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THE INFLUENCE OF STRATEGIC FINANCIAL PLANNING ON ORGANISATIONAL FINANCIAL PRUDENCE: A CASE OF ZUPCO HARARE

BY

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This Research Project is submitted in partial fulfilment of the requirements of the Master of Commerce Degree in Strategic Management at Great Zimbabwe University

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APPROVAL FORM

I, the undersigned certify that, I have read and recommend to Great Zimbabwe for acceptance; a project entitled "**THE INFLUENCE OF STRATEGIC FINANCIAL PLANNING ON ORGANISATIONAL FINANCIAL PRUDENCE: A CASE OF ZUPCO HARARE**" submitted by **WADZANAI MAJURU (M223143**) in partial fulfilment of the requirements of the Master of Commerce Degree in Strategic Management at Great Zimbabwe University

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DEDICATION

This research project is dedicated to my Mother Mrs Theresa Majuru

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To my Selfless and loving mother Mrs Theresa Majuru, words may fail me but thank you for everything you have done for me and for never losing faith in my ability to succeed, your encouragement, love, support and care has made me reach this far. I love you very much. May the Almighty keep you longer for me.

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Abstract

The study sought to examine the influence of strategic financial planning on organizational financial prudence at Zimbabwe United Passengers Company (ZUPCO). The study general adopted the budgetary control theory and the financial management further guided the study. The study adopted descriptive survey research design and targeted four Harare ZUPCO Depots at Belvedere, Chitungwiza, Gleneagles, and Willowvale in Zimbabwe. A census of the employees was carried out and from these the 160 management and staffs from the drivers, conductors, mechanics, supervisors, administration staff, fleet and managers as were systematic randomly selected for questionnaires. The study employed semi- structured questionnaires to collect data. The research instrument was pilot tested in order to determine its reliability and validity before it was used to collect data for the final study. The data collected were analysed by the aid of the Statistical Package for Social Sciences (SPSSS, Version 21). Data analysis was both descriptive and inferential. Descriptive analysis constituted finding the percentages, means and standard deviations for data touching on the study variables. On the other hand, inferential analysis was in form of both Pearson Correlation co-efficient and multiple regression analysis. The findings of the study were presented in form of figures, and descriptive and inferential statistical tables. The study indicated that the more ZUPCO enhanced their strategic financial planning approach, the greater the likelihood of moderately increasing their sustainable financial prudence ($r = 0.503$; $p < 0.05$). It was intimated that strengthening the internal control system at ZUPCO was likely to result in enhanced revenue section prepare timely reconciliations ($r = 0.98$; $p < 0.05$). The study found that the value of R is 0.893, which is interpreted to 89.3% imply influence of strategic goal determination are strongly correlates to the financial prudence of ZUPCO. A predictive model thus developed was $Y=-2.368+ 0.091X_1+ 0.364X_2+ 0.778X_3+ 0.230X_4+0.076X_5$. The relationship between credit controls and sustainable financial prudence at ZUPCO was found to be positive, strong and significant. In addition, the study found that external borrowings were likely to marginally affect sustainable financial prudence in the aforesaid institutions. Moreover, the study found that the value of R is 0.893, which is interpreted to 89.3% imply influence of strategic goal determination are strongly correlates to the financial prudence of ZUPCO. The value of R square is given as 0.776, this means that 777.6% change in strategic goal determination of ZUPCO is explained by the financial prudence practices that are in place, explained by income generating activities, internal control system, management support, credit controls, and external borrowing. Income generating activities, internal control system, management support, and credit controls were concluded to be essential in enhancing sustainable financial prudence in local public universities. However, external borrowing was inferred to have marginal effect on the sustainable financial prudence in ZUPCO. It is recommended that ZUPCO in Zimbabwe should ensure that they have sound strategic financial plans reporting and financial systems in the income generating activities and a strong internal control system. It is further recommended that ZUPCO their computerized systems for effective financial reporting and for these institutions to have strong credit policies. Lastly, ZUPCO should formulate a policy that can effectively guide them when borrowing particularly externally.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

All nations' economic and social progress, as well as regional and international economic cooperation, depends on transportation. Strategic planning, contributes to financial reporting and accountability, directing liquidity decisions or reviving it when deleted, planning for marketing, raising money, evaluating, strategic internal business consultancy, leveraging technology, debt and liability management are just a few of the significant ways that effective and responsible financial planning and helps the business achieve its mission and vision. This research seeks to examine the influence of strategic financial planning on organizational financial prudence at Zimbabwe United Passengers Company (ZUPCO). The context of the study and the problem are discussed in this chapter. The discussion also includes the purpose, the importance of the study, its boundaries and limitations and, finally, a list of significant terms.

1.1 Background to the research problem

According to Us, Serve and Us (2020), strategic financial planning is the process of figuring out how a firm manages its finances to guarantee it meets its goals and objectives in both the short and long term. Effective planning takes into account every facet of an organization's operations and how each one affects the company's overall financial status. Strategic financial planning puts a business in a strong position strategically, which has greater organizational prudence advantages (Snider and Davies, 2018). A plan aids in establishing a company's objectives and charts the way for your enterprise. Division (2022) develops a strategic financial plan and implements it in a way that supports the success of your company in an environment that is becoming more and more competitive.

In the past few decades, the business climate worldwide has grown more intensely dynamic and unpredictable, worsening the difficulty of strategic financial planning for businesses. Companies utilize a variety of tactics to become more competitive, and financial planning ought to be considered one of the primary systems used to enhance organizational performance. Strategic financial planning was originally established with this end in mind (Rashid, 2017). With the high rate of business failure and inadequate financial planning strategies that promote growth and the accomplishment of organizational goals, the significance of strategic financial planning should not be overstated (Espinosa, 2018).

Recent studies have highlighted the beneficial effects of strategic financial planning methods on the financial performance of manufacturing enterprises in the UK, USA, Canada, Brazil, India, and China (Nyamandwe, Gambiza, and Bonga, 2021). With the aid of strong financial control tools like capital structure and liquidity prudence, a strategic financial planning approach in these nations has helped to strengthen the internal controls position of the organization (Chiaramonte et al., 2022). According to

Dawson (2013), rapidly expanding companies' ability to manage their finances and choose their financial strategies both have an impact on how far they may move in the course of globalization. The better the strategic financial planning's effectiveness, the more profitable a corporation will be.

Even though it was removed from the accounting theoretical framework in 2010, arguably the oldest and most widely recognized accounting principles, prudential accounting, still commands attention. One of the most commonly used accounting principles (GAAPs) is the prudential principle. A fundamental guiding principle outlining sound accounting processes is the concept of caution. Companies utilize GAAPs, or generally accepted accounting principles, to compile their financial accounts and record financial operations. In addition to being the generally accepted methods of documenting and reporting accounting information, they are an amalgamation of authoritative standards established by policy boards. When recording financial activities and creating financial reports, prudent accounting practices guarantee that assets and income are not exaggerated and expenditures and liabilities are not understated (Financial Accounting Standards Board (FASB), 1973). The firm will ultimately use its best judgment to choose when and how to write down an accounting transaction.

The subject of financial responsibility permeates all organizations, whether they are private or public. It entails making sure that the company's financial resources are used for the purposes for which they were intended. Financial prudence includes where money comes from and how it is used. Financial prudence was examined in a study by Arsyianti (2018). They pointed out the connection between financial portfolio and financial prudence. Additional researchers, including Arsyianti, Rono, and Siahaan et al. (2019), explored how sustainability might lead to financial outperformance. The writers admit that one of the most important developments in every company over the years has been sustainability. Furthermore, it is noted that regardless of an investor's intention for sustainable responsible investment (SRI), the material emphasizing on financial sustainability remains the same. The senior management of prominent companies across a range of industries sees sustainability as a way to outperform rivals (Rono, 2019).

90% of research on the cost of capital imply that cautious sustainability requirements reduce an organization's cost of capital, according to Chepkorir (2017). They point out that it is in their best interests for investors and corporate management to take sustainability into account when making decisions. It is underlined that there is a connection between a company's lifespan and performance. The connection between sustainability and performance is controversial, and numerous empirical studies have been conducted to support it (Rono, 2017). They think SRI can help explain how sustainability and performance are related. In other words, through its three essential pillars environmental, social, and economic sustainable development policies may build a solid wall that safeguards businesses from crises. Cooper, Davis, and Vliet (2016), Claudia and Georgescu (2018) and Yström and Jönköping (2019), remark that the economic, social, and environmental factors prevent the businesses from failure. Galer (2002) noted that the size and structure of a business has an impact on financial sustainability. Ensuring financial sustainability is mostly dependent on strategic financial planning.

Financial understanding and spending habits are said to be important factors in financial prudence and play a crucial part in sustainability considerations (Baker and Persson, 2022). Financial decisions are heavily reliant on financial knowledge and financial literacy. say Roy (2019) and Siahaan et al. (2020). Making wise financial decisions requires having a solid understanding of finances (Mason & Wilson 2000). It also helps to avoid taking on excessive debt (Shaari et al 2013). Financial prudence, according to Pillai et al. (2019); Nurdin et al. (2020), should educate transport players on how to avoid debt and unnecessary spending, which could ultimately result in financial soundness. They clarify that exercising financial prudence involves making well-informed decisions and making sure expenditures stay within the authorized budget. The performance of ZUPCO is heavily influenced by prudent financial planning. Strategic financial planning expertise permits competent bookkeeping, financial statement preparation, reporting of finances, and monitoring.

Although organizations in the public sector handle substantial sums of public funds and primarily function in a political setting, the researcher Rono (2019) brings out clearly the essence of prudent financial planning in managing the financial affairs of public sector organizations. The author goes on to say that such public sector companies urgently require a high level of confidence in topics pertaining to financial decisions. Oreshkova (2017) adds that businesses need to implement financial controls to ensure accountability and the protection of highly confidential data in order to reduce exposure to financial hazards, which is arguably a result of financial imprudence.

All national governments, nations, ZUPCO, and businesses share the underlying goal of achieving sustained and inclusive growth. Sustainable growth guarantees ongoing economic expansion, whereas inclusive growth refers to growth across all economic sectors. The relevant entities must be globally competitive in order to maintain growth in order to accomplish this important goal. Because different countries suffer economic crises and recessions during various times, internationality promotes sustainability (Claudia and Georgescu, 2018). According to the writers, there have been issues with financial management at public colleges in Nigeria. As a result, the institutions in the Nigerian transport players system are no longer able to fulfill their commitments or perform their duties (Chepkorir, 2017). This is attributed to the fact that there is incentive for transportation managers to be creative or financially responsible because the need for transport operators far surpasses the supply of cash from the government.

Nyamandwe, Gambiza, and Bonga (2021) point out that the weak financial control mechanisms in Sudan as well as other developing nations have made it easier for the erroneous use of public resources and fueled financial corruption. According to the author, there has not been any notable financial advancement in Zambia's government sector. In Zimbabwe and Botswana, there is a severe lack of specialists with the necessary abilities and experience in strategic financial planning. This demonstrates how the majority of African developing nations lack an adequate system for managing their finances, which has made it easier for fraud to occur there.

ZUPCO has had comparatively poor performance as compared to other private participants in the economy, as shown by its modest growth rate of 4.3% annually, according to Chigudu (2021). As a result, the majority of ZUPCO Depots have racked up monthly debts of $2 million. Although the government and the private sector in Zimbabwe have heavily invested in developing a favorable financial atmosphere for conducting business in the Covid-19 era (Friday, 2019), about fifty percent of ZUPCO each year experiences decreasing financial performance and subsequently enters receivership. This is mostly due to the unstable business environment and the absence of understanding of prudent financial planning, which makes ZUPCO struggle with its financial output. Due to this, the majority of depots are unable to pay their debts in full and obtain a competitive edge over their rivals, who are mainly big, well-established businesses in the industry at large.

Due to organizational financial prudence and the effect of strategic financial planning, ZUPCO, long the pride of Zimbabwean roads, is clearly having a difficult time. Due to the issues raised in the context, research has been conducted to determine how strategic financial planning and organizational financial prudence affect the public transportation industry. This demonstrates that although research has been done on financial planning in the transportation industry, the results have been ambiguous. The relationship between financial planning and an organization's financial prudence is not well understood. Furthermore, there are not many studies that have been done locally because most of them have been done in wealthy nations. Therefore, the literature now in circulation is insufficient in describing how precisely the ZUPCO's performance may be improved by adopting prudent financial planning.

Any country's socioeconomic progress depends on its transportation sector. The Zimbabwean government has invested significant resources in ZUPCO, various bus fleets, and a policy framework to guarantee that its inhabitants can travel between locations safely and conveniently. The need for strategic financial planning, however, has increased dramatically recently at ZUPCO, largely due to the management's lack of budgetary restraint. Kumalo (2021) hinted that the company's yearly turnover had decreased from US$32 million in 2017 to US$28 million in 2018, US$19.5 million in 2019, and US$14.5 million in 2020. This has had significant effects on the financial and fleet management requirements of the business, which must simultaneously offer high-quality and reasonably priced transportation. Evidently, if the public utilities are to accommodate the expanding customer base and offer top-notch training, research, and development, sustainable financial restraint is required. The potential for financial instability and significant macroeconomic recessions are some of the factors. Uncertain strategic financial planning policies for organization's administration, bad management masked by corruption, insufficient and inexperienced staff, among other issues, were also mentioned by Rono (2019); Nurdin et al. (2020); and Chigudu (2021) as problems facing public institutions. Additionally, funds have been allocated to non-strategic initiatives in some public institutions rather than building the foundational infrastructure required for improved performance. Nevertheless, most studies that attempted to deal with the issue of strategic financial planning in the context of financial prudence to the transport sector fell short. In light of this, the current study was carried out with the intention of examining the impact of organizational financial prudence measures at the Zimbabwe United Passenger Company on strategic financial planning.

