Bridging Gaps for Inclusive Development

By

Okello Godfrey Ogwang
Paul Waithaka

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Table of Contents

The Contribution of Civil Society Organizations in Pro-Poor Budgeting Processes: A Review on Local Governments in Uganda

[1*]Okello Godfrey Ogwang, [2]Gilbert Obici & [3]David Mwesigwa
[1,2,3] Faculty of Management Sciences, Lira University, Uganda
[*]Corresponding Author's Email: dmwesigwa@lirauni.ac.ug

Abstract

Purpose: This study aimed to analyse the contribution of CSOs in pro-poor local government budget processes, with Dokolo District as a case study. The study addressed four questions, namely; (i) what is the extent to which CSOs contribute to local government revenue enhancement? (ii) What is the magnitude to which CSOs influence the enactment of pro-poor local government budget allocations/priorities? (iii) to what extent do CSOs promote pro-poor implementation of enacted local government budgets? And (iv) To what extent do CSOs prevent leakages to local government budget resources?

Methodology: The study adopted a review of secondary literature gotten from journals, documentaries, periodicals, annual reports and statistical analyses

Findings: The findings suggest that CSOs contribute to local government revenue enhancement, building the capacity of local governments in revenue mobilization, providing off-budget and on-budget support to local governments; that CSOs promote pro-poor local government budget allocations through forums such as budget conferences and budget dialogues; that CSOs influence local governments to implement their budgets in ways that serve the best interests of the poor and/or the underprivileged and/or their priorities; by pressurizing local governments to implement pro-poor priorities that local governments would otherwise not implement and by speeding up or reducing delay in the implementation of propoor priorities or projects; and that CSOs promote pro-poor local government budgets by preventing leakages to pro-poor local government resources by among others checking shoddy work in pro-poor projects**.**

Unique Contribution to Theory, Practice and Policy: From the findings, it is encouraged that local governments should leverage CSOs as an important resource in enhancing their revenue; that local governments should involve CSOs in all phases of the budget circle; that local governments should embrace the use of social accountability forums and tools such as barazas, Public Expenditure Tracking Surveys (PETS) and social movements for checking local government budget resource leakages to enhance decentralized service delivery. The results of this study are relevant to practitioners of civil society organisations seeing that the level of corruption in governments as well as the magnitude to which vulnerable sections continue to be marginalised is growing hence the need for the civil society to offer checks and balances in budget processes.

Keywords: *Civil Society Organizations, Pro-Poor Budget Processes, Local Government, Dokolo*

INTRODUCTION

At a first glance, African Civil Society Organizations (CSOs) seem to possess few intermediary organizations that occupy the political space between household and state, yet on closer examination the several cultural and religious institutions that express collective identities such as clans, age-sets, and brotherhood that folks continue to grant allegiance are actually CSOs(Bratton, 1994). In Africa, CSOs have gained enormous importance since the 1980s (Dieter, 2011), where Civil Society is often based on religious or ethnic connections and include traditional and spiritual forms of social organizations and networks of indigenous institutions (O'Driscoll, 2018; Kleibi & Munck, 2017).

Thus, in many rural regions of Africa, ethnic communities constitute another example of African Civil Society, as they enjoy a certain degree of independence from the state (Abdel & Hassan, 2008). However, in general African associational life took different forms in different countries – from Christian churches in Kenya and Burundi, to Islamic brotherhoods in Senegal and Sudan, to lawyers' and Journalists'' Associations in Ghana and Nigeria, to Farmer Organizations in Zimbabwe and Kenya, and Mine workers' Unions in Zambia and South Africa (Bratton,1994).

Governments, globally, have a duty to provide ample spaces for citizen participation in the budget processes – directly as well as through CSOs. Aside from participation being a right, it can also enhance the quality of governance and service delivery (Thindwa, 2004). According to UNDP (2007) civil society organizations, being vehicles for ordinary citizens' participation gives people from the margins of society a voice to influence budgeting and governance in general, making these more responsive to their needs; enhances good governance practices as it makes budgeting more transparent and accountable; and ultimately, improves the effectiveness of the delivery of services. It is frequently argued that CSOs is an important third sector whose strengths have positively influenced state and market as an agent for promoting transparency, responsibility, accountability and openness globally (Kansiime, 2019).

This, among others, is by engaging of community and community-based organizations (CBOs), NGOs and ordinary local people in prioritization of public budget spending (UNDESA, 2005). This is an important role in a free and democratic society because the budget is the government's most important economic policy instrument and should therefore reflect the nation's priorities (Schick, 2001). Broadly and normatively, it is a representation of society's preferences and priorities (Cameroon, 2009). As such, scholars world over have argued that to ensure an effective use of public financial resources, different stakeholders come together to play different roles in the public finance management process (Andrews et al, 2014; Lawson, 2015).

Based on the foregoing point of view, since the 1990s, Civil Society Organizations (CSOs) have begun to play a larger role in the budget process in developing countries, including African countries. This growth has been particularly rapid in the past few years and corresponds with the political trend towards democratization (Krafchik, 2004). The engagement of civil society in the budget process is increasingly being viewed as important for strengthening people's empowerment (Mukokoma, 2010). This is called participatory budgeting (World Bank, 2013).

Participatory budgeting programmes are implemented at the behest of governments, citizens and CSOs to give citizens a direct role in deciding how and where public resources should be spent (UNDP, 2003). Participatory budgeting is defined as a form of democracy in which citizens and CSOs have the right to participate directly in determining fiscal policy (Marquetti et al., 2012). Thus, the involvement of civil society through CSOs and people's organizations in local development processes has led to a redefinition of the notion of "governance" (UNDESA, 2005). In Uganda this involvement of citizens, through NGOs, CSOs and other People's Organizations is grounded in Article 38(1) of the Constitution of the Republic of Uganda, 1995, which gives every citizen the right to participate in the affairs of government, individually or through his or her representatives in accordance with the law. Article 38(2) of the Constitution in particular provides that every Ugandan has the right to participate in peaceful activities to influence the policies of government through civic organizations (Mukokoma, 2010).

At the local government level, a local government budget is the detailed plan of how a local government plans to spend funds in line with its objectives, needs and priorities (Ministry of Finance, Planning and Economic Development, 2009). The three main tools that enable integrated planning and budgeting in local governments are the District Development Plan(DDP) which constitutes the overall, integrated, planning tool that incorporates the plans of lower local governments, and sectorial departments; Local Government Budget Framework

Paper (BFP) which articulates a local government's 3 year development strategy, ensuring that budget decisions reflect a local government's long term objectives; and the budget which makes an integrated annual performance and financial plan for the coming year, sets out in detail the expected revenue available to the local governments, and the allocation of funds to the different parts of the local government for the achievement of the activities and outputs set out in the annual work plan in details (Mukokoma, 2005).

Under section 78 of the Local Government Act, 1997, local governments have the right and obligation to formulate, approve and execute their budgets and plans that should reflect priorities and objectives set out in national policies, plans and budgets (Ministry of Finance, Planning and Economic Development, 2009). Other laws providing the legal basis for this are the Constitution of the Republic of Uganda, 1995; Local Government Financial and Accounting Regulations, 2007; the Budget Act, 2001; the Public Finance and Accountability Act, 2003 and Public Finance Management Act 2010 (Ministry of Finance, Planning and Economic Development, 2009).

CSOs serve as groups that represent citizens to make inputs into the strategic planning which reflects the expectations and needs of the people. CSOs interact with the people at the local level through research and when called to participate in the process, submit inputs which reflect the needs of the people (Antwi-Boasiako and Nkrumah, 2018). It therefore sounds logical to take on board CSOs when writing the budget as they may provide a useful input especially while assessing the external environment vis-a-vis the population needs, wants, characteristics etc. (Mukokoma, 2005).

CSOs review budgets in order to assess whether allocations match the government's announced social commitments. This may involve analysing the impact and implications of budget allocations, demystifying the technical content of the budget, raising awareness about budget-related issues and undertaking public education campaigns to improve budget literacy (Malena, 2004).

Among others, CSOs use technical analysis to broaden and stimulate budget debates and to promote ex ante and ex post accountability for the use of public finances. Some CSOs scrutinize the government's overall fiscal framework, while others have assumed an approach oriented toward a particular sector or a beneficiary group (World Bank, 2013). For instance, a study by the World Bank (2002) in Uganda found out that public expenditure tracking by CSOs resulted in increase in capitation grants received by schools; indeed, the grants were so insignificant that they were increased to almost 100% from 1991 to

1999. In Ghana, public expenditure tracking was found to yield the same positive results (Antwi-Boasiako & Nkrumah, 2018).

Statement of the Problem

Despite attempts by government to have effective and efficient budgeting process and subsequently its efficient and effective implementation, inefficiency and ineffectiveness in public budget allocation, implementation and monitoring processes still remain very serious issues in fiscal policy (Curristine et al, 2007) and despite visible Civil society organizations' involvement in public budget processes, their roles in advocating for and monitoring pro-poor budgets represents an under-researched area with great potential for future policy impact (de Renzio, 2006). There are equally unresolved arguments whether it is even relevant or legitimate for CSOs to involve themselves in public budget making, implementation and monitoring processes (Green, 2017). In the circumstances, there is the absence of sufficient literature on the role of CSOs in public budgeting processes (Antwi-Boasiako and Nkrumah, 2018) as such, Mukokoma, (2010) asserts that despite signs of success, the direct contributions of CSOs in influencing public budgeting is not yet well researched, nor recognized in the public finance sphere, and therefore the need for increasing research interest in that area. In the premise, this study undertakes to fill the said research gap by contributing to the literature on the influence of CSOs in local government budgeting processes, using examples from Uganda.

Objective of the Study

To examine the extent to which CSOs promote pro-poor local government budget processes. Specifically, the study focused on three questions, namely;

- i To what extent do CSOs contribute to local government revenue enhancement?
- ii To what extent do CSOs influence the enactment of pro-poor local government budget allocations/priorities?
- iii To what extent do CSOs promote pro-poor implementation of enacted local government budgets?
- iv To what extent do CSOs prevent leakages to local government budget resources?

The study questions were perceived to be key in that CSOs promote pro-poor/propeople local government budget processes. According to the conceptual framework, CSOs promote pro-poor local government budget processes through six different strategies or activities, namely, (i) off-budget support to local governments (ii) CSO participation in budget conferences (iii) pre-budget dialogues (iv) post-budget dialogues (v) social audits and (vi) Public Expenditure Tracking. The conceptual framework posits that through a number of offbudget support initiatives such as providing to local government constituents services such as primary health care, economic empowerment, education etc., CSOs enhance local government revenue by freeing local government revenue for on-budget public investments which cannot be provided directly by Civil Society Organizations. Some CSOs also build capacity of local governments in revenue mobilization, which equally enhances local government revenues to finance their annual budgets.

Since CSOs interact with local community members and therefore know the needs and priorities of the locals, the conceptual framework posits that through their participation in budget conferences they influence local government budget priorities to be pro-poor/propeople. This thereby leads to pro-poor Budget Framework Paper which derives its inputs from budget conferences. The conceptual framework goes on to posit that through pre-budget dialogues, CSOs bring together community members/right holders and local government leaders, to harmonize community priorities with the priorities of local leaders.

Through these dialogues, the outputs of the pre-budget dialogues are draft budgets and enacted budgets that reflect the needs and priorities of the community – thereby pro-poor/pro-people draft budgets and subsequently pro-poor/people enacted budgets. The conceptual framework holds that through post-budget dialogues constituents challenge local government leaders for the delayed, poor or non-implementation of community priorities in the enacted budgets. This way post budget dialogues also discourage or reduce or prevent leakages to budgeted resources and equally puts pressure on leaders to promptly and adequately implement community priorities in the enacted budget. Post-budget dialogues thereby promote pro-poor/pro-people implementation of the budget and reduced revenue leakages.

Through social audits CSOs expose corrupt and imprudent use of public resources, poor implementation of public projects etc. through this, CSOs reduce leakages to public resources and thereby promote pro-poor implementation of the budget including reduced leakages to budgeted resources. The conceptual framework also holds that through Public Expenditure Tracking, CSOs reduce leakages of local government budget revenue. This way CSOs also promote pro-poor implementation of the budget.

Finally, the conceptual framework posits that the sum total of the intermediate results of CSOs initiatives, namely; (i) enhanced revenue (ii) pro-poor budget framework paper (iii) pro-poor draft budgets (iv) pro-poor enacted budgets and (v) pro-poor budget implementation /reduced revenue leakages, is pro-poor local government budget processes, which is the dependent variable herein.

The Budgetary Incrementalism Theory

Incrementalism is a leading theory in public budgeting. It acts not only as a descriptive theory but also performs as a normative one (Talukdar, 2020). According to Quinn (1978) logical incrementalism focuses on the power-behavioural approach to planning rather than formal system-planning approach. As a theory of public policymaking, 'incrementalism' was originally built in the late 1950s.

