 years, 58.4% had Between 2-5 years and 27.3% had more than 5 years of experience with NGOs projects.

Table 4.2: Socio-demographic characteristics of the participants

Variables	Categories	Frequency	Percentage
Gender	Male	36	46.8
	Female	41	53.2
	Total	77	100.0
Age	Between 18-30 years	22	28.6
	Between 31-40 years	34	44.2
	Between 41-50 years	16	20.8
	51 Years and above	5	6.5
	Total	77	100.0
Education Level	Certificate level	8	10.4
	Diploma level	27	35.1
	Graduate level	34	44.2
	Post graduate level	8	10.4
	Total	77	100.0
Experience with NGO Projects	Less than 2 years	11	14.3
	Between 2-5 years	45	58.4
	More than 5 years	21	27.3
	Total	77	100.0

Source: Field Data (2024)

Hence, the demographic profile of respondents in this study, characterized by a higher representation of females, a predominantly young and educated workforce, and varied levels of experience with NGO projects, underscores the importance of tailored

communication strategies. To effectively engage stakeholders, project management approaches should consider gender dynamics, leverage digital communication channels favored by younger demographics, provide detailed financial analyses for the educated cohort, and foster collaboration and leadership skills among those with intermediate project experience. By addressing the diverse needs and perspectives of stakeholders, NGOs can enhance project engagement and success in Tanzania.

4.2.3 Descriptive Analysis

4.2.3.1 Regulatory Compliance through Financial Record in Project Management within NGOs in Tanzania

The study had sought examining the impact of regulatory compliance through financial record in project management success of NGOs in Tanzania and four questions used to examine it. The respondents were required to answer the questions on the Likert scale including 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Table 4.3 illustrates the findings of the objective.

Table 4.3: Descriptive statistics for responses on regulatory compliance

Statements	Likert 5 Scale	N	%	Mean ± SD
Regulatory compliance enhances the credibility of our financial reports, fostering trust among stakeholders and success of project management on NGOs in Tanzania	Strong Disagree	0	0.0	3.91 ± 0.976
	Disagree	9	11.7	
	Neutral	13	16.9	
	Agree	31	40.3	
	Strong Agree	24	31.2	
	Total	77	100.0	
Commitment to regulatory compliance aligns with our organization's values and mission for successful project outcomes.	Strong Disagree	7	9.1	3.69 ± 1.369
	Disagree	8	10.4	
	Neutral	21	27.3	
	Agree	7	9.1	
	Strong Agree	34	44.2	
	Total	77	100.0	
Adequate training and awareness about regulatory compliance contribute to the effectiveness of project management.	Strong Disagree	2	2.6	3.70 ± 0.889
	Disagree	1	1.3	
	Neutral	30	39.0	
	Agree	29	37.7	
	Strong Agree	15	19.5	
	Total	77	100.0	
The integration of regulatory guidelines into financial records contributes to the success of project management	Strong Disagree	0	0.0	3.92 ± 0.997
	Disagree	12	15.6	
	Neutral	5	6.5	
	Agree	37	48.1	
	Strong Agree	23	29.9	
	Total	77	100.0	
Aggregate mean score				3.805 ± 1.0578

Source: Field Data 2024

The results show that, most of the respondents (40.3%) agree that regulatory compliance enhances the credibility of our financial reports, fostering trust among stakeholders and success of project management on NGOs in Tanzania. Responding regarding on the statement, Commitment to regulatory compliance aligns with our organization's values and mission for successful project outcomes, majority of respondents (44.2%) were strongly agreed. Also, the responses on the statement about Adequate training and awareness about regulatory compliance contribute to the effectiveness of project management, (39.0%) of respondents were neutral while 48.1% of respondents agree that the integration of regulatory guidelines into financial records contributes to the success of project management and the mean score was 3.805 ± 1.0578 .

4.2.3.2 Monitoring and Evaluation through Financial Record in Project Management within NGOs in Tanzania

The study had sought to describe the impact of monitoring and evaluation through financial record in project management success of non-government organization in Tanzania and four questions used to describe it. The respondents were required to answer the questions on the Likert scale including 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Table 4.4 illustrates the findings of the objective.

Table 4.4: Descriptive statistics for responses on monitoring and evaluation

Statements	Likert Scale	N	%	Mean ± SD
The systematic examination of financial data through monitoring and evaluation allows for informed decision-making, leading to more effective resource allocation and improved project outcomes for NGOs in Tanzania.	Strong Disagree	3	3.9	3.77 ± 1.146
	Disagree	14	18.2	
	Neutral	1	1.3	
	Agree	39	50.6	
	Strong agree	20	26.0	
	Total	77	100.0	
Regular monitoring and evaluation of financial records significantly contribute to the overall success of project management in NGOs operating in Tanzania.	Strong Disagree	3	3.9	3.83 ± 0.951
	Disagree	2	2.6	
	Neutral	18	23.4	
	Agree	36	46.8	
	Strong Agree	18	23.4	
	Total	77	100.0	
The integration of robust monitoring and evaluation practices into financial management enhances the efficiency of project implementation, contributing significantly to the overall success of NGOs operating in Tanzania.	Strong Disagree	0	0.0	4.04 ± 0.979
	Disagree	8	10.4	
	Neutral	11	14.3	
	Agree	28	36.4	
	Strong Agree	30	39.0	
	Total	77	100.0	
Effective monitoring and evaluation practices enhance financial accountability within NGOs' project management activities in Tanzania.	Strong Disagree	0	0.0	3.70 ± 0.889
	Disagree	8	10.4	
	Neutral	21	27.3	
	Agree	34	44.2	
	Strong Agree	14	18.2	
	Total	77	100.0	
Aggregate mean score				3.835 ± 0.99125

Source: Field Data 2024

The results show that, Majority of the respondents (50.6%) agree that the systematic examination of financial data through monitoring and evaluation allows for informed decision-making, leading to more effective resource allocation and improved project outcomes for NGOs in Tanzania. Also (46.8%) respondents agree on the statement, Regular monitoring and evaluation of financial records significantly contribute to the overall success of project management in NGOs operating in Tanzania. Response on the statement about the integration of robust monitoring and evaluation practices into financial management enhances the efficiency of project implementation, contributing significantly to the overall success of NGOs operating in Tanzania, (39.0%) of respondents strongly agree. Finally, 44.2% agree that Effective monitoring and evaluation practices enhance financial accountability within NGOs' project management activities in Tanzania and the overall mean score was 3.835 ± 0.99125 .

