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Impact of Strategic Planning on Effectiveness on Local Government Authorities:Mediatory analysis of Organizational Environments in Tanzania

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Abstract

Purpose: This paper aims to examine how strategic planning affect organizational effectiveness in Local government authorities in Dar es salaam Region, Tanzania based on the following latent constructs; organizational environment, Strategic planning and organizational effectiveness.

Design/Methodology/Approach: This study was survey in nature, using quantitative techniques, cross sectional with a self-administered survey was conducted with 304 respondents. The partial least square approach of the structural equation modeling (PLS-SEM) a causal -predictive approach was used to investigate the direct effects of the proposed latent constructs and the mediation/indirect effects of organizational environments of these latent constructs was tested.

Findings: The results of the analysis revealed that strategic planning had a positive significant effect on organizational effectiveness and organizational environment. The results also showed that organizational environment had a positive significant effect on organizational effectiveness. Finally, it was found that organizational environments had a positive significant mediating effect on the relationship between strategic planning and organizational effectiveness.

Research limitations, Implications- Future research should seek to extend basic PLS SEM algorithm' s capability should be extended employing Importance-Performance Map Analysis other potential contingency latent constructs for example top management support, organizational culture which prior papers have not yet paid attention to the potential relationship among contingency factors.

Practical implications-This paper offers clear application of mediating contingency factors for using PLS-SEM, which academician, practitioners and researcher should routinely apply when the have data which do not comply with distribution assumption.

Originality/Value- This paper provides clear use of PLS-SEM instead of CB-SEM and use of PLSpredict in the context of developing countries, particularly in Tanzanian LGAs. It offers strategic management researcher, LGAs managers and practitioners should apply as part of their data analysis using contingency theory to enhance understanding how to cope with changing organizational environments when planning for service delivery, but have not been widely studied.

Keywords-Strategic Planning, Organizational Environment, Organizational Effectiveness, PLSpredict PLS-SEM-Partial least squares, structural equation modeling.

1.INTRODUCTION

The organizational environment in which the strategic planning process takes place may have an important intervening effect on how the process is conducted. Empirical studies by Andrews (2010), Henry (1967) , Litschert (1971)and (Pegan, 2023) have indicated that different organization within industries place varying emphasis on strategic planning. Results of these investigations seem to provide support to the contingency theory, which has become increasingly used in strategic management literature in recent years. Osborn and Hunt (1974) and Baloch, et al., (2022)argue that, there has been scant agreement beyond the need for an entity to adjust to changes in the organizational environments in order to enhance organizational effectiveness. Several studies have treated organizational environments as exogenous latent constructs (Andrews ,2010; Baloch, et al., 2022;Lenz, 1980; Venkatraman and Prescott, 1990; Luo 1995). Thus, studies that have linked organizational environments as mediating latent constructs are rare or may not exist, yet organizational effectiveness is contingent upon organizations appropriate fit with environments changes.

Contingency theory has been proposed for organization design (Woodward, 1965; Lawrence and Lorsch, 1967; and organization strategic planning (Hofer, 1975; McCaskey, 1974). In literature review of the "organization environment, strategic planning and organizational environment, a significant amount of theoretical development has been done in the areas of contingency theory and strategic planning and organizational environment, but much remains to be done in empirically testing the propositions developed by those theorists. Also, previous studies have examined the relationship between strategic planning and organizational effectiveness and generate no definitive results probably due to the omission of the mediating

role of different unidentified latent constructs (Lee and Chu, 2017; Lumpkin and Dess, 2001). To explicitly address this gap, this study examines how strategic planning affects organizational effectiveness, considering the mediating effect of organizational environment on local government authorities in Tanzania.

2.LITERATURE REVIEW

2.1 Theoretical basis

Contingency theory of strategic management is based on the argument that there is no universally appropriate strategic management system that applies to all organizations in all context and conditions, rather particular situation of the organization and its effectiveness will depend on particular organizational and contextual variables. Ginsberg and Venkatraman (1985) point out contingency latent constructs such as strategy, external environment, technology, organization structure, culture, ownership and organizational structure have an effect on the organizational effectiveness. Ginsberg and Venkatraman (1985) and Lecy, Schmitz and Swedlund (2012) argue that organizational effectiveness of public organizations depends on organizational context and environments. In this study we depend on Ginsberg and Venkatraman (1985) and Chenhall (2007) discussion on contingency theory to investigate and explain relationships between key contingency latent constructs.and organizational effectiveness which forms the basis for the proposed conceptual framework.In previous studies relationships between contingency latent constructs and organizational effectiveness have been empirically established, however, number of issues have been identified with regards to the use of contingency theory in the studies. Some of the prior studies weaknesses include the use of a single latent construct relationships (Wadongo and Abdel-Kader, 2014).Chenhall (2007) observes that, prior studies lack replication to other context like developing countries like Tanzania. In fact, in prior studies on organizational effectiveness has been linked with organizational structure and size (Kushner and Poole, 1996).There are inadequate evidence on the interaction effects of contingency factors between strategic planning and organizational effectiveness. Specifically, relationships among strategic planning, organizational environment and organizational effcetiveness. Thus, there is a need to examine the relationship between strategic planning, organizational environment and organizational effectiveness.

The ability of organizations to adapt with environmental changes in their strategic planning process is manifested in contingency theory, it interacts with organizational environments and other organizational latent constructs, to influence organizational effectiveness. Contingency theory has been associated with organizational effectiveness as it provides support that explains the influence of exogenous latent constructs on organization effectiveness (Ginsberg and Venkatraman, 1985). Contingency theory highlights the role of appropriate strategy in strategic planning process as the solution for organizational characteristics. It draws from the assumption that there is no best way to achieve or organize enhanced organization effectiveness, but it depends on a “fit” between organization and its characteristics and environmental conditions (Zeithaml et al., 1988). Characteristics in this study refers to the resources of an organization in relation to strategic planning and organization environments that could affect organizational effectiveness. The contingency factors have been hypothesized and empirically proven to be significant factors in enhancing organization organizational effectiveness (Samada et al., 2018). Local government authorities should then develop appropriate strategy and strategic planning process based on the characteristics and condition they are experiencing. During the process of strategic planning formulation, implementation and evaluation, the contingency theory will be applicable to top management team of organizations as tools to assist them in making strategic and guided managerial decision, such that, there is no single best way or approach to manage organizations. Studies on the contingency theory consistently supports that fit certainly affects organization effectiveness (Baloch, et al., 2022). According to contingency theory it is not the organization that impacts organization environment, rather the organizational environment may also affect the organization The fundamental postulation is that the sequential outcome of a good fit amid the characteristics of organization and their interaction with environment result in enhance organizational effectiveness (Goetz & Wald, 2021).