It was postulated by an American Political Scientist, Charles E. Lindbloom to help policymakers comprehend a middle way between the 'rational actor model' and 'bounced rationality' to avoid the cost of large changes and to see the factual complication and emergent rationality of the issue as they get engaged and emerged into the process (Talukdar, 2020). Under incrementalism, public budgets develop from a process of interaction and mutual adaptation amongst several actors representing different interests, having different information and advocating for different values (Hayes, 2013).

As such the theory calls for citizenry inclusion and engagement, stakeholder involvement, national and local governments' partnership, cost-effectiveness, transparency and accountability to the public, and quality public service delivery (Talukdar, 2020). According to the theory, efficient and effective public budget making and implementation can be achieved by generating the quality budget information and data, and by publicizing and disseminating those to ensure improved citizenry access to such information and data (Rubin, 1990). Consequently, these are likely to enhance citizenry consciousness to demand accountability on the allocation, and spending on service delivery (Talukdar, 2013).

CSOs and Local Government Revenue Enhancement

The greatest ambiguity in decentralization was the insistence by national leaders on transferring planning and administrative functions without providing localities with sufficient financial resources, and adequate legal powers to collect and allocate resources (Cheema and Rondinelli, 1983).

Cheema and Rondinelli (1983) reference to this insufficient resources for local governments in the context of decentralization as an ambiguity is vindicated by UNHABITAT's (2015) finding that many local governments in developing countries face the near impossible task of funding infrastructure and service required to meet the basic needs of growing urban populations, while forward-looking capital investments are not possible for financial reasons. European Union (2019) concurs with the foregoing conclusion that local governments have local revenue shortfalls, which according to it has made Intergovernmental Fiscal Transfers to constitute the most significant part of the overall local government financing arrangements, currently financing approximately 95% of local government budgets.

This revenue challenge for government, including local governments, can be illustrated by the fact that despite the sustained growth of Uganda's economy, trends in tax revenue show a stagnation in performance. For instance, tax revenue as a percentage of GDP, oscillated between 11.7% and 13.1% between 2005/06 and 2014/15. This compares badly with other East African countries where Kenya's stood at 20%, Rwanda's at 14.7% and Tanzania's at 21% in FY 2013/2014 (URA, 2017). At only 13.8% of GDP, Uganda's tax revenue are inadequate to finance pro-poor development needs. The foregoing situation of local revenue yields bring into question the contribution of different actors, including Civil Society Organizations, in helping local governments enhance their revenue.

This is despite Hughes and Atampugre (2005) observation that CSOs work effectively to help local governments mitigate this challenge by delivering services and care to poor and vulnerable groups. For instance, as early as 1994 CSOs provided one third of hospital beds (Uganda Government, 1994).

Concurring with Hughes and Atampugre (2005) foregoing observation, Rahman (2006) argues that the CSO sector as a whole has shifted away from its initial focus on promoting political mobilization and accountable government, to the political delivery of basic services. In my view the said direct service provision by CSOs contribute to revenue enhancement only in the sense that it frees local government tax and non-tax revenue to finance other services that cannot be provided directly by civil society organizations, as posited in the Conceptual Framework in the previous chapter.

Similarly, in their mapping of South African social movements, Mitlin and Mogaladi (2009) also point out that social movements, which are Civil Society Organizations, deliver services to the poor, concurring with Hughes and

Atampugre (2015) earlier. While according to Mitlin and Satterthwaite (2004) they often fulfill the role that government agencies should provide – for instance, provision of water, waste removal, healthcare or the support of Centres that assist particular groups (such as Centres for street children). Thus, both Mitlin and Mogaladi (2009) and Mitlin and Satterthwaite (2004) earlier validates the holding in the conceptual framework in the previous chapter that CSOs directly provide services to the poor, which free local government revenue for other priorities and in that way enhancing local government revenue.

Since most CSOs play an oversight role over government and are involved in service delivery, especially health, education and work closely with the poor, they equally play a vital role in defending these programs by engaging with tax issues and advocating for adequate government revenue (Oxfam et al, 2012). In that case Oxfam et al, (2012) is in concurrence with Moore and Schneider (2004) who averred that since CSOs advocate for programs that require substantial government funding they also strengthen their case by proposing to the government specific taxes or other revenue sources to pay for them. Thus, this way CSOs enhance local government revenue.

Oxfam et al, (2012) alludes to CSOs contribution to government, including local government revenue, by giving an example of where Capacity for Research and Advocacy for Fair Taxation (CRAFT) project is mobilizing civil societies in five countries of Nigeria, Uganda, Mali, Senegal, and Egypt on tax system, to make tax system pro-poor. According to Oxfam et al (2012) CRAFT promotes government revenue enhancement by motivating tax payers to pay their taxes and mobilize public pressure for tax justice. Oxfam et al (2012) adds that CSOs likewise increase government revenue by preventing or reducing tax evasion, corruption in tax collection and thereby help increase tax revenue.

Csos and Enactment of Pro-Poor Local Government Budget Allocations

According to Van Lerberghe and Ferrinho (2002) because of lack of resources, ignorance, lack of political will or lack of awareness of the vulnerability of the problem, or disempowerment of the most afflicted social groups rational allocation of resources by government is an illusion but CSOsplay a role in identifying priority issues and putting it on the decision makers' agenda. Wampler (2007) concurs with Van Lerberge and Ferrinho (2002) on the influence of CSOs in pro-poor budget allocation, holding that they guarantee that poorer regions receive more resources than better-off neighborhoods.

They corroborate their observation by explaining that CSOs translate to decision-makers what is of value to citizens and users of government services.

Furthermore, CSOs monitor government to ensure that its resource allocation is in favour of the marginalized, e.g.by calling for participatory and gender budgeting (Solava and Hulme, 2010). Solava and Hulme (2010) add that they also raise a public debate around poverty-related problems so as to influence policy/budget design, build new alliances, gain new supporters and encourage policymakers to establish programs to address these problems. Mitlin and Satterthwaite (2004) corroborates this by asserting that many NGOs bring the problems of the poor to the attention of local authorities and seek policy changes that would directly enhance the livelihoods of the poor.

According to Mitlin and Satterthwaite (2004), CSOs correspondingly promote pro-poor budget allocation by organizing dialogues between policy makers and communities. This observation is in tandem with the holding in the conceptual framework in the previous chapter which holds that CSOs promote allocation of public resources to pro-poor priorities, by organizing pre-budget dialogues between the rights holders and duty bearers (local government officials) for duty bearers to harmonize proposed budget allocation with the priorities of the poor.

Antwi-Boasiako and Nkrumah (2018) are equally in tandem with the holding in the conceptual framework by contending that CSOs serve as groups that represent citizens to make inputs into the strategic planning which reflects the expectations and needs of the people. CSOs interact with the people at the local level through research and when called to participate in the process submit inputs which reflect the needs of the people. In the same vein, Malena (2004) earlier maintained that CSOs review budgets in order to assess whether allocations match the government's announced social commitments.

This may involve analysing the impact and implications of budget allocations, demystifying the technical content of the budget, raising awareness about budget-related issues and undertaking public education campaigns to improve budget literacy. In concurrence, Mukokoma (2005) held that it therefore sounds logical to take on board CSOs when writing the budget as they may provide a useful input especially while assessing the external environment especially the population needs, wants, characteristics, etc.

CSOs interact with the people at the local level through research and when called to participate in the process submit inputs which reflect the needs of the people (Antwi- Boasiako and Nkrumah, 2018). To bring the point home, and that in the case of Ghana at the budget formulation stage, CSOs participate in the formulation by proposing spending projects, setting priorities for spending, and helping to decide which projects should be funded. Coming from another angle, but in concurrence with all the above authors, the World Bank, (2002) posit that CSOs inform and train budget authorities on the budgeting, create awareness of pro-poor issues, demystify its technical content, among others to budget authorities.

The European Commission, (2014) also adds its voice, alluding to the fact that CSOs can play a key role in aggregating and presenting demands on behalf of constituents contributing critical information on the public's needs and priorities; further adding that a Civil Society Organization or a coalition of Civil Society Organizations, may for example, decide to submit a shadow budget or policy proposal or conduct independent studies and research to have a proper evidence base for advocacy EC, 2014). However, according to Action Aid et al (2002) one challenge that CSOs face in this endeavour is that it is often difficult for Civil Society to gain entry into the pre-budget phase of the budget cycle.

CSOs and Pro-Poor Implementation of Enacted Local Government Budgets

Enacting a more pro-poor budget is only the first stage in making public expenditure pro-poor (Foster et al, 2002). In the circumstances, de Renzio and Krafchik (2006) is spot on to assert that increasing budget allocations for pro-poor programs is no guarantee that money will be spent well and will actually improve the livelihoods of the poor. Discrepancies between the approved budget and the executed budget can come in the form of leakages (Mogues, 2012). Leakages result from capacity constraints, lack of accountability and non-transparent relationships between state and local governments on fiscal matters, unauthorized spending (Mogues et al, 2012; Cammack et al, 2008).

Although a civil society is a relatively new actor in public budgeting, evidence that they are having a positive impact on budget decision-making and implementation is beginning to emerge (Ramkumar and Krafchik, 2005). According to Van Lerberghe and Ferrinho (2002) there is usually underspending on priorities and overspending on non-priorities because of lack of resources, or merely because of ignorance, lack of political will or awareness of the vulnerability of the poor, or disempowerment of the most afflicted social groups. In the circumstances, CSOs through their monitoring leads to rationalization which means eliminating non-priority expenditure because it is ineffective or because more efficient alternatives exist.

According to the conceptual framework herein the previous chapter, the said bad budget practices alluded to by Van Lerberghe and Ferrinho's (2002) and De Renzio and Krafchik (2006) are what CSOs desensitize local governments about, to make their budget implementation pro-poor. CSOs work against such bad practices because as, de Renzio and Krafchik (2006) observed, in many countries, obstacles such as underspending and inefficiency often prevent the poor from benefiting despite the investment of considerable public resources.

As a result of the variance between budget-versus-actual expenditure on propoor priorities, according to de Renzio and Krafchik, (2006), budget work is increasingly shifting focus on developing tools to take on the challenge of implementation, moving from monitoring budget allocations to monitoring budget implementation and service delivery. As posited in the conceptual framework herein the previous chapter, the culmination of the Civil Society Organizations' monitoring process are post-budget dialogues during which CSOs convene community members (right holders) to hold duty bearers (local government elected and appointed leaders) accountable for the delayed and/or poor and /or non-implementation of pro-poor priorities in the enacted budget. Such accountability forums put pressure on local governments to implement pro-poor budget priorities, thereby reducing the variance between budgeted and actual expenditures on pro-poor priorities.

It is thus conceptualised that in concurrence with the World Bank (2013) which noted that CSOs use technical analyses to broaden and stimulate budget debates and to promote ex ante and ex post accountability for the use of public finances. The World Bank (2013) adds that CSOs scrutinize the government's overall fiscal framework, while others have assumed an approach oriented toward a particular sector or a beneficiary group. The World Bank's (2013) observation is in tandem with its earlier (2002) study in Uganda which found that post-budget Public Expenditure Tracking by CSOs resulted in increase in capitation grants received by schools; indeed, the grants were so insignificant that they were increased to almost 100% from 1991 to 1999.

Similarly, in Ghana a study by Antwi-Boasiako and Nkrumah (2018) found that Public Expenditure Tracking yielded the same positive results. However, despite all the foregoing evidence which demonstrate the contribution of CSOsin promoting pro-poor budget implementation, according to De Renzio and Krafchik (2006) many people are sceptical about the usefulness of civil society involvement in budget process. Foster et al (2012) debunks the scepticism when they held that the most persuasive evidence that transparency improves the accessibility and quality of services is derived from Uganda, which has placed significant stress on strengthening the civil society voice in holding officials accountable, and has recognized that this requires making more and better information available.

CSOs and Prevention of Leakages to Local Government Budget Resources

In many countries, obstacles such as corruption often prevent the poor from benefiting despite the investment of considerable resources (De Renzio & Krafchik, 2006). Discrepancies between the approved budget and the executed budget can come in the form of leakages (Mogues, 2012). Leakages result from capacity constraints, lack of accountability and nontransparent relationship between state and local governments on fiscal matters, unauthorized spending (Mogues et al, 2012; Cammack et al, 2008). This is in concurrence with the conceptual framework herein the previous chapter which holds that leakages result from lack of accountability.

Involving CSOs in monitoring the probity of public expenditure management can be an effective, and often cost-efficient, complement to official institutional anti-corruption measures (Foster et al, 2002). Shah (2007) is in agreement with Foster et al (2007) when he asserted that when NGOs play a direct role in the budget process, they tend to promote citizen empowerment and transparency in government. Thus, Foster et al (2002) concurs with the conceptual framework, which holds that CSOs prevent, or at least reduce, leakages to local government through measures such as post-budget dialogues, public expenditure tracking and social audits. According to Wampler (2007) CSOs play the said role by monitoring spending and policy decision, acting as a watchdog. Alluding to how CSOs prevent resource leakages Hughes and Atampugre (2005) observed that CSOs create a sense of government accountability, which are all in concurrence with the conceptual framework herein the previous chapter.

