

Factors affecting financial management practice and performance in local construction organisations in Tanzania

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This study assessed the factors that influence financial management practices and performance in local construction organization. The study had three objectives. The first objective determined the influence of financial policy on the performance of local construction organisations. The second objective delineated the influence of financial capacity on the performance of local construction of an organizations. Third objective determined the influence of financial control system on the performance of local construction organisations. The researcher applied survey research design by involving 97 respondents, which present 97% of the sample size from contractors registered from class I to VII. Regression analysis model were applied to determine which among the independent variables were good predictors of organization performance hence find out the most effective and efficient model. The Model indicated that, there is a strong significant contribution of financial control system in the prediction of the organization performance. Financial policy highlighted weak significant contribution in the prediction of organization performance and lastly, financial capacity showed non-significant contribution of the outcome. From the findings, it was concluded that financial management practices influence the performance of the local construction organization to a great extent and that is the reason for imparting financial knowledge in construction organizations. It is recommended that the application of financial policy, financial control system and hiring full time financial capacity in local construction organizations are very crucial in the performance of the organisation.