4.2.3.3 Stakeholder's Communication through Financial Record in Project Management within NGOs in Tanzania

The study had sought to assess the impact of stakeholder's communication through financial record in project management success of non-government organization in Tanzania and four questions used to assess it. The respondents were required to answer the questions on the Likert scale including 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Table 4.4 illustrates the findings of the objective.

Table 4.5: Descriptive statistics for responses on stakeholders' communication

Statements	Likert 5 Scale	N	%	Mean ± SD
Stakeholder's communication on financial records contributes the success of project management on non-governmental organizations	Strong Disagree	3	3.9	4.12 ± 1.100
	Disagree	5	6.5	
	Neutral	9	11.7	
	Agree	23	29.9	
	Strong Agree	37	48.1	
	Total	77	100.0	
Stakeholder involvement in financial discussions enhances understanding, alignment, and support for project goals.	Strong Disagree	2	2.6	3.27 ± 0.927
	Disagree	14	18.2	
	Neutral	27	35.1	
	Agree	29	37.7	
	Strong Agree	5	6.5	
	Total	77	100.0	
Open and transparent communication with stakeholders positively influences the accuracy and completeness of financial records, strengthening the foundation for successful project management in Tanzanian NGOs.	Strong Disagree	0	0.0	3.96 ± 0.952
	Disagree	8	10.4	
	Neutral	12	15.6	
	Agree	32	41.6	
	Strong Agree	25	32.5	
	Total	77	100.0	
Regular and effective communication with stakeholders fosters a collaborative environment, contributing to better financial decision-making and improved project outcomes.	Strong Disagree	0	0.0	4.47 ± 0.821
	Disagree	3	3.9	
	Neutral	7	9.1	
	Agree	18	23.4	
	Strong Agree	49	63.6	
	Total	77	100.0	
Aggregate mean score				3.96 ± 0.95

Source: Field data 2024

The table 4.4 shows that, 48.1% of respondents were strongly agreed about the statement that stakeholder's communication on financial records contributes the success of project management on non-governmental organizations, 37.7% also were agree about Stakeholder involvement in financial discussions enhances understanding, alignment, and support for project goals, and 41.6% were agree about the open and transparent communication with stakeholders positively influences the accuracy and completeness of financial records, strengthening the foundation for successful project management in Tanzanian NGOs. Also, 63.6% were strongly agreed that regular and effective communication with stakeholders fosters a collaborative environment, contributing to better financial decision-making and improved project outcomes and mean score was 3.96 ± 0.95 .

4.2.4 Regression Analysis Cases

Under this approach the researcher sought the relationship between the project management success and regulatory compliance, monitoring and evaluation and stakeholder communication as predictors of the project management success.

Table 4. 6: Edited SPSS output on coefficients of the variables

Variables	B	Std. Error	t	Sig.	90% Confidence Interval for B	
					L. Bound	U. Bound
Success of project management in NGOs	0.055	0.403	0.136	0.892	-0.617	0.726
Regulatory Compliance	0.451	0.064	6.988	0.000	0.343	0.558
Stakeholder Communication	0.370	0.088	4.221	0.000	0.224	0.516
Monitoring and Evaluation	0.171	0.086	1.999	0.049	0.028	0.314

Source: Survey data 2024

From the table, regression model is,

$$Y = 0.055 + 0.451X_1 + 0.370X_2 + 0.171X_3$$

Where;

X_1 - Regulatory Compliance

X_2 - Stakeholder Communication

X_3 - Monitoring and Evaluation

The coefficient table show that, when all independent variables (Regulatory Compliance, Stakeholder Communication, Monitoring and Evaluation) are equal to zero, the project management succeed by 5.5% only. Furthermore, when the other variable remains constant, the project management success by 45.1%, 37% and 17.1% for regulatory compliance, stakeholder communication and monitoring and evaluation respectively. Thus, regulatory compliance through financial records has more impact on project management success than other factors.

Table 4.7: Edited SPSS output on model summary

Model summary			
R	R Square	Adjusted R square	Std. Error of the Estimate
0.768	0.589	0.572	0.750

Source: Survey data 2024

From the model summary, the value of $R = 0.768$ is very close to 1, thus indicating a strong positive correlation between the independent variables and the dependent variable. Also, the value of $R^2 = 0.589$ explaining that approximately 58.9% of the

variability in the dependent variable is accounted for by the independent variables in the model.

Table 4.8: Edited SPSS output on ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	58.877	3	19.626	34.882	0.000
Residual	41.072	73	0.563		
Total	99.948	76			

Source: Survey data 2024

From the ANOVA table, the regression model is statistically significant because the p-value (0.000) is less than 0.1 and F-statistic (34.882) is above the critical value, further supporting the significance of the regression. The residuals (unexplained variance) are relatively small compared to the total variance which suggesting that the model fits the data well.

Assumptions of Multiple Linear Regression: This study assumes normality and homoscedasticity as key assumptions. It provides justifications indicating these assumptions are met: demonstrating a linear relationship between variables, confirming independence of errors, verifying a normal distribution of errors, and ensuring consistent error variance across independent variables. These validations enhance the credibility of the statistical analysis and findings.

Test of Homogeneity of Variances: The test of homogeneity of variances assesses whether the variability within groups being compared is consistent or homogeneous. It checks if the spread of scores is similar across different groups. It is important to

assess it because this study assume that variances are equal across groups. If this assumption is violated, it can affect the accuracy of the statistical analysis and interpretation of results. Therefore, the Levenes' test helps ensure the reliability of statistical findings by confirming whether the assumption of equal variances is met in this study.

Levene Statistic	df1	df2	Sig.
11.782	4	72	0.321

With a Levene statistic value of 11.782, degrees of freedom (df) of 4 and 72, and a significance level (Sig.) of 0.321, when interpreting at a significance level of 0.1 ($\alpha = 0.1$), we observe that the p-value of 0.321 exceeds the threshold of 0.1. Consequently, we fail to reject the null hypothesis, indicating no significant difference in variances among the groups being compared. Thus, the assumption of homogeneity of variances is met, allowing for confidence in subsequent statistical analyses reliant on this assumption.

Normality: Normality it assesses whether the data follows a normal distribution, where the majority of observations cluster around the mean and the distribution is symmetric. Normality is an important assumption for this study, as rely on the assumption that the data is normally distributed. Deviations from normality can impact the validity of statistical analyses, potentially leading to inaccurate conclusions. Therefore, assessing normality helps ensure the reliability of statistical results by confirming whether the data meets this fundamental assumption.