1.2 Justification for the study

Zimbabwe United Passengers Company is undoubtedly having a hard time and is losing favor with the traveling public. Inadequate fleet maintenance, poor bus service delivery, and an overall lack of reliability when it comes to providing prompt services are some of the critical business issues that ZUPCO ought to fix in its strategic financial planning. However, most firms do not see financial planning as a crucial element in determining how their operations will be structured. Strategic financial planning helps organizations use resources wisely which improve performance. This study acknowledges the substantial body of research on strategies for strategic financial planning. The impact of strategic financial planning on financial prudence has not been extensively investigated in the context of the transportation industry. Organizational performance and strategic financial planning are a relatively new topic of discussion. Existing research has omitted the need to investigate the influence financial prudence within the transportation industry. Therefore, the influence of strategic financial planning on financial prudence in the Zimbabwe United Passengers Company is not known.

1.3 Statement of the Problem

Zimbabwe's public transport sector has chronically been providing transport services which is below the standard expectations and needs of the public. The road and rail infrastructure have deteriorated with the roads becoming narrower, pot holed and trees growing in rail lines. Research on problem of companies in the public sector has revealed economic factors which include meltdown of the economy over the year, policy interventions such as ESAP and the Deregulation of the transport sector, political interference with administration and management of the companies and urbanisation. It is not known whether financial imprudence in these enterprises is part of the explanation of poor performance of public transport sector organisations. Ideally strategic financial planning is arguably claimed to influence financial prudence in companies and as a consequence improved provision of service. While existing studies have confirmed the role of strategic financial planning in companies its influence on financial prudence is unknown in the public transport sector. Therefore, the purpose of this research is to examine the influence of strategic financial planning on financial prudence.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study will be to analyse the effect of strategic financial planning on organisational financial prudence in ZUPCO in Zimbabwe.

1.3.2 Specific Objectives

i. To ascertain the role of strategic planning in enhancing organizational in enhancing financial prudence

ii. To determine the influence of strategic financial goals on financial prudence

iii. To investigate the influence of strategic financial controls on organizational financial prudence

To examine the influence of strategic financial budgets on organizational financial prudence

1.4 Research Questions

1.4.1 General Research question

What is the influence of strategic financial planning on organizational financial prudence?

1.4.2 Specific research questions;

i. What is the role of strategic planning in enhancing organizational financial prudence?
ii. What is the influence of strategic goal determination on financial prudence?
iii. What is the influence of strategic financial controls on organizational financial prudence?
iv. What is the influence of strategic financial budgets on organizational financial prudence?

1.5 Significance of the Study

The study's findings can help business executives comprehend the significance of strategic financial planning and how it affects financial prudence. The study's findings can benefit corporate managers by providing them with tactics for enhancing their organization's financial prudence. The research will present an opportunity to put agency theory into reality because it will also teach the researcher how to gather, analyse, and present information as they work to develop advanced financial prudence decisions and a strategic financial plan. The study's conclusions and recommendations can be used by ZUPCO management and leadership to address the issue of underperformance in relation to financial prudence. It is hoped that the results will significantly aid ZUPCO in making pertinent and wished-for adjustments to its strategic financial planning procedure. ZUPCO will undoubtedly profit, especially if it uses some of the concepts and findings from this study. The general population will win from strategic financial prudence since the successful company will create employment possibilities for them. The job of determining the study's practical business worth to businesses is so enormous. The analysis is advantageous to both the researcher and Great Zimbabwe University (GZU). The study is a learning tool for the researcher's academic and professional development as a manager, leader, and researcher as well as for the development of the research competence and skills that are now expected of contemporary managers and leaders. The fact that the research is associated with GZU as an academic organization benefits it and raises its stature in the field.

1.6 Delimitations of the research

Delimitations are the boundaries or parameters of a study that are decided upon by the researcher (Shallow, 2017). The study is only focused on Zimbabwe's ZUPCO depots in Harare and Chitungwiza. This is the physical delimitation of the study. Drivers, conductors, mechanics, supervisors, administrative employees, fleet, and managers make up the study's target group. The study's conceptual and time boundaries are strategic financial planning and financial prudence of the company from 2016 to 2023. The study focused on strategic financial planning constituted budgeting practices, financial forecasting practices and financing decision practices. Its focus is to examine the influence of strategic financial budgets on organizational financial prudence. This is the conceptual delimitation of the study. The theoretical delimitation is defined by the Budgetary Control Theory and Financial Management Theory.

1.7 Limitations of the Study

Limitations include the flaws in the research as well as the consequences of these flaws (Shallow, 2017). Information was reluctantly provided by employees. People are typically reluctant to give incorrect and sensitive information. The researcher informed the respondents that the material was intended purely for academic reasons in an effort to address this issue. In order to preserve its data, the company found it challenging to acquire secondary data. The researcher informed them that the material was intended purely for academic purposes in an effort to stop this situation. Due to the ZUPCO management's time constraints, meetings with managers and executives during their downtime were scheduled in order to ensure the validity of the research findings. Since this was the researchers' first time doing such a study, difficulties were encountered due to their inexperience in data collection, analysis, and interpretation. The researcher receives continuous support and direction from his supervisor and other courses to reduce this issue. Employees believed that providing unfavorable feedback on surveys would make them look bad to management. The researcher gave the respondents great levels of anonymity and confidentiality, which led to responses that were completely objective.

1.8 Assumptions

It is assumed that the respondents were aware of the ZUPCO strategic financial plan. Respondents to the research gave honest and correct information. The respondent also clearly understands the concept of strategic financial plan and financial prudence.

There was also no bias from respondents' side in the collection of data. Lastly the researcher will be given access to required information by ZUPCO.

1.9 Organisation of the dissertation

The project comprises five chapters. Chapter one covers the introduction to the research in which the subject matter under investigation that is company culture and performance of the company are described. The context of the study in which the problem being investigated has developed is discussed and proof of current studies and what has been studied, as well as the factors that have caused the emergence of underperformance has been dealt with. Chapter two deals with the literature review. This chapter provides the historical context of the key framework, prior research results on performance and the identification of research and study knowledge gaps. The chapter provides the research theoretical context on which the theories underpinning the study are centred. Chapter three deals with the research methodology that discusses research aspects such as research theory, study design, population and sample size and determination, sampling methods, research tools, data collection processes, data analysis and presentation processes, validity and reliability and ethical consideration. Chapter four spells out strategies and techniques for presenting and interpreting data to be used in the analysis to obtain credible results. The study eventually ends with Chapter Five. As set out in the literature, this deals with the description of the results, research findings and recommendations, as well as areas for further research.

1.10 Operational definitions

1.10.1 Financial Planning

Financial planning is a systematic approach whereby the financial planner helps the customer to maximize his existing financial resources by utilizing financial tools to achieve his financial goals

1.10.2 Financial prudence

The effective, efficient and proper use of financial resources with the aim of enhancing financial performance of a firm

1.10.3 Strategy

Strategy is a game plan, chosen to achieve the organizational objectives, gain customer's trust, attain competitive advantage and to acquire a market position.

1.10.4 Strategic planning

Strategic planning is an organizational, management activity used to set priorities, focus energy and resources on goals, establish agreement on outcomes and results, and assess and adjust the organization to a changing environment

1.10. Strategic financial planning

Strategic financial planning is the process of determining how a business manages itself financially to ensure it achieves its goals and objectives for both the short-term and long-term (Snider and Davies, 2018)

1.11 Chapter summary

According to the study's backdrop, the direction the research would take has been laid forth in this chapter. ZUPCO (Zimbabwe United Passengers Company) is the company under investigation. The problem statement outlines the issues the company is now experiencing. Prior to the research hypothesis, the study's objectives are described. The study's assumptions, limits, and delimitations were also covered in this chapter. Review of the study-related literature will be included in the next chapter.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The researcher focused on the study's introduction in the previous chapter. This chapter serves as an example of the researcher's familiarity with the study's subject. The collected viewpoints of authors in the field with regard to the research objectives, questions and hypothesis form the foundation of the literature. In light of this, this chapter examined the relevant literature, focusing primarily on the ideas of service quality and brand equity in the field of public transportation. The chapter included definitions of organizational financial prudence and the influence of strategic financial planning from a range of experts in the industry, as well as models that might be applied to quantify these factors.

2.1 Definition and explanation of constructs

The researcher reviewed the following constructs of the research:

2.1.1 Strategic financial planning

Effective financial strategic planning procedures depend on strategic financial planning. The process by which an organization determines its strategy and direction and then decides how to allocate resources (money and people) to accomplish this goal is known as strategic financial planning (Hasanuddin, 2018). A well-run company experiences less financial loss and waste thanks to solid strategic financial planning and administration, leaving it with more money to invest in its personnel. Strategic financial planning in the context of businesses entails matching the overarching goals and objectives from the Business Development Plan with the budgeting process in the short, medium, and long terms (Nekhaychuk et al., 2019). Financial planning for the long term explores solutions to ensure financial prudence in light of future financial problems and opportunities using financial projections and evaluation to identify prospects. It has to do with long-term planning in the future. According to Karanth's (2018) hypotheses, it entails predicting potential future developments. It assesses potential future environmental elements, both advantageous and problematic. It has to do with anticipating future events and making preparations for them.

The process of figuring out how a corporation manages its finances to guarantee it meets its objectives and goals in the short- and long-terms is known as strategic financial planning (Ali, Product and Manager, 2023). A company's operations are taken into account in sound planning together with its effect on the company's overall financial status. There will be a variety of models supporting various planning processes throughout a company's planning period, including capital planning, headcount planning, revenue and expense planning, and sales planning (Ohridski, Maceodnia & Bojkovska, 2017). These models are made to gather information at the micro scale. The macro level methodology for combining and analyzing the outcomes of the micro-planning procedures is called Integrated Financial Statements. The outcomes of the process of planning should be verified at the corporate level with respect to the corporation's strategic goals in order to give predictability for the long-term plan.

While many businesses rely on Enterprise Resource Planning (ERP) systems and spread sheets for their process of planning, which can result in mistakes and make it difficult to reach consensus on plans and spending plans, successful companies substitute robust multifaceted modelling abilities and integrated workflows for the manual spreadsheet process in order to reduce errors, increase control, and improve accountability (Snider and Davies, 2018). In order to assist businesses in forecasting, comprehending, and managing their financial and operational performance, Columbia (2021) delivers performance oversight solutions, assistance, and services that give industry-leading enterprise planning and consolidation. If corporate goals and operational plans are in harmony, finance can assess this.

2.1.2 Financial prudence

One of the most commonly used accounting principles (GAAPs) is the prudential principle. According to Irawati et al. (2019), GAAPs are a set of accounting principles, standards, and practices that businesses use for recording financial transactions and put together their financial statements. They are merely the generally accepted methods of accounting information recording and reporting, and they are an array of official requirements established by policy bodies. When recording financial transactions and creating financial reports, caution guarantees that assets and income are not inflated and obligations and costs are not understated (Rautaki, 2023). The Financial Accounting Standard Board's (FASB's) guidelines and explanations are designed to make sure that businesses accurately account for various forms of income and classify effectively record income and expenses in the year they occur. The topic of financial responsibility permeates all organizations, whether they are private or public. It entails making sure that the company's financial resources are used for the purposes for which they were intended. Financial prudence includes where money comes from and how it is used. Financial prudence was examined in a Rono (2017) study. They pointed out the connection between financial portfolio and financial prudence.

A general guiding element for sound accounting methods is caution. When deciding how to record accounting transactions, the firm will ultimately utilize its best judgment (Adeyemi & Olarewaju, 2019). The conservative principle is another name for the prudential concept. The conservative principle only acknowledges revenues and assets when they are guaranteed to be received; it only records liabilities and costs when there is ambiguity about the result. A seven-member independent board of licensed accountants, the Financial Accounting Standards Board was established in 1973 and sets standards for financial reporting (Irawati et al., 2019). It is based on the idea that when businesses have access to reliable, condensed, and understandable financial information, business operations run smoothly. It has made a number of guidelines and clarifications regarding how accounting should be done public.

According to Yoshioka and Kawasaki (2016), the regulations and explanations issued by FASB are designed to ensure that firms properly classify and fully record financial transactions in the year in which they occur, as well as fully account for various types of income. The topic of financial responsibility permeates all organizations, whether they are private or public. It entails making sure that the company's financial resources are used for the purposes for which they were intended. Financial prudence includes where money comes from and how it is used. A research by Azikiwe (2020) examined the idea of fiscal responsibility. They pointed out the connection between financial portfolio and financial prudence. Yew et al. (2017) and other researchers noted that financial prudence could educate transport operators to steer clear of debt and unnecessary spending, which could ultimately result in financial soundness. They clarify that exercising financial prudence involves making well-informed decisions and making sure expenditures stay within the authorized budget. The effectiveness of ZUPCO is significantly influenced by prudent financial management (Yoshioka and Kawasaki, 2016). Financial management expertise permits competent bookkeeping, financial statement preparation, financial reporting, and auditing.

Financial prudence, according to Irawati et al. (2019), should educate transport operators about how to minimize debt and unnecessary spending, which could ultimately result in financial soundness. They clarify that exercising financial prudence involves making well-informed decisions and ensuring that expenditures stay within the authorized budget. The success of ZUPCO is largely dependent on prudent financial planning. Strategic financial planning proficiency facilitates proficient bookkeeping, financial statement preparation, financial reporting, and auditing. Because public sector organizations handle substantial sums of public funds and primarily function in a political atmosphere, the researcher Disemadi (2019) sets out clearly the importance of careful financial planning in administering the financial affairs of organizations in the public sector. The author goes on to say that such public sector companies urgently require a high level of confidence in topics pertaining to financial decisions. Sabri, Wijekoon and Rahim (2020) add that firms must implement financial controls and other internal procedures to ensure accountability and the protection of sensitive information in order to reduce exposure to financial hazards, which is undoubtedly a result of financial imprudence.

According to Nurdin et al. (2020), the weak financial oversight systems in Sudan and other developing nations have made it easier for people to utilize public funds inappropriately and fueled financial corruption. The author maintains that there have been no notable financial advancements in the public sector in Zambia. In Zimbabwe and Botswana, there is a severe lack of specialists with the necessary abilities and experience in strategic financial planning. This demonstrates how the majority of African emerging nations lack a comprehensive and efficient strategic financial planning system, which has encouraged fraud in those nations. They call for the responsible and judicious use of public funds (Piatti-fünfkirchen et al., 2018). Additionally, accountable financial management, transparent fiscal reporting, and equitable revenue sharing between the federal government and local governments are required.