For instance, De Renzio and Krafchik's (2006) study in Uganda found social audits to have the effect of preventing or at least reducing leakages when they observed that Uganda Debt Network has sought to tackle inefficient service in public resources by training community-based monitors to check the quality of local service delivery, with a focus on local infrastructure project. This is in tandem with an earlier World Bank's (2002) study in Uganda which found that

Public Expenditure Tracking by CSOs reduced leakages in capitation grants received by schools in the period under review, namely; 1991 and 1999. In tandem, the World Bank's (2012) held that CSOs undertake Public Expenditure Tracking Surveys to 'follow the money' from central government budgets through to local governments to service providers or absenteeism surveys to monitor attendance of teachers, doctors etc. which helps identify anomalies in the fund flow (World Bank, 2012).

Thus, as a result, according to Akyel and Kose (2013) monitoring of public expenditure by CSOs has seen some tremendous growth in the past two decades. However, according to Carlitz (2012) the most prominent among these activities is the social audit scheme. In that way, the growth of social audit schemes, instead of public Expenditure Tracking Surveys. To illustrate how civil society budget monitoring lead to pro-poor budget implementation the World Bank (2002) found that in Uganda, expenditure tracking by CSOs resulted in increase in capitation grants received by schools. According to the European Commission (2014) the

'Black Monday' movement in Uganda is another significant example of how CSOs can take action to monitor the use of public monies although no invited space exist. The European Commission (2014) therefore corroborates De Renzio and Krafchik (2006) earlier report that social audits by Uganda Debt Network and its culmination in annual district post-budget dialogues have helped to make budget implementation and service delivery more pro-poor.

For instance, they, De Renzio and Krafchik (2006), assert that monitors' report that as a result of post-budget dialogues patients in one community health Centre in the project catchment area reported improved quality of services in terms of availability of drugs, and health workers' presence, among other things. A similar finding was made in Mexico, where it was reported that a local NGO, Funder, has worked with a coalition of CSOs to monitor and increase the government's commitment to reducing maternal mortality (Ramkumar & Krafchik, 2005).

CONCLUSION AND RECOMMENDATIONS

Conclusion

From the review, it can be stated that civil, society organisations are central actors in the propoor budgeting processes in Uganda and their contribution cannot be underestimated.

Recommendations

CSOs are encouraged to:

With the finding that civil society on-budget and off-budget support enhance local government budgets to serve the poor and the underprivileged, civil society embrace it as part of their service to the poor.

Given the finding civil society use of social accountability tools like PETS and barazas promote pro-poor local government budget processes, CSOs should consolidate as one of the methods of fighting poverty.

Emerging Issues and Controversies

Transparency and Accountability: One of the key issues that may emerge is the need for greater transparency and accountability in pro-poor budgeting processes. CSOs play a crucial role in monitoring government expenditures and ensuring that funds are allocated and utilized for the benefit of the poor and vulnerable populations. However, concerns may arise if there are instances of mismanagement or corruption in the budget allocation and execution, potentially leading to controversies between CSOs and local government authorities.

Inadequate Funding for Pro-Poor Programs: CSOs may raise concerns about the insufficient allocation of funds for pro-poor programs in local government budgets. If the allocated budget is not enough to address the needs of marginalized communities and reduce poverty effectively, it can become a point of contention between CSOs and government authorities.

Challenges in Participation and Representation: The effectiveness of CSOs in influencing pro-poor budgeting processes may be hindered if there are challenges in their participation and representation. Issues such as limited access to information, exclusion from decision-making processes, or lack of collaboration between CSOs and local government officials might arise.

Capacity Building for CSOs: CSOs might face challenges in their capacity to engage effectively in pro-poor budgeting processes. Adequate training, resources, and support are essential for CSOs to be able to analyze budget documents, engage in advocacy, and monitor budget implementation. The absence of such support could become a point of contention.

Political Interference and Power Dynamics: The involvement of CSOs in budgeting processes can sometimes be met with resistance from politicians or interest groups who might not want to see the allocation of funds shift towards pro-poor initiatives. This can create tensions and controversies regarding the independence and autonomy of CSOs in influencing budget decisions.

Measurement of Impact: Evaluating the impact of pro-poor budgeting initiatives can be complex. CSOs may face challenges in measuring the effectiveness of their advocacy and interventions in bringing about positive changes in the lives of the poor. Disputes over methodologies and indicators to assess impact could be possible controversies.

Resource Constraints for CSOs: Many CSOs may struggle with limited financial resources and face difficulties in sustaining their efforts in the long run. Funding constraints can potentially hamper their ability to engage consistently in pro-poor budgeting processes and lead to debates about the sustainability of their contributions.

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Achieving a Pro-Poor Local Government Budget Process in Dokolo District, Uganda: The Role of Civil Society Organizations

[1*]Okello Godfrey Ogwang, [2]Gilbert Obici & [3]David Mwesigwa
[1,2,3] Faculty of Management Sciences, Lira University, Uganda
[*]Corresponding Author's Email: dmwesigwa@lirauni.ac.ug

Abstract

Purpose: This study aimed to analyze the role of civil society organizations in pro-poor local government budget processes, with Dokolo District as a case study. The specific objectives of the study are (i) To examine the extent to which CSOs contribute to local government revenue enhancement; (ii) To examine the extent to which CSOs influence the enactment of pro-poor local government budget allocations/priorities (iii) To examine the extent to which CSOs promote propoor implementation of enacted local government budgets; and (iv) To examine the extent to which CSOs prevent leakages to local government budget resources.

Methodology: The study adopted a descriptive and correlational design, employing both quantitative and qualitative approaches. The population of the study included officials of 10 civil society organizations and both technical and political leaders of 6 local governments in Dokolo district. The sample size of the study was 89 respondents determined using Krejcie and Morgan Table (Krejcie and Morgan, 1970). The target respondents included both males and females.

Findings: The findings of this study suggest that civil society organizations contribute to local government revenue enhancement, building the capacity of local governments in revenue mobilization, providing off-budget and on-budget support to local governments; that civil society organizations promote pro-poor local government budget allocations through forums such as budget conferences and budget dialogues; that civil society organizations influence local governments to implement their budgets in ways that serve the best interests of the poor and/or the underprivileged and/or their priorities; by pressurizing local governments to implement pro-poor priorities that local governments would otherwise not implement and by speeding up or reducing delay in the implementation of pro-poor priorities or projects; and that civil society organizations promote pro-poor local government budgets by preventing leakages to pro-poor local government resources by among others checking shoddy work in pro-poor projects, Public Expenditure Tracking Surveys (PETS) to check loss of funds meant for pro-poor projects.

Unique Contribution to Theory, Practice and Policy: Civil society organisations remain in the pro-poor budgeting processes at both the central government level as well as the local government level in Uganda. From the findings, it is encouraged that local governments should leverage civil society organizations as an important resource in enhancing their revenue; that local governments should involve civil society organizations in all phases of the budget circle; that local governments should embrace the use of social accountability forums and tools such as barazas, Public Expenditure Tracking Surveys (PETS) and social movements for checking local government budget resource leakages to enhance decentralized service delivery. Based on what remains unknown, this study suggests future research on the role of social accountability in fighting poverty.

Keywords: *Civil Society Organizations, Pro-Poor Budget Processes, Local Government, Dokolo*

INTRODUCTION

Civil Society is a term that has gained great popularity over the last 15 years and is still used frequently. The term has a long history, tracing back to the *societas civilis* in the Aristotelian tradition (Kocka, 2004). According to Van Dyck (2017) there have been significant changes over time in the civil society landscape and the concept has evolved from associational platforms to comprise a wide range of organized and organic groups of different forms, functions and sizes. For instance, to German Philosopher George Hegel (1770-1831), civil society consists of all social and economic interactions of men operating outside the state and outside the family (McLean and McMillan, 2003).

According to McLean and McMillan (2003), the term 'Civil Society' denotes a set of intermediate associations which are neither the state nor the family. Civil society therefore includes voluntary associations and firms and other corporate bodies. However, when people speak of 'civil society' today, they are almost always referring to social associations that exist outside of and independent of Government (Willmore, 2004). The World Bank (2000) excludes for-profit firms when it defines civil society as "not-for-profit organizations and special interest groups, either formal or informal, working to improve the lives of their constituents."

In Uganda, before independence there were Civil Society Organisations (CSOs) which aimed at resisting colonial rule. Four categories of civil society groups were prominent. Firstly, there were mass-based membership groups which were formed to promote economic and social interests of peasants and workers, for instance, cooperatives and trade unions. Secondly, there were elite membership organizations formed by middle-class Africans who were aggrieved by the colonial policies. These included Young men of Buganda, Young Men of Toro and Uganda African Welfare Association.

Thirdly, there were the charitable organizations which included Red Cross Society and Salvation Army and other organizations based in Europe. Lastly, there were Media which included Newspapers like Uganda Herald, Ssekanyolya founded in 1920, Munyonyozi, and the first independent African newspapers founded in 1927, Matalisi, Gambuze, Dobozi Lya Buganda, Uganda Express, Uganda Times and African Pilot (Salamon et al, 2004; Mamdani and Onyango, 1994).

Generally, a budget goes through four stages, namely: budget formulation, budget approval, budget execution and the stage of evaluation of the budget, which different stakeholders, including non-state stakeholders play different roles (Andrews et al, 2014). Lawson (2015) on the other hand puts it that it passes through six stages, namely: - policy design stage, budget formulation stage, budget approval stage, budget execution stage, accounting stage, and external auditing stage. Despite the important contribution of several stakeholders to the process, attention is increasingly being drawn towards the role of CSOs in the public financial management process, in which public budget processes are core (Khan, 1998; Salamon et al, 2000; Carlitz, 2013).

Consequently, scholars and international organizations have argued that CSOs 'participation in the public financial management process (which include budget processes) in their countries would help improve and make public financial management transparent and accountable (World Bank, 2002; Ramkumar & Krafchik, 2007).

Statement of the Problem

Despite attempts by government to have effective and efficient budgeting process and subsequently its efficient and effective implementation, inefficiency and ineffectiveness in public budget allocation, implementation and monitoring processes still remain very serious issues in fiscal policy (Curristine et al, 2007) and despite visible CSOs' involvement in public budget processes, their roles in advocating for and monitoring pro-poor budgets represents an under researched area with great potential for future policy impact (De Renzio, 2006). There are equally unresolved arguments whether it is even relevant or legitimate for CSOs to involve themselves in public budget making, implementation and monitoring processes (Green, 2017).

In the circumstances, there is the absence of sufficient literature on the role of Civil society organizations in public budgeting processes (Antwi-Boasiako and Nkrumah, 2018) as such, Mukokoma, (2010) asserts that despite signs of success, the direct contributions of CSOs in influencing public budgeting is not yet well researched, nor recognized in the public finance sphere, and therefore the need for increasing research interest in that area. In the premise, this study undertakes to fill the said research gap by contributing to the literature on the influence of CSOs in local government budgeting processes, using examples from Uganda.

Objective of the Study

To examine the extent to which CSOs promote pro-poor local government budget processes. Specifically, the study focused on three aspects, namely; (i) to examine the extent to which CSOs influence the enactment of pro-poor local government budget allocations/priorities. (ii) To examine the extent to which CSOs promote pro-poor implementation of enacted local government budgets; and (iii) To examine the extent to which CSOs prevent leakages to local government budget resources.

METHODOLOGY

Research Design

This study used a descriptive and correlational design, employing both quantitative and qualitative approaches. Descriptive research describes such things as attitudes, experiences, values and characteristics. The study design is relevant since it is intended to and capable of answering the question “to what extent do civil society organizations promote pro-poor local government budget processes?” the study was a case study of Dokolo District, since it is impracticable to carry out the study throughout the country or the globe, within the prevailing time and resources constraints. Quantitative design utilizes the methods of data collection and analysis – aiming at the exploration of social relations and describing reality as told by the respondents. While on the other hand qualitative research design involves field notes, interviews, conversations and the recording of conversations; answering the question of how, what and why. This approach is referred to as mixed methods, which offers the best technique to answer a research problem.

Study Population

Dokolo District was the field of the study. The Higher Local Government in the district is Dokolo District Local Government. The Lower Local Government include the Town Councils of Dokolo, Agwata and Batta and the Sub-County Local governments of Batta, Okwalongwen, Dokolo, Agwata, Kangai and Adok. The population of the study included officials of 10 civil society organizations who on average have 10 staff members, therefore in total, 100 (one hundred) staff members.