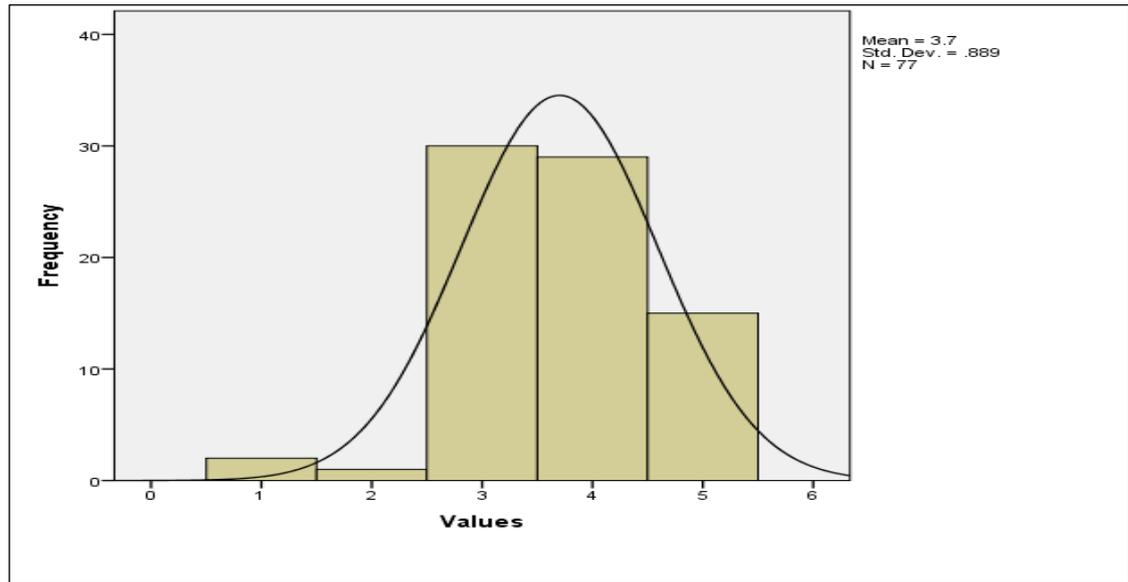


Figure 4.1: Normality Histogram

Source: Researcher (2024)

Based on the histogram above, the normality assumption is met because the data fall under the bell shaped curve or symmetric. The assumption is met, therefore the results generated in this study is applicaple and meaningful.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Chapter Overview

This chapter presents a discussion of the findings to provide a deep and nuanced understanding of the findings of the study and its implications.

5.2 Discussion of Findings

5.2.1 Impact of Regulatory Compliance Through Financial Record in Project Management Success of NGOs in Tanzania

The study findings indicate that regulatory compliance through financial record significantly influences project management success among NGOs in Tanzania, with an overall mean-score of 3.805 ± 1.0578 , suggesting a high level of impact. A considerable majority of respondents (ranging from 53.3% to 78%) agreed or strongly agreed with statements affirming the positive effects of regulatory compliance on financial reports' credibility, stakeholder trust, organizational values alignment, effectiveness of project management training, and integration of regulatory guidelines into financial records. These results underscore the importance of regulatory compliance in enhancing project management outcomes within NGOs. The study contributes to advancing knowledge in the field by providing empirical evidence of the significant influence of regulatory compliance through financial records on project management success among NGOs in Tanzania.

This study findings correlate with the findings of (Mbwaya, 2017) study revealed a positive relationship between internal controls and monitoring, financial reporting, and

auditing to compliance with financial regulations within Amref Health Africa in Kenya. This indicates that effective internal controls are associated with improved compliance with financial regulations. Thus, monitoring, financial reporting, and auditing play crucial roles in ensuring compliance with financial regulations in the organization.

5.2.2 Impact of Monitoring and Evaluation Through Financial Record in Project Management Success of Non-Government Organization in Tanzania

The study reveals that under this objective, the overall mean-score is 3.835 ± 0.99125 , indicating a substantial impact of monitoring and evaluation through financial records on project management success among non-government organizations (NGOs) in Tanzania. A significant majority of respondents (ranging from 62.4% to 76.6%) agreed or strongly agreed with statements affirming the positive effects of systematic examination of financial data, regular monitoring and evaluation practices, integration of monitoring and evaluation into financial management, and enhancement of financial accountability. These findings suggest that monitoring and evaluation through financial records significantly contributes to project management success within NGOs operating in Tanzania. This study contributes to advancing knowledge in the field by providing empirical evidence of the crucial role of monitoring and evaluation practices in enhancing project management outcomes and financial accountability among NGOs in Tanzania.

This study findings are similar with the findings of (Yesuf, 2022) revealed that project M&E practices, including planning, staff technical skill, budgeting, and stakeholders'

engagement, have positive and significant effects on project success within the NGO sector. Specifically, projects with more robust M&E systems tend to achieve higher levels of success. Therefore, study underscores the importance of M&E practices in contributing to project success within the NGOs.

5.2.3 Impact of Stakeholder's Communication Through Financial Record in Project Management Success of Non-government Organization in Tanzania

In this objective, the researcher investigated the impact of stakeholders' communication through financial records on project management success among non-governmental organizations (NGOs) in Tanzania, with a mean score of 3.96 ± 0.95 , indicating a substantial influence. A significant majority of respondents (ranging from 44.2% to 87%) agreed or strongly agreed with statements affirming the positive effects of stakeholder communication on financial records, stakeholder involvement in financial discussions, open and transparent communication with stakeholders, and regular and effective communication with stakeholders. These findings suggest that stakeholders' communication plays a crucial role in enhancing project management success within Tanzanian NGOs. The study contributes to advancing knowledge in the field by providing empirical evidence of the significant impact of stakeholders' communication through financial records on project management outcomes and fostering a collaborative environment for better financial decision-making and improved project outcomes.

These findings align in same line with the study of (Marciszewska, 2021) indicating that stakeholder management plays a crucial role in project management maturity

within non-profit organizations. It is highlighted that stakeholder management and risk assessment are equally important as other aspects of project management, including financing, planning, scope determination, and team selection. Thus, it can be concluded that stakeholder management significantly influences project management maturity in non-profit organizations.