2.2 Emprical basis

Strategic planning in local government authorities

Berry (1998) asserted that when strategic planning is carried out, managers should emphasize the substantive analytical elements of the process: developing vision, mission and objectives, scanning the environment; analyzing challenging activity; assessing strengths and weaknesses; identifying and evaluating alternative courses of action; reviewing and revising plans

Organizational effectiveness

Organizational effectiveness becomes a useful latent construct for LGAs in attainment of their mission and objectives. According to Rehman *et al., (*2019), organizational effectiveness is the latent construct that determine how better the LGA accomplishes its mission and objectives. Prior studies had paid little emphasize on what sub latent constructs should be included in the LGAs organizational effectiveness (Rehman *et al.,*2019). Organizational effectiveness as a measure of local government in achieving its objectives (Daft,

2016; Rainey, 2014). Nevertheless, there is controversy or little agreement on how to define and measure of an organization effectiveness in LGAs. The number of studies has operationalized the organizational effectiveness (Wadongo and Abdel-Kader, 2014). Benjamin and Misra (2006), for example, define organizational effectiveness as the extent to which non profit public organization meets its mission and objectives. This study focuses on organizational effectiveness at it represents the accomplishments of the local governments is objectives. In this study we adopt Genc (2017) and Andrews et al.,(2011) which summarise six items of organizational effcetiveess as cost per unit of service delivery, reliability of service delivered , volume of service delivered, citizen or customer satisfaction, employee satisfaction and promoting the social, economic and environmental well being of the people.These six sub latent constructs capture the complex relationships among items to measure the local government organizational effectiveness.

Organizational environments

Organizational environment is mainly associated with public sector organizations and is characterized by everything outside an organization that may affect its activities and behavior. Studies on the effects of organizational environments conducted by contingency theorists. For example, Chandlers (1962); Child (1972); Miles and Snow (1978) they observed that organization conduct strategic planning process after evaluation of organization environments faced by organization. Specifically, Miles and Snow (1978) claimed that organizational effectiveness will depend on the adoption of a consistent strategy through strategic planning process and aligning them with scanned organizational environments. Thus, there is a need to investigate relationships between and among strategic planning process, organizational environments and organizational effectiveness. Dess and Beard (1984) observed three major latent constructs of organizational environment that are might affect organizational effectiveness: environmental dynamisms (stability, instability and turbulence), thus, environment's dynamism creates difficulties for strategic decision making due to unpredictability and rate of change of external circumstances. Organization that explores and exploit opportunities and challenges in such external organizational environments can outperform and enhance organizational effectiveness. The rapid rate of change and difficulty in predicting future external circumstances requires a high degree of pro-activity ((Nyaberi, 2021); environmental complexity (heterogeneity and homogeneity, dispersion and concentration) and environmental munificence. Several studies in government in western countries have investigated the organizational environments on organizational effectiveness. West *et al.* (2001) conducted studies in 96 UK Local government authorities found that organizational environment indicators have combined and separate negative effects on education organizational effectiveness. These findings are confirmed by the study by Croll (2002) in 40 English primary school, Andrews (2004) findings on 144 UK local governments. In these studies, review it is established that organization environments constraints local government organizational effectiveness. However, there are inadequate evidence whether organizational environment may affect organizational effectiveness. Thus, these relationship remains to be explored in the local government context. Some of previous studies were in agreement that the organizational environment affects organizational effectiveness (). Organization fits to the organizational environment and use it as a mechanism to change the benefits into above average enhanced organizational effectiveness (Daft, 2023). The scholars explore the links between environmental munificence, dynamism and complexity, and organizational effectiveness. The results suggest that environmental munificence, dynamism and complexity influence organizational effectiveness. Environmental dynamism occurs from an inadequate of information concerning future happenings and their consequences

Research that exclusively link organizational environment and organizational effectiveness are rare, yet organizational effectiveness is contingent upon local governments' appropriate alignment or "fit' with environmental changes (). Studies on the organizational environment of local governments and its direct and indirect impact on local government's service delivery and effectiveness have been scant. However, several studies have treated organizational environment as an independent latent construct and organizational effectiveness as dependent ().While this study treat organizational environment as mediating latent construct

Strategic planning and organizational effectiveness relationship

Some strategic management studies advocate that a positive relationship between strategic planning and organizational effectiveness (Glaister and Falshaw, 1999). However, the extent to which strategic planning relate and enhance organizational effectiveness is still a matter of controversy because of the mixed results which are found in empirical research. For instance, Schwenk and Shrader (1993) identified some reviews of the research on the effects of strategic planning on organizational effectiveness. Armstrong (1982) found that strategic planning cautiously benefited, positively affected organizational effectiveness and these results was supported by Elbanna (2008); Robinson and Pearce (1984); Miller and Cardinal (1994); Kraus, Harms and Schwarz (2006); Samad *et al.* (2015). While, Shrader, Mulford and Blackburn (1989) found no relationship between strategic planning and organizational effectiveness.

Organizational environment and organizational effectiveness.

The conceptualization of intervening role of organizational environments is a useful issue within strategic management field. Boulding (1978) asserts that organizational environments is characterized by everything

else outside organization that might intervene its behavior. Contingency theorists, for example Child (1972) argues that, top management teams conduct strategic planning process based on the evaluation of the organizational environments' conditions faced by their organization. This position was elaborated by Miles and Snow (1972) who assert that, organizational effectiveness will depend on strategic planning process to fit their organization with its environments. According to studies by contingency theorists like Dess and Beard (1984); Andrews (2010) listed three latent constructs that might intervene organizational effectiveness: dynamism (turbulence, stability-instability), munificence (resource capacity) and complexity (heterogeneity-homogeneity, dispersion-concentration). Previous studies have evidence on the extent to which local governments have constrained by organization environments (Andrews, 2010). Nevertheless, very scant is known about the intervening organizational environments may affect organizational effectiveness in local governments.

Evidence shows that stakeholders may not appreciate the role of strategic planning process as a strategic tool for enhancing organizational effectiveness in the local government authorities (CAG, 2016). This study however address as this gap and contribute to the literature by incorporating organizational environment as a mediator or intervening on the relationship between strategic planning and organizational effectiveness of local governments authorities in Dar es Salaam region, Tanzania.

Most of studies regarding strategic planning in local government and its relationship with organizational effectiveness were carried out in the US and very few were undertaken in other developed countries such as the UK (e.g. Andrews et al, 2011; Falshaw *et al*., 2006; Robinson and Pearce, 1984). Very little attention has been given to the study of strategic planning in local government authorities in the developing countries context in general and in Tanzania in particular. Aldehayyat (2011) and Elbanna (2007) have studied strategic planning in a Middle East context, they did not give much attention to local government authorities.

A review of previous studies reveals that contingency variables like organizational structure, and size have relatively well investigated in theoretical and empirical studies, while organizational environments have not well investigated. Hence, this study addresses this gap by proposing propositions that explain the relationship between contingency latent constructs and organizational effectiveness. An organization must adapt to their environments if they want to sustains enhanced organizational effectiveness. Thus, the entity must find "fit" between organizational environment and organizational characteristics (Venkatraman and Prescott, 1990).

The following hypotheses were derived from the above to test the influence of organizational environment on relationship between strategic planning and organizational effectiveness in local government authorities in Tanzania. Thus, this study proposes the following hypotheses:

H1: There's significant and positive relationship between strategic planning and organization effectiveness.

H2: There's significant and positive relationship between strategic planning and organization environments.