For the District the population included heads of department who are five, namely, the Chief Administrative Officer, who heads Administration department, Chief Finance Officer who heads Finance department, Production Coordinator who heads Production Department, District Community Development Officer who heads Community Development department and District Education Officer who heads the Education Department. Opinion leaders per sub-county is estimated to number around 50 per sub-county and therefore 250 in the five sub-counties. Thus, the respondents fell into three categories, namely; opinion leaders, civil society workers, politicians and technical leaders (Civil servants) whose total population is 410 (four hundred ten).

Sample Size and Sampling

The sample size of the study was 89 respondents determined using Krejcie and Morgan Table (Krejcie and Morgan, 1970). Out of the 10 lower local governments the researcher conducted the research in all of them. These target respondents were selected purposively to pick on respondents judged to be knowledgeable and experienced in the role of CSOs in local government budget processes. Dokolo district was the study area because it has a significant number of governance CSOs involved in public budget work. Dokolo district was further selected through convenience sampling, based on its proximity to the researcher.

Data Collection Instruments

To get necessary data the researcher used the research instruments described hereunder: The researcher visited libraries and access e-resources to obtain and review reports, periodicals and scholarly books on the role of civil society organizations on local government budget processes. A full list of documents reviewed are put in the references section of this proposal. A questionnaire is a series of questions asked to individual to obtain statistically useful information about a given topic.

Also, a Focus Group Discussion is linked to the rise in the active experimentation with focus groups in the academic social sciences during the 1980s (Morgan, 2002). The tool was used to elicit information from ordinary inhabitants of the area. A copy of the Focus Group Discussion (FGD) Guide is attached. This researcher conducted 2 focused discussions, with each comprising of 10 community members, to collect qualitative information from community members. Members of the focused group discussion were identified through snowball sampling technique,

Quality Control

The researchers ensured construct validity, content validity, internal validity and external validity. Validity helps researchers obtain authentic data, and to ensure their objectivity, and to ensure objectivity (Neuman, 2006). Therefore to ensure validity, the researcher used different sources of data collection, rather than using only version of truth. Construct validity is about identifying correct operational measures for the concepts being studies (Yin, 2009). To achieve construct validity the researcher has given operational definitions of key variables in chapter one of this proposal. Content validity was on the other hand achieved by the researcher by making the sample size representative of the universe. Internal validity which seeks to establish the casual relationship between variables was attained through guidance from the experienced researcher supervisor who identified contradictions and gave recommendations to harmonize or eliminate such contradictions, to achieve coherence.

External validity, which defines the domain to which the findings of the study can be generalized, was achieved by comparing the study findings against the holdings in the conceptual framework herein and ensured concurrence between the two. Reliability on the other hand is the extent to which a measure produces the same scores across different times, groups of people, or versions of the instrument. In other words, reliability is the extent to which the measure is consistent (Dane, 1990). Reliability should lead to the same results, when the same methods are used by different researchers (Smith, 1975).

Reliability was attained through the following techniques: Using Cronbach Alpha, where items with poor reliability on the scale were modified or completely changed as necessary. An exploratory factor analysis was run on all the items contained in the survey to weed out those variables that fail to show high correlation. Piloting the instruments with 5 pilot respondents in a local government that were not sampled for the study, to test the reliability of the instruments in collecting relevant data were conducted. The researcher also limited himself to four research objectives which are manageable within the constraints of time and financial resources available. The researcher also ensured that the quality of the study was not undermined by external factors, including boredom, fatigue, competing priorities and so on.

Data Analysis

Data analysis involved both Qualitative and Quantitative data. The first step was to edit the collected raw data to eliminate errors and omissions, if any. Any errors were corrected as necessary. As recommended by Johnston (2010) in the process of analysis the researcher looked for common words, themes and patterns. Based on themes the quantitative data was coded, summarizing the data into a limited number of categories based on objectives. Quantitative data were analyzed based on objectives using Statistical Package for Social Scientists (SPSS) computer package, which analyzed and summarized data to descriptive statistics like percentages, frequencies, mean and standard deviation.

FINDINGS

Existence of Pro-Poor Local Government Budgets

In this section, we present and interpret data on whether or not pro-poor budgets were proposed, enacted and implemented in Dokolo district in the Financial Year 2021-2022, namely, in the pre-budget, budget enactment and post-budget phases of the budget circle. A factor analysis was used to identify factors that explain the patterns of correlations within a set of variables. It was used in data analysis to identify smaller number of factors that explain the variance in the many factors.

Table 1: Component Factor Analysis of the Existence of Pro-Poor Local Government Budget Process in Dokolo District

Existence of pro-poor budgets in local governments	Component		
	1	**2**	**3**
Pro-poor budgets	.647	.661	-.127
Budgets that prioritized health services	.600	.691	-.223
Budgets that prioritized agricultural extension services	.656	-.342	-.304
Budgets that prioritized education	.354	.651	-.063

Extraction Method: Principal Component Analysis. A 3 components extracted.

Source: Field Study

From the three component factor analysis in Table 1, it is was found that Higher and Lower Local Governments in Dokolo District made pro-poor local government budgets. However, what is visible from the findings is that different pro-poor sectors such as health, education and agricultural extension services were prioritized differently during different phases of the budget cycle. This could be attributed to the fact that the initial drafts of local government budgets are made by a few technocrats and senior politicians and as such their prioritization is significantly at cross-purposes with the priorities of many stakeholders, including ordinary citizens. Consequently, as the draft budget progresses through the budget cycle different stakeholders negotiate for investment of more resources in their preferred sectors. Through such negotiations some sectors that were lowly funded get more resources, at the expense of sectors that had gotten more resources in the draft budget.

During the pre-budget phase prioritization of agricultural extension services had a partial correlation of 0.656. However, prioritization of the sector in the budget dropped to a partial correlation of 0.342 at the budget enactment phase. This could be attributed to the fact that some resources were shifted from agricultural extension to other priority sectors such as education and health which got more resources during the budget enactment stage.

The prioritization dropped further to a partial correlation of 0.304 at the post budget/budget implementation phase of the budget circle. The drop in the prioritization of agricultural extension services further at the implementation phase could be attributed by the fact that the district suffered revenue shortfall during COVID-19 onslaught, which made more resources to be shifted to the health sector which was tackling COVID-19. This could further be accounted for in the words of one interviewee as follows:

"... With COVID-19 emergency agriculture was relegated in prioritization and as such significant amount of resources were moved from agriculture, to be added to the health sector which was at the forefront of fighting COVID-19", (Respondent, 13/7/2022).

In the pre-budget phase, health services prioritization had a partial correlation of 0.600, which rose to a partial correlation of 0.691 during the budget enactment phase. This could be attributed to the fact with the COVID-19 onslaught of the time, as more stakeholders participated in the budget enactment they upgraded the prioritization of the health sector and therefore moved some resources from other sectors such as education and agricultural extension services. However, at the budget implementation phase the partial correlation dropped to 0.223. This drop in the prioritization of the health sector during budget implementation could be attributed to the revenue shortfall caused by COVID-19 disruptions.

Also the pre-budget process prioritization of education had a low partial correlation of 0.354. However prioritization of the education sector in the budget rose to a partial correlation of 0.651 in the budget enactment phase of the sector. This rise in the prioritization of education during the budget enactment phase could be attributed to fact that as the number of stakeholders increased during enactment, they upgraded the prioritization of education, compared its prioritization by a few technocrats and politicians during the budget drafting.

This rise in prioritization during the budget enactment could be attributed to the need for more resources to adopt education innovations that emerged during COVID-19 lockdown. Prioritization of the education sector was so marginal in the post budget/budget implementation phase, where its partial correlation stood as low as 0.063. This drop in prioritization of education during the budget implementation phase could be attributed to revenue shortfalls and the fact that schools were closed for two years. When this researcher inquired from one of the interviewees why the prioritization of the education sector during the budget implementation phase stood so low this is what he noted:

Because of the effects of COVID-19 on local government revenue, where our district suffered huge local revenue shortfalls and shortfall in central government transfers, education budget, which is normally supplemented by parents' support did not the prioritization it deserves during budget implementation phase (Interviewee, 13/07/2022).

The Role of CSOs in Promoting Pro-Poor Local Government Budget Processes

This subsection presents and interprets data on the role of CSOs in promoting local revenue enhancement. The data and output of the analysis is on the role of civil society organizations in building capacity of local governments in revenue mobilization; civil society organizations off budget support to local governments; and civil society support in form of providing on-budget support to local governments, through direct fund transfers to local governments.

Table 2: Chi-Square Test of the Relationship between Civil Society Budget Activities and Local Government Revenue Enhancement

Revenue Enhancement		Value	df	Asymp. Sig. (2-sided)
Capacity Building in revenue mobilization	Pearson Chi-Square	444.2512742	120	0.000
	Likelihood Ratio	304.8021412	120	0.000
	Linear-by-Linear Association	75.40232254	1	0.000
	N of Valid Cases	89		
Off-budget resource support	Pearson Chi-Square	388.4331022	96	0.000
	Likelihood Ratio	295.0722249	96	0.000
	Linear-by-Linear Association	51.41616688	1	0.000
	N of Valid Cases	89		
On-budget resource support	Pearson Chi-Square	348.9657207	96	0.000
	Likelihood Ratio	265.8390902	96	0.000
	Linear-by-Linear Association	38.1254626	1	0.000
	N of Valid Cases	89		

Source: Field Study

From Table 2 hereinabove, the low significance values (p-value < .05) indicate an association between civil society interventions and local government revenue enhancement. For instance, since the probability value of the chi-square (0.000) for local government revenue enhancement through civil society capacity building of local governments is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between civil society capacity building efforts and local government revenue enhancement.

This therefore means that as a result of capacity building of local governments, local governments are able to collect more revenue to fund pro-poor budget priorities. Further, since the probability value of the chi-square (0.000) for civil society off-budget resource support is less than 0.05, we reject the null hypothesis and conclude that there is a significant relationship between civil society off-budget resource support and local government revenue enhancement. This means that services that CSOs provide directly to communities enhance local government revenue by freeing revenue that local governments should have used to deliver such services to deliver other services that civil society organizations cannot provide.

Again, with the probability value of the chi-square (0.000) for civil society on-budget resource support being less than 0.05, we reject the null hypothesis and conclude that there is a significant relationship between civil society on-budget resource support and local government revenue enhancement. This therefore means that grants that CSOs provide to local governments increase local government revenue for funding pro-poor priorities. The foregoing finding is validated by a qualitative data, where an interviewee observed that:

Local government resources to fund other development priorities (Interviewee, 27/06/2022). The finding was further corroborated by qualitative data from the FGD, where a group observed that:

NGOs have been very supportive of the community especially the poor by sinking boreholes, repairing the ones that have broken down; building classroom blocks in schools; providing agricultural inputs to poor households etc. which the district would have been required to do with the limited resources (FGD, 29/06/2022).

Civil Society Organizations and Pro-Poor Local Government Budget Allocation

Given that the probability value of the chi-square (0.000) for CSOs influence on local governments to enact pro-women budgets is less than 0.05, we reject the null hypothesis and conclude that there is significant relationship between CSOs advocacy and local governments' enactment of pro-women local government budgets. Because the probability value of the chisquare (0.000) for CSOs influence on local governments to make pro-youth budgets is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between CSOs influence/advocacy and local governments' enactment of pro-youth budgets.

Again because the probability value of the chi-square (0.000) for CSOs influence on local governments to make pro-persons with disabilities is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between CSOs influence and local governments' enactment of pro-poor budgets. Since the probability value of the chi-square for CSOs influence on local governments to make pro-elderly budget is 0.000, which is less than 0.05, we reject null hypothesis and conclude that there is significant relationship CSO's influence and the making of pro-elderly budgets by local governments. The aforementioned quantitative findings is supported by the findings of qualitative data that CSOs promote the enactment of pro-poor budgets by local governments. For instance, according to one respondent:

Civil Society Organizations normally participate in our local government budget conferences, where they advocate for the inclusion of priorities of the *marginalized sections of the society, like women, youth and persons with disabilities in the local government budgets (Interviewee, 28/06/2022).*

This was further corroborated by another respondent who observed that:

Some NGOs that work in our district during the budget formulation stage organize and facilitate budget dialogues where they bring local government leaders on one side and the community members on the other side, where the duty bearers and the community members compare the priorities of the locals in a particular area and the priorities that are that are in the draft budget. Through such dialogues we the local government leaders often make adjustments to the local government budget to reflect the priorities of the common man (Interviewee, 30/06/2022).