In general, regulatory compliance through financial records, monitoring and evaluation through financial records and stakeholder communication through financial records has positive relationship with the project management success in NGOs, this means when there is regulatory compliance through financial records, monitoring and evaluation through financial records and stakeholder communication through financial records, contributing to project success.

5.3 The Relationship between Theories and Study Findings

This section explores the relationship between the study's findings and the theory that guide this study i.e., the Agency Theory. Agency Theory, developed by Jensen (1976), focuses on the conflicts that arise when principals delegate tasks to agents, particularly when their interests do not align perfectly. The theory emphasizes the importance of monitoring, regulatory compliance, and communication to mitigate agency problems such as moral hazard and adverse selection.

5.3.1 Monitoring and Evaluation through Financial Records

The study's findings reveal that monitoring and evaluation through financial records significantly impact project management success in NGOs in Tanzania. This is

consistent with Agency Theory, which emphasizes the importance of monitoring mechanisms to ensure that agents (in this case, NGO managers and employees) act in the best interests of principals (donors and other stakeholders).

According to Agency Theory, effective monitoring reduces information asymmetry and aligns the actions of agents with the objectives of principals. The findings show that systematic monitoring and evaluation through financial records enable NGOs to track resource allocation, adhere to budgets, and achieve project objectives. This alignment reduces agency problems by ensuring that the activities of the NGO are transparent and accountable to stakeholders, thereby minimizing the risk of agents acting contrary to the principal's interests. The empirical evidence from this study supports the theory's assertion that robust monitoring systems are critical for mitigating agency conflicts and enhancing organizational performance.

5.3.2 Regulatory Compliance through Financial Records

The study findings also indicate that regulatory compliance through financial records plays a crucial role in the success of project management within NGOs. This aligns with Agency Theory, which posits that regulatory compliance can reduce agency costs by fostering transparency and accountability. When NGOs adhere to regulatory requirements, as evidenced in their financial records, they provide assurance to their principals that funds are used appropriately and as intended, reducing the potential for opportunistic behavior by agents.

By ensuring compliance with financial regulations, NGOs mitigate the risks associated with agency conflicts, such as misallocation of resources or unethical conduct. The

study's findings highlight that regulatory compliance not only helps maintain organizational legitimacy but also builds trust with stakeholders, which is essential for securing ongoing support and funding. These outcomes reinforce the principles of Agency Theory by demonstrating how regulatory compliance can be used as a tool to align the interests of agents with those of principals, thereby contributing to project management success.

5.3.3 Stakeholder Communication through Financial Records

The study's findings further demonstrate that effective stakeholder communication through financial records has a significant impact on project management success. This finding is closely aligned with Agency Theory, which underscores the importance of reducing information asymmetry between principals and agents. Financial records serve as a communication tool that provides stakeholders with transparent and timely information regarding the financial health and performance of the NGO.

By disclosing financial information regularly and openly, NGOs can reduce the potential for agency conflicts by ensuring that stakeholders are well-informed about the use of resources and the outcomes of projects. This transparency helps to align the interests of stakeholders (principals) with those of the NGO managers and employees (agents), thereby fostering a collaborative environment and enhancing trust. The empirical evidence from the study supports the idea that effective communication through financial records can mitigate agency problems and promote a more effective and accountable management process within NGOs.

In summary, the study's findings provide strong empirical support for Agency Theory by demonstrating how monitoring and evaluation, regulatory compliance, and stakeholder communication through financial records contribute to the success of project management in NGOs. Each of these mechanisms serves to reduce information asymmetry and align the interests of agents with those of principals, thereby mitigating agency conflicts and enhancing organizational performance. The alignment of the study's findings with Agency Theory underscores the importance of these practices in promoting transparency, accountability, and trust within NGOs, ultimately contributing to the successful management of projects.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Chapter Overview

This section of the research focuses on the conclusion and recommendations drawn from the study findings, the limitations of the studies encountered and recommendations for further studies.

6.2 Conclusion

The study aimed to assess the contribution of financial records to the success of project management on non-governmental organizations in Tanzania. a case of Ilemela district. Based on the study findings the following conclusions can be drawn depending on the study objectives.

6.2.1 Impact of Regulatory Compliance through Financial Record in Project Management Success of NGOs in Tanzania

In conclusion, the findings of this study underscore the critical importance of regulatory compliance through financial records in driving project management success within NGOs operating in Tanzania. With a high overall mean-score indicating significant influence, the study reveals a strong consensus among respondents regarding the positive impact of regulatory compliance. The agreement rates on key statements, including the enhancement of financial report credibility, alignment with organizational values, the role of training and awareness, and the integration of regulatory guidelines into financial records, further validate the crucial role of

regulatory compliance in ensuring successful project outcomes. These findings highlight the need for NGOs to prioritize compliance efforts, as they not only enhance financial transparency and stakeholder trust but also contribute to overall project effectiveness and success. As such, regulatory compliance through financial records emerges as a cornerstone of effective project management within Tanzanian NGOs, with far-reaching implications for organizational performance and mission achievement.

6.2.2 Impact of Monitoring and Evaluation through Financial Record in Project Management within NGOs in Tanzania

The findings of this study underscore the crucial role of monitoring and evaluation through financial records in driving project management success within non-governmental organizations (NGOs) operating in Tanzania. With a substantial overall mean-score indicating significant influence, coupled with high agreement rates among respondents on key statements, it is evident that monitoring and evaluation practices play a vital role in enhancing project outcomes. The consensus among respondents regarding the effectiveness of systematic examination of financial data, regular monitoring and evaluation of financial records, integration of robust monitoring and evaluation practices into financial management, and the enhancement of financial accountability highlights the importance of these practices in ensuring successful project management. These findings emphasize the need for NGOs to prioritize monitoring and evaluation efforts, as they not only enable informed decision-making and resource allocation but also contribute to overall efficiency and accountability in project implementation. Thus, monitoring and evaluation through financial records

emerge as indispensable components of effective project management within Tanzanian NGOs, with profound implications for organizational success and impact.