H3: There's significant and positive relationship between organizational environment and organizational effectiveness,

H4: The organizational environment significant and positively mediates relationship between strategic planning and organizational effectiveness

Conceptual framework

Based on the previous theoretical and empirical studies, review researcher developed a conceptual framework in which strategic planning predicts organizational environment, which in turn organizational effectiveness, while organizational environment as contingency latent constructs mediates the relationships between strategic planning process also as contingency variable and organizational effectiveness (Figure 1). Drawing upon strategic management contingency theory studies, we conceptualize how contingency latent constructs and organizational effectiveness are related to each other.

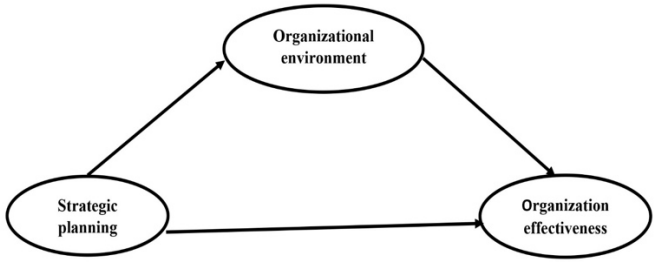

Figure 1: Conceptual framework

3.METHODOLOGY

Sample and Data Collection

The purpose of this study is to investigate the mediating effect of organization environment on relationship between strategic planning and organization effectiveness. Statistical population of the study includes heads of department and employees of local government authorities in Dar es Salaam region, Tanzania. In order to collect data a sample of 482 respondents was selected by stratified random sampling, although a total of 304 usable questionnaires out of 482 were returned, which demonstrates a response rate of 63 percent. This study

is an explanatory research which has been conducted in a cross-sectional survey research design. Data gathering through surveys is effective if the survey instruments have been previously developed and validated (Trochim and Donnely ,2006).

The data gathering has been done through a closed-ended self-administered questionnaire with a total of 26 questions. A total of 428 questionnaires were distributed, resulting in 304 valid responses. All items in the questionnaire are measured by Likert's seven-point scale item. In this study, measures assessing organizational effectiveness were adopted from Andrews et al. (2011) in order to extract the status of organizational effectiveness. Items measuring strategic planning were adopted from Johnsen (2016), assessing respondents' perception of the organizational environments were adopted from Jiao *et al,* (2011) and Andrews and Johnsen (2012) which capture organizational employees' perceptions of the current status of three organizational environments dimensions.

This study used the PLS-SEM to test the hypothesized model, PLS modeling technique has been widely employed for testing explanatory conceptual models in the field of strategic management (Hair *et al*., 2017). PLS-SEM perform well for theory testing as well as for testing measurement models (Bagozzi, 1980). The method uses very generally soft distributional assumptions and non-parametric prediction-oriented model evaluation measures (Hair *et al*., 2017). PLS-SEM is designed to maximize the variance explained in all endogenous constructs, therefore most suitable for prediction and theory building purpose.

Rationale of choosing PLS-SEM

The partial least square approach of structural equation modeling has become one of the most popular multivariate analytical methods, due to its ability to deal with the non-normal data distributions which are the case in the social sciences data, ordinal data (Hair,*et al*., 2017). PLS-SEM has been used in wide variety of the social sciences studies recently, such as marketing research, strategic management and accounting (Hair *et al.* 2019).

Moreover, PLS-SEM has been developed to conduct a simultaneous test for multiple relationships among the variables in the case of multivariate and complex and phenomena (Hair *et al.,* 2017). Based on that using the Partial Least Square for the Structural Equation modeling (PLS-SEM) would be more suitable to achieve the study objectives.

4.RESULTS

Descriptive demographic information

Table 1 reveals that out of 304 respondents,200(65.8%) were males and 104(34.5%) were females. Most respondents 205(67.5%) were aged between 31 and 50 years and had undergraduate degree 142(46.7%). The majority of respondents 179(58.9%) had experience between 6-10 years. Regarding LGAs respondents, Ilala MC had 89(29.3%), Temeke MC 80(26.3%), Kinondoni MC 61(20.1%), Kigamboni MC, 41(13.5%) and Ubungo MC 33(10.9%).

Table 1: Respondents' demographic information

Demographic	Frequency (n=304)	Percentage (%)
Gender		
Male	200	65.8
Female	104	34.2
Age (Years)		
20 to 30	70	23
31 to 40	99	32.6
41 to 50	106	34.9
51 to 60	29	9.5
Education		
Diploma	26	8.6
Undergraduate	142	46.7
Master's	136	44.7
Experience(years)		
Less than one	7	2.3
2 -5	22	7.2
6 -10	179	58.9
11 - 20	93	30.6
Over 20	3	1
Name of respondents		
Kinondoni MC	61	20.1
Ilala MC	89	29.3
Temeke MC	80	26.3
Ubungo MC	33	10.9
Kigamboni MC	41	13.5

This paper employed a two-step approach assessment of the measurement and structural models (Hair, *et al.*, 2019).Before to testing the hypothesis in structural model, the first process of PLS- SEM analysis in this study was the evaluation of the measurement model. This is to evaluate the relationships between the measured variables and latent constructs of the study. Assessment is aimed to assess the consistency and validity of the indicators. Internal consistency assessment was through individual indicator and latent construct reliability tests. While validity of the variables was tested based on convergent and discriminant validity (Hair *et al.,*2017), individual manifest reliability explains the variance of individual manifest relative to latent construct by calculating standardized outer loadings of the indicator validity (Hair *et al.,*2022). Indicator with outer loading 0.703 or higher are considered highly satisfactory. In this stage the reliability and validity of the indicators were examined.

Outer loadings above 0.703 are considered to be high, whereas loadings between 0.40 and 0.70 are satisfactory if elimination of the measured variables does not result in an increase in the reliability of the model (Hair *et al.,* 2022). Examining Table 2, the outer loadings of the latent constructs show that loadings are between 0.673 and 0.831. However, as removing indicators below 0.7 does not change overall reliability, these measured variables should remain in the model.

Table 2: Outer loadings

Items	Organizational effectiveness	Organizational environment	Strategic planning
Env_1		0.731	
Env_2		0.708	
Env_3		0.692	
Env_4		0.673	
Env_5		0.780	
OE_1	0.795		
OE_2	0.831		
OE_3	0.755		
OE_4	0.801		
OE_5	0.774		
OE_6	0.729		
SP_1			0.772
SP_2			0.747
SP_3			0.767
SP_4			0.721
SP_5			0.736
SP_6			0.755

Notes: Loadings between 0.4 and 0.7 are acceptable. >0.7 is high

The coefficients in the “Latent construct correlations” in Table 2 show that measured latent constructs are tied well to their respective latent constructs at a higher absolute level and that all latent constructs effects are positive. In addition, this table indicates the extent of correlation between the exogenous latent variables and endogenous latent construct The covariances table is redundant since data are standardized, making covariances equal to correlations.The study’s model illustrated that all the correlations between the latent variable and the indicators in their outer model are significant except for three indicators with loading of lower than 0.7 (Table 3).