2.2 Theoretical Review

Theories and/or models that explain strategic financial planning and financial prudence are reviewed and discussed in the context of ZUPCO. The budget control theory, financial management model and the classic microeconomic theory are reviewed and discussed.

2.2.1 Budget Control Theory

Budgetary control is described by the Chartered Institute of Management and Accountants (CIMA) as the creation of budgets relating to the duties of the managers of a policy and an ongoing comparison of the actual with the budgeted results (Atambo, 2016). This comparison serves as the foundation for any policy revisions. The system of planning control and accounting known as budget control compares what actually happens to the expected and planned ones by forecasting and planning all actions as far in advance as is practical. Strategic financial planning by company managers typically makes use of this technology. According to Atkinson et al. (1997), a budget is a mathematical description of cash inflows and outflows used to assess whether a financial plan would enable an organization to achieve its objectives. A budget is often a standard plan in any government, yet it reflects all of the activity within the government. This study's budgeting control theory is predicated on the idea that important strategic financial planning is articulated in terms of essential instruments like a budget. Planning, control, coordination, evaluation, and guiding are a few of the main functions of budgeting in strategic financial planning.

Enhancing performance, communicating, and making decisions According to Atambo (2016), a management control system is the logical integration of methods for obtaining and utilising data to guide planning and control choices, for inspiring employee behavior, and for rating performance. The main components of this study evaluate how financial planning methods and performance are related to one another. Financial metrics by themselves are insufficient to guarantee that a strategy will be successfully implemented. As a result, they underline the importance of keeping an eye on various elements, both internal and external, that have an impact on the government and its operations. The best method to address this, according to Sabri, Wijekoon, and Rahim (2020), is to monitor and assess government officials using a variety of non-financial in addition to financial measurers. When contemporary budgeting methods were originally formed in the late 19th and early 20th centuries, they were accompanied by governance structures that are virtually unchanged today. Similar to this, modern researchers now employ the analytical techniques and procedures rationalists established in the 1960s. In fact, the rationalist paradigm still dominates among policymakers.

As a result, even though the applicability of some of these approaches has since been questioned, understanding them is still important today, and research into these approaches is currently underway (Muthama and Warui, 2021). Budget execution is significantly impacted when income fall below the anticipated amount, forcing cuts to spending and the complete postponement of key projects and programs. Following commitments from donors, external resources in the form of financial assistance and grants are also taken into account. However, the funds might not be accessible at all because they might not be given until late in the fiscal year if the budgeted amount is lowered, or because some donors might refuse to release cash if their requirements are not met (Sabri, Wijekoon, and Rahim, 2020). There have been efforts to find solutions to the fundamental budgetary issues during the past 60 years. At first, the emphasis was on using economics to construct procedures that might direct policy makers by specifying the underlying principles and standards for allocation decisions. The procedure by which decisions about how to allocate resources must and ought to be made was then attempted to be better understood by analyzing budgeting behavior and institutional dynamics (Cover, 2020). Budget management is frequently centered on short-term decisions and emergencies.

The medium and long term effects of annual budgets are frequently underemphasized, which underfunds the capital budget. Projects are frequently chosen not to maximize advantages but rather to send political messages (Sabri, Wijekoon, and Rahim, 2020). Establishing realistic and viable budget parameters for both private and public investments is a challenge for many nations. Ministry incentives to create top-notch proposals for projects are undermined by uncertainty over the availability of investment funding. While budgeting formats are established by governments in a variety of ways, all governments are able to use it to their advantage, and budgeting functions serve as a crucial organizing mechanism. Employee involvement in the budget creation process also inspires them to meet budget objectives. According to Chepkorir (2017), budgets should be used to encourage subordinates' participation in budget creation in order to motivate them to raise their productivity and efficiency. The Cover (2020) research provides significant proof that motivating managers through the link between extrinsic rewards and budgetary success is effective. Cover concludes that the budgeting process is too restrictive, too internally focused, delivers too little value, consumes excessive "management time, and promotes the improper managing behavior in order to further characterize the problem.

2.2.2 Financial Management Theory

The Chartered Institute of Public Finance and Accountancy created the financial planning model (Media, 2017). Since its creation, the model has been adjusted to reflect the difficult financial environment in which public entities must function. It has been said that money is the lifeblood of any public organization hence management and responsible leaders must be deeply concerned with how it is used and managed. Financially educated managers and experts are required to offer the critical assistance. The three pillars of financial management are stewardship, support for performance, and transformation facilitation. The concept is helpful in establishing stewardship and emphasizing control, complying with regulations, and responsibility. Supporting performance is responding to consumers effectively and efficiently with the intention of enhancing performance (Azikiwe, 2020). The model is created to be used by organization leaders, financial staff, and service managers as an improvement instrument for businesses to compare themselves to a system of best practices from the outside and to align financial planning with the company's own growth path and priorities.

The framework is centered on best practice declarations and standards that range from self-evaluation to testing for issues that are already known in a specific company (Mwaura, 2013). In other words, the company's self-evaluation helps it determine the financial planning department's weaknesses and strengths, the financial management approach it employs, and the degree to which it is in line with the goals and objectives of the company. An organization can use the model to analyse other parts of financial planning, such as strategic financial planning, the potential to reduce expenses, and spending accountability. It can also be used to create a collaborative approach to financial management reform. Additionally, it assists organizations in identifying their strengths and potential growth areas by comparing where financial planning is today with where it should be for optimum organizational success (Yew et al., 2017). The model can be used by public companies to create a solid financial management strategy that fits with their corporate objectives. To ensure effective financial planning, the model allows for the characterization of abilities and shortcomings.

Public companies can strengthen their weaknesses and build on their strengths with the aid of the model. Professionalized purchasing, risk controls, planning, and even administration are some examples of the usage (Addo, 2017). The model could be used to explain the element of long-term financial restraint in publicly traded companies. According to the paradigm, public institutions, which include public companies, depend on financing to survive. As a result, such organizations are expected to always have access to enough funding to support their programs and projects. Public businesses should be accountable for their spending, have good financial planning, and have the potential to reduce expenses. Additionally, the model contends that organizations should develop a team-based approach to financial management improvement and evaluate where financial management is today with where it should be in order to maximize organization success (Yoshioka and Kawasaki, 2016). our model's significance to our study stems from ZUPCO's requirement that public enterprises demonstrate good stewardship in financial planning.

2.2.3 Agency Theory

The common agency connection, in which one person (the principle) assigns work to another (the agent), who completes it, is the focus of agency theory. Two issues that can arise in agency interactions are addressed by agency theory. The first is the agency dilemma, which occurs when the owner's or an agent's goals clash and it is challenging or expensive for the principal to confirm what the representative is actually doing. The issue in this situation is that the principal is unable to confirm that the agent acted appropriately. The second issue is the risk-sharing issue that occurs when the principal and agent have conflicting perspectives on risk. The issue here is that the agent and the underlying premise may choose various courses of action as a result of various risk preference (Yoshioka and Kawasaki, 2016).

The fundamental tenet of the Principal-Agent paradigm is that the Principal engages the Agent because they are too busy to do a task themselves, but because they are not in administration, they are unable to fully oversee the Agent's performance (Irawati et al., 2019). This theory essentially serves as a structure for analyzing the conflicts of interest that may arise between important stakeholders in a company and the procedures for resolving them. Agency theory is applicable to corporate governance in any circumstance where one party (the principal) assigns responsibilities to a management (the agent), who then completes the work. Because businesses typically don't follow the maximizing principle due to competing interests of primary governing parties (Chigudu, 2021) the agency theory definition is primarily behavioural. The goal of this theory is to identify the best contract between the manager and the resource provider. The agent might not perform in accordance with the principal's requirements for splitting of control and ownership because of their own interests or opportunistic behavior.

The agent is thus portrayed by the theory as being individualistic and self-interested, leading to constrained rationality where rewards and punishment take precedence. To hold managers accountable for their duties and responsibilities, it is enjoined that a good governance framework be in place (Siahaan et al., 2020). By withholding information and incurring unforeseen costs, the issue caused by the principal-agent relationship may worsen (Ramadhan, 2022). Problems result in additional agency expenses intended to separate ownership and control. The total of the principal's expenses for monitoring the work of the agent is the agency cost.

In the financial planning, which extensively addresses the financial reporting and planning methods in public organizations, agency theory has become a dominant model (Muthama & Warui, 2021). Owners and agents can invest in information systems and control tools in a variety of ways to lower the agency costs brought on by information disparity. As the agent would otherwise encounter agency costs when principals devalue the value of the business based on the risk of unfavourable selection and ethical risk, these control mechanisms might provide Pareto optimality highest returns for all participants. Management may employ a number of strategies to let others know that the financial data they are giving is accurate and reliable. In response to demands for evaluation, strong internal control systems, the use of independent directors, and audit committees might be implemented (Siahaan et al., 2020).The theory simulates the association in the present research between prudent financial management and strategic financial planning.

2.3 Role of strategic financial planning in organizational financial prudence

A number of arguments could be made to support strategic financial planning. The fact that it has been found beneficial in practice is one defense. According to research studies based on business experience and executive perspectives, strategic financial planning improves the performance of firms. Studies conducted by Mwaura (2013) showed that businesses that had engaged in official strategic planning not only surpassed the non-planners on many indicators of achievement (return on equity, growth of sales, earning per share, and value of the firm), but also significantly exceeded their previous results. In addition, the businesses that used strategic financial planning were also much better able to foresee the outcome of planning compared to others. Mwaura discovered that organizations with formal, integrated, long-term planning beat those doing it informally in nine out of 13 financial indicators (sales volume, profits per share, net income, etc.) in their research of the performance of 38 drug, electronics, and equipment industries. Further research has revealed that strategic planning can assist businesses successfully plan their strategy by isolating the main elements of a certain industry.

In their analysis of the performance of 38 companies in the pharmaceutical, electronics, and equipment industries, Mwaura found that businesses with formal, combined, long-term planning outperformed those without it in nine out of 13 financial metrics (sales volume, profits per share, net income, etc.). Further investigation has shown that by identifying the key components of a particular industry, strategic planning can help organizations properly plan their strategy. Again, 70.6 percent of the respondents said that they had raised the level of complexity of their organizations' strategic planning processes. In addition to the factual evidence that supports it, there are various other reasons why strategic planning is justified. With the rapidly transforming business, industry, product, and market environments, executives of companies can foresee future possibilities and challenges. Executives can use it to provide the business the direction it needs, seize any available opportunities, and reduce associated risks.

The second benefit is that employees in general and managers in particular may better understand how to achieve business objectives in a way that is compatible with both individual and group aspirations when there are clear goals and directions for the future offered (Azikiwe, 2020). Greater unity and goal congruence result from this. Furthermore, according to Iffah et al. (2015), formal strategic planning concentrates on problems that affect the entire company rather than just functional issues in the marketing, financial, or personal departments. People who are exposed to strategy formation consequently gain a broad understanding and experience a change in mindset. Particularly in organizations where there is a significant gap between managerial actions and their outcomes, strategic planning will probably to be advantageous. Therefore, if research and development activities take several years to fully design and manufacture a new product, happenings throughout that time may invalidate the R&D effort's conclusion based on the initial choice (Financial & Publishing, 2020). By using strategic planning, managers can increase their odds of making decisions that will hold up over time and can update their strategy in response to changes in the product market and R&D status.

According to Azikiwe (2020), benefits of a systematic approach to strategic planning include giving the entire organization the essential direction for what is anticipated to be accomplished and increasing managers' sensitivity to new opportunities and potential threats. Another benefit is supporting a business model that is always changing to ensure good performance of the company and to provide the justification for analyzing competing budget requests for allocating resources to areas that support the strategy and provide results. To claim that success always results from strategic planning alone, however, would not be accurate. Multiple aspects, including sufficient resources, capable management, specialized services, product market conditions, and more, contribute to corporate firms' successes (Iffah et al., 2015). Though it's not sufficient, having a strategy is essential for success. However, it makes a distinction. Managers who participate in official strategic planning have a chance to be more successful than those who do not in reaching their goals.

A financial strategy outlines how an organization will obtain the funding necessary to carry out its long-term goals (Addo, 2017). Lacking a financial plan, there is a chance that the long-term goals won't get accomplished. Organizations can evaluate the viability of various solutions in terms of cost and financial prudence with the use of a financial strategy (Azikiwe, 2020). In addition to being crucial for longer-term planning, a financial strategy offers a strong framework for strategic financial plans for the medium and short term. Each planning horizon makes a different contribution to an organization's efficient financial planning.

2.3.1. Financial benefits

The effects of strategic financial planning is primarily that of increased profitability when it comes to of revenue and expansion of firms with an established strategic planning system, having an important effect on both the development and execution of strategies, according to empirical research and logical analysis (Benefits, Administration and States, 2020).

2.3.2 Enhanced capability of problem prevention

This is probably going to happen as a result of managers being helped in their monitoring and forecasting roles by staff members who are aware of the requirements of strategic planning, as well as promoting and recognizing lower attention to planning matters (Atmadja et al., 2021).

2.3.3 Improved quality of strategic decisions through group interaction

Owing to the particular viewpoints of group members, the process of collaboration for decision-making improves invention of alternative methods and better screening of possibilities (Stewart, 2020. Thus, it is likely that the finest options will be picked and used.

2.3.4 Greater Employee Motivation

A better knowledge of the aims and functioning of the incentive system results from the involvement of employees or their representatives in the creation of the strategy. Additionally, they now have a better understanding of the strategic plan's productivity-reward linkage (Nekhaychuk et al., 2019). Goal-directed behavior will therefore probably follow the rewards.

2.3.5 Reduction resistance to change.

As there is higher awareness of the reasons for selecting a specific option and the limitations to accessible alternatives, the benefit of acceptability of change with minimal resistance is also likely to follow the participatory process of strategy building (Lerner & Nanda, 2020). Resistance and procedures also get rid of the ambiguity that comes with change.