6.2.3 Impact of Stakeholder's Communication through Financial Record in Project Management within NGOs in Tanzania

The findings of this study underscore the significant impact of stakeholder communication through financial records on project management success within non-governmental organizations (NGOs) operating in Tanzania. With a notably high mean score indicating substantial influence, coupled with high agreement rates among respondents on key statements, it is evident that stakeholder communication plays a pivotal role in driving project success. The consensus among respondents regarding the positive contribution of stakeholder communication to project management success, enhanced understanding and support through stakeholder involvement in financial discussions, the influence of open and transparent communication on financial record accuracy and completeness, and the fostering of a collaborative environment through regular and effective communication underscores the importance of these practices in ensuring successful project outcomes. These findings highlight the critical need for NGOs to prioritize stakeholder communication efforts, as they not only facilitate alignment with project goals and enhance financial decision-making but also contribute to overall project effectiveness and success. Thus, stakeholder communication through financial records emerges as a vital component of effective project management within Tanzanian NGOs, with significant implications for organizational performance and mission achievement.

6.3 Recommendations

6.3.1 Recommendations of Study Findings

Regulatory Compliance through Financial Records: In light of the strong consensus among respondents regarding the significant impact of regulatory compliance through financial records on project management success within Tanzanian NGOs, it is imperative for organizations to prioritize compliance efforts. To enhance project management success, NGOs should ensure thorough adherence to regulatory guidelines and standards governing financial reporting and record-keeping. This may involve investing in training programs to enhance staff awareness and understanding of regulatory requirements, thereby promoting a culture of compliance throughout the organization. Additionally, NGOs should establish robust systems for monitoring and evaluating compliance efforts to identify areas for improvement and ensure ongoing adherence to regulatory standards. By prioritizing regulatory compliance through financial records, NGOs can enhance financial transparency, build stakeholder trust, and ultimately improve project outcomes.

Monitoring and Evaluation through Financial Records: The findings highlighting the substantial impact of monitoring and evaluation through financial records on project management success underscore the importance of integrating these practices into organizational processes. NGOs should prioritize the establishment of comprehensive monitoring and evaluation systems that systematically examine financial data to inform decision-making and improve project outcomes. This may involve investing in technology and resources to enhance data collection, analysis, and reporting capabilities. Moreover, NGOs should foster a culture of continuous

improvement by regularly reviewing and refining monitoring and evaluation practices based on feedback and lessons learned. By prioritizing monitoring and evaluation through financial records, NGOs can enhance project effectiveness, resource allocation, and financial accountability, ultimately leading to improved project outcomes.

Stakeholder Communication through Financial Records: Given the significant impact of stakeholder communication through financial records on project management success within Tanzanian NGOs, organizations should prioritize efforts to enhance communication channels and practices. NGOs should foster a culture of open and transparent communication with stakeholders, particularly regarding financial matters, to build trust, promote alignment with project goals, and enhance financial record accuracy and completeness. This may involve implementing regular communication mechanisms, such as stakeholder meetings, reports, and updates, to keep stakeholders informed and engaged throughout the project lifecycle. Additionally, NGOs should actively involve stakeholders in financial discussions and decision-making processes to enhance understanding, alignment, and support for project goals. By prioritizing stakeholder communication through financial records, NGOs can foster collaboration, enhance financial decision-making, and ultimately improve project outcomes.

6.3.2 Recommendations for Further Studies

For further studies, the following recommendations can be considered to deepen understanding and address any remaining gaps in knowledge:

- i) Investigate how NGOs utilize digital tools and software to streamline regulatory compliance processes, enhancing efficiency and accuracy in financial record management.
- ii) Explore the correlation between different leadership approaches within NGOs and the implementation and effectiveness of monitoring and evaluation practices, shedding light on optimal leadership strategies for fostering accountability.
- iii) Examine how organizational values, norms, and communication channels influence stakeholder engagement and transparency, providing insights into how organizational culture shapes communication strategies within NGOs.
- iv) Assess how adherence to regulatory standards impacts the financial sustainability of NGOs, including its effects on donor relations, funding stability, and organizational resilience.
- v) Investigate the relationship between stakeholder engagement strategies and project outcomes, exploring how effective engagement practices contribute to project success in international NGO settings.
- vi) Evaluate the role of external audits in enhancing financial accountability and transparency within NGOs, examining their effectiveness in ensuring compliance with regulatory requirements and donor expectations.
- vii) Assess the impact of capacity-building initiatives on improving monitoring and evaluation practices among NGO staff, identifying key elements of successful training programs.

- viii) Investigate the unique challenges faced by grassroots-level NGOs in implementing monitoring and evaluation systems, exploring barriers to data collection, analysis, and utilization in resource-constrained settings.
- ix) Examine the influence of government regulations and policies on regulatory compliance practices within NGOs, analyzing how legal frameworks shape organizational behaviors and practices.
- x) Explore the link between stakeholder communication strategies and organizational reputation, examining how transparent and inclusive communication practices impact public perception and trust in NGOs.

6.4 Critical Evaluation of the Study

6.4.1 Strengths of the Study

The strength of this study is its comprehensive approach to assessing the impact of regulatory compliance, monitoring and evaluation, and stakeholder communication through financial records on project management success within non-governmental organizations (NGOs) in Tanzania. By considering multiple dimensions of project management and incorporating various stakeholders' perspectives, the study provides a holistic understanding of the factors influencing project success in the NGO sector. This comprehensive approach enhances the validity and reliability of the study's findings, making them more robust and applicable to real-world contexts. Additionally, the high response rate and large sample size contribute to the study's strength, ensuring that the findings are representative and generalizable to the broader population of NGOs operating in Tanzania. Overall, the study's comprehensive approach and methodological rigor enhance its credibility and contribute to its

significance in informing organizational practices and policy decisions in the NGO sector.

6.4.2 Weakness of the Study

The weakness of this study is the potential for response bias or social desirability bias in the survey responses. Respondents may have been inclined to provide socially desirable answers, particularly when rating statements related to regulatory compliance, monitoring and evaluation, and stakeholder communication. This could lead to overestimation of the perceived impact of these factors on project management success. Additionally, the study's reliance on self-reported data may introduce measurement error or inaccuracies, as respondents' interpretations of the survey questions may vary. Furthermore, the study's cross-sectional design limits its ability to establish causality between the independent variables (regulatory compliance, monitoring and evaluation, stakeholder communication) and project management success. Longitudinal or experimental designs would provide stronger evidence of causal relationships. Lastly, the study's focus on NGOs in Tanzania may limit the generalizability of the findings to other contexts or organizational settings. Future research could benefit from including a more diverse range of NGOs across different geographical regions to enhance the external validity of the findings.