CSOs Budget Advocacy and Pro-Poor Implementation of Local Government Budgets

Table 3: Chi-Square Test of the Relationship between CSOs Budget Advocacy and Pro-Poor Implementation of Local Government Budgets

Pro-Poor Implementation of Local Government Budgets		Value	Df	Asymp. Sig. (2-Sided)
CSOs holding local govt accountable for non-implementation of pro-poor budget priorities subsequently reduce the proportion of unimplemented priorities	Pearson Chi-Square	327.5733283	96	0.000
	Likelihood Ratio	262.1915301	96	0.000
	Linear-by-Linear Association	59.06581699	1	0.000
	N of Valid Cases	89		
CSOs holding local govt accountable for delayed implementation of pro-poor budget priorities subsequently improve pace of implementation	Pearson Chi-Square	326.3853443	120	0.000
	Likelihood Ratio	243.5181715	120	0.000
	Linear-by-Linear Association	37.33528517	1	0.000
	N of Valid Cases	89		
CSOs holding local govt accountable for poor quality implementation of pro-poor priority subsequently improve quality of implementation	Pearson Chi-Square	312.2697012	120	0.000
	Likelihood Ratio	221.7543966	120	0.000
	Linear-by-Linear Association	45.1316687	1	0.000
	N of Valid Cases	89		

Source: Field Study

From Table 3 hereinabove, since the probability value of the chi-square (0.000) is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between CSOs budget advocacy and the implementation of pro-poor budget priorities by local governments. This therefore means that CSOs influence local governments to implement their budgets in a way that favors the poor. But specifically, because the probability value of the chi-square (0.000) for CSO budget advocacy reducing the non-implementation of pro-poor budget priorities is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between CSOs budget advocacy and improved implementation of pro-poor budget priorities by local governments. This means that CSOs influence local governments to implement pro-poor priorities that they have otherwise not implemented if it wasn't for the pressure CSOs put.

Since the probability value of the chi-square (0.000) for reducing delay in the implementation of pro-poor priority is less than 0.05, we reject null hypothesis and conclude that there is a significant relationship between CSOs budget advocacy and improved the pace of implementation of pro-poor budget priorities by local governments. This therefore means that CSOs influence local governments to speed up the implementation of pro-poor priorities. It means that without CSOs the implementation of pro-poor priorities would have been slow, to the detriment of the poor.

Further, since the probability value of the chi-square for improving the quality of implementation of pro-poor budget priorities is 0.000, and therefore less than 0.05, we reject the null hypothesis and conclude that there is a significant relationship between CSOs budget advocacy and improved quality of implementation of pro-poor budget priorities by local governments. This therefore means CSOs influence local governments to avoid shoddy work in pro-poor projects.

The foregoing quantitative findings is corroborated by qualitative data, when an interviewee noted that:

"A number of CSOs in the district normally organize barazas to hold us accountable for the shortfalls in the implementation of priorities that benefit the ordinary citizen. This puts pressure on us, local government leaders, to ensure that such priorities are well implemented" (Interviewee, 1/07/2022).

The foregoing was supported by a finding from a Focus Group Discussion, where a group held as follows:

"The Apac Anti-Corruption Coalition normally organizes dialogues where we members of the community ask them why projects meant for us the poor are not being implemented, yet we were informed it was put in the budget. As a

result, we later see the implementation of such projects commence" (FGD, 3/7/2022).

CSOs Budget Advocacy and Prevention of Leakages in Local Government Budgets

The probability value of the chi-square for the relationship between CSOs social accountability and prevention of leakages in local government budgets is 0.000, and therefore less than 0.05, we reject the null hypothesis and conclude that CSOs social accountability prevent leakages in local government budgets. This means that CSOs prevent loss of local government budget resources through corruption. Since the probability value of the chi-square for CSOs prevention of shoddy work is 0.000, and therefore less than 0.05, we reject null hypothesis and conclude that it prevents shoddy work because of the significant relationship between CSOs social accountability intervention and the prevention of shoddy work in pro-poor projects. By preventing corruption in local government budget implementation process CSOs make more resources available for implementation of pro-poor priorities.

The Chi-Square Test on CSOs Budget Advocacy and Prevention of Leakages in Local Government Budgets value of the chi-square for the relationship between CSOs Public Expenditure Tracking Surveys (PETS) and prevention of loss of local government funds is 0.000, and therefore less than 0.05, we reject null hypothesis and conclude that PETS by CSOs prevent loss of funds for pro-poor priorities in local government budgets.

Thus, through PETS civil society organizations make resources available for implementation of pro-poor priorities. Further, because the probability value of the chi-square for the relationship between CSOs monitoring and loss of inputs for service delivery in local governments is 0.000, therefore less than 0.05, we reject null hypothesis and conclude that CSOs monitoring prevent loss of non-financial inputs for implementation pro-poor priorities in local government budgets. Finally, because the probability value of the chi-square for the relationship between CSOs social movements and the prevention of corruption in local governments is 0.000, therefore less than 0.05, we reject the null hypothesis and conclude that CSOs social movement's prevention corruption in local governments.

The study makes it clear that local governments have pro-poor budgets in that their budgets prioritize issues or sectors that are of grave concerns to the poor, namely, health services; agricultural extension services and education. The finding that health is prioritized in all phases of the budget circle is in agreement with the findings of Development Initiatives (2016) that health, agriculture and education are among the top priorities in government budgets in Uganda. This finding validates the finding of Development Initiatives (2016) that Uganda has been committed to financing poverty reduction since the Poverty Eradication Action Plan (PEAP) years (1990s to late 2000s).

The finding of this study therefore disagrees with the observation of the National Planning Authority (2015) that there is limited alignment of planning and budgeting in Uganda. The finding also contradicts the findings of a study by Kakembo (2016) that the amount of budget allocated to the poor in Uganda is still low, thereby alluding to the view that there are no pro-poor budgets in Uganda.

Further, agriculture was prioritized in the local government budget. This finding therefore disputes the findings of a study by Development Initiatives (2019) that there is a low prioritization of agriculture in government budgets in Uganda, including local government budgets. The said finding of this study is also at variance with as study by Eastern and Southern Africa Small Scale Farmers' Forum (ESAFF) – Uganda (2015) Which observed that despite Uganda adopting the Maputo and Malabo declarations where it committed to funding agricultural sector by at least 10% of the budget, central and local government budgets have still failed to allocate at least 10% of its budget to agriculture. The findings in the same Table 1 that education is prioritized in local government budgets disprove the finding by Hedger et al (2010) that government prioritization of education in Uganda is low, which they attributed to the shift in government priority to the production sector.

Accordingly, CSOs' interventions have promoted local government enhancement through capacity building local governments in revenue mobilization. This finding validates the position that CSOs enhance local government revenue by building the capacity of local governments in mobilizing both tax and non-tax revenue to fund pro-poor priorities. Further, the finding reveals that CSOs enhance local government revenue through off-budget support, namely, direct service delivery to the poor, which frees local government budget resources to fund other services to the poor.

This finding validates a finding by Hughes and Atampugre (2005) that CSOs help local governments to mitigate the problem of low revenue by delivering services and care to poor and vulnerable groups. This is also in agreement with an observation by Government of Uganda (1994) alluded to the off-budget support by CSOs when it observed that as early as 1994 CSOs provided one third of hospital beds (Uganda Government, 1994). The finding further concurs with Rahman (2006) who argues that "the NGO sector as a whole has shifted away from its initial focus on promoting political mobilization and accountable government, to the political delivery of basic services".

The finding therefore validates the holding that CSOs contribute to revenue enhancement only in the sense that it frees local government tax and non-tax revenue to finance other services that cannot be provided directly by CSOs. This is therefore in consonance with the observation of one local government leader who observed that:

Dokolo district has been leveraging civil society organizations as very important development partners in boosting revenue, mostly through their direct service delivery to communities, which frees local government resources to fund other development priorities (Interviewee, 27/06/2022).

The afore-cited existing literature also validates qualitative data from the FGD, where a group observed that: *CSOs have been very supportive of the community especially the poor by sinking boreholes, repairing the ones that have broken down; building classroom blocks in schools; providing agricultural inputs to poor households etc. which the district would have been required to do with the limited resources (FGD, 29/06/2022*).

This finding validates the finding of an earlier study by Mitlin and Satterthwaite (2004) which revealed that CSOs often fulfill the role that government agencies should provide – for instance, provision of water, waste removal, healthcare or the support of Centers that assist particular groups (such as Centers for street children). The finding is that CSOs enhance local government revenue through on-budget funding support to local governments, which comes in form of grants. This finding support the postulation that CSOs promote pro-poor budgets in local governments by providing financial support to local government budgets.

The findings to the effect that CSOs influence local governments to make budget allocations that is pro-poor generally, but that most predominantly address the concerns and priorities of women, youths, persons with disabilities and/or the elderly who are the most afflicted social group. The said finding validates an observation by Van Lerberghe and Ferrinho (2002) that because of lack of resources, ignorance, lack of political will or lack of awareness of the vulnerability problem, or disempowerment of the most afflicted social groups rational allocation of resources by government is an illusion but CSOs play a role in identifying priority issues and putting it on the decision makers' agenda.

As one of the defining elements of a pro-poor budget, the findings reveal that CSOs influence local governments to allocate significant budget resources to pro-women priorities. The finding concurs with Solava and Hulme (2010) who held that CSOs ensure that government's resource allocation is in favor of the marginalized, e.g.by calling for participatory and gender budgeting. The said observations of Solava and Mulme (2010) of the use of participatory budgeting to promote pro-poor budget allocation is in tandem with the qualitative finding of this study, namely,

"*Some CSOs that work in our district during the budget formulation stage organize and facilitate budget dialogues where they bring local government leaders on one side and the community members on the other side, where the duty bearers and the community members compare the priorities of the locals in a particular area and the priorities that are that are in the draft budget. Through such dialogues we the local government leaders often make adjustments to the local government budget to reflect the priorities of the common man (Interviewee, 30/06/2022).*

The foregoing qualitative finding of this supports an earlier finding by Mitlin and Satterthwaite (2004) that many NGOs bring the problems of the poor to the attention of local authorities and seek policy changes that would directly enhance the livelihoods of the poor. The finding also corroborates an additional observation by Mitlin and Satterthwaite (2004) CSOs also promote pro-poor budget allocation by organizing dialogues between policy makers and communities.

The finding that CSOs promotes pro-poor local government budget allocation validates the holding that CSOs promote allocation of public resources to pro-poor priorities, by organizing pre-budget dialogues between the rights holders and duty bearers (local government officials) for duty bearers to harmonize proposed budget allocation with the priorities of the poor. The said finding also confirms an earlier finding by the World Bank's (2013) in Uganda to the effect that CSOs advocacy promote pro-poor budget allocation when it observed that post-budget Public Expenditure Tracking by CSOs in Uganda resulted in increase in capitation grants received by schools; and that indeed, the grants were so insignificant that they were increased to almost 100% from 1991 to 1999.

The findings reveal that CSOs promote pro-poor implementation of local government budgets. This finding corroborates an observation by Ramkumar and Krafchik (2005) that evidence have begun to emerge that civil society budget advocacy have a positive impact on propoor budget implementation. The same finding equally confirms the findings of Van Lerberghe and Ferrinho's (2002) and de Renzio and Krafchik's (2006) earlier finding that CSOs budget monitoring pressurize local governments to implement pro-poor priorities. The same observation of de Renzio and Krafchik's (2006) is further validated by the qualitative finding of this study where a focus group discussion reported that:

"The Apac Anti-Corruption Coalition normally organizes dialogues where we members of the community ask them why projects meant for us the poor are not being implemented, yet we were informed it was put in the budget. As a result, we later see the implementation of such projects commence" (Focus Group Discussion, 3/7/2022).

The finding is specifically in tandem with de Renzio and Krafchik's (2006) additional finding that civil society organizations work against bad budget practices such as underspending and inefficiency which often prevent the poor from benefiting from public budgets despite the investment of considerable public resources. The same finding is in consonance with the view that CSOs' monitoring process such as post-budget dialogues hold local governments accountable for delay in pro-poor budget implementation and as a result speed up implementation of pro-poor priorities.

But specifically, the finding is that CSOs promote pro-poor implementation of local government budgets with the effect of reducing the non-implementation of pro-poor budget priorities. This finding validates the postulation that civil society post-budget advocacy puts pressure on local governments to implement pro-poor budget priorities, thereby reducing the variance between budgeted and actual expenditures on pro-poor priorities.

The finding is further that CSOs promote pro-poor implementation of local government budgets by improving the quality of implementation of pro-poor budget priorities. This finding validates an observation by Foster et al (2012) that the most persuasive evidence that civil society voice in holding government officials accountable improves quality of services provided by government to the poor is available in Uganda. The Foster et al (2012) observation is equally corroborated by the qualitative finding of this study to the effect that:

"A number of CSOs in the district normally organize barazas to hold us accountable for the shortfalls in the implementation of priorities that benefit the ordinary citizen. This puts pressure on us, local government leaders, to ensure that such priorities are well implemented" (Interviewee, 1/07/2022).

The finding is that CSOs prevent leakages to local government pro-poor budget resources, through prevention of shoddy work, prevention of loss of inputs for pro-poor service delivery and prevention of corruption generally, through civil society social accountability activities, including Public Expenditure Tracking Surveys (PETS) and social movements. This finding is in tandem with an earlier World Bank's (2002) study in Uganda which found that Public Expenditure Tracking Survey by CSOs reduced leakages in capitation grants received by schools in the period under review, namely; 1991 and 1999.