2.4 The influence of strategic planning on organizational prudence

This relates to how the organizations handle their finances and the current financial regulations that control spending. Economic progress, according to Chiaramonte et al. (2022), depends on excellent financial management and practices that are backed by strong governance, superior standards, and reliable regulatory frameworks. The faith that investors place in financial and non-financial information is, in fact, supported by high standards of reporting on finances, auditing, and ethics, which are essential.

Globally consistent and uniform financial systems, according to Atmadja et al. (2021), offer cost savings to industry and improved public safety. No matter where a corporate activity takes place, the public has a right to trust that the same high standards will be followed. It is generally accepted that if investors can rely on financial data based on a same set of guidelines, they will be more ready to diversify their financial assets across borders. A global standard for financial reporting has a number of advantages, including improved investor comparability, increased investor openness to international investments, lower capital costs, more effective resource allocation, and higher economic growth.

Atmadja et al. (2021), claim that different strategic financial planning approaches used by firms vary in nature and how they are applied. Some people, meanwhile, are both dishonest and dishonest. Their capacity to succeed and remain solvent may be hampered by this. However, the majority of NGOs make an effort to continue using the best management techniques in order to draw in eager donors, which in turn increases their capacity to raise money. According to MacLeod, León, and Esquivias (2001), if a company doesn't have effective administrative, financial, and fiscal planning procedures in addition to strategic planning, it doesn't matter if it is a strong fundraiser or generates its own cash. He developed four pillars of financial sustainability to help with that, and the third one was based on sound management and finance. Through this, he made the claim that it is crucial for a business to have both strong financial management and administrative practices. This increases the trust of both individual contributors and donor organizations in the case of NGOs, resulting in their financial prudence.

According to MacLeod, León, and Esquivias (2001), if a company doesn't have effective administrative, financial, and budgetary planning processes in addition to strategic planning, it doesn't matter if it is a strong fundraiser or generates its own cash. He developed four pillars of financial stability to help with that, and the third one was based on sound management and finance. Through this, he made the claim that it is crucial for a business to have both strong financial management and administrative practices. This increases the trust of both individual contributors and donor organizations in the case of NGOs, resulting in their financial prudence. Nekhaychuk et al.'s (2019) research on financial prudence made the case that it is related to financial portfolio. In order to help companies maintain their anticipated revenue, financial portfolios try to allocate their funds for investing in assets whose returns are impacted by economic conditions in various ways. 90% of research on the cost of capital implied that cautious sustainability requirements reduce the cost of capital, according to the study's findings. 80 per cent of studies illustrate that stock price performance of firms is positively affected by good sustainability practices. They point out that including sustainability factors in the process of making is advantageous for investors and company managers. They stress that there is a link between a company's lifespan and performance. In essence, good performing businesses are more likely to continue doing business for a long time.

In a similar vein, Johnson (2019) stated that one of the biggest themes in the financial markets over the years has been sustainability. The writers agree that regardless of an investor's goal for sustainable responsible investment (SRI), the material concentrating on financial prudence remains the same. According to management, establishing a competitive edge over rivals can be accomplished through sustainability (Nurdin et al., 2020). Numerous empirical research have been conducted in an effort to support the existence of the contested relationship between performance and sustainability (Mpango, 2021). In a similar vein, Johnson (2019) stated that one of the biggest themes in the financial markets over the years has been sustainability. The writers agree that regardless of an investor's goal for sustainable responsible investment (SRI), the material concentrating on financial prudence remains the same. According to management, establishing a competitive edge over rivals can be accomplished through sustainability (Nurdin et al., 2020). Numerous empirical research studies have been conducted in an effort to support the existence of the contested relationship between performance and sustainability (Mpango, 2021).

2.5 The influence of strategic financial controls on organizational financial prudence

In order to get input on the actual implementation of internal control as it is now practiced by the accounting profession, Karanth (2018) conducted a study on the internal control documentation from 32 Rhodes Islands State agencies. The study came to the conclusion that the 213 identified control problems could be properly classified using the combined internal control structure. The classification revealed that monitoring had the lowest amount of vulnerabilities and control operations had the greatest proportion of discovered flaws. Another study conducted by Members (2021) on Ethiopian businesses aimed to educate management on the use of robust internal controls to identify and, at the very least, reduce waste of resources and theft while achieving institutional goals. Knowing where there are weaknesses enables the businesses to develop plans to close the gaps. Effective internal controls thereby protect the resources of a company, enabling it to accomplish its goals. This is known to be a prescription for long-term financial restraint.

Different investigations with related goals have shown that there are different kinds of control systems. (Piatti-fünfkirchen, 2018) conducted an empirical study on the necessity of implementing the human resources (HR) management control systems among Romanian enterprises. The researchers concluded that a workable HR control system should have one crucial quality, namely, adaptability to the current HR requirements. The authors note that many multinational corporations have experimented with various systems of accountability while taking sustainable development into account. According to the researchers, a system of oversight works to guarantee that the company is managed efficiently, example by making sure that people are assigned to roles that are appropriate for their abilities and qualifications. According to Disemadi (2019), there are various approaches to designing control and management mechanisms.

The authors employed two empirical research in succession. The first study looked at how management control systems are adopted, while the second study tried to generalize the results in terms of how external factors affect the implementation of management control procedures (Disemadi, 2019). They noted that, despite the possibility of limiting innovation, management control mechanisms may also foster it inside a company. Additionally, it was suggested that managers use management control mechanisms to meet their unique demands. The necessity of concentrating on how executives respond to difficulties as well as external contracting and external party legitimacy of the process are among the requirements. The analysis of management control systems in entrepreneurial companies as a balancing problem by Piatti-fünfkirchen et al. (2018) concentrated on medium-sized firms, which, in his opinion, were an interesting scenario of general tensional demands. The researcher asserted that because official management control mechanisms, such as budgeting and reporting structures, performance measurement systems, and project costing systems, are still widely used, it is difficult for managers of medium-sized businesses to handle sensitive situations. Two medium-sized, expanding businesses, Soft Tel and Family Tech, participated in the study. The researcher conducted interviews with the managers of these businesses to learn more about how they use control mechanisms and what motivates them to accept or reject the systems.

A further investigation by Fosu, Krah, and Obeng (2013) highlights the significance of financial controls in ensuring that Ghana's municipal, and district are consistently solvent and able to meet the needs of the local community. According to the authors, financial controls make sure that expenditure officers in these businesses give their approval for the dedication of funds in the parameters of the approved budget and in accordance with the rules and procedures. The authors also argued that the outlay needed to be approved as a safeguard. They discovered that the district chief executives, finance officers, and internal auditor are in charge of controlling expenditures. Technical training institutes, according to Bamfka (2024), encounter a variety of difficulties with regard to how internal controls affect the institution's performance. Such internal control issues result from issues with liquidity, late financial report preparation, issues with financial resource accountability, and theft of organization resources.

Munene (2013) found that the educational organizations were committed to the systems of control and actively engaged in monitoring and supervising of the activities of the organizations in a further investigation on the influence of internal controls on the financial performance of technical education institutions in Kenya. Notably, the researchers discovered inefficiencies in the internal audit department's performance of its responsibilities to carry out routine audits and report on such audits. The study suggested that the staff in the department of internal auditing be competence profiled. This is in light of the fact that a department's character influences the quality of its production because of the nature of its reporting arrangement. As a result, the basis for long-term financial prudence is a solid system of internal controls with a strong internal audit.

2.6 The influence of strategic financial budgets on organizational financial prudence

According to Yew et al. (2017), a budget process is a planning procedure for a company's operational activities. A budget is also described by (Azikiwe, 2020) as a financial or mathematical declaration that contains the policies and plans that will be implemented within a given accounting period. The budget is a financial plan used to predict future activities and, in some cases, to exert some degree of oversight over those operations. Priorities for budget reform must be both excellent public policy and realistic. According to Olu (2012), the government's budget is an operational plan that details how it will use financial resources to provide services to the population.

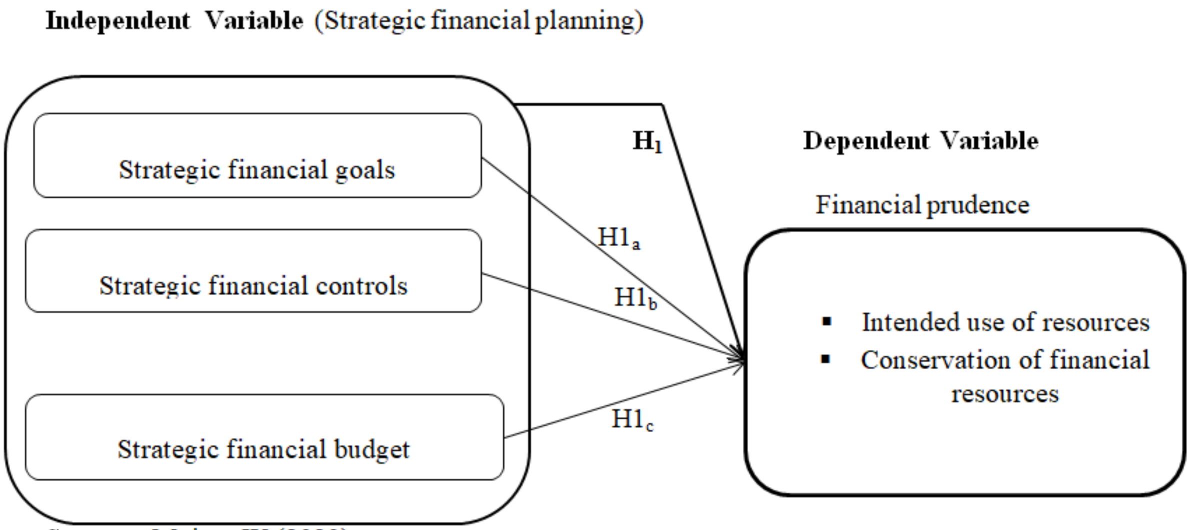
Budgets are crucial financial management instruments used to direct and regulate the operations of sizable and diverse institutions, according to Disemadi (2019). They are employed not only by governments, which is where budgeting originated, but also by other public institutions, businesses, and individual households. A budget is a fundamental management tool. Given the organization's limited financial resources, it specifies which operations and initiatives should be actively pursued, prioritized, or neglected during the relevant period. Maintaining financial discipline, achieving allocation efficiency, and achieving operational or technical effectiveness are the three fundamental goals that any effective budget process must accomplish (Media, 2017). The major objective of budget changes has been to achieve the goal of budgetary responsibility. The role of legislative bodies in budgeting is being expanded, which is a new concern for modern budgetary methods. When it comes to legislative financial management, new duties must be reconciled with both established appropriation procedures and political links to the government. Furthermore, the legislature's new responsibility in budgeting cannot result from the shortcomings of the government. The budget is the result of a protracted process that involved the treasuries and other organizations in the oversight of public finances (Kaplan, 2017).

Joshi (2022); indicates in the research they conducted that there is a correlation between budget planning and budget emphasis and management as well as organizational performance that is favourable. Their research's objective was to investigate the connection between budget planning, budget emphasis, and performance. The study measured budget emphasis, budget planning, and the performance of the organization using a seven-point Likert scale. Additionally, Lerner and Nanda (2020) conducted research to ascertain the connection between Bahraini corporate budget planning, control, and performance evaluation. They employed a questionnaire to gather information from forty businesses that appeared on the Stock Exchange of Bahrain about budget planning, control, and performance. According to the findings of the two research, management effectiveness and budget planning and priority are strongly correlated.

2.7 Conceptual framework & Discussion of hypotheses

2.7.1 Conceptual framework

This study's conceptual framework was developed based on the opinions of several authors. According to Atambo (2016), a conceptual framework is a collection of concepts with a broad definition and systematic organization that serve as a focal point, justification, and tool for the integration and interpretation of information. These concepts are typically expressed abstractly using word models. The relationship between Strategic Financial Planning (an independent variable) and Financial Prudence (a dependent variable), which includes both targeted resource usage and resource saving, is central to this study's conceptual framework.



Source: Mujuru W (2023)

7.2 Discussion of hypotheses

7.2.1 Main hypothesis H1: Strategic financial planning positively influences organizational financial prudence

This hypothesis contends that strategic financial planning has a favorable impact on organizational fiscal responsibility. This study's goal was to find out how ZUPCO's organizational financial prudence was affected by strategic financial planning. No research have yet looked into how strategic financial planning affects organizational financial restraint in the public transportation industry. It was expected that Strategic financial planning has a good impact on company financial prudence in order to achieve the research objective.

7.2.2 Specific research hypotheses

$H1_a$: Strategic financial goals positively influence organizational financial prudence

H1b: Strategic financial controls positively influence organizational financial prudence

$H1_c$: Strategic financial budgets positively influence organizational financial prudence

2.8 Chapter summary

This chapter covered the many theoretical viewpoints held by various academics in relation to the variables being investigated. The definitions of strategic financial planning and financial prudence are also included in this chapter. The researcher read related research on how strategic financial planning affects organizational financial responsibility. The researcher continued by discussing the elements of strategic financial planning put out by many authors. This chapter covered the metrics for both prudent financial management and strategic financial planning. The research methods will be covered in the following chapter.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The researcher read related articles on prudent financial management and strategic financial planning in relation to the preceding chapter. Many academics shared their opinions and concepts that center on the use of strategic financial planning in an effort to address the research topic. The research methodology was the emphasis of the following chapter, which also provided guidelines for conducting research projects. The study's objective was to evaluate how strategic financial planning affects an organization's financial responsibility. The study design, research purpose, target population, sampling, research instruments, research strategy, data collecting, data validity and reliability, and the data analysis and presentation parts make up this chapter's organizational structure.

3.1 Research Philosophy

The study was founded on the positivist school of thought, commonly known as the scientific paradigm. The term positivism was initially used by the French philosopher Auguste Comte, who thought that science could be used to observe and confirm reality. According to Chepkorir (2017), Comet's position was to lead to a general positivist theory that maintained that all true knowledge is founded on sense experience and can only be advanced by observation and experiment. According to positivism, a scientist's or researcher's role is that of an observer of an objective reality. This understanding of ontology led to the adoption of the observational technique in natural science for social science research.