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APPENDICIES

Appendix 1: Questionnaire

Dear Respondent,

I am **BENSON JOHNSON MMARI** a student from the Open University undertaking a Master's degree in project management from the Open University of Tanzania and I am conducting a research study on the contribution of financial record in project management success of non-government organization in Tanzania. A case study of Ilemela District. I seek your assistance in providing information on this topic by filling out these questionnaires. All information you give will be confidentially treated and will be used solely for this research and for academic purposes. No source or individual will be identified or comment attributed to the originator. I thank you for your co-operation

Please kindly tick the appropriate answer (√).

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. Gender (Sex) of respondent :(Please tick the appropriate answer)
 - a) Male ()
 - b) Female ()

2. What is your experience on NGOs projects? (Please tick the appropriate answer)
 - a) Less than 2 years ()
 - b) Between 2 and 5 years ()
 - c) More than 5 years ()

3. What is your age group? (Please tick the appropriate answer)
 - a) Age between 18 – 30 years ()
 - b) Age between 31 – 40 years ()
 - c) Age between 41 – 50 years ()
 - d) 51 years old and above ()

4. What is your education level? (Please tick the appropriate answer)

- a) Certificate level ()
- b) Diploma level ()
- c) c) Bachelor degree level ()
- d) Post graduate level ()

SECTION B: Financial Record-Keeping Impact On Decision-Making

5. Rate the extent of financial record-keeping impact on decision-making processes within NGOs? (Please tick the appropriate answer)

- a) Strongly Disagree ()
- b) Disagree ()
- c) Neutral ()
- d) Agree ()
- e) Strongly Agree ()

SECTION C: To Examine the Impact of Regulatory Compliance Through Financial Record in Project Management Success of Ngos In Tanzania

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Regulatory compliance enhances the credibility of our financial reports, fostering trust among stakeholders and success of project management on NGOs in Tanzania					
Commitment to regulatory compliance aligns with our organization's values and mission for successful project outcomes					
Adequate training and awareness about regulatory compliance contribute to the effectiveness of project management.					
The integration of regulatory guidelines into financial records contributes to the success of project management					

SECTION D: To Describe the Impact of Monitoring and Evaluation Through Financial Record in Project Management Success of Non-Government Organization In Tanzania

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The systematic examination of financial data through monitoring and evaluation allows for informed decision-making, leading to more effective resource allocation and improved project outcomes for NGOs in Tanzania.					
Regular monitoring and evaluation of financial records significantly contribute to the overall success of project management in NGOs operating in Tanzania.					
The integration of robust monitoring and evaluation practices into financial management enhances the efficiency of project implementation, contributing significantly to the overall success of NGOs operating in Tanzania.					
Effective monitoring and evaluation practices enhance financial accountability within NGOs' project management activities in Tanzania.					

SECTION E: To Assess the Impact of Stakeholder's Communication Through Financial Record in Project Management Success of Non-Government Organization In Tanzania

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Stakeholder's communication on financial records contributes the success of project management on non-governmental organizations					
Stakeholder involvement in financial discussions enhances understanding, alignment, and support for project goals.					
Open and transparent communication with stakeholders positively influences the accuracy and completeness of financial records, strengthening the foundation for successful project management in Tanzanian NGOs.					

Regular and effective communication with stakeholders fosters a collaborative environment, contributing to better financial decision-making and improved project outcomes.					
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Appendix 2: Research Clearance Letter



Ref. No OUT/PG202000641

21st August, 2023

District Executive Director (DED),
Ilemela District Council,
P.O.Box 735,
MWANZA.

Dear Director,

RE: RESEARCH CLEARANCE FOR MR. BENSON JOHNSON MMARI, REG NO: PG202000641

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1st March 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 1st January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

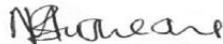
3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr. Benson Johnson Mmari, Reg. No: PG202000641**), pursuing **Master of Project Management (MPM)**. We

here by grant this clearance to conduct a research titled “**Contribution of Financial Record in Project Management Success; A Case of Ilemela District**”. He will collect his data at your area from 22nd August to 31th September 2023.

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. Magreth S. Bushesha

For: **VICE CHANCELLOR**

Appendix 3: Research Permit



JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA RAIS
TAWALA ZA MIKOA NA SERIKALI ZA MITAA
HALMASHAURI YA MANISPAA YA ILEMELA



Unapojibutafadhalitaja:

KUMB.NA.WPF AB.364/437/01B/32

Tarehe: 05 Septemba, 2023

Mkuu wa Chuo,
Chuo Kikuu Huria,
S.L.P 23409,
DAR ES SALAAM.

Yah: **KIBALI CHA KUFANYA UTAFITI**

Tafadhali husika na somo tajwa hapo juu, pia rejea barua yako yenye Kumb. Na. OUT/PG202000641 ya tarehe 21 Agosti 2023 yenye mada tajwa hapo juu.

2. Kwa barua hii napenda kukujulisha kuwa kibali kimetolewa kwa **Benson Johnson Mmari** kufanya utafiti wa “**Contribution of Financial Record in Project Management Success**” katika Halmashauri ya Manispaa ya Ilemela katika Divisheni ya Maendeleo ya Jamii kuanzia tarehe 22 Agosti, 2023 hadi tarehe 31 Septemba, 2023.

3. Pia taarifa zote zitakazo kusanywa zitumike kwa matumizi ya masomo tu na si vinginevyo. Aidha ikumbukwe kuwa Halmashauri ya Manispaa Ilemela haita husika na gharama zozote katika utafiti huo.

Nakutakia kazi njema.


Tabitha Bugemwe
**Kny: MKURUGENZI WA MANISPAA
ILEMELA**



Nakala: Afisa Maendeleo ya Jamii,
Manispaa ya Ilemela. - Mpokee na umpe ushirikiano

: Bw. Benson Johnson Mmari - Ripoti Divisheni ya Maendeleo ya Jamii
MTAFITI

Appendix 4: Manuscript

Contribution of Financial Records to the Success of Project Management in Non-Governmental Organizations in Tanzania: A Case of Ilemela District

Benson Johnson Mmari¹, Saganga Kapaya² and Gwahula Raphael²

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²The Open University of Tanzania

ABSTRACT

This study explores the role of financial records in enhancing project management success among non-governmental organizations (NGOs) in Tanzania, specifically in the Ilemela District. The research examines how Monitoring and Evaluation (M&E), Regulatory Compliance, and Stakeholder Communication through financial records influence the achievement of project goals. Employing a cross-sectional research design, data were gathered through structured questionnaires and interviews. The findings suggest that proper management of financial records significantly impacts project success by ensuring accountability, transparency, and stakeholder trust. Recommendations include strengthening financial record-keeping practices to improve NGO project outcomes.