Table 3: Correlations between constructs of outer model loadings

Relationship	Original Sample (O)(β)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Env_1 <- ORG CULT	0.731	0.73	0.045	16.183	0.000
Env_2 <- ORG CULT	0.708	0.705	0.05	14.07	0.000
Env_3 <- ORG CULT	0.692	0.69	0.053	13.012	0.000
Env_4 <- ORG CULT	0.673	0.667	0.059	11.35	0.000
Env_5 <- ORG CULT	0.78	0.777	0.063	12.454	0.000
OE_1 <- OE	0.795	0.794	0.032	24.902	0.000
OE_2 <- OE	0.831	0.828	0.029	28.562	0.000
OE_3 <- OE	0.755	0.75	0.046	16.488	0.000
OE_4 <- OE	0.801	0.796	0.039	20.646	0.000
OE_5 <- OE	0.774	0.769	0.039	19.919	0.000
OE_6 <- OE	0.729	0.721	0.055	13.233	0.000
SP_1 <- SP	0.772	0.769	0.032	24.017	0.000
SP_2 <- SP	0.747	0.744	0.041	18.393	0.000
SP_3 <- SP	0.767	0.763	0.039	19.51	0.000
SP_4 <- SP	0.721	0.714	0.049	14.753	0.000
SP_5 <- SP	0.736	0.732	0.043	16.959	0.000
SP_6 <- SP	0.755	0.748	0.046	16.263	0.000

*The critical t-value is 1.96 for a significance level of 5% (two-tailed).

The overall value of the construct's reliability and validity is tabulated in Table III. Cronbach's alpha and composite reliability were used to test the reliability of the constructs. The study revealed that the Cronbach's alpha values were all above the minimum acceptable value of 0.70 (Hair *et al.,* 2017; Nunnally and Bernstein, 1994). The values of composite reliability were also above the minimum threshold b of 0.70 as recommended by Hair *et al*. (2019). Thus, providing evidence and support of the latent construct measures' internal consistency reliability.

The validity of the latent constructs was examined using convergent validity (See Table III) (Hair *et al.,* 2019). The average variance extracted (AVE) is the criterion used to assess the convergent validity. AVE is the sum of the squared loadings of measured variables related to the latent construct based on the summation of the square of the factor loadings divided by the summation of the square of the factor loadings and added with the summation of the error variances. What is expected from the AVE is that the construct should explain more than 0.5 of the critical threshold values of variance in its measured variables. As illustrated in Table 4, all of the AVE values in this study were above the threshold value of 0.50 (Hair *et al.,* 2019). Thus, the convergent validity in the study is established

Table 4: Construct reliability and validity

Latent construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational effectiveness	0.872	0.904	0.611
Organizational environment	0.765	0.841	0.515
Strategic planning	0.844	0.885	0.562

Discriminant validity was evaluated employing three criteria including cross-loadings, Fornell-Lacrker criterion, and HTMT value of correlations as recommended by Hair *et al*. (2019)

First approach used to assess discriminant validity is based on cross loadings. In evaluating the cross loadings, the outer loadings of an indicator should be more on its respective latent construct than its cross -loadings on other latent constructs. The cross loading of each indicator is higher than their loadings on other constructs that indicate suitable discriminant validity. Thus, giving a discriminate evidence among the latent constructs (Alhassany and Faisal, 2018; Hair e*t al.*, 2019). The measurement model is tested for discriminant validity based on cross loading values generated from the iteration PLS SEM SmartPLS 3.2.9 software as shown in Table 5. Cross loading of all the indicators has higher values on their relative latent construct as compared with other latent constructs as in the Table IV. This verifies that the indicator in each latent construct represent the assigned latent construct confirming the discriminant validity of the model.

Table 5: Cross Loadings

Indicator	Organizational effectiveness	Organizational environment	Strategic planning
OE_1	**0.795**	0.473	0.639
OE_2	**0.831**	0.472	0.615
OE_3	**0.755**	0.428	0.511
OE_4	**0.801**	0.489	0.565
OE_5	**0.774**	0.45	0.575
OE_6	**0.729**	0.383	0.467
Env_1	0.419	**0.731**	0.306
Env_2	0.441	**0.708**	0.289
Env_3	0.391	**0.692**	0.352
Env_4	0.338	**0.673**	0.25
Env_5	0.47	**0.78**	0.281
SP_1	0.562	0.317	**0.772**
SP_2	0.539	0.287	**0.747**
SP_3	0.552	0.354	**0.767**
SP_4	0.563	0.29	**0.721**
SP_5	0.533	0.333	**0.736**
SP_6	0.506	0.273	**0.755**

Second procedure used to assess discriminant validity is based on the Fornell-Lacker criterion (Fornell and Larcker, 1981) where the square root of the AVE of each of the latent construct should be higher than its highest correlation with any other latent construct (See Table V). It is performed by square rooting the average variance extracted values (AVE) to contrast against the inter-correlations of the latent constructs in the measurement model in order to ensure that the indicators are discriminant. The rule of thumb is that if the square root of the AVE, depicted in the diagonals, are greater than the values in the row and columns on that particular construct, it can be established that the indicators are discriminant. The analysis in Table 6 indicates

that the average variance extracted values in the diagonals are all above the correlations of each latent construct in the row and columns on that particular latent construct. Using this procedure, the study has found that square root of AVE of each latent construct was higher than its correlation with other latent construct Thus, confirming the discriminant validity according to Fornell and Larcker Criterion.

Table 6 : Fornell-Larcker criterion

Latent construct	Organizational effectiveness	Organizational environment	Strategic planning	Discriminant validity met? (Square root of AVE > LCC
Organizational effectiveness	**0.781**			Yes
Organizational environment	0.577	***0.718***		Yes
Strategic planning	0.724	0.413	**0.75**	Yes

Note: The square root of AVE values is shown on the diagonal and printed in italics; non-diagonal elements are the latent construct correlations (LCC). All the values on the diagonals are greater than the rest of the measures showing discriminant validity is present Third criterion, discriminant validity was also assessed using heterotrait-monotrait ratio of correlations (HTMT) (Henseler, *et al.,* 2015). HTMT is measured as a criterion and as a statistical test. As a criterion, HTMT value greater than 0.90 (Gold et al., 2001) indicates an issue of a lack of discriminant validity. As a statistical test, HTMT is statistically tested for the null hypothesis (H0: HTMT≥1) against the alternative hypothesis (H_1: HTMT<1). If the confidence interval includes of HTMT should not include the value of 1 (If value of 1 involved i.e., H_0 is supported), this indicates a lack of discriminant validity. The heterotrait-monotrait ratio of correlations ($HTMT_{.90}$) criterion measure, shows that all the HTMT values are significantly lower than 0.90 (Franke and Sarstedt, 2019), thus supporting the measures' discriminant validity (Table 7) among all latent constructs. Table VI shows that the $HTMTI_{inference}$ indicates no values of 1 in the latent constructs, thus showing discriminant validity is confirmed for PLS model of this study.