In this paradigm, research is done to support or refute a hypothesis. This was crucial to the study since it used hypotheses to assess the application of specific constructs, or its study variables. The scientific method of enquiry and the use of statistical analysis to interpret and generalize the results are also stressed in positivist research. The study's conclusion needed to be generalizable because it wasn't a case study and had to include all public universities in the nation..

A population is the entire set of study objects from which data is to be gathered. The target population is the collection of people with comparable goals (Saunders, 2019). The population to whom the study's results are extrapolated is referred to as the target population. This study's target demographic was based on four ZUPCO depots in the Harare and Chitungwiza region..

The study's methodology was deductive, which creates hypotheses based on theoretical presumptions and evaluates them in light of empirical data. This research strategy examines the possibility of theoretical claims being refuted by comparing their anticipated outcomes to actual observations (Creswell, 2016). The basic paradigm of this subject is deductive research, which establishes a quantitative paradigm to provide quantitative evidence for all empirical inquiries. With the use of this study methodology, it is simpler to analyze data using statistical methods, and qualitative methods were added to collect more information from the executive management. According to Saunders (2019), quantitative research is a type of study that aims to find conclusive evidence, is based on a sizable representative sample, and also provides statistical analysis.

To get the necessary data for a complete and trustworthy understanding of the research topic, this study used both quantitative and qualitative methodologies. According to Saunders, the combined use of quantitative and qualitative methodologies employs a variety of research techniques with a broad theoretical and scientific perspective. A positivist research philosophy known as deductive research tries to establish hypotheses that are empirically tested (Baker and Persson, 2022). According to Sanders, Lewis, and Thornhill (2019), academics who adhere to the positivistic ideology make an effort to be impartial and independent in order to be objective. They don't want to be influenced by or have any influence over the things they study. The researcher chose a deductive research design for this study since it is objective rather than subjective in character.

3.2 Target Population

According to Saunders et al. (2019), a population is a group about which a researcher is interested in learning more so that generalizations and inferences can be made in the future. Given that questionnaires and interviews are dispersed among the population in order to get the necessary data for analysis, the population offers a strong foundation and first base upon which to construct population validity of the study. Four Harare ZUPCO Depots in Belvedere, Chitungwiza, Gleneagles, and Willowvale make up the population for this study. According to Creswell (2016), a target population is a collection of instances from which a sample is taken. As illustrated in Table 3.1 below, the target group for this study includes drivers, conductors, mechanics, supervisors, administrative personnel, fleet, and managers.

Table 1 Target Population

No.	**Category**	**Target Population**				
		Belvedere	**Gleneagles**	**Chitungwiza**	**Willowvale**	**Total**
1	Drivers	15	15	15	15	**60**
2	Conductors	15	15	15	15	**60**
3	Mechanics	3	3	3	3	**12**
4	Supervisors	3	3	3	3	**12**
5	Admin Staff	3	3	3	3	**12**
6	Managers	1	1	1	1	**4**
	Total	**40**	**40**	**40**	**40**	**160**

3.3.1 Justification of the target population

The target population for this study consisted of a total of 160 research elements from the four Harare ZUPCO Depots in Belvedere, Chitungwiza, Gleneagles, and Willowvale. The entire depot staff is being targeted because they all fit the ZUPCO's definition of strategic financial planning vision officers, and as a result, they either participate in institutional-level strategic planning or financial prudence budgeting decisions or both. The researcher also focused on pressure groups for the transportation industry and employee committees because they are in charge of promoting budgetary governance principles in accordance with the cycle of financial management for the transportation industry that was mentioned earlier in chapter 2. As a result, they have extensive knowledge of budgeting and financial management concepts.

3.4 Sampling method & Sample Size

To choose respondents from the target demographic for the study, stratified random sampling was used. Compared to the whole population, stratified sampling separates the population into smaller, more homogeneous subpopulations. Choosing study samples from that stratum enables more precise inferences to be drawn about the sub-population or stratum. Based on the researcher's prior knowledge and professional opinion, the strata are purposefully built. Then, data are chosen by simple random sampling from each stratum (Saunders et al., 2019). A sample of 68 participants was chosen from the 160 participants in the population. From the population of 16 individuals, the researcher calculated the sample size using a proportion of 68.

No.	Category	Population	Proportion	Sample size	Percentage
1	Drivers	60	60/160x68	25	42
2	Conductors	60	60/160x68	25	42

3	Mechanics	12	12/160x68	5	43
4	Supervisors	12	12/160x68	5	43
5	Admin Staff	12	12/160x68	5	43
6	Managers	4	12/160x68	3	75
	Total	160	160/160x68	68	43

Since all ZUPCO Harare Depots were included in the study and served as the basis for the analysis, there was no need to sample them because there were only 4 Depots in the population. To achieve the greatest possible variance in the responses from the ZUPCO employees, however, basic random sampling techniques had to be introduced because it was crucial that the study obtain data from specific individuals in the ZUPCO Depots. Four people were therefore anticipated to respond to the instruments in each department, given the sample size that was selected.

The researcher used the straightforward random technique in the ZUPCO departments, where staff members were randomly chosen and given the surveys in order to get this number per Depot. This approach was used to avoid bias in the sampling and ensure that all members of the departments had an equal opportunity to take part in the study. Every component of the population has an equal chance of being chosen for the sample using the probability sampling technique known as random sampling.

3.5 Research Instrument

For the purpose of gathering primary data from the sampled respondents, the study used a semi-structured questionnaire. This kind of questionnaire gives respondents a comprehensive overview of the information that will be gathered while yet allowing them to formulate their responses as naturally as possible (Saunders et al., 2019). (Thonhill 2019) asserts that a questionnaire is the best method for gathering primary data from a sample of participants in survey research, which was the case with the current study. The survey was designed to collect demographic data from the respondents as well as information relevant to the study variables (budgeting practices, financial forecasting practices, financing decision practices, internal control practices, and sustainable financial prudence in Zimbabwe's public universities). A 5-point Likert scale with integers 1 to 5 denoting the levels of agreement from strongly disagree to strongly agree was used for factors pertaining to the study constructs. On the other hand, the secondary data came from the examination of the financial records of the individual depots under consideration.

3.5.1 Questionnaire

For the purpose of gathering primary data from the sampled respondents, the study used a semi-structured questionnaire. This kind of questionnaire gives respondents a comprehensive overview of the information that will be gathered while yet allowing them to formulate their responses as naturally as possible (Saunders and Thornhill, 2019). In survey research, as was the case with the current study, a questionnaire is the most suitable technique for gathering primary data from sampled respondents. The questionnaire was designed to collect demographic data from respondents as well as information relevant to the study variables (income-generating activities, internal control mechanisms, management support, credit controls, external borrowing, and financial conservatism in ZUPCO). A 5-point Likert scale with integers 1 to 5 denoting the levels of agreement from strongly disagree to strongly agree was used for factors pertaining to the study constructs.

Justification of structured questionnaire

According to Saunders (2019), the purpose of questionnaires is to convert the necessary data into a series of questions that respondents can respond to, motivate respondents to participate, cooperate, and complete the task, and reduce response errors that result from respondents providing inaccurate answers. This method is suitable for conducting research on sizable samples, such as when conducting surveys or case studies.

3.5.2 Interviews

In addition to using questionnaires, interviews were used in this study to collect data and ensure that the information about ZUPCO's budgeting and financial management was valid and credible. Since the study is quantitative in nature, the researcher used in-depth, structured personal interviews. To check the accuracy of the data gathered through questionnaires at the depot level, the researcher conducted interviews with the accountants and auditors at ZUPCO depots located throughout Harare Province and districts. This is due to the fact that these specialized individuals are in charge of reviewing school budgeting documents, raising concerns about financial management, and advising the transport director regarding the district and provincial approval of school fees.

Justification of interviews

The target audience is made up of public employees who value the secrecy of sensitive information; therefore, the interview provided a platform for the researcher to provide reassurance that the material is ethically protected and only used for academic purposes. Personal interviews encouraged responders because they demonstrated dedication and clarified the research topic when necessary to enable correct data collection.

3.6 Data collection procedures

The following phase involved gathering the necessary information from the sampled respondents after the validity and reliability of the research instrument had been established. The initial step in a statistical analysis is data collecting. Data is accessible from already published or unpublished literature. The researcher may also gather original data or information from first-hand sources.

Primary data collecting is one of the hardest and most crucial jobs a researcher must complete, hence it must be done with extreme care to enable accurate conclusions (Gupta & Gupta, 2008). Before starting the data gathering process, the required authorization was requested. The researcher asked the Great Zimbabwe University (GZU) for both a study permission and an authorisation letter. This was followed by requesting permission from the appropriate ZUPCO Director of Operations where the study's head office is located. The top administrators of the public universities whose staff members would be participating in the study were also asked for their permission by the researcher. The surveys were then personally given out to each respondent by the researcher. In most cases, the first people to be contacted were the respective departmental heads in the respective public universities. The aim was to distribute the questionnaire to each of them and in the process notify them that data was being collected from the staff in their departments.

3.7 Data analysis Procedures

Data was first cleansed to remove inconsistencies before being coded and entered into the computer application. By using descriptive measures including frequency distribution, percentages, inferential statistics, mean and standard deviations, the data were collated, categorized, and summarized. The results were presented using tables and graphs. To determine the association between the variables, a regression model was used. Data was coded and analyzed using the Statistical Package for Social Science (SPSS Version 21) tool to achieve this.

3.7.1 Multiple Linear regression

The study used a multiple regression model to determine the relationship between strategic financial planning and the financial prudence of ZUPCO.

The multiple regression model was in the form: $Y=\beta 0+ \beta 1X1+ \beta 2X2+ \beta 3X3+ \beta 4X4+ \varepsilon$

Where:

Y = Strategic financial planning measured by Financial Prudence

ß0 = Constant

ß1…ß4= Coefficient of the independent variable

X1 = Cash budget management Practices (measured using a 5 point Likert Scale)

X2 = Financial forecasting practices (measured using a 5 point Likert Scale)

X3 = Financing decision practices (measured using a 5 point Likert Scale)

X4 = Internal control practices (Financial control)

Ɛ = error term

3.7.2 Test of significance

Using the analysis of variance, the regression model's relevance in illuminating the connection between strategic financial planning and financial success was evaluated. Both the 99% and 95% confidence levels were used for this. To confirm the accuracy of the data gathered, F-tests and t-tests were also evaluated. The application of the coefficient of correlation and determination allowed for the determination of the strength and type of direction between the dependent and independent variables. The study used a descriptive research approach, and correlation analysis was used to ascertain how the study's variables related to one another.

3.8 Delimitations

Delimitations are the boundaries or parameters of a study that are decided upon by the researcher (Shallow, 2017). The study is only focused on Zimbabwe's ZUPCO depots in Harare and Chitungwiza. The physical delimitation of the study is at CMED Pvt Limited, Belvedere, Herbert Chitepo & Rekai Tangwena, Harare. Drivers, conductors, mechanics, supervisors, administrative employees, fleet, and managers make up the study's target group. The conceptual and chronological constraints of the study are the company's financial prudence from 2016 to 2023 and strategic financial planning. A collection of independent and dependent variables served as the study's guiding principles. Budgeting procedures, financial forecasting practices, and financing decision practices made up the independent variables in strategic financial planning. These are used in the formulation of research objectives and questions that aim to ascertain the relationship between setting strategic goals and financial prudence, the relationship between setting strategic financial controls and organizational prudence, and the relationship between setting strategic financial budgets and organizational prudence. On the other hand, ZUPCO's financial prudence, which included institutional stability, financial control, infrastructure performance, and service delivery, was the dependent variable. The Financial Management Theory and Budgetary Control Theory serve as the theoretical delineators.

3.9 Reliability and Validity

3.9.2 Reliability of the Questionnaire

The ability of the research tool to produce consistent results when used on various respondents is referred to as reliability. The split-half method of reliability was used in the study, and Cronbach alpha was used to get the reliability coefficient. The reliability index is computed using the split-half reliability method after one test has been administered. This approach was chosen because, according to the argument (Atmadja et al., 2021) it produces reliable internal consistency results and is the most popular and recommended reliability test. After the instrument reached the alpha threshold of 0.77, as stated in Table 2 in Chapter IV, it was determined to be dependable.

Table 3.2's findings demonstrate the questionnaire's strong reliability for the study, as evidenced by its alpha value, which is significantly higher than the suggested value of 0.708 (era et al., 2021). The instrument was administered after being carefully checked for any omissions or punctuation problems because the Cronbach Alpha coefficient was very high, indicating that the instrument did not need to be significantly revised.

3.9.3 Validity of the Instrument

The study also evaluated the instrument's content validity. According to Lind et al. (2020), validity is defined as the degree to which the interpretations of the results of a particular test are supported. This is dependent upon the precise reason for which the test is intended. An instrument is considered valid if it achieves its goal of measurement. When items are generated to operationalize a variable, content validity assesses how effectively they give a suitable representative sample of all the items that most likely measure the relevant construct. It was evaluated with the help of the designated supervisors. This kind of validity, according to Atmadja et al. (2021), cannot be established statistically. This kind of validity, according to Atmadja et al. (2021), cannot be established statistically. The instrument was modified after talking with the designated supervisors in order to take into account the comments given before it was used to gather the necessary data.

3.10 Pilot Testing

Pilot testing is done to ensure that the study questionnaire, which serves as the instrument of measurement, is accurate. Before being utilized to gather data for the final study, the research tool (questionnaire) underwent a pilot test to ascertain its validity and reliability. A set of the questionnaires were sent to two depot staff members selected from Belvedere, Gleneagles, and Willowvale for the pilot test. As advised by (Saunders, 2019), the pilot group comprised 10% of both the accessible population and the target population. The respondents were chosen from a variety of departments that weren't the study's target audience, so they weren't included in the actual study.

3.11 Chapter Summary

This chapter outlined the justification for the data collection methodologies and research methods used. The following chapter will show, analyze, and discuss the data that was gathered using the research instruments.