The finding also corroborates the World Bank's (2012) finding that CSOs undertake Public Expenditure Tracking Surveys to 'follow the money' from central government budgets through to local governments to service providers, or absenteeism surveys to monitor attendance of teachers, doctors etc. which helps identify anomalies in the fund flow.

The said finding buttresses a finding by Foster et al (2007) that involving CSOs in monitoring the probity of public expenditure management is one of the effective, and often cost-efficient, complement to official institutional anti-corruption measures (Foster et al, 2002). The same finding of this study validates Shah's (2007) observation that when NGOs play a direct role in the budget process, and promote citizen empowerment they prevent leakages to government resources by checking corruption.

The finding equally concurs with the conceptual framework in Chapter One which holds that CSOs prevent, or at least reduce, leakages to local government through measures such as post-budget dialogues, public expenditure tracking and social audits. Thus Wampler (2007) position that CSOs play the said role by monitoring spending and policy decision, acting as a watchdog holds true as per the findings. It equally makes the allusion by Hughes and Atampugre (2005) that CSOs create a sense of government accountability to hold true. The finding in table 4.6 that the CSOs, among others, prevent budget leakages through social movements corroborates the position by the European Commission (2014) that the 'Black Monday' movement in Uganda is another significant example of how CSOs can take action to monitor the use of public monies although no invited space exist.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Whereas the contributions of CSOs in promoting pro-poor local government budgeting processes is always doubted, as expressed in the statement of the problem, from this study it is evident that CSOs promote pro-poor local government budgeting processes. CSOs achieve that through enhancement of local government revenue; promoting pro-poor local government budget allocation; promoting pro-poor local government budget implementation and preventing leakages of pro-poor local government budget resources.

Recommendations

Based on the findings presented and discussed in chapter four herein, government should do the following:-

- i With the finding that CSOs enhance local government revenue and the fact that local government experience the challenge of revenue shortfalls, local governments should leverage CSOs as an important resource in enhancing their revenue.
- ii With the finding that CSOs participation in local government budgeting processes influence local governments to make budgets that are pro-poor, going forward local governments should involve civil society organizations in all phases of the budget circle.
- iii Local governments should embrace the use of social accountability forums and tools such as barazas, Public Expenditure Tracking Surveys (PETS) and social movements for checking local government budget resource leakages to enhance decentralized service delivery.

Emerging Issues and Controversies

Inclusivity and Representation: One of the key challenges that may emerge is ensuring the meaningful inclusion and representation of marginalized communities in the budgeting process. CSOs may advocate for the voices of the poor to be heard and taken into account during budget formulation and implementation. Disputes might arise if there are perceived gaps in the representation of the most vulnerable groups.

Budget Prioritization and Allocation: Controversies may arise over how budgetary priorities are set and how funds are allocated within the local government. CSOs may push for more resources to be directed towards pro-poor programs and services, while local government officials may face competing demands and limited resources.

Transparency and Accountability: CSOs play a critical role in monitoring the budget process to ensure transparency and accountability. If there are concerns about the lack of transparency in budget decisions or if funds meant for pro-poor initiatives are mismanaged or misused, controversies between CSOs and local government authorities could occur.

Capacity Building and Engagement of CSOs: Effective engagement of CSOs in the budget process requires adequate capacity building and resources. Disputes may arise if CSOs feel that they lack the necessary skills, information, or support to engage meaningfully with the local government on budget matters.

Political Dynamics and Power Struggles: In some cases, political dynamics and power struggles within the local government may influence the budgeting process. CSOs might face challenges in navigating these dynamics and advocating for pro-poor budget priorities in the face of political resistance.

Data Availability and Quality: For evidence-based budgeting, reliable data is essential. CSOs may encounter challenges in accessing accurate and up-to-date data on poverty levels, demographics, and social indicators. Disputes may arise over data sources and methodologies used to inform budget decisions.

Coordination and Collaboration: Effective collaboration between CSOs and local government officials is crucial for achieving a pro-poor budget process. Challenges in communication, coordination, and trust-building may lead to controversies and hinder progress.

Sustainability of Pro-Poor Initiatives: CSOs might advocate for sustainable pro-poor initiatives that have a lasting impact on poverty reduction. Disputes may arise if there are conflicting views on the most sustainable approaches and funding mechanisms.

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Moderation Effect of Organizational Culture on the Relationship between Strategic Inputs of Competitive Intelligence and Competitive Advantage among Commercial Banks in Kenya

[1*]Paul Waithaka
Department of Business Administration, Kenyatta University
[*]Corresponding Author's Email: paulwaithaka82@yahoo.com

Abstract

Purpose: The purpose of this paper is to determine moderating effect of organizational culture on the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya**.**

Methodology: A descriptive and explanatory research design was used in this study and primary data was collected at the head offices of each bank which are all found in Nairobi city. Primary data was collected using a semi-structured questionnaire. Data was analyzed using both descriptive and inferential statistics. Analysis was done with the assistance of SPSS computer packages.

Findings: Strategic inputs of competitive intelligence were found to explain 46.6 % of competitive advantage. When organizational culture was introduced this variation changed to 53.7%. Therefore, organizational culture was found to have a moderating effect on the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya

Unique Contribution to Theory, Practice and Policy: While incorporating strategic inputs of competitive intelligence among commercial banks, attention should be paid on prevailing culture within the organization in terms of shared values, norms, assumptions and belief systems that encourage the collection, analysis, utilization and sharing of competitive intelligence to enable banks gain competitive advantage

Keywords: *Strategic Inputs, Competitive Intelligence, Competitive Advantage, Organizational Culture*

INTRODUCTION

Moderation is a way of checking whether a third variable influences the strength or direction of the relationship between an independent and a dependent variable (Baron & Kenny, 1986). In statistics and regression analysis, moderation occurs when the relationship between two variables depends on a third variable (Cohen, Cohen, West & Aiken, 2003). Moderation is essential to understand the mechanisms in social science theories (Haye, 2018).

Identifying a moderation of an independent variable's effect on the dependent variable helps to understand better the mechanism underlying the effect under different circumstances. This may subsequently lead to a better understanding of the baseline relationship and advancement of existing theoretical knowledge. This study sought to determine the moderating effect of organizational culture on the relationship between strategic inputs of competitive intelligence and competitive advantage of commercial banks.

Competitive intelligence has become a very important tool in the organization strategic planning and management processes (Safarnia, Akban & Abbasi, 2011). Nanzhelele (2012) noted that there was an increase in the number of organizations carrying out competitive intelligence activities either formally or informally due to its benefits. Knowledge and information have become vital elements in wealth creation by organizations. Through utilizing information systems, the abundance of available information would enable organizations to generate competitive advantage and constant innovations to survive and prosper in the long term (Laudon & Laudon, 2007).

Wright (2010) state that there are many reasons that motivates business enterprises to use competitive intelligence stating that it provides: "an objective view of the market place; a reduction in decision making time, minimizing risk and avoiding surprises; identification of opportunities before the competition does; identification of early warning signals of competitor moves; time to consider counter moves; input to idea generation; challenges to, and/or verification of, assumptions; challenges to, and/or verification of intuition; a proactive decision making attitude; support for prioritization of decisions; stimulation for pursuing improvement rather than mediocrity; a reduction in uncertainty.

The need to enhance competitiveness has forced companies to consider competitive intelligence not only as protective tool to guard against perceived threats and changes but also as a mechanism for discovering new opportunities and trends (Pirttimaki, 2007). Garelli (2003) states that since companies actually compete in the global economy, many authors are of the opinion that when studying competitiveness, the focus should be on companies as they are the main engines of a country's competitiveness.

Murphy (2005) noted that gathering raw data and converting it into intelligence through human judgment is a fundamental aspect of every business. The author further explains that competitive intelligence goes beyond bench marking against competitors and includes monitoring the social, technological, economic and political environments, embracing all factors that could endanger or enhance an organization's competitive position.

The challenge for organization's management today in their quest to improve performance is how to deal with this changing competitive landscape. Performance measurement is considered as the process of quantifying the effectiveness and efficiency of actions (Alaa & James, 1996). Ma (2000) observed that competitive advantage and firm performance are two constructs with an apparently complex relationship, while Ray, Barney and Muhanna (2004) found a significant relationship between competitive advantage and performance.

Though much empirical works has centred on competitive advantage, the generalization of its relationship to competitive intelligence is under researched (Safarnia et al., 2011). Competitive intelligence is the value adding, continuous, and systematic process of knowledge and information flow for the purpose of monitoring both the internal and external environment of an organization collected legally and analyzed and finally used to improve decision making ((Roitner, 2008). The main purpose of competitive information analysis is to gain a better understanding of an industry and its competitors, make better decisions, develop superior strategies and achieve more efficient results that position the organization at a higher level of achievement compared to its rivals (Rakimane, 2009).

Strategic Inputs of Competitive Intelligence

The topic of intelligence is vast and has its roots in military science. One of the earliest sophisticated references is the art of war by Sun Tsu (Griffith, 1971) written about 500 BC and has been the basis for development in military intelligence. Intelligence has been a significant factor in military success for thousands of years (McCandles, 2003). The genesis of intelligence activities in the context of commerce and business, is however, a more recent development (Fleisher, 2001).

Since the end of the cold war, competitive intelligence once used in the military environment rapidly infiltrated into the business environment (Deng & Luo, 2010). When the cold war came to an end in 1990, downsizing occurred in the United States of America armed forces and related intelligence activities, which resulted in many qualified intelligence officers seeking to apply their skills in other arenas. One arena where they found a home was in business organizations (Prescott, 1999). Hence the widespread use of competitive intelligence in business organizations today.

The work of Porter (1980) in strategic management and competitive analysis which focused on tracking specific competitor's behaviour and linking competitive analysis to competitive strategy created the background for the development of competitive intelligence as a discipline (Viviers, Saayman & Muller, 2005). These writers believed that the true purpose of intelligence was to enable an organization gain competitive advantage. Fahey (2007) identified and described five strategic inputs or domains of competitive intelligence that researchers in competitive intelligence needed to focus on. These are: marketplace opportunities; competitor threats; competitive risks; key vulnerabilities and core assumptions. These strategic inputs are the variables adopted for this study.

A marketplace opportunity is a strategic input which is concerned with creating and realizing new opportunities. The strategy may define new ways of creating value for customers by coming up with new products or solutions, extending product market line or reconfiguring existing solutions.

By discovering new opportunities and threats, competitive intelligence acts as a radar that enables the firm to discern the environment carefully and promptly (Rezaeian & Bolooki 2010). Seizing a good business opportunity also often depends on timing. Although some might call it luck, identifying and exploiting the window of opportunity can be critical to new product development and market introduction. Adom, Nyarko and Som (2016) state that in large complex markets, general competitors' information is important to avoid surprises in the market place. Waithaka (2020) found that marketplace opportunities have significant effect on the competitive advantage of commercial banks.

According to Fahey (2007) there are various methods of spotting marketplace opportunities; such as following regulatory developments; tracking research and development in specific industries; conducting patents analysis; the use of projections to identify potential product and emerging customer needs and technological advances to identify new products or solutions.

Competitor threats are the ways a rival inhibits a company's strategy from succeeding in the market place. When a threat is detected too late, the resources devoted to this strategy would go to waste. If detected early, strategies could be developed to neutralize, eliminate, ameliorate the threat or avoid the strategy. Competitive threats could lead to competitor's rivalry, which when escalated could significantly harm a firm's performance. The resulting moves and countermoves could have potential negative effects. Nwakah and Onduku (2009) state that the executive team must be alert and assess current and potential competitor changes for their implications and threats on the firm's strategy.

Fahey (2007) explained that competitive risks include any marketplace change that could negatively impact on the firm's current or potential strategy. These marketplace forces are a source not only of opportunities and competitive threats but also of competitive risks. Waithaka (2020) states that tactics oriented competitive intelligence could inform the sales force, where the next generation of products could be heading. Gilad (2005) stated that competitive intelligence allows for advanced identification of risks and opportunities in the competitive arena. These include changes in customer preferences, distribution channels, suppliers, government agencies and political parties.

Assessing key vulnerabilities requires the identification of that which could most critically affect the organization's strategy and to which management has least control. This compels managers to go beyond listing those entities to analyze and rank current and potential threats and risks to enable identification of those that could most severely impede strategy success.

Pirttimaki and Hannula (2003) stated that one of the objectives of competitive intelligence is to enable managers understand where the organization is vulnerable so that it could be hedged against attack by rivals. Pearce and Robinson (2009) stated that core assumptions are the premises that strategic managers have assessed and found to be relevant and valid before and during strategy formulation. The authors further stated that due to the dynamic nature of the business environment, that keeps changing, then managers should constantly monitor and verify the validity of those core assumptions. Waithaka (2022) found that strategic inputs of competitive intelligence have significant effect on the competitive advantage of commercial banks in Kenya

Competitive Advantage

The pursuit of competitive advantage is an idea at the very heart of strategic management literature (Liao & Hu, 2007). However, Ma (2000) states that competitive advantage is perhaps the most widely used term in strategic management yet remains poorly defined and operationalized. Levy and Weitz (2001) described sustainable competitive advantage as an edge over competition that could be maintained over a long time.