Table 7: The heterotraitmonotrait ratio of correlations criterion (HTMT)

Latent construct	Organizational effectiveness	Organizational environment
Organizational effectiveness		
Organizational environment	0.699 $CI_{.90}$ (0.344: 0.770)	
Strategic planning	0.837 $CI_{.90}$ (0.678, 0.900)	0.511 $CI_{.90}$ (0.431:0.669)

The results establish that the measurement model is appropriate and valid for the structural model evaluation based on the acceptable and sufficient reliability, discriminant and convergent validities

The high correlation between the items in the measurement model indicates collinearity. The value inflation factor (VIF) was employed to evaluate collinearity. VIF values of 5 or above indicate critical collinearity issues among the indicators of measured latent constructs. As rule of thumb, the VIF values should be close to 3 and lower (Hair *et al.,* 2017). Thus, we have assessed the latent constructs including organizational environment and strategic planning for collinearity as predictors of Organizational effectiveness. The Table VII indicates the value of VIF of all the exogenous latent constructs were less than 3, thus, collinearity is not an issue between the latent constructs' items (Hair et al., 2017).

Table 8: Indicator collinearity

Indicator	**VIF**	**Collinearity issue? (VIF > 5)**	**Indicator**	**VIF**	**Collinearity issue? (VIF > 5)**
Env_1	1.479	No	OE_5	2.089	No
Env_2	1.447	No	OE_6	1.829	No
Env_3	1.351	No	SP_1	1.758	No
Env_4	1.428	No	SP_2	1.785	No
Env_5	1.603	No	SP_3	2.299	No
OE_1	1.879	No	SP_4	1.848	No
OE_2	2.582	No	SP_5	2.096	No
OE_3	2.038	No	SP_6	1.848	No
OE_4	2.222	No			

Assessment of Overall Fit of the Saturated Model

Tenenhaus, Vinzi, Chatelin, and Lauro (2005) recommended that a PLS SEM goodness -of-fit(GOF) in order to validate the PLS-SEM that is employed as a model fit in covariance based-structural equation modeling but is not able to distiguish the invalid and valid models.Accordigly, Hair et al, (2017) evaluated SRMR employed in covariance based-structural equation modeling and found to be appropriate measure in PLS-SEM.

This study also determines the overall model fit through standardized root-mean square residual (SRMR) as the root mean square discrepancy between the implied correlation and the model observed correlations. This study follows Henseler *et al.* (2013) and refers to SRMR as an index for model validation. Several studies consider values below 0.08 as favorable (Hu and Bentler, 1999), much lower of 0.10 proposed by Ringle (2016). The estimated model is specified by researcher, while saturated model refers to the model in which all latent constructs are permitted to be freely correlated. Thus, the assessment of the overall model fit of saturated model is important to evaluate the validity of the composite and measurement models, because potential model misfit can be completely attributed to misspecifications in the measurement and/or the composite models.

Thus, empirical was obtained for latent constructs (Strategic planning and organizational environments) incorporated in the model. Thus, when none of the discrepancies was less than 95% quantile of the corresponding distribution ($H1_{95}$), researcher reject the model (Benitez *et al.,* 2019). While the model saturated with PLS-SEM reveals a SRMR value of 0.051, which confirms the overall fit of PLS path model. Normed fit index (NFI) an incremental fit value which derives the Chi-square value of the proposed model and contrasts it against a benchmark (Bentler and Bonett, 1980). Normed fit index values greater than 0.9 represent acceptable fit. NFI were also more than 0.90 (Bentler and Bonnet, 1980). In the category of parsimonious fit, the value of χ^2/d.f.(chisq/d.f.) ratios was lower than 5.0 (Benitez *et al*., 2019; Wheaton *et al.,* 1977). Thus, those indices give evidence for a good fit between the model and the observed data. The results as are exhibited in Table VIII inform that the research model fit the data.

Table 9: Results of the composite Model fit analysis

Discrepancy	Decision criterion	Overall saturated model fit assessment		
		Values	$H1_{95}$	Conclusion
SRMR	SRMR<0.080, SRMR < $H1_{95}$	0.051	0.06	Supported
d_ULS	d_ULS < $H1_{95}$	0.409	0.551	Supported
d_G	d_G < $H1_{95}$	0.136	0.165	Supported
Chi-Square/d.f.	≤ 5.0	1.865	4.394	Supported
NFI	> .90	0.910	0.940	Supported

Note: A SRMR value less than 0.080 shows an acceptable model fit. d_{ULS} and d_G , the null hypothesis that the population indicator variance-covariance matrix equals the model-implied counterpart is not rejected. Therefore, empirical evidence for model is given when the value of the discrepancy measure below the 95% quantile of its corresponding reference distribution.Based on measurement model data analysis, it can be concluded that these study data are clearly reliable and valid to prove the hypotheses with PLS-SEM.

Structural Model

The structural model evaluation includes collinearity of latent constructs, the significance of the path coefficients, the level of coefficient determination R^2 values, the effect size f^2, the predictive relevance (Q^2) (Hair *et al*., 2017).Hair *et al*. (2017) suggested that the structural model should be assessed for collinearity issues by using the variance inflation factor (VIF) criteria obtained from SmartPLS 3.2.9. Presence of significant amount of collinearity among the exogenous latent constructs shows that path coefficients are biased. VIF values greater 5.0 indicates collinearity issues in exogenous latent construct. The result in Table 10 indicates that all the VIF values are less than the more conservative threshold of 3.3 and do not show any collinearity issues in the structural model. Researcher concludes that collinearity is not at critical levels. Since no issues of collinearity in latent constructs is found in the structural model, the path coefficients were used to evaluate the structural model.

Table 10: Collinearity of inner VIF values of structural model

Latent constructs	Organizational effectiveness	Organizational environment
Organizational effectiveness		
Organizational environment	1.206	
Strategic planning	1.206	1

Table 11 indicates that 51.1% of variations in organization effectiveness (OE) are explained by two predictors of strategic planning and organizational environments, vision, goals, strategy, structure, human resource, and

organizational culture. The result indicates medium values based on the rule of thumb of low or weak (0.19), moderate (0.33), high and substantial (0.67) by Chin (2010).

Table 11: Coefficient of determination (R^2)

Latent construct	Organizational effectiveness	Organizational environment
Organizational effectiveness		
Organizational environment	0.699	
Strategic planning	0.837	0.511

After the assessment of R^2 values in Table 12, the effect size f^2 has been used to assess the substantive effect of an omitted latent construct on endogenous latent constructs (Hair et al. 2017). The effect size f^2 measures the change in R squared values when a latent construct is omitted from the model. The f^2 effect size value has been obtained from the SmartPLS 3.2.9 report. According to Cohen (1988) and Hair et al (2022) the f^2 value of, and 0.02,0.15, and above 0.35 respectively represents small, medium, and large effects of exogenous latent construct.