CHAPTER IV

DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS

4.0 Introduction

Four sections make up this chapter's presentation of the data analysis and findings. The response rate is the topic of the first part. The research variables are discussed in the second section's descriptive statistics, and the third section's inferential statistics are discussed in relation to the function of strategic financial planning in accomplishing ZUPCO's corporate strategic goals. The fourth and final component examines regression analysis in relation to the necessary financial resources for the strategic financial plan. about ZUPCO. The final component looked into the best financial resources that would be needed for a strategic financial plan. The Statistical Package for Social Sciences (SPSS) Version 21 software was used to analyze all quantitative data. Following the aforementioned preliminary findings are conclusions and interpretations of the study's goals. The latter are displayed as descriptive statistics and inferential statistics, respectively.

4.1 Response rate

Table 2 Response Rate

Questionnaire Response Rate		Frequency	Percent	Cumulative Percent
	Returned	52	76.5	76.5

Response Validity	Unreturned	16	23.5	100.0
Total		68	100	

Source: Research data (2023)

According to Table 4.1, the study's response rate was 52/68, or 76.5%, while the unresponse rate was 16/68, or 23.5%, which is a high enough number to support the findings of the study. Survey researchers encounter a hurdle when the response rate falls below 50%, per (Yang et al., 2020). Since a result, they recommended that a response rate of at least 50% be considered satisfactory, since it obtained an 82% response rate.

4.3 Background information

4.3.1 Age respondents

This section sought to determine the age of the respondents. This was used a measure of experience and maturity. The findings obtained are shown below the Table 3.

Table 3 Age respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years	5	9.6	9.6	9.6
	25-35 years	23	44.2	44.2	53.8
	36-45 years	14	26.9	26.9	80.8

	Above 45 years	10	19.2	19.2	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

According to Table 3, 44.2% of respondents were between the ages of 25 and 35, 26.9% were between the ages of 36 and 45, 19.2% were over 45, and only 9.6% were under 25. This suggests that the bulk of respondents (90.4%) were over the age of 25, making them better able to provide accurate and trustworthy information.

4.3.2 Gender of the respondents

This section aimed at establishing the gender of the respondents. This was used to determine the gender balance and diversity among the respondents for the study.

Table 4 Gender respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	32	61.5	61.5	61.5
	Female	20	38.5	38.5	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

Table 4's statistics indicate that 61.5% of the respondents were men and 38.5% were women. This demonstrates that both genders were equally represented, excluding any possibility of bias in the results.

4.3.3 Level of education of the respondents

This section sought to determine the academic background of the respondents based on the highest level of education. The findings obtained are shown by Figure 4.1.

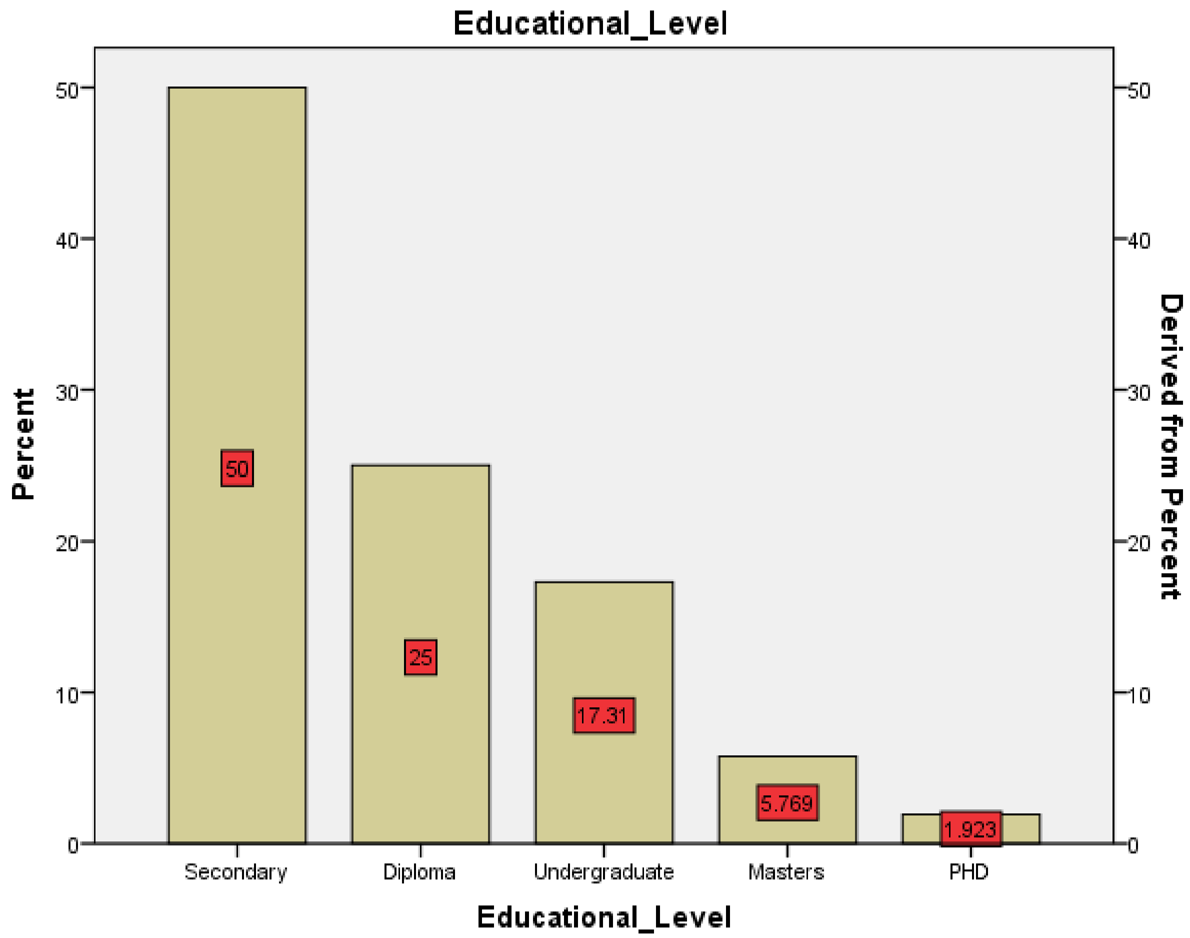


Figure 1. Respondent's Level of Education

Source: Research primary data (2023)

According to the data, 50% of people had secondary certificates, 25% had attained certificate or diploma levels, 17% were undergraduate students, just 6% had attained a Master's degree, and 2% had a PhD. This demonstrates that the respondents were knowledgeable about the study issue and well-educated, making them qualified for their respective jobs in the firms.

4.3.4 Work experience

This section aimed at establishing the respondents work experience at ZUPCO. The findings obtained are shown by the below Table 5 below.

Table 5 Work experience of the respondents

Work experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5 years	21	40.4	40.4	40.4
	5-10 years	22	42.3	42.3	82.7
	11-15 years	7	13.5	13.5	96.2
	Above 15 years	2	3.8	3.8	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

According to the results, 40.4% of respondents had less than five years of experience, 13.5% had between eleven and fifteen years, and 3.8% had more than fifteen years of experience at ZUPCO. This suggests that the majority of respondents were directly in charge of managing ZUPCO's daily operations, and as a result, they were educated about and completely aware of the company's strategic financial planning procedures.

4.4 The role of strategic planning

A descriptive statistic of 52 respondents is shown in the table below regarding the influence of strategic financial planning on financial prudence. The SPSS data were used to extract the mean, mode, standard deviation, skewness, and kurtosis.

Table 6 Statistical summary of the role of strategic planning

Variable	N	Mean	Median	Mode	Std. Deviation	Skewness	Kurtosis
Cash budgeting	52	4.231	4	4	0.546	0.102	-0.16
Liquidity	52	4.731	5	5	0.448	-1.072	-0.887
Internal Control systems	52	4.635	5	5	0.486	-0.576	-1.737
Financial performance	52	4.519	5	5	0.779	-2.004	4.213

Source: Research primary data (2023)

The information in Table 6 above goes beyond just the mean and standard deviation, and it may be used to calculate skew and spot outliers. The command's unique characteristic of being able to calculate percentile ranks. The data revealed that the majority of respondents agreed with the statement that strategic financial planning influences financial prudence among ZUPCO, with a mean of between 4 and 5 (Agree- to strongly agree). As the standard deviation increases, there is more variety, as seen by values of 0.54648, 0.44789, 0.48624, and 0.77940. Given that Skewness is less than zero, which denotes a minor negative skew, the distribution is slightly negatively skewed. A little negatively skewed distribution is also obvious from the fact that the mean is lower than the median. Skewness 0 denotes the absence of skew. Values that are positive denote positive skew. According to SPSS version 2021, kurtosis is equal to -0.160, 0-.887, 0-1.737, and 4.213, indicating that observations are less likely to cluster around a central point and that the distribution has relatively thin tails. The findings also suggested that key elements crucial to effective strategic financial planning are cash budgeting, liquidity, internal control systems, and financial performance.

4.4.1 Cash budgeting

Results on the impact of cash budgeting on ZUPCO's strategic financial prudence are shown in the table below. The table below provides a summary of the data on the significance of cash budgeting to the company's strategic financial planning.

Table 7 Cash budgeting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	indifferent	3	5.8	5.8	5.8
	agree	34	65.4	65.4	71.2
	strongly agree	15	28.8	28.8	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

Of the respondents, 65.4% said they agreed with the statement that cash budgeting is crucial to their company's strategic financial planning, 28.8% strongly agreed, and 5.8% were undecided. Cash budgeting is crucial to the firm's financial prudence. This suggests that cash budgeting plays a crucial role in establishing the strategic financial planning of businesses in the transportation sector at ZUPCO.

4.4.2 Liquidity

Results on the significance of liquidity to ZUPCO's strategic financial planning are shown in the table below. The table below provides a summary of the data on the significance of liquidity to the company's strategic financial planning.

Table 8 Liquidity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	agree	14	26.9	26.9	26.9
	strongly agree	38	73.1	73.1	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

Of the 73.1% of respondents who responded, 26.9% strongly agree with the statement that the strategic financial planning of their company depends heavily on liquidity. This suggests that liquidity is a key consideration in the strategic financial planning of businesses in the transport sector at ZUPCO.

4.2.3 Internal control systems

Results on the impact of internal control systems on ZUPCO's strategic financial prudence are shown in the table below. The table below provides a summary of the data on the significance of internal control systems to the company's strategic financial planning.

Table 9 Internal control systems

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	agree	19	36.5	36.5	36.5
	strongly agree	33	63.5	63.5	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

According to the data in table 9 above, 63.5% strongly agree and 36.5% agree that internal control systems are crucial to their company's strategic financial planning and to its financial responsibility. This suggests that internal control systems are a critical component of strategic financial planning for businesses in the transportation sector at ZUPCO.

4.4.4 Financial Planning strategies

Results on the impact of financial planning tactics on ZUPCO's financial prudence are shown in the table below. The table 10 below provides a summary of the data on this variable.

Table 10 Financial prudence strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	5.8	5.8	5.8
	agree	16	30.8	30.8	36.5
	strongly agree	33	63.5	63.5	100.0
	Total	52	100.0	100.0	

Source: Research primary data (2023)

Of the 63.5% of respondents who said they strongly agreed with the statement that strategic financial strategies are important for the firm's financial prudence, 30.8% of respondents also agreed, while 5.8% of respondents were neutral. This suggests that financial prudence techniques play a significant role in assessing the sector industry at ZUPCO's level of financial prudence.

4.5 The influence of strategic goal determination on financial prudence

The table below provides descriptive statistics for 52 respondents regarding the impact of setting strategic goals on financial responsibility. The SPSS data was used to extract the mean, mode, standard deviation, skewness, and kurtosis. The ensuing inquiries were addressed:

There is a credit control policy outlining the procedure for customer assessment, credit terms and debt collection *(1) The prospective credit customers are assessed using established criteria, (2) There are clear terms of credit specifying payment-due dates and penalties for default, (3) Ageing of debtor's schedule is analyzed to assess the risk of non-collection of existing debt, (4) The revenue section prepare timely reconciliations and follows up to ensure that customer pay invoices on time.*

Table 11 The influence of strategic goal determination on financial prudence

Variable	N	Mean	Median	Mode	Std. Deviation	Skewness
Credit control policy for debt collection	52	3.4423	4	5	1.4473	-0.506

Prospective credit customers assessed with established criteria	52	4.2115	4	4	0.7232	-0.993
Clear credit terms due dates and default penalties	52	4.6346	5	5	0.4862	-0.576
Ageing debtors analyzed to assess non collection risk	52	4.7885	5	5	0.6367	-4.535
Revenue section prepare timely reconciliations	52	4.3846	4	4	0.4913	0.489

Source: Research primary data (2023)

In addition to offering more details than just a mean and standard deviation, Table 11 above can also be used to calculate skew and spot outliers. The command's unique characteristic of being able to calculate percentile ranks. The results revealed that the majority of respondents agreed with the statement that strategic financial planning influences financial prudence at ZUPCO, with a mean and median of between 4 and 5 (Agree- to strongly agree). Increased variability is indicated by standard deviations of 1.44729, 0.72319, 0.48624, 0.63667, and 0.49125. Given that Skewness is less than zero, which denotes a minor negative skew, the distribution is slightly negatively skewed. A little negatively skewed distribution is also obvious from the fact that the mean is lower than the median. Skewness 0 denotes the absence of skew. Values that are positive denote positive skew. According to SPSS version 2021, kurtosis is equal to -0.160, 0-.887, 0-1.737, and 4.213, indicating that observations are less likely to cluster around a central point and that the distribution has relatively thin tails. Further findings included a credit control policy for debt collection, prospective credit customers' evaluation using predetermined criteria, clear credit terms, due dates, and default penalties, an analysis of aging debtors to determine non-collection risk, and timely preparation of reconciliations by the revenue section.

4.5 Inferential statistical analysis

4.5.1.1 Association between strategic goal and organizational financial prudence

To determine the relationship between two or more sets of variables—the influence of setting strategic goals and financial responsibility—correlation analysis was utilized. It also shows the direction and strength of the association between the variables that were put to the test. One of the most often used statistical methods to determine the link between various variables was the Pearson's coefficient of correlation, which was used in this study. The correlation between the variables acquired by the study is shown in Table 12.