Keywords: *Financial Records, Project Management, Non-Governmental Organizations, Project Management Success, Monitoring and Evaluation, Regulatory Compliance, Stakeholders Communication*

INTRODUCTION

Financial records are crucial for project management, documenting all transactions related to funding, expenses, and revenue. Effective financial record-keeping is strongly linked to better project performance and higher stakeholder satisfaction (Müller & Jugdev, 2019). These records help monitor progress, ensure financial integrity, and maintain the financial health of projects. For non-governmental organizations (NGOs), maintaining accurate financial records is vital for their success and sustainability. Poor financial management can undermine an NGO's stability and hinder project implementation (Mikeladze, 2023).

Globally, the significance of strong financial practices in improving project outcomes is well-established. The Project Management Institute (PMI) reports that poor financial management contributes to project failure in about 33% of cases worldwide (PMI, n.d.). In Europe, Asia, and Africa, NGOs rely on transparent financial practices to ensure accountability, regulatory compliance, and effective resource use (European Commission, 2019; Asian Development Bank, 2020; Jaleta, 2020). In Tanzania, NGOs play a vital role in social and economic development, making effective financial management essential for sustaining projects and fostering community impact (Kilapanga, Philemon, & Kilindu, 2019).

Despite this, many NGOs in Africa, including Tanzania, struggle with maintaining proper financial records, complying with regulations, and managing funds effectively. This leads to inefficiencies and a lack of transparency. Kilapanga et al. (2019) found that 65% of NGOs in Tanzania face financial management challenges, particularly in record-keeping, which hinders transparency and accountability. Johnson and Wang (2020) emphasize the need for robust financial management to enhance NGO performance in Tanzania, highlighting the urgent need to address these challenges to improve project outcomes.

STATEMENT OF THE PROBLEM

Tanzanian NGOs face significant challenges in maintaining accurate financial records and managing funds effectively, which undermines project success and sustainability. Poor financial record-keeping compromises transparency, accountability, and efficiency, as noted by Nombo and Nyangarika (2020). While previous research has highlighted the importance of sound financial management (Kilapanga, Philemon, & Kilindu, 2019; Johnson & Wang, 2020), there is a gap in understanding how various factors, such as regulatory compliance, monitoring, evaluation, and stakeholder communication, influence project outcomes.

Most studies have relied on qualitative methods, which provide insights but lack the quantitative rigor needed to establish causal relationships. This study addresses these gaps by using quantitative analysis to examine the impact of financial record-keeping on project management success in Tanzanian NGOs, focusing on compliance, monitoring, evaluation, and stakeholder communication.

CONCEPTUAL FRAMEWORK

The conceptual framework outlines how Monitoring and Evaluation, Regulatory Compliance, and Stakeholder Communication influence Project Management Success.

Monitoring and Evaluation (M&E) is measured by Frequency of Monitoring, Accuracy of Financial Data, Timeliness of Reporting, and Financial Accountability. These dimensions help improve decision-making and reduce information asymmetry between donors and NGO managers, enhancing project outcomes (Temu, 2022).

Regulatory Compliance focuses on adherence to financial regulations, assessed through Documentation of Compliance, Incidence of Non-Compliance, and Training and Awareness. These factors promote transparency and reduce agency costs by aligning managers' actions with donors' expectations (Ndulu, 2020).

Stakeholder Communication is evaluated by Transparency, Frequency, Regularity of Communication, and Stakeholder Involvement. Effective communication fosters trust and aligns interests, reducing information gaps between stakeholders (Maganga, 2024).

The framework posits that strong M&E, Regulatory Compliance, and Stakeholder Communication improve Project Management Success by enhancing accountability,

building trust, and enabling better decision-making, aligned with Agency Theory principles.

Independent Variables



Dependent Variable



Figure 1: Conceptual Framework

Source: Researcher (2024)

METHODOLOGY

The study was conducted in Ilemela District, Mwanza Region, Tanzania, known for its diverse NGOs involved in various development projects. This area was selected for its mix of urban and rural settings, ethnic diversity, and infrastructure differences, which provide valuable insights into financial record-keeping and project management success.

A descriptive research design was chosen to systematically explore how financial record-keeping practices affect project management success among NGOs. The study utilized a quantitative approach to measure variables and perform statistical analyses, allowing for an objective assessment of the impact of financial practices on project outcomes.

The unit of analysis was NGOs in Ilemela District, while the unit of inquiry included project managers, finance officers, administrators, executive directors, and government representatives within these organizations. The study population comprised 496 individuals, including 103 Project Managers, 265 Finance Officers and Administrators, 103 Executive Directors, and 25 Government Representatives. A sample size of 83 was determined using the Yamane formula, with participants selected through Simple Random Sampling to ensure representativeness and reduce bias.

Data were collected via closed-ended questionnaires and documentary reviews. The questionnaires provided uniform responses for easier analysis, while documentary reviews supplemented the data with insights from financial reports and organizational documents. Missing data were handled using imputation methods to maintain dataset integrity.

Data analysis involved multiple linear regression to examine the relationships between financial record-keeping practices and project management success. Descriptive statistics and SPSS software were used to present findings clearly. Validity was ensured through the KMO test, and reliability was confirmed with a Cronbach's Alpha coefficient of 0.708. Ethical considerations included obtaining informed consent, maintaining confidentiality, and respecting cultural sensitivities to uphold the study's integrity.

FINDINGS AND DISCUSSION

Demographic Information

The socio-demographic profile of the 83 respondents reveals key characteristics. Of the respondents, 53.2% were female and 46.8% male. Age distribution showed that 28.6% were between 18-30 years, 44.2% were between 31-40 years, 20.8% were between 41-50 years, and 6.5% were 51 years and older. Educational backgrounds varied, with 10.4% holding a Certificate, 35.1% a Diploma, 44.2% a Graduate degree, and 10.4% a Postgraduate degree. In terms of experience with NGO projects, 14.3% had less than 2 years, 58.4% had 2-5 years, and 27.3% had over 5 years of experience.