Table 12: Effect size f^2

Latent construct	Organization effectiveness	Organizational environment
Organization effectiveness		
Organizational environment	0.244	
Strategic planning	0.744	0.206

Hair *et al.*(2019) suggest the evaluation of predictive accuracy (using R^2) by examining Stone-Geisser's Q2 value for the predictive accuracy of the model. Stone-Geisser's Q2 is an indicator of a model's predictive relevance. This value is obtained by using the blindfolding technique that is a sample reuse procedure. This blindfolding technique omits every 5th data point and treats them as missing. The resulting estimates are used to predict the omitted data points and to explain the difference between true and predicted values. This difference is then used as input to determine the ^{Q2} value. The Q^2 values larger than zero (0) for a certain reflective endogenous latent construct indicate the path model's predictive relevance for this particular construct (Hair *et al.,* 2017; Shmueli *et al.,* 2019).

Furthermore, Table 13. shows a cross-validated communality Q^2 is obtained when the data points are predicted using the underlying latent construct scores. Whereas, if the prediction of the data points is obtained by the latent constructs that predict the block in question, then a cross-validated redundancy Q^2 is the output. In line with suggestions by Fornell and Cha (1994), the model will have predictive quality if the cross-redundancy value was found to be more than 0, otherwise, the predictive relevance of the model cannot be concluded. Based on the Smart PLS 3.2.9 results, the obtained cross-validated redundancy was found to be 0.366 Chin, (1998), set three criteria: if Q^2 is 0.02, then the model has small predictive relevance; if Q^2 is 0.15, then the model has medium predictive relevance, and if Q^2 is 0.35, then the model has large predictive relevance (Girdwichai and Sriviboon, 2020). This result supports the claim that the model has large and adequate prediction quality.

Table 13: Latent Construct cross-validated redundancy

Latent construct	SSO	SSE	Q^2 (=1-SSE/SSO)
Organization effectiveness	1824	1155.605	0.366
Organizational environment	1520	1395.079	0.082
Strategic planning	1824	1824	

Note: SS0= and SSE=the sum squared prediction errors

Out of Sample Predictive Power (PLSpredict)

In Table 14, we find that all the endogenous latent constructs' manifest variables outperform the most naïve benchmark (i.e. the training sample's indicator means), as all the indicators yield Q^2predict values above 0. Comparing the RMSE values from the PLS-SEM analysis with the naïve LM benchmark (Table 13), we find that the PLS-SEM analysis produces lower prediction errors for all the indicators. For example, when using PLS-SEM to estimate the model, indicators OE_1, OE_2, OE_3, OE_4, OE_5 and OE_6 have RMSE values of 0.982, 0.884, 1.107,0.995, 1.046 ,1.019 and 1.019, whereas the LM produces RMSE values of 0.983, 0.915, 1.123, 0.997,1.047 and 1.037 for these indicators. The differences are more pronounced for indicator OE_2, which has PLS-SEM-based RMSE values of 0.884, compared to 0.915 in the LM.

The researcher evaluated the measured variable-level RMSE in the scale of the indicator. By design, the six measured variables of OEs are measured on a seven-point scale and have an average RMSE of 1.0055. We can thus say that on average 95 percent of prediction errors will fall within approximately two points of the

seven-point scale. For example, if the true value is four, 95 percent of all predictions will fall between 1.99 (4-2·RMSE) and 6.011 (4+2·RMSE). This range represents nearly the full range of the measured variables' measurement scale and considered to be in acceptable range (Danks and Ray, 2018; Shmueli, *et al.,* 2019). Similarly, the five measured variables of Envs are measured on a seven-point scale and have an average RMSE of 1.1984. We can thus say that on average 95 per cent of prediction errors will fall within approximately two points of the seven-point scale. For example, if the true value is four, 95 per cent of all predictions will fall between 1.6 (4-2·RMSE) and 6.4 (4+2·RMSE).

Table 14: PLSpredict evaluation indicators

Item	RMSE	Q²_predict	LM RMSE	PLS-SEM-LM RMSE
OE_1	0.982	0.389	0.983	-0.011
OE_2	0.884	0.364	0.915	-0.031
OE_3	1.107	0.243	1.123	-0.016
OE_4	0.995	0.303	0.997	-0.002
OE_5	1.046	0.317	1.047	-0.001
OE_6	1.019	0.198	1.037	-0.018
Env_1	1.253	0.076	1.271	-0.018
Env_2	1.159	0.068	1.18	-0.021
Env_3	1.358	0.106	1.363	-0.005
Env_4	1.209	0.046	1.216	-0.007
Env_5	1.013	0.06	1.03	-0.017

Path Coefficients

Next step is assessing the path coefficient of all latent constructs(paths) by comparing β or path coefficient values among all the paths. The standard value of path coefficients lies between -1 to +1. The values closer to +1 show strong positive relationships and vice versa. The highest β value shows the strongest effect of exogenous (predictor) latent construct towards the endogenous (dependent) latent construct. However, path coefficient value has to be tested for its significance level through t-value test. The test is accomplished by conducting nonparametric thorough bootstrapping procedures (Hair et al. 2017). Hair et al. (2017) recommended that acceptable t-values for a two-tailed test are 1.65 (significance level = 10 percent), 1.96 (significance level = 5 percent), and 2.58 (significance level = 1 percent) in this study we have adopted recommended that acceptable t-values for a two-tailed test are 1.65 (significance level = 10 percent), 1.96 (significance level = 5 percent). In this study, bootstrapping generated 5000 resamples and these samples are used to compute t-values as presented in Table 4.11. Lohmoller (1989) suggested > 0.1 weights for the significance and relevance for latent constructs. Table XIV and Figure 2 reveal that all weights of latent constructs were having significant t values and latent constructs weights are all above suggested value of 0.1. Using the nonparametric correlation procedures described earlier, it was found that organizational environment was positively significantly mediates relationship between strategic planning and organizational effectiveness as stated in hypothesis 1 (β =0.139, P < 0.05, confidence interval bias corrected= ([0.038:0.219], t-value= 2.313). H1 is supported as illustrated in Table 14

The hypotheses tests involving the strategic planning and organizational effectiveness confirmed the second hypothesis (β =0.586, P < 0.05, confidence interval bias corrected=[0.338 :0.79], t-value=5.114), thus hypothesis two is supported. Three hypothesis involving organizational environment and organizational effectiveness (β =0.335, P < 0.05, confidence interval bias corrected= [0.106:0.577], t-value=5.114), thus hypothesis three is supported. Fourth hypothesis stating that strategic planning has positive and significant relationship with organizational environment (β =0.413, P < 0.05, confidence interval bias corrected=[0.239:0.577], t-value=4.871), Hypothesis 4 is supported. Additionally, Table XIV shows summary of the tested hypotheses. Furthermore, regarding the significance of weights a 0 is not involved between the lower and higher values of confidence intervals.