Table 12 Correlation analysis influence of strategic goal determination and FP

Correlations

		Prospective credit customers assessed with established criteria	Clear credit terms due dates and default penalties	Ageing debtors analyzed to assess non collection risk	Revenue section prepare timely reconciliations
Prospective credit customers	Pearson Correlation	1	.503**	.312*	.098
	Sig. (2-tailed)		.000	.024	.491

assessed with established criteria	N	52	52	52	52
Clear credit terms due dates and default penalties	Pearson Correlation	.503**	1	.442**	.600**
	Sig. (2-tailed)	.000		.001	.000
	N	52	52	52	52
Ageing debtors analyzed to assess non collection risk	Pearson Correlation	.312*	.442**	1	.265
	Sig. (2-tailed)	.024	.001		.057
	N	52	52	52	52
Revenue section prepare timely reconciliations	Pearson Correlation	.098	.600**	.265	1
	Sig. (2-tailed)	.491	.000	.057	
	N	52	52	52	52

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Research primary data (2023)

According to the findings in Table 12 above, potential credit customers who were evaluated using predetermined criteria were substantially correlated with explicit credit terms, including due dates and default penalties (r=0.503 and p value 0.05). Improved clear credit terms, due dates, and default penalties were expected to arise from improved prospective credit consumers evaluated using specified criteria. On the other hand, the study also found that ageing debtors examined to determine non-collection risk had a slight correlation (r= 0.312 and p value 0.05) with future credit customers assessed using established criteria. Prospective credit customers evaluated according to predetermined standards have a good correlation (r= 0.98 and p > 0.491) with the revenue section's prompt reconciliation preparation.

4.5.1.2 The influence of strategic goal determination on financial prudence

Regression analysis was carried out to determine the impact of strategic financial planning on the performance of devolved ZUPCO treasuries. The summary of the model findings from the regression are presented in Table 6.

Table 13 Regression of influence of strategic goal determination on financial prudence

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893[a]	.798	.776	.36908

a. Predictors: (Constant), Revenue section prepare timely reconciliations, Prospective credit customers assessed with established criteria, Ageing debtors analyzed to assess non collection risk, Credit control policy for debt collection, Clear credit terms due dates and default penalties

Source: Research primary data (2023)

The value of R in Table 13 is 0.893, which is read as 89.3%, suggesting that ZUPCO's financial prudence and the influence of strategic objective determination are significantly correlated. With a focus on the top 100 SMEs in Kenya, Yew et al. (2017) conducted a study to determine how strategic financial goals determination affect financial prudence and found that strategic financial planning had a less significant impact on SMEs' financial prudence. Given that the R square value is 0.776, the financial prudence procedures that are in place can account for a shift of 777.6% in ZUPCO's strategic goal determination. To ascertain the overall significance of the model, an analysis of variance was also performed at a 5% level of significance. Table 14 presents regression results.

Table 14 ANOVA test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.715	5	4.943	36.287	.000[b]
	Residual	6.266	46	.136		
	Total	30.981	51			

a. Dependent Variable: Financial prudence

b. Predictors: (Constant), Revenue section prepare timely reconciliations, Prospective credit customers assessed with established criteria, Ageing debtors analyzed to assess non collection risk, Credit control policy for debt collection, Clear credit terms due dates and default penalties

Source: Research primary data (2023)

The results of Table 14's F value calculation show that the study's overall model was extremely significant, with a F value of 36.287. reported that the p-value was reported as 0.000, which is less than 0.05, it can be concluded that deciding on strategic goals has a substantial impact on the financial prudence of ZUPCO Transport's operations. In line with these conclusions, Addo (2017) conducted research to determine the impact of strategic financial planning on the performance of Sri Lanka's transport sector. The study's findings showed that there are significant variations in how different transport players apply strategic financial planning. According to Chepkorir's (2017) estimation of the effect of strategic financial planning on organizational performance in the corporate sector, there is a significant correlation between organizational financial prudence and strategic financial planning practices in the corporate sector of Pakistan.

The study's variables' beta coefficients and p-values indicating their significance were calculated and summarized as shown in Table 15.

Table 15 Regression Beta Coefficients and Significance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.368	.585		-4.048	.000
	Credit control policy for debt collection	.091	.040	.169	2.266	.028
	Prospective credit customers assessed with established criteria	.364	.089	.338	4.102	.000
	Clear credit terms due dates and default penalties	.778	.168	.486	4.630	.000
	Ageing debtors analyzed to assess non collection risk	.230	.091	.188	2.524	.015
	Revenue section prepare timely reconciliations	.076	.142	.048	.532	.597

a. Dependent Variable: Financial prudence

Source: Research primary data (2023)

The main goal of this study was to ascertain the connection between ZUPCO Transport Company's financial responsibility and its strategic financial planning procedures. The results in Table 15 demonstrate that the ZUPCO's financial prudence would be at -2.368 with a p-value of less than 0.05 if strategic financial planning were held constant. In line with these ideas, Sabri, Wijekoon, and Rahim's (2020) research found that small and medium-sized businesses apply strategic financial planning very differently from one another. According to Muthama and Warui (2021), there is a considerable correlation between organizational success and strategic financial planning in the business sector of India.

Table 4.15's model coefficients show that the credit control policy for debt collection had a coefficient of 0.091, the prospective credit customers' assessment using established criteria had a coefficient of 0.364, the clear credit terms due dates and default penalties had a coefficient of 0.778, the analysis of aging debtors to determine non-collection risk had a coefficient of 0.230, and the revenue section's preparation of timely reconciliations had a coefficient of 0.076. This suggests that, based on the positive coefficients of the variables, all of them had a good impact on the strategic financial planning, with timely revenue section preparation of reconciliations having the least impact and clear loan terms having the greatest. Because the models' p-values were less than 0.5, they were also significant at the 95% level of confidence. The constant was also significant with a coefficient of -2.368 and a p-value of 0.000.

The predictive model thus developed was

$$Y=-2.368+ 0.091X_1+ 0.364X_2+ 0.778X_3+ 0.230X_4+0.076X_5$$

Where: Y= Financial Prudence, X_1= Credit control policy for debt collection, X_2= Prospective credit customers assessed with established criteria, X_3= Clear credit terms due dates and default penalties, X_4= Ageing debtors analyzed to assess non collection risk, X_5= Revenue section prepare timely reconciliations

The first study question aimed to determine how ZUPCO's financial responsibility was improved by its credit management program for debt collection. A unit change in credit control policy for debt collection was demonstrated to result in a 0.091-unit increase in financial prudence at ZUPCO when all other variables are held constant. At 5%, it was demonstrated that the p-value (p0.05) indicated that ZUPCO's financial prudence had been greatly improved by its credit control approach for debt collection. These findings are consistent with those of Chepkorir (2017), who conducted research on the impact of credit control systems on firms' financial prudence and discovered a significant positive relationship between credit control policy and financial prudence, but only when success is measured in terms of income

The other research question aimed to determine what impact timely reconciliations from the revenue division had on ZUPCO's financial prudence. The findings demonstrated that, while all other variables are held constant, a unit change in budget control procedures would result in an increase of 0.076 units in ZUPCO's financial prudence. However, because of its p-value ($p>0.05$), the revenue section's prompt preparation of reconciliations had no appreciable impact on ZUPCO's financial prudence. According to Iffah et al. (2015), there is a substantial correlation between the performance of Kenya's top 100 SMEs and their cash budget management techniques. Maritim (2013) observed that budgetary sophistication, budget involvement, and budget planning were widespread practices in Kenyan industrial and commercial parastatals and were prepared by the revenue section in a timely manner.

4.6 The influence of strategic financial budgets on financial prudence

A descriptive statistic of 52 respondents is shown in the table below regarding the influence of strategic financial planning on financial prudence. The SPSS data were used to extract the mean, mode, standard deviation, skewness, and kurtosis. The following issues were covered: how budget ceilings might encourage financial restraint, how inadequate budget funding can limit flexibility in budget execution, and how much stakeholder input is received during budgeting operations.

table 16 the suitable measures of strategic financial planning statistics

Statistics

		Budget ceilings can lead to financial prudence	Budgets that are insufficiently funded	Rigid Internal Controls Limit Flexibility in Budget Execution	The more stakeholder involvement in budgeting activities met
N	Valid	52	52	52	52
	Missing	0	0	0	0
Mean		1.2308	1.7308	4.3462	4.1154
Median		1.0000	2.0000	5.0000	4.0000
Mode		1.00	2.00	5.00	4.00
Std. Deviation		.42544	.44789	1.08256	.42720
Variance		.181	.201	1.172	.183
Skewness		1.316	-1.072	-2.286	.706
Std. Error of Skewness		.330	.330	.330	.330
Kurtosis		-.280	-.887	4.961	2.114
Std. Error of Kurtosis		.650	.650	.650	.650

Source: Research primary data (2023)

The information in Table 16 above goes beyond just the mean and standard deviation and can be used to calculate skew and spot outliers. The command's unique characteristic of being able to calculate percentile ranks. The more stakeholders involved in budgeting activities are met, the more likely it is that the mean and median will fall between (1 and 2=strongly disagree and disagree) for Budget Ceilings, 4 and 5 (Agree- to strongly agree) for Budgets that are Insufficiently Funded, and Rigid

Internal Controls Limit Flexibility in Budget Execution. According to the data, the majority of respondents agreed that ZUPCO had implemented appropriate strategic financial planning strategies. As the standard deviation increases, there is more variety, as seen by 0.42544, 0.44789, 1.08256, and 0.42720.

Given that Skewness is less than zero, which denotes a minor negative skew, the distribution is slightly negatively skewed. A little negatively skewed distribution is also obvious from the fact that the mean is lower than the median. Skewness 0 denotes the absence of skew. Values that are positive denote positive skew. According to SPSS version 2021, kurtosis is equivalent to 1.316, -1.072, -2.286, and 0.706, indicating that observations are less concentrated around a central point and that the distribution has relatively thin tails. Further findings showed that enhanced stakeholder involvement in budgeting activities and rigid internal controls that limit flexibility in budget execution were appropriate strategic financial planning methods.

4.6.1 Correlations analysis of influence of strategic financial budgets on financial prudence

The association between two or more sets of variables that were appropriate measurements of strategic financial budgets and financial prudence was discovered using correlation analysis. It also shows the direction and strength of the association between the variables that were put to the test. One of the most often used statistical methods to determine the link between various variables was the Pearson's coefficient of correlation, which was used in this study. The correlation between the variables acquired by the study is shown in Table 17.

Table 17 Correlations analysis of strategic financial budgets

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673[a]	.453	.406	.60055

a. Predictors: (Constant), The more stakeholder involvement in budgeting activities met, Budgets that are insufficiently funded, Budget ceilings can lead to financial prudence, Rigid Internal Controls Limit Flexibility in Budget Execution

Results from Table 17 above showed that financial prudence and appropriate indicators of strategic financial planning were substantially correlated (r=0.673 and p value 0.60055). Implicitly, improved budgets with inadequate funding were anticipated to result from increased stakeholder participation in budgeting activities.

4.6.2 Regression of influence of strategic goal determination on financial prudence

In order to establish the effect of strategic financial planning on performance of devolved ZUPCO treasuries, regression analysis was conducted. Table 6 gives the findings of the model summary of the regression.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.030	4	3.507	9.725	.000[b]

Residual	16.951	47	.361		
Total	30.981	51			

a. Dependent Variable: Financial prudence

b. Predictors: (Constant), The more stakeholder involvement in budgeting activities met, Budgets that are insufficiently funded, Budget ceilings can lead to financial prudence, Rigid Internal Controls Limit Flexibility in Budget Execution

The results of Table 14's F value calculation show that the study's overall model was fairly significant with a F value of 9.725. It can be deduced that the strategic objective determination's influence on financial prudence has a considerable impact on the financial prudence of ZUPCO Transport Business given that the p-value was given as 0.000, which is less than 0.05. In line with these conclusions, Surendar and Sarma (2017) conducted research to determine the impact of strategic goal determination on the financial prudence of Sri Lanka's transport sector. The study's findings showed that there are notable variations in how different transport players apply strategic financial planning.

4.7 Discussion of Research Findings

The goal of the study was to ascertain how ZUPCO's financial prudence was affected by strategic financial planning. Strategic financial planning was discovered to be a part of every SME's operations. The results showed that budgeting methods, financial forecasting practices, and internal control practices made up the majority of how frequently strategic financial planning was used. However, it was found that this varied depending on the specific organization because of the variations in financial systems. The mean and median values for the impact of strategic financial planning on financial prudence ranged between 4 and 5. The findings showed that ZUPCO's financial prudence required strategic financial planning components for cash budgeting, liquidity, internal control systems, and financial performance. The distribution is significantly negatively skewed, as seen by the fact that the mean is less than the median..

The relationship between the research variables was ascertained using a correlation analysis. The Pearson Correlation between clear credit terms due dates and default was 0.503, with a p-value of 0.000. This suggests that it had a favorable and significant impact on prospective credit customers' understanding of the clear credit terms, due dates, and default penalties as determined by ZUPCO's defined criteria. According to the research that have been done, ageing debtor analysis is crucial for determining the impact that non-collection risk has on returns. In their investigation of the usage of strategic financial planning by SMEs and its impact on growth in Kenya, Muthama and Warui (2021) found that the majority of the companies had adopted cash budget management procedures. However, despite the revenue section prepare timely reconciliations, mostly ZUPCO tend to rely mostly on their strategic financial plans rather than the set budget plans (Pandey, 2012).

The regression of the influence of setting strategic goals on financial responsibility has an R-value of 0.893, which is translated to 89.3% as implying that the influence of setting strategic goals is substantially correlated with ZUPCO's financial responsibility. Given that the R square value is 0.776, the financial prudence procedures that are in place can account for a shift of 777.6% in ZUPCO's strategic goal determination. According to Muthama and Warui (2021), there is a strong correlation between organizational success and strategic financial planning in the business sector of India.

Because the models' p-values were less than 0.5, they were also significant at the 95% level of confidence. With a p-value of 0.000 and a coefficient of -2.368, the constant was similarly significant.