In order for the organizations to create sustainable competitive advantage, they need to develop a value propositioning that meets the needs of customers in a way that rivals cannot match or easily imitate (Kotler & Keller, 2006). It is essentially a position of superiority on the part of the firm in relation to its competition in any of the multitude of functions/activities performed by the firm.

As noted by Porter (1996), at the most basic level, firms create competitive advantage by perceiving or discovering new and better ways to compete in an industry and bringing them to the market, which is ultimately an act of innovation. This shifts competitive advantage when rivals fail to perceive the new way of competing or are unwilling or unable to respond. When implementing strategy, competitive advantage results out of the way firms perform discrete activities such as conceiving ways to conduct activities, employing new procedures, new technology or different inputs.

Safarnia et al., (2011) stated that competitive advantage is born when a firm discovers a new and more efficient way to enter an industry and put that invention in concrete form, than its rivals. This could allow the firm to produce quality products at lower costs and deliver the right product/service in the right place, at the right price and time through the most convenient channel.

Musran (2013) explained competitive advantage in terms of delivery, dependability, price, and speed to the market and product innovation. This agrees with the revisionist view that managerial presentation of competitive advantage vary in content and structure from person to person since managers have different ways of seeking and processing information. Hill and Jones (2009) summarized many of these views when they stated that the main dimensions of competitive advantage are; efficiency, quality, innovation and responsiveness to customers. Efficiency in most companies is measured through employee productivity that helps the firm achieve competitive advantage through cost savings. This study has used customer value, unique products or services and innovation as indicators of competitive advantage.

Organizational Culture

A moderating variable refers to a variable that can strengthen, diminish, negate, or otherwise alter the association between independent and dependent variables (Iriyadi, Tartilla & Gusdiani, 2020). It can change the direction of the relationship between the independent and dependent variables (Aldholay, Isaac, Abdullah, Alrajawy & Nusari, 2018). Organizational culture has been selected as the moderating variable in this study since expectations and strategy are rooted in 'collective experience' (group and organizational) and become reflected in organizational routines that accumulated over time. Over time, there tends to develop a consensus amongst managers and members in an organization about strategies that would be successful-so strategies themselves become legitimized.

Organizational culture is simply 'the way of doing things' in an organization or how we 'do it here' (Drucker, 2004). Dodek (2010) remarked that "culture is to an organization what personality is to the individual-a hidden, yet unifying theme that provides meaning, direction and mobilization". Cultures can be categorized in a spectrum of weak to strong cultures. Organizational culture has been noted to influence many outcomes in an organization including the implementation of strategies. Indeed, scholars and researchers in strategic management have vouched appropriate organizational culture as a key enabler of effective strategy implementation (Johnson, Scholes & Whittington 2008; Kotler, 2011).

Organization's cultures are the policies, practices, traditions, philosophical beliefs, and ways of doing things (Thomson & Strickland, 2009). Organizational culture works as a social glue to bond the employees together and make them feel a strong part of corporate experience. An organization's culture and associated values dictate the way decisions are made, the objectives of the organization, the type of competitive advantage sought, the organizational structure and systems of management, strategies and policies, attitudes towards managing people and information sharing systems.

The contemporary management thinking has accorded organizational culture a privileged position as enablers of strategy implementation and a critical influencer and pillar of organizational success. In a tacit support of the role of organizational culture on strategy implementation Thompson and Strickland (2009), argued that strategy implementation is primarily an administrative task that involves figuring out workable approaches to executing the strategy and then, during the day-today operations, getting people to accomplish their jobs in a strategy supportive and results achieving fashion.

The call for organizations to align culture to strategy is a loud one. Lopez (2004) opined that organizations making the effort to introduce a culture which encourages communication among their members and motivates employees to question fundamental beliefs would achieve a favorable working atmosphere. Additionally, there has been suggestions that those in management positions to recognize underlying dimensions of their corporate culture and its impact on employee-related variables such as satisfaction, commitment, cohesion, strategy implementation, performance, among others (Lund, 2003). Noble (1999) introduces a chain which leads to implementation of the strategy. This sequence is comprised of communication, interpretation, adoption and enactment of respective performance management and motivation strategies.

Denison and Mishra (1995) identified four traits of organizational culture: involvement, consistency, adaptability and mission. According to these authors, involvement creates a sense of ownership and responsibility. Consistency is an internal control system that facilitates integration and coordination. Adaptability refers to norms and beliefs that support the ability to receive and interpret signals from the environment. Mission includes economic and non-economic objectives. This study tested the moderating effect of organizational culture on the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya.

Commercial Banks in Kenya

The banking industry comprises of 43 commercial banks, 2 mortgage finance companies and 123 foreign exchange bureaus (CBK, 2018). Three of the commercial banks have however been placed under statutory management by the regulator after experiencing some financial challenges. The study therefore considered forty (40) banks that are managed independently under the direct control of Central Bank of Kenya. The banking industry in Kenya has experienced increasing competition over the years whereby commercial banks have been competing amongst themselves and also other financial institutions (Kungu, Desta & Ngui, 2014). At the same time, the Central Bank of Kenya (2017) indicate that there has been high fluctuation in the level of competitive advantage achieved by individual banks in the last five years (2016-2020) with several banks being ranked in different positions over the same period.

The banking industry entered the year 2020 on a strong footing poised to rebound after the interest rate capping was repealed (CBK, 2020). This was however short-lived since the coronavirus (COVID-19) pandemic that was to define the year 2020, did not feature in the global discourse. When the pandemic struck the banking sector and other players instituted measures to mitigate against the adverse impact.

These measures were intended to facilitate the use of digital banking services to reduce the infection risk and ensure continued operation of the industry while safeguarding the health and safety of bank staff, customers and the public. The industry remained stable and agile, demonstrating resilience in 2020 despite the COVID-19 pandemic. The gross loans and advances grew by 7.2% by the end of the year. The banking industry is competitive and thus requires a lot of creativity and innovation both in terms of new product development. As competition among the commercial banks continues to rise, the management of each bank must come up with novel ways of beating the competition, hence the adoption of competitive intelligence. For organizations in the banking industry to become competitive they need to have access to high quality, future oriented information that is necessary for good long-term decisions (Hughes & White, 2005).

Statement of the Problem

Gwahula (2013) stated that commercial banks play an important role in the socioeconomic development in both developed and developing countries by ensuring prudent allocation as well as efficient utilization of resources. They are continuously helping to channel funds from depositors to investors as well as providing access to a nation's payment system (Ongore & Kusa, 2013). However, rapid change, hyper competition, changing demographics and customer needs require banks to build adaptability competency for survival and fostering organizational performance (CBK, 2018).

Serieux (2008) noted that the financial systems in Africa and in Kenya specifically were shallow and fragile and hence unable to effectively contribute to economic development. The shallowness and fragility the author further observed was reflected in low lending levels, high interest spread, high levels of non-performing loans and failing of several banks.

Upadhyaya (2011) argues that this has led to poor performance of the commercial banks. While Oloo (2011) noted that several commercial banks were declaring losses in their financial reports. This was further affirmed by Onuonga (2014) who stated that the performance of commercial banks in

Kenya was not impressive and profitability was on average erratic. This has necessitated the banking institutions to adopt competitive intelligence strategies in order to remain competitive and maintain their industry positions.

Wright, Bission and Duffy (2012) state that in order to enter, survive and develop in their industry and markets, firms have to gain competitive advantage. Gracanin, Kalac and Jovanovic (2015) state that competitive intelligence can be a source of competitive advantage, enabling a company to develop and implement strategies that improve business efficiency and effectiveness.

One of the ways of gaining this competitive advantage in the market is the application of strategic inputs of competitive intelligence strategies in enterprises. Wright (2010) noted that competitive intelligence strategies provide a firm with an objective review of the market place; reduces decision making time; minimizes risks and avoid surprises; helps in identification of opportunities before competition does; identification of early warning signals of competitors moves and reduction of uncertainty.

Business researchers are interested in building theories and models to understand and decipher relationships among variables related to business systems. However, these relationships are not always strait forward. Identification of the effect of the moderating variables has an important implication for business research. Waithaka (2016) found that organizational culture had a significant moderating effect on the relationship between competitive intelligence practices and the performance of firms listed on the Nairobi securities exchange. This study sought to determine the moderating effect of organizational culture on the relationship between strategic inputs of competitive intelligence on sustainable competitive advantage among commercial banks in Kenya.

Objective of the Study

To examine the moderating effect of organizational culture on the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya.

Research Hypothesis

H_{01}**:** Organizational culture has no moderating effect on the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya.

Theoretical Review

This study was anchored on the institutional theory, the dynamics capability theory and the Porter's five forces model. In order for organizations to survive they must conform to some rules and beliefs systems prevailing in the environment. Where there is pressure to conform to certain rules and regulations especially on product and service standards, the institutional theory may impact positively on organizational performance. On the other hand, where conformity leans toward meeting social pressures, the effect on the organizational performance may be negative. Dynamics Capability-Based theory advocates for competing on capabilities or competencies rather than making traditional resources investments as a more appropriate method for achieving competitive advantage.

Day and Nedungadi (1994) argue that a company should be viewed as a bundle of competencies or capabilities as well as resources. In a broad sense, capabilities refer to the organizational processes by which available resources are developed, combined, and transformed into values offered in the market. Teece, Pisano and Shuen (1997) conceptualized dynamic capabilities as idiosyncratic factors which give rise to sustainable competitive advantage.

Porter's (1980) work on the analysis of competitive forces affecting firms, which focused on tracking specific contestant behavior and connecting competitor analysis to competitive strategy, created the background for the development of competitive intelligence as a business discipline (Peyrot, Childs, Van Doren, & Allen, 2002). Porter took a view of scanning the external environment to gather intelligence on rivals. Porter then developed the Five Forces Model to elucidate the forces that shape competition in an industry. This well-defined analytical structure helps strategic managers to link remote factors in a firm's operating environment to its performance.

Organizational Culture and Competitive Advantage

Peters and Waterman (1982) noted that organizational culture is one of the most essential characteristics of excellent companies that stimulate innovation (Naranjo-Valencia, JiménezJiménez, & Sanz-Valle, 2016). Corporate culture plays a critical role in the success or failure of organizations (Flamhaltz & Randle, 2012). According to the resource-based view it is seen as a key resource for achieving operational excellence and crating competitive advantage (Fahy, 2000).

Based on this view culture is perceived as a vital resource since it is valuable, rare and imperfectly imitable. It is imitable due to its unique historic conditions or path dependency, social complexity and causal ambiguity (Dierichx & Cool, 1989). The difficulty of describing values, symbols and briefs makes organizational culture inimitable. Barney (2001) observed that organizational culture and workers with specific expertise are intangible assets built over a long time that competitors cannot buy from the market. These characteristics assert organizational culture as a source of sustainable competitive advantage.

Waithaka (2016) found that organizational factors have a moderating effect in the relationship between competitive intelligence practices and the performance of firms listed on the Nairobi Securities Exchange. The introduction of the moderating variable has enabled the study to have a greater explanatory power. Tosi, Werner, Katz and Gemez-Mejia (2000) suggested that in order for research design to have greater explanatory power in strategic management field, it is imperative to include relevant moderating variables. As the study introduced and verified the new moderator of the existing relationship, a moderate level of theory building is presented to supplement existing theory

In an empirical study, Hall (1992) found organizational culture to be an important intangible resource in creating sustainable competitive advantage for any company. It plays an important role in shaping behavior and performance of organizational members. Deal and Kennedy (1982) noted that performance improvement was linked to deliberate efforts by management toward developing organizational culture.

Bennet, Fadil and Greenwood (1994) argue that organizational success depends on achieving a good fit between strategies, structure and culture while Giberson, Resick, Dickson, Mitchelson, Randall and Clark, (2009) found that a relationship existed between culture and performance. Dietrich (2014) pointed out that culture made up of values that foster teamwork, motivates employees, improves cohesiveness, encourages innovativeness and decrease workplace politics enhances firms’ competitive advantage.

From a historical perspective, organizational culture was used to explain the economic successes of Japanese firms over American firms by motivating workers who were committed to a common set of values, beliefs and assumptions (Dension, 1984). One of the most important reasons that explain the interest in organizational cultures is the assumptions that certain organizational cultures lead to increase in organizational performance. Ouchi

(1981) found a positive relationship between organizational culture and productivity.

Various aspects of organizational culture have been linked to successful implementation of strategies. From past researches, studies on organizational culture have linked and maintained its relationship with performance and effectiveness of strategy implementation (Fey & Denison, 2003). While Pirayeh (2011) identified leadership commitment and employee job satisfaction to successful strategy implementation. Zain, Ishak, and Ghani (2009) are of the opinion that recent modification strategies on organizational culture like organizational change management and team building have an impact on performance.

