

Managing performance or legitimacy? A case study of the Tanzanian Local Government Authorities

[Abeid Francis Gaspar](#) (Department of Accounting and Finance, Institute of Finance Management (IFM), Dar es Salaam, Tanzania)

[Tausi Ally Mkasiwa](#) (Department of Accounting and Finance, Institute of Finance Management (IFM), Dar es Salaam, Tanzania)

Abstract

Purpose

The purpose of this paper is to investigate performance measurement practices in the Tanzanian Local Government Authorities (LGAs). It seeks to understand the performance measurement practices in the context of new public management (NPM) (Hood, 1991, 1995). Specifically, the paper focuses on the annual performance assessment (the local government development grant system), which operated in the Tanzanian LGAs as a base for accessing grants from the central government.

Design/methodology/approach

The study executed a grounded theory strategy for data collection and analysis. Fieldwork was undertaken in three Tanzanian LGAs.

Findings

The findings revealed how performance measurement practices were involved in the process of managing legitimacy, and consequently, in the acquisition of grants from the central government. Dialogue and learning about the performance measurement exercise and the production and manipulation of evidence were the two strategies employed by LGAs in the management of legitimacy.

Practical implications

In practice, efficiency in organizations may be achieved through the appropriate design of systems, and by understanding, and addressing problems which emerge during their implementation. Learning is a significant strategy used by actors, and this needs to be taken into consideration by reformers when designing and implementing reforms.

Originality/value

The paper contributes to existing research by providing a framework for managing legitimacy. The framework supports and extends Oliver's (1991) typology of strategic responses to institutional processes and Suchman (1995) legitimation strategies. It identifies dialogue and learning as other forms of significant strategy in actors responses to institutional pressures. The study also provides additional evidence of the responses to the accounting changes and the NPM reforms.