Table 1: Socio-Demographic Characteristics of the Participants

Variables	Categories	Frequency	Percentage
Gender	Male	36	46.8
	Female	41	53.2
	Total	77	100.0
Age	Between 18-30 years	22	28.6
	Between 31-40 years	34	44.2
	Between 41-50 years	16	20.8
	51 Years and above	5	6.5
	Total	77	100.0
Education Level	Certificate level	8	10.4
	Diploma level	27	35.1
	Graduate level	34	44.2
	Post graduate level	8	10.4
	Total	77	100.0
Experience with NGO Projects	Less than 2 years	11	14.3
	Between 2-5 years	45	58.4
	More than 5 years	21	27.3
	Total	77	100.0

The demographic data highlights a predominance of female respondents, a youthful and well-educated group, and a range of experiences with NGO projects.

Descriptive Analysis

Regulatory Compliance through Financial Records

The study explored how regulatory compliance impacts project management success in NGOs in Tanzania. Respondents rated statements on a Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree). Findings indicate that 40.3% agreed that regulatory compliance enhances the credibility of financial reports and fosters stakeholder trust. Regarding alignment with organizational values, 44.2% strongly agreed. Adequate training and awareness had mixed responses, with 39.0% neutral and 48.1% agreeing that integrating regulatory guidelines into financial records contributes to project success. The aggregate mean score was 3.805 ± 1.0578 .

Monitoring and Evaluation through Financial Records

This section examined the role of monitoring and evaluation in project management success. Responses on the systematic examination of financial data were positive, with 50.6% agreeing it improves decision-making and resource allocation. Regular monitoring and evaluation were seen as significant by 46.8%, while 39.0% strongly agreed that robust practices enhance project efficiency. Effective monitoring was supported by 44.2%, with an aggregate mean score of 3.835 ± 0.99125 .

Stakeholder Communication through Financial Records

The impact of stakeholder communication on project management success was assessed next. A majority (48.1%) strongly agreed that such communication contributes to project success. Involvement in financial discussions was positively viewed by 37.7%, while 41.6% agreed that transparent communication improves financial record accuracy. Most notably, 63.6% strongly agreed that regular and effective communication fosters collaboration and better financial decision-making. The mean score was 3.96 ± 0.95 .

Regression Analysis Cases

The regression analysis tested the relationship between project management success and three predictors: regulatory compliance, stakeholder communication, and monitoring and evaluation. The model indicated that project management success is predicted by 45.1% due to regulatory compliance, 37% due to stakeholder communication, and 17.1% due to monitoring and evaluation. The overall R^2 value of 0.589 suggests that 58.9% of the variability in project management success is explained by these factors. The model was statistically significant ($p < 0.000$).

Assumptions of Multiple Linear Regression

The study ensured normality and homoscedasticity. The Levene's test confirmed homogeneity of variances with a significance level of 0.321, indicating no significant difference in variances. Normality was assessed using histograms, confirming that the data followed a normal distribution. These assumptions validate the statistical analysis and findings.

CONCLUSION AND RECOMMENDATION

Conclusions

The research aimed to assess how financial records influence project management success in NGOs operating in Ilemela District, Tanzania. The conclusions derived from the study are as follows:

Impact of Regulatory Compliance through Financial Records on Project Management Success

The study underscores the pivotal role of regulatory compliance in ensuring the success of project management within Tanzanian NGOs. High mean scores and significant agreement among respondents highlight that adherence to regulatory guidelines enhances financial report credibility, aligns with organizational values, and improves overall project effectiveness. Compliance not only boosts transparency and stakeholder trust but also underpins successful project outcomes. NGOs are therefore encouraged to prioritize regulatory compliance to enhance project success and organizational performance.

Impact of Monitoring and Evaluation through Financial Records on Project Management

The findings affirm the crucial role of monitoring and evaluation practices in project management success. High mean scores reflect the positive influence of systematic examination of financial data, regular monitoring, and robust evaluation practices on project outcomes. Effective monitoring and evaluation are essential for informed decision-making, efficient resource allocation, and enhanced financial accountability. NGOs should integrate comprehensive monitoring and evaluation systems to improve project effectiveness and ensure successful implementation.

Impact of Stakeholder Communication through Financial Records on Project Management

The study reveals that stakeholder communication significantly impacts project management success. High mean scores indicate that open and transparent communication contributes to project success by improving financial record accuracy and fostering a collaborative environment. Effective communication enhances stakeholder understanding and support, which is crucial for achieving project goals. NGOs should therefore focus on enhancing communication channels and involving stakeholders in financial discussions to boost project outcomes and organizational success.

Recommendations

Recommendations Based on Study Findings

- i. **Regulatory Compliance through Financial Records:** NGOs should prioritize regulatory compliance by adhering to financial reporting standards and guidelines. Investment in training programs for staff on regulatory requirements is recommended to promote a culture of compliance. Additionally, establishing robust monitoring systems to ensure ongoing adherence to regulatory standards will enhance financial transparency and project success.

- ii. **Monitoring and Evaluation through Financial Records:** Organizations should implement comprehensive monitoring and evaluation systems that systematically review financial data. Investing in technology and resources to improve data collection and analysis is crucial. NGOs should also foster a culture of continuous improvement by regularly updating monitoring practices based on feedback to enhance project outcomes and accountability.
- iii. **Stakeholder Communication through Financial Records:** NGOs should enhance communication channels with stakeholders, focusing on transparency regarding financial matters. Regular updates, stakeholder meetings, and involvement in financial discussions are recommended to build trust and alignment with project goals. Effective stakeholder communication contributes to better financial decision-making and project success.

6.2.2 Recommendations for Further Studies

Future research should consider the following areas to deepen understanding and address gaps:

- i. Investigate how NGOs utilize digital tools and software for regulatory compliance and financial record management.
- ii. Explore the correlation between leadership approaches and the effectiveness of monitoring and evaluation practices in NGOs.
- iii. Examine how organizational values and communication channels influence stakeholder engagement and transparency.
- iv. Assess the impact of regulatory adherence on NGO financial sustainability and donor relations.
- v. Investigate the relationship between stakeholder engagement strategies and project outcomes in international NGO settings.
- vi. Evaluate the role of external audits in enhancing financial accountability and regulatory compliance.
- vii. Assess the impact of capacity-building initiatives on monitoring and evaluation practices among NGO staff.
- viii. Investigate challenges faced by grassroots-level NGOs in implementing monitoring and evaluation systems.
- ix. Examine the influence of government regulations on regulatory compliance practices within NGOs.
- x. Explore the link between stakeholder communication strategies and organizational reputation.

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