Table 15 : Path coefficient bootstrapping

Hypothesis	Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Confidence interval bias corrected		Significance (p< 0.05)	Results
							2.50%	97.50%		
H1	SP -> OE	0.586	0.586	0.115	5.114	0.000	0.338	0.79	Yes	Supported
H2	SP -> ORG ENVI	0.413	0.425	0.085	4.871	0.000	0.239	0.573	Yes	Supported
H3	ORG ENVI -> OE	0.335	0.334	0.12	2.787	0.005	0.106	0.577	Yes	Supported
H4	SP -> ORG ENVR-> OE	0.139	0.142	0.06	2.313	0.021	0.038	0.219	Yes	Supported

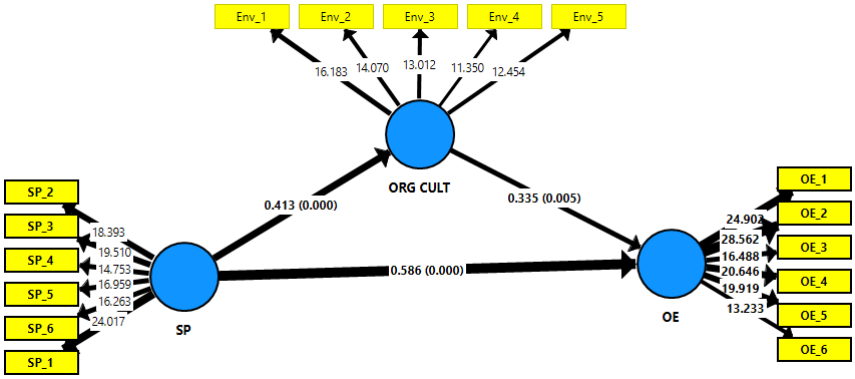

Figure 2: Path coefficient bootstrapping

Mediation analysis

Mediation test is conducted to discover if an intervening latent construct can significantly carry the ability of an exogenous latent construct to an endogenous latent construct (Gorondutse and Hilman, 2016). In similar manner, mediation test determines the indirect effect of the exogenous latent construct on the endogenous latent construct through a mediator latent construct. In following Hayes and Preacher (2010) we examine that mediation analysis of non-parametric in PLS-SEM is determined through technique namely: bootstrapping re-sampling approaches such (Preacher and Hayes, 2008). Mediation test is measured by means of bootstrapping 5000 re-sampling analysis in with formulated hypotheses (Zhao et al., 2010). In addition, mediation is measured by product of paths coefficients "a" and "b" and then dividing the obtained value by the standard error of the path's coefficient (Kock, 2013).

Thus, the indirect effect of strategic planning on organizational effectiveness through organization environment β= 0.24 (See Table 16). In order to ensure that the indirect effect is significant, it is recommended to bootstrapping technique (Hair *et al.,* 2017). Therefore, hypothesis H_1 was accepted. Figure 3 and Figure 4 illustrate direct and indirect effects respectively.

Table 16: Direct total effect

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Strategic planning -> Organizational effectiveness	0.725	0.73	0.073	9.871	0.000

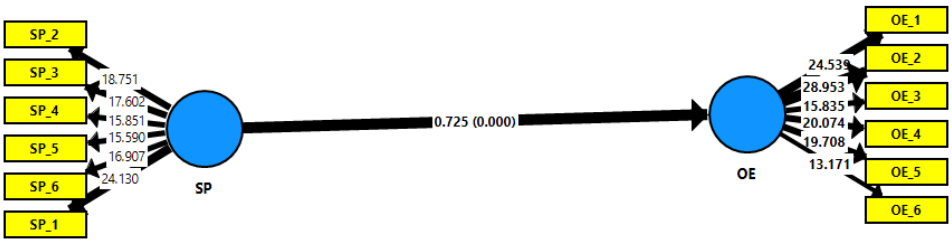

Figure 3: Strategic planning-organizational effectiveness model. Note p< 0.05

Table 17: Bootstrapping for mediation of the effect of organizational environment between strategic planning and organizational effectiveness

Relationship	Original Sample (O)(β)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	Bias	P Values	Bias corrected confidence interval	
							2.50%	97.50%
Organizational environment -> Organizational effectiveness	0.577	0.584	0.087	6.656	0.007	0.000	0.388	0.735
Strategic planning -> Organizational environment	0.415	0.432	0.083	4.981	0.016	0.000	0.237	0.559

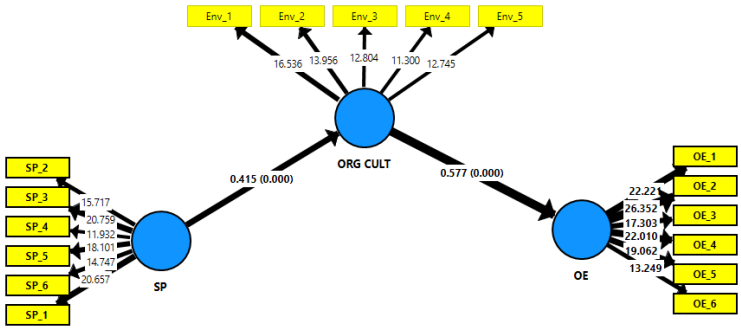

Figure 4: Indirect path coefficient- Strategic planning-organizational environment-organizational effectiveness model. Note: p < 0.05; indirect effect.

The mediation effects can be concluded to be either "none," "partial," or "full" mediation of the three path coefficient estimates. "None mediation" effect is when there is a non-significant value for all path estimators. A "full mediation" is indicated where the direct effect c' is not significant, whereas the indirect effect *a* × *b* is significant. This means only the indirect effect via the mediator exists. "Partial mediation", that both the direct effect *c'* and the indirect effect a × b is significant represent partial mediation.

This study used approach for determining type of mediation using the ratio of the indirect-to-total effect suggested by Nitzl *et al*. (2016). This ratio is also known as the variance accounted for (VAF) value. VAF denotes the extent to which the mediation process explains the endogenous latent construct's variance. The proportion of mediation is given as:

$$VAF = \frac{a\ x\ b}{(a\ X\ b) + c'}$$

$$VAF = \frac{0.24}{0.24 + 0.586}$$

$$VAF = \frac{0.24}{0.825}$$

VAF= 29 %

The VAF is calculated by dividing the direct effect with total effect; higher the value of VAF suggests stronger mediating effect. Hair *et al*. (2017) suggests that, VAF > 80% is full mediation, 20% ≤ VAF ≤ 80% shows partial mediation and VAF < 20% is no mediation. Thus, the result (Table 16 and Figure 5) showed that the partial mediation has a VAF value of 29%. This is evidenced by "a x b" to be significant. According to Qalati, *et al*., (2021) type of mediation are complemenrary, competitive,direct only, indirect only and no effect non mediation.The authors observed that when the mediated effect "a x b" and direct effect "c" both exist and point in the same direction, it is referred to complementary mediation. Thus, based on Qalati, *et al.,* (2021) typologies, this tudy evidenced the complementary mediation of organizational environments.