Valencia (2011) opines that organizational learning, motivational strategies, strategy communication and innovations which are elements of organizational culture influence the sustainability of competitive advantage. Krefting and Frost (1985) state that organizational culture may create competitive advantage if the boundaries of an organization are designed in a manner which facilitates individual interaction and if the scope of the interaction processes is limited to appropriate level.

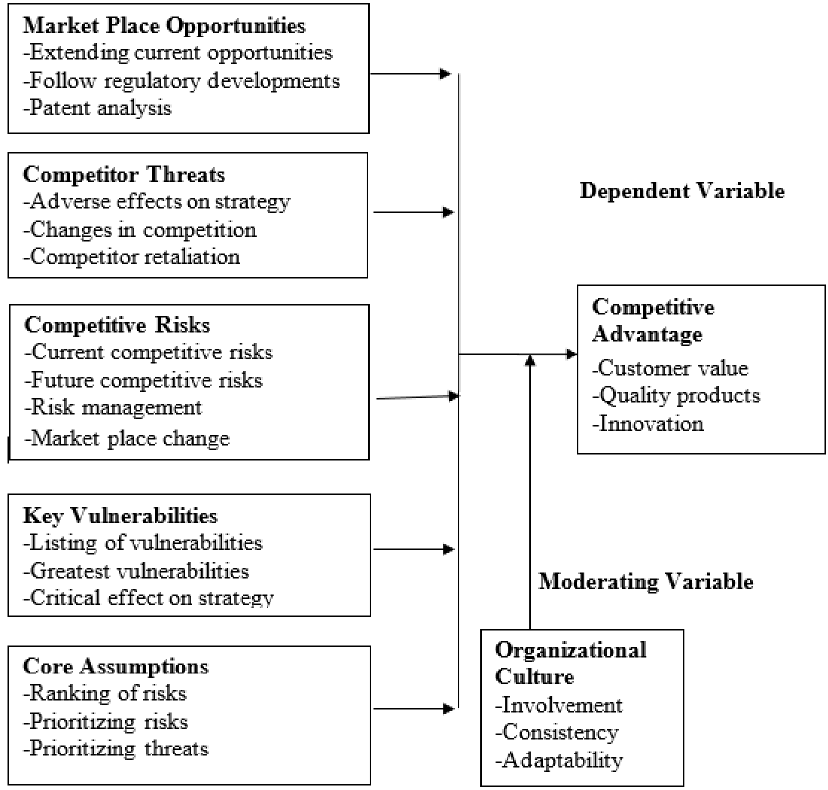

Figure 1: Conceptual Framework

FINDINGS

First, all the five strategic inputs of competitive intelligence were computed and the resultant aggregate value was taken as strategic inputs of competitive intelligence. The researcher then regressed the resultant competitive intelligence against competitive advantage and the findings of the Model Summary are shown in Table 1.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.662[a]	.438	.418	3.74119

a. Predictors: (Constant), Strategic inputs of competitive intelligence

The findings in Table 1 indicate the coefficient of determination as 0.438; this shows that 43.8% change in competitive advantage among commercial banks is explained by the competitive intelligence in place.

The findings of the ANOVA are presented in Table 2.

Table 2: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	315.972	1	315.972	22.575	.000[b]
Residual	405.898	29	13.996		
Total	**721.871**	**30**			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Strategic Input of Competitive Intelligence)

The findings in Table 2 show that the value of F calculated is 22.575; this implies that the overall regression model was significant. The beta coefficients and the p-values showing significance of the study variables are summarized in Table 3.

Table 3: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	4.392	8.377		.524	.604
Strategic inputs of competitive intelligence	.179	.038	.662	4.751	.000

a. Dependent Variable: Competitive Advantage

The following equation is formulated from the findings in Table 3;

Y=4.392+0.179SICI+ε……………………………………………………1

Thus, it can be summed up from Table 3 that strategic inputs of competitive intelligence ($p=0.000<0.05$, $\beta=0.179$) has positive and significant effect on competitive advantage. This agrees with Gracanin et al., (2015) who found that competitive intelligence could be a source of competitive advantage, enabling a company to develop and implement strategies that improve business efficiency and effectiveness. Further, the findings concur with Waithaka (2016) who found that competitive intelligence practices significantly affected the performance of firms listed on the Nairobi securities exchange.

The next step in testing for moderation involved the introduction of organizational culture as the moderating variable into the model besides strategic input of competitive intelligence. The findings of the model summary are shown in Table 4.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.466	.428	3.71025

a. Predictors: (Constant), Organizational Culture, Competitive Intelligence

From Table 4, the value of the coefficient of determination R square was 0.466; this implies that 46.6% change in competitive advantage is explained by organizational culture and strategic input of competitive Intelligence. The findings of the Analysis of Variance are shown in Table 5.

Table 5: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	336.423	2	168.212	12.219	.000[b]
Residual	385.447	28	13.766		
Total	**721.871**	**30**			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Organizational Culture, Strategic Input of Competitive Intelligence

From Table 5, the value of F calculated is 12.219; this has an implication that the overall regression model of the study was significant. Table 6 gives the findings of the regression beta coefficients.

Table 6: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.791	8.538		.795	.433
Strategic inputs of competitive intelligence	.208	.044	.770	4.691	.000
Organizational culture	.335	.275	.200	1.219	.001

a. Dependent Variable: Competitive Advantage

The following regression equation presents the results in Table 6.

Y=6.791+0.208SICI+0.335ORGCULT……………………………………2

Where,

Y= Competitive Advantage among Commercial Banks

SICI= Strategic Inputs of Competitive Intelligence

ORGCULT=Organizational Culture

Therefore, at 5% level of significance, strategic inputs of competitive intelligence ($\beta=0.208$, $p<0.05$) was found to have a positive and significant effect on competitive advantage among commercial banks. The findings agree with Ngugi, Gakure and Mugo (2012) who in an empirical study found the existence of a high correlation between competitive intelligence practices and profitability of firms in the banking industry in Kenya. On the other hand, organizational culture ($p<0.05$, $\beta=0.335$) was also found to have a significant effect on competitive advantage among commercial banks.

The last step in testing for moderation involved getting the product of organizational culture and strategic inputs of competitive intelligence which in addition to organizational culture were regressed against competitive advantage. Table 7, shows the findings of the Model Summary.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712[a]	.537	.452	3.63081

a. Predictors: (Constant), Organizational Culture*Competitive Intelligence, Competitive Intelligence, Organizational Culture

The findings in Table 7 indicate that the coefficient of determination R^2 is 0.537. This implies that 53.7% change in competitive advantage among commercial banks is explained by the product of organizational culture and strategic inputs of competitive intelligence.

Table 7 presents the findings of the Analysis of Variance (ANOVA). Next, the interaction effect between strategic inputs of competitive intelligence and organizational factors was added to the regression model. The value R^2 was found to change from what it was before the introduction of the interaction effect. The R^2=0.466 change to R^2= 0.537 which indicated a variation of 0.071 in the competitive advantage of commercial banks in Kenya. This means that strategic inputs of competitive intelligence explained 46.6% of the competitive advantage of commercial banks before the introduction of the interaction term.

After the interacting term was introduced the competitive advantage among commercial banks was found to be 53.7%. This variation of 7.1% in competitive advantage is explained by the moderation variable. The findings were expected because culture in the organizations helps socialize new employees to expected behaviour, enables consistency in behaviour among employees and encourages employee involvement in decision making. The study further revealed that the culture enables management to predict employees' behaviour under different situations. This agrees with what was pointed out by Peters and Waterman (1982) that organizational culture is one of the most essential characteristics of excellent companies that stimulate innovation.

Table 8: Analysis of Variance

	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Regression	365.936	3	121.979	9.253	.000[b]
Residual	355.935	27	13.183		
Total	**721.871**	**30**			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Organizational Culture* Strategic Inputs of Competitive Intelligence, Competitive Intelligence, Organizational Culture

From Table 8, the value of F calculated is 9.253 with p-value $p< 0.05$; this implies that the overall regression model was significant.

The findings of the beta coefficients and the p-values showing significance are indicated in Table 9.

Table 9: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	108.486	77.496		1.400	.173
Strategic inputs of CI	.731	.352	2.701	2.077	.007
Organizational culture	4.118	2.988	2.460	1.378	.001
Organizational culture* Strategic inputs of C I	.020	.013	4.049	1.496	.000

a. Dependent Variable: Competitive Advantage

Based on the findings in Table 9, the following regression equation was formulated;

Y=β0+β1SICI+β2ORGCULT2+β3SICI*ORGCULT…………………..3

Where,

Y= Competitive Advantage among Commercial Banks

SICI= Strategic Inputs of Competitive Intelligence

ORGCULT=Organizational Culture

CID*ORGCULT=Interaction Effect of Strategic Inputs of Competitive Intelligence *Organizational Culture

From Table 9, the variable competitive intelligence ($p<0.05$, β=.731) was found to have significant effect on competitive advantage. Organizational culture ($p<0.05$, β=4.118) and organizational culture* competitive intelligence ($p<0.05$, β=0.020) all have significant effect on competitive advantage. It can therefore be inferred that organizational culture moderates the relationship between strategic inputs of competitive intelligence and competitive advantage of commercial banks in Kenya.

The findings agreed with Waithaka (2016) who found that organizational culture moderated the relationship between competitive intelligence practices and performance of firms listed on the Nairobi securities exchange. This is aligned to Dietrich (2014) who pointed out that culture is made up of values that foster teamwork, motivates employees, improves cohesiveness, encourages innovativeness and decreases workplace politics thus enhancing the firms' competitive advantage

CONCLUSIONS AND RECOMMENDATIONS

Organizational culture moderates the relationship between strategic inputs of competitive intelligence and competitive advantage among commercial banks in Kenya. Overall, the paper provided support for the hypothesized relationship with a level of consistency regarding construct effect between strategic inputs of competitive intelligence and competitive advantage of commercial banks in Kenya. Culture enables consistency in behaviour among employees and encourages involvement in decision making. It enables management to predict employees' behaviour under different situations, while important values are continually emphasized in the bank. Culture enables employees to rapidly adapt workplace norms and helps new employees to adapt to job requirements at workplace.

The study therefore recommends that when incorporating the processes of strategic inputs of competitive intelligence among commercial banks, attention should be paid on prevailing culture within the organization in terms of shared values, norms, assumptions and belief systems. The culture cultivates a sense of belonging and commitment towards the corporation, develops a sense of unity in the workplace and encourages employees to stay motivated and loyal to management. Management should reinforce the cultural elements which support the collection, analysis, sharing and utilization of competitive intelligence to enable banks improve their competitive advantage.

Emerging Issues and Controversies

Organizational Culture Definition and Measurement: One potential issue that may emerge is the need for a clear and standardized definition and measurement of organizational culture. Different researchers and practitioners may have varying interpretations of organizational culture, making it challenging to establish a consistent understanding of its moderating effect on the relationship between CI inputs and competitive advantage.

Identification and Integration of CI Inputs: Commercial banks in Kenya may face challenges in identifying and integrating the most relevant CI inputs to inform their strategic decision-making. CI can encompass a wide range of data sources and information, and determining which inputs are most valuable for achieving competitive advantage can be contentious.

Organizational Adaptability and Flexibility: The moderation effect of organizational culture on the CI-competitive advantage relationship may be influenced by the bank's ability to adapt and be flexible. Some banks may struggle to align their organizational culture with the dynamic nature of competitive intelligence, potentially leading to controversies over the effectiveness of CI efforts.

Data Privacy and Ethics Concerns: CI activities often involve gathering and analyzing sensitive information about competitors, customers, and the market. Issues related to data privacy and ethical considerations may arise, especially in the context of the bank's organizational culture, which may impact how CI data is collected, stored, and used.

Resource Allocation and Investment in CI: Disputes may arise regarding the allocation of resources and investment in CI initiatives. Some banks may prioritize CI as a crucial driver of competitive advantage, while others may not fully recognize its potential impact, leading to debates over the optimal allocation of resources.

Leadership Support and Buy-In: The level of support and buy-in from top management and leadership in commercial banks can significantly influence the effectiveness of CI efforts. Disagreements may occur if there are differences in opinion among leaders about the importance of CI and how it should be integrated into the bank's overall strategy.

Competitive Landscape and Industry Dynamics: The banking industry in Kenya is constantly evolving, and the competitive landscape may change rapidly. CI inputs and their effectiveness in generating competitive advantage may be influenced by industry-specific factors and dynamics, which could lead to differing views and debates.

Integration of CI into Decision-Making Processes: Even if CI inputs are available, their impact on competitive advantage may depend on how well they are integrated into the bank's decision-making processes. Controversies may arise if there are challenges in effectively utilizing CI to inform strategic choices.

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