The resulting predictive model was Y=-2.368+ 0.091X1+ 0.364X2+ 0.778X3+ 0.230X4+0.076X5, where Y = Financial Prudence, X = Credit Control Policy for Debt Collection, X = Prospective Credit Customers assessed with established criteria, X = Clear Credit Terms due dates and default penalties, X = Ageing Debtors analyzed to assess non-collection risk, and X = Revenue Section prepare timely reconciliations.

4.8 Chapter summary

In this chapter, tables, figures, bar graphs, cross tabulations, histograms, pie charts, correlations, and regression analyses were used to display the study findings and findings based on the research questions. The purpose of the study's data analysis using questionnaires and interviews was to examine how strategic financial planning affected ZUPCO in Zimbabwe's financial management practices. The study's findings indicate a significant beneficial association between prudent financial management and strategic financial planning. As well as offering conclusions and solutions to these problems, the following chapter will also provide. However, without the recommendations and conclusions addressed in the next chapter, this analysis cannot provide a clear meaning on its own.

CHAPTER V

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The study's key conclusions were summarized in this chapter. In order to determine their point of agreement or departure, they are also connected to earlier investigations. An outline of the conclusions drawn from significant study findings is presented after this. The conclusions reached derive from the study objectives in a manner similar to the summary of findings. The suggested recommendations are then shown and explained in the chapter. The recommendations are consistent with the importance of the study in terms of the findings' addition to the body of knowledge and their usefulness to the appropriate practitioners and policy makers. The areas for more investigation that are recommended in the chapter's last section are outlined in light of the study's findings.

5.1 Summary of research

The key findings of the study are presented in this section. Any country's socioeconomic progress depends on its transportation sector. The Zimbabwean government has invested significant resources in ZUPCO, various bus fleets, and a policy framework to guarantee that its inhabitants can travel between locations safely and conveniently. The goal of the study was to examine how strategic financial planning affected ZUPCO in Zimbabwe's financial management practices. The summary that follows is based on the study's goals. As a result, the findings have been distilled into three main points: the significance of strategic financial planning in accomplishing corporate strategic goals, the impact of strategic goal setting on financial prudence, and the appropriate strategic financial planning implementation strategies. The goal of the study was to ascertain how strategic financial planning affected the financial responsibility of Zimbabwe's four ZUPCO Depots in Harare and Chitungwiza. In order to perform the study, the descriptive research design was used. All 160 participants in this study, including drivers, conductors, technicians, supervisors, and office employees from the four depots, made up the population. By using descriptive measures like frequency distribution, percentages, inferential statistics, mean and standard deviations, the data was collated, categorized, and summarized. The association between the study's variables was ascertained using multiple regression and correlation analysis.

5.1.1. Role of strategic financial planning in achieving financial prudence

The study discovered that cash budgeting, liquidity, internal control systems, and financial performance are key fundamentals influencing strategic financial planning in the transport sector, and ZUPCO is not exempt either. This is in relation to the importance of strategic financial planning in achieving business strategic goals. Financial planning on financial prudence was discovered to have a mean and median score between 4 and 5. The findings showed that ZUPCO's financial prudence required strategic financial planning components for cash budgeting, liquidity, internal control systems, and financial performance. This indicates that the performance of the SMEs was positively impacted by each variable. Accordingly, an increase in these variables will result in an increase in the organization's returns. This is supported by existing theories like Budgetary Control and Financial Management Theory, which explain how ZUPCO can integrate financial management practices to ensure the greatest possible gains in financial prudence.

5.1.2 The influence of strategic goal determination on financial prudence

The study discovered that the value of R was 0.893, which is understood to mean that ZUPCO's financial prudence is closely correlated with its influence on strategic objective determination (89.5%). Given that the R square value is 0.776, the financial prudence procedures that are in place can account for a shift of 777.6% in ZUPCO's strategic goal determination. results showing a F value of 36.287, which suggests that the study's overall model was extremely significant. reported that the p-value was reported as 0.000, which is less than 0.05, it can be concluded that deciding on strategic goals has a substantial impact on the financial prudence of ZUPCO Transport's operations. Thus, the formula Y=-2.368+ 0.091X1+ 0.364X2+ 0.778X3+ 0.230X4+0.076X5 was created as a prediction model. Where: Financial prudence is represented by the letters Y, which stand for "financial responsibility," and the following symbols: X1, which stands for "credit control policy for debt collection," X2, which stands for "clear credit terms due dates and default penalties," X4, which stands for "ageing debtors analysis," and X5, which stands for "revenue section prepare timely reconciliations." Thus, every factor has a favorable impact on the financial performance of SMEs. On their assessment of the strategic performance of SMEs in the Ghanaian Tamale Metropolitan region, Rono (2019) also found the same favorable results.

5.1.3 Strategic financial controls on organizational financial prudence

The study found that financial prudence and strategic financial planning were substantially correlated (r=0.673 and p value 0.60055), according to Pearson's coefficient of correlation. Implicitly, improved budgets with inadequate funding were anticipated to result from increased stakeholder participation in budgeting activities. It can be deduced that the strategic objective determination's influence on financial prudence has a considerable impact on the financial prudence of ZUPCO Transport Business given that the p-value was given as 0.000, which is less than 0.05. Similar to the researcher's findings, Surendar and Sarma (2017) examined how strategic goal setting affected financial prudence in Sri Lanka's transportation industry. The study's findings showed that there are significant variations in how different transport players apply strategic financial planning. The study also discovered that although increasing external borrowings was probably going to improve ZUPCO's sustainable financial prudence, the likelihood was only really minor.

5.1.4 The influence of strategic financial budgets on organizational financial prudence

According to research findings on how well budgeting principles foster financial management, it can be determined that implementing budgeting principles in ZUPCO budgetary processes is successful in enhancing financial management..

5.2 Conclusion

The study's findings suggest that management might identify potential hazards and ways to avoid them by considering how strategic goal determination affects financial prudence. The study came to the conclusion that the credit policy's fundamental purpose is to make it easier to evaluate customers or suppliers that buy goods and services from these organizations. The study came to the conclusion that it is prudent for these institutions to have robust, effective, and efficient credit controls in order to ensure that there is strategic financial prudence at ZUPCO. Given the facts, it becomes sense to draw the conclusion that, when necessary, the transportation companies preferred to borrow money from local financial institutions over overseas banks. It was determined that although increasing external borrowing would probably increase sustainable financial prudence in ZUPCO, it would only do so little. The study comes to the additional conclusion that effective cash budget management procedures allow for planning, borrowing, and effective control of the organization's spending.

5.3 Recommendations

- The study recommends that ZUPCO policymakers implement reliable internal control systems that uphold moral principles and honesty. Additionally, it's possible that some of these institutions have external entities in charge of their financing. This emphasizes the necessity of an effective internal control system.

To reduce these difficulties, a thorough and effective internal control system is essential.

- • The report suggests developing a strong credit policy that will ensure excellent accounts receivable management and specify the conditions for opening and maintaining credit lines. The policy should outline the criteria for credit approval, the amount of the credit line, and the terms and means of payment..
- The study recommended ZUPCO to create a policy that can effectively direct them when borrowing, outlining the steps that should be taken with specifics regarding the circumstances that justify borrowing from each of the jurisdictions, the process for choosing the lending institutions, the upper bounds of acceptable interest rates, and the timeframe for repayment of the borrowed funds.

In order to increase stakeholder support to influence and regulate the mobilization of scarce resources and efficient disbursements at a broad scale, ZUPCO should embrace more sophisticated budgeting systems including zero-based budgeting, program-based budgeting, and site-based budgeting.

5.4 Suggestions for further research

The results of this study have identified some important topics that warrant more investigation. The findings of this study will be complemented by research in the domains. Additional analysis of the different internal controls ZUPCO has implemented. The report specifically suggests an empirical investigation into how well internal audit works to improve financial prudence at ZUPCO.

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APPENDIX 1 RESEARCH QUESTIONNAIRE FOR EMPLOYEES

Dear Respondent

Good day! My name is Wadzanai Majuru a student at Great Zimbabwe University studying towards a Master in Strategic Management Degree. I am carrying out an academic research on the effect of strategic financial planning on organisational financial prudence in ZUPCO in Zimbabwe. You are invited to participate in this research study by kindly filling in the given questionnaire. Your participation in this research study is completely voluntary. There are no foreseeable risks associated with this research study. You are assured of anonymity and the research findings will be used purely for academic purposes only. I thank you in advance for your cooperation.

Section A Demographic information

1. Age

Below 25years	25-35years	36- 45 years	Above 45 years
		✓	

2. Gender

Male	Female
✓	

3. Level of education

Secondary	Diploma	Undergraduate	Masters	PHD

	✓			

4. Work experience

Below 5 years	5-10 years	11-15 years	Above 15 years
	✓		

Section B Role of strategic planning

5. Please rate the importance of the following performance measures to your firm's profitability (profit before tax)

		High	Moderate	Low	Not important
	Market share	✓			
	Liquidity			✓	
	Profitability			✓	
	Financial Planning strategies		✓		

6. Explain the developments in the external environment ZUPCO is operating within the past 5 year as concerned with strategic financial planning.

Relatively stable	Continuously changing	Surprising with good new
	✓	

7. What impact do the following strategies have on your firm regarding financial planning? (tick each according to the estimated impact)

	High	Moderate	Low	Not important
Protective		✓		
Response based strategy	✓			
Aggressive strategies	✓			
Defensive strategies		✓		

Section C The influence of strategic goal determination on financial prudence

8. How frequently review the firm's financial plans?

Semi-annual	Annually	2-5 years	Above 5 years
			✓

State the extent to which you agree or disagree with the following statements towards sustainable financial prudence where 1 = strongly disagree; 2 = disagree; 3= Indifferent; 4 = Agree; and 5 = Strongly Agree

		1	2	3	4	5
9.	Credit control policy outlines the procedure for customer assessment, credit terms and debt collection				✓	

10.	Prospective credit customers are assessed using established criteria.			✓		
11.	Clear terms of credit due dates and penalties for default				✓	
12.	Ageing of debtors analysed to assess debt non-collection risk				✓	
13.	Revenue section prepare timely reconciliations				✓	

Section D The influence of strategic financial controls on financial prudence

		1	2	3	4	5
	Internal controls compliance ensures financial prudence		✓			
	Modern information communication technology system affect financial prudence	✓				
	Timely and accurate reports enable proper decision making		✓			
	Credit control processes ensure timely debt collection from credit customers and reduced default rate.			✓		

Section E The influence of strategic financial budgets on financial prudence

		1	2	3	4	5
	Budget ceilings can lead to financial prudence	✓				
	Budgets that are insufficiently funded.				✓	
	Rigid Internal Controls Limit Flexibility in Budget Execution	✓				
	The more stakeholder involvement in budgeting activities the more institutional objectives are meet.				✓	

Thank You!

APPENDIX 1I RESEARCH INTERVIEW

Strategic Planning Process:

1 How was the strategic plan developed at ZUPCO?

2 How does the strategic planning process work at ZUPCO?

3 How does the strategic planning process incorporate personnel needs, facility needs, and information technology needs?

4 How are the goals of the strategic plan prioritized on campus?

5 5. Who is involved in prioritizing the strategic plan goals?

6 6. How does communication assist in the strategic planning efforts?

The Budgeting Process:

7 7. Who is involved with the budget process for your area?

8 8. How is the budget prepared each year on campus? 9. How would you describe the budget process in your area in relation to strategic planning?

The Relationship of Strategic Planning and Budgeting Processes:

9 10. How influential are the strategic planning goals and priorities in the decision process for committing new funding?

10 11. Can you identify some specific points in your planning structure where the budget decisions are influenced by the ZUPCO's strategic plan?

11 12. What kinds of changes do you believe are needed to strengthen the relationship between the ZUPCO's strategic plan and budgeting?

12 13. What types of data or documents are used in both the strategic planning and budget allocation processes? Where do you see the overlap with this data or documents in both processes?

APPENDIX 3

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GREAT ZIMBABWE UNIVERSITY

2 March 2023

TO WHOM IT MAY CONCERN

Dear Sir / Madam

RE: APPLICATION TO UNDERTAKE RESEARCH IN YOUR ORGANISATION

This letter serves to confirm that WADZANAI MATURI........., Registration Number M223103.. is a student undertaking a Master of Commerce Degree in Strategic Management at this University and is required to undertake a dissertation on a relevant topic in terms of qualifying requirement of the degree programme.

His/Her topic is: THE INFLUENCE OF STRATEGIC FINANCIAL PLANNING ON ORGANISATIONAL FINANCIAL PRUDENCE. A CASE OF ZUPCO

You are kindly requested to allow the student to undertake this research in your organisation.

Strict research ethical consideration will be taken into account.

Thank you.

J. Marumbwa
CHAIRPERSON

GREAT ZIMBABWE UNIVERSITY
FACULTY OF COMMERCE
CHAIRPERSON
02 MAR 2023
DEPARTMENT OF MARKETING

MINISTRY OF LOCAL GOVERNMENT AND PUBLIC WORKS

All correspondence should be addressed to *The Secretary*
Telephone: 263-4 791470; 793700;251114;794166
Fax: 263-4-705776

ZIMBABWE

Office of the Secretary
Cnr Herbert Chitepo Avenue/LTakawira Street
Private Bag 7706
Causeway
Harare

Ref:

05 April, 2023

Zimbabwe United Passenger Company
109 Belvedere Road
Harare

To whom It May Concern

RE: AUTHORITY TO UNDERTAKE RESEARCH AT ZUPCO COMPANY IN BELVEDERE, HARARE

This is to authorize Ms Wadzanai Majuru a Master of Commerce Degree in Strategic Management student at the Great Zimbabwe University with registration number M223143 to conduct a research at ZUPCO Company in Belvedere Harare.

Her topic is: **The Influence of Strategic Financial Planning on Organizational Financial Prudence.** We are hoping the outcomes of her research study will benefit the organization's strategic position to a greater extent.

Kindly assist her with all her needs.

Kind Regards

Tendai Chivi

…………………………

FOR: SECRETARY FOR LOCAL GOVERNMENT AND PUBLIC WORKS