Table 17: Path Coefficient Mediation analysis

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Bias corrected 95% Confidence Interval		VAF $VAF = \frac{a\ x\ b}{(a\ X\ b) + c'}$
						2.50 %	97.50 %	
Step 1: Total direct effect (Without mediator)-c	0.725	0.73	0.073	9.871	0.000			na
Step 2: Indirect effect with mediator. Strategic planning -> Organizational environment(a)	0.415	0.427	0.086	4.8	0.000	0.237	0.559	na
Organizational Environment -> Organizational effectiveness (b)	0.335	0.333	0.12	2.786	0.005	0.203	0.535	na
Strategic Planning -> organizational environment -> organizational effectiveness (a x b)	0.24	0.256	0.075	3.209	0.001	0.107	0.385	VAF= 29 %
Strategic Planning -> Organizational Effectiveness (c')	0.586	0.586	0.117	5.001	0	0.368	0.735	

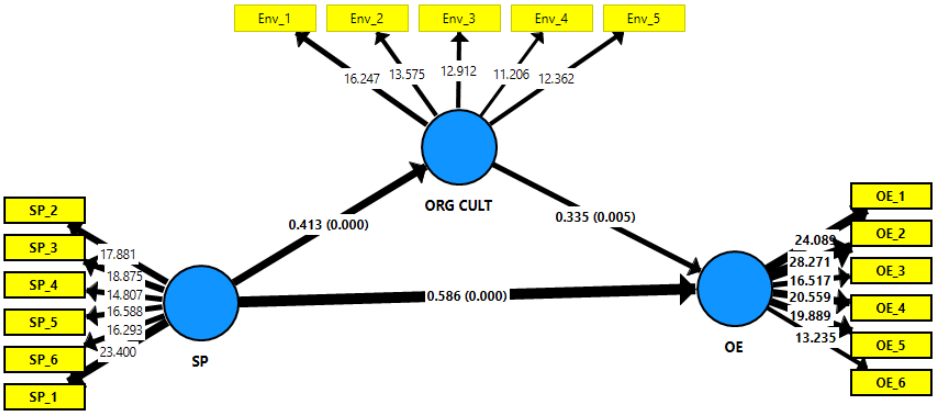

Figure 5: Path coefficient mediation (Partial mediation)

5. Findings And Conclusion

Organizational environment has been considered as a useful latent construct in shaping strategic planning and organizational effectiveness. This study found that strategic planning has a significant and positive effect on organizational effectiveness. The findings are consistent with the contingency theory (Ginsberg & Venkatraman, 1985; George, Walker & Monster, 2019)) and it can be argued that strategic planning can significantly enhance the organizational effectiveness of LGAs. Also, the findings show that strategic planning has significant and positive influence on organizational environments and the findings are consistent with strategic management contingency and it argued here that, strategic planning is a strong predictor of organizational environments. This paper also constructed a hypothesis to investigate the relationship between organizational environments and organizational effectiveness. This study shows that organizational environment has a significant and positive predictor of organizational effectiveness. The researchers such as (Andrews & Boyne, 2008; Ginsberg & Venkatraman, 1985) have also called the analysis of the mediation effect of organizational environments in the relations between strategic planning and organizational effectiveness.This study apploied a mediation analysis and results concluded that there exists a mediation effects of the organizational environments in the relationships between strategic planning and organizational effectiveness. Therefore,it can be argued that LGAs employees should develop skills of strategic planning process and to be able to scan organizational environments in order to enhance LGAs organizational effectiveness.

This finding is consistent with Aldehayyat and Twaissi (2011) who contend that strategic planning to be the primary factor behind organizational success and formulation and implementation strategic planning are considered useful process that can enhance organizational effectiveness (Samad *et al.,* 2015, 2018). In similar manner is organizational environment which emerged as the most important mediating or intervening latent construct on organizational effectiveness of local government authorities in Tanzania.

This study provides the process of strategic planning, organizational environment and organizational effectiveness based on contingency theory and empirical research. The findings enhance the understanding on the effects of strategic planning and organizational environment on organization effectiveness as there is scanty empirical research in this topic particularly in Tanzanian local Government authorities. One way the organization effectiveness can be enhanced is via strategic planning in terms of formulation and implementation and their variables. From the perspective of organizational environment, the more the environmental scanning is being shared by the employees, including top management team. the better the organization effectiveness would be.

Additionally, the result of this study will add value to existing literature on the relationship between strategic planning on organizational effectiveness particularly on issue related to intervening behavior of organization environment. Similarly, this study contributed in the body of knowledge by testing contingency theory outside the context of USA, Canada and Europe local government authorities thereby confirming the theory which postulate that there is no unique way to organize or plan it depend on characteristic and environmental condition of specific organization (Lawrence and Lorsch, 1967).

The evidence obtained from this explanatory study suggests that local government authorities in Dar es Salaam region, Tanzania are attempting to "fit" their strategic planning processes to their perceived organizational environmental conditions, that a number of the organizational strategies used to achieve this fit are in line with concepts developed by contingency theorists, and that small firms should be considered as a separate class in this and future related studies.

Efforts to develop an adequate understanding of the strategic planning process must be undertaken if a contingency approach to be incorporated in local government policy is to be developed. Moberg and Koch (1975) suggested that successful application of contingency findings requires: (1) situational diagnosis, (2)

facing up to the challenges, and (3) self-awareness of using opportunity more complex decision making and problem-solving strategic planning processes issues. Decision makers in local governments today's changing organizational environments seems to be ready to deal with the contingency theories in order to enhance their decisions.

In conclusion, the purpose of this study was to study the relationship between strategic planning, organizational environment, and organizational effectiveness and it is felt that the purpose of the study has been met by showing that LGAs enhanced organizational effectiveness when adopted strategic planning process. A contingency theory was proposed and empirical testing was completed using a sample of 304 employees working at local government authorities in Dar es Salaam in Tanzania. The study concludes that local government organizational environment serves as mediator of the relationship between strategic planning and organizational effectiveness in Dar es Salaam Local government authorities in Tanzania. Additionally, the results demonstrated the significant effect of strategic planning on organizational effectiveness.

Additionally, the current study contributed to the existing literature by highlighting the key role of organizational environment in both enhancing organizational effectiveness and positively and significantly mediating the relationship between strategic planning and organizational effectiveness. This finding supports the findings of previous studies, which showed that there is a significant and positive relationship between the same latent constructs.

Research limitations/implication

The current study is subject for some limitation. Firstly, the examination of this study was conducted in one region inside Tanzania which would limit its results only to be confined with this region alone. Therefore, researcher suggests that future researchers are to apply this study on different regions to increase the generalizability and credibility of the results. Secondly, longitudinal examinations can be employed to enhance the reliability and validity of the data gathered and used in the research model. In vein, it might be possible that investigating the main latent constructs in this study over a longer period would yield more insights into the relationships between the research latent constructs on organizational effectiveness.

Finally, the study was conducted in Tanzania therefore; data is applicable specifically to the Tanzanian context. Further studies can be conducted on the effect of strategic planning on other intervening latent constructs such as top management support and organizational culture can be used in future studies in an attempt to better explain the relationship between strategic planning and organizational effectiveness. It is recommended that the results of the basic PLS SEM algorithm should be extended employing Importance-Performance Map Analysis (Ringle and Sarstedt, 2016).

Practical implications for managers.

This paper has highlighted the usefulness of contingency theory as the technique to better understand the relationship between strategic planning and organizational effectiveness with mediating role of organizational effectiveness being experienced by LGAs in Tanzania. Thus, it is argued that contingency theory can assist to develop better strategic planning approaches for the changing organizational environment in which the LGAs operate, and also to better understand the behavior and dynamics of public service delivery to citizens.

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