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Dear authors and readers of Ruaha Journal of Business, Economics and Management Sciences

It gives me great pleasure to welcome you to the third volume of Ruaha Journal of Business, Economics and Management Sciences for which I have been appointed as the Chief Editor

Our goal is to provide scholars worldwide with comparative papers on recent business, economics and management sciences developments not only in Tanzania, but also in other developing countries and on the international level. The idea to establish this journal belongs to the Faculty of Business and Management Sciences. We want to bring business, economics and management academic tradition closer to the international environment and make it more accessible to other scholars and well-known worldwide.

First, due to the origin of our Journal, Ruaha Journal of Business, Economics and Management Sciences is our priority. We want business, economics and management sciences theories, practice and innovations to be known in the international academic environment.

Second, we are very flexible in our editorial policies. We welcome articles from other countries. We want to make Ruaha Journal of Business, Economics and Management Sciences the platform of the international comparative discussions on different business, economics and management sciences subjects regardless of nationality. Our scope is not limited to any specialized field of knowledge, but is open to other interdisciplinary fields.

Finally, I would like to thank all prominent members of our Editorial Board for joining us in this new fascinating and promising academic project. I thank all contributors to our journal.

Prof. Dominicus Kasilo

Chief Editor

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Adoption of Mobile Money Services: Evidence from Tourist Enterprises in Tanzania

Dr. Alberto Gabriel Ndekwa
Senior Lecturer-Ruaha Catholic University

(Corresponding author: albandekwa@gmail.com)

Abstract

This chapter focused on analyzing determinants of mobile money adoption among SMEs in the tourism sector. Survey design was used where stratified sampling technique was used to ensure representativeness of the sample from Arusha, Dar es Salaam and Unguja. Thereafter, simple random sampling was used to draw a sample of 328 respondents. The findings of the study, based on using structural equation modeling revealed that internal pressures and facilitating conditions significance influence mobile money services adoption while external pressure were found to have insignificant contribution. This chapter concluded that facilitating conditions specifically compatibility, expertise and regulatory framework, and the internal pressure such as employee, managers and owners' pressure have a significant influence on SMEs in adopting mobile Money. This study recommended that for SMEs to effectively adopt mobile money, vendors and government must develop the mobile money and regulatory framework which fit well to SMEs daily operations.

Keywords: Mobile Money, Tourist Enterprises, SMEs

1.0 Introduction

Worldwide, tourism sector is regarded as one of the potential sectors in social and economic development dominated by small and medium scale enterprises. The tourism sector is a major contributor to the economy as well as in foreign exchange in both developed and developing countries including Tanzania (Ardahaey, 2011). The rapid growth of competitive market has forced the SMEs in tourism sector even in least developed countries to adjust itself in the digital era for them to compete and contribute to the economy (Nganga and Ochiri, 2018). Mobile money is evidenced as one of the suitable alternatives of ICT by most SMEs including those in the tourism sector to transform their market in a dynamic and competitive market (Peng, et al., 2013).Notably, William (2015) argued that mobile application offers considerable opportunities for large and small firms across to expand their customer base and rationalize their businesses by competing in the global economies. In Nigeria for example, the new payment instruments have not only been found to serve the purpose of consumers to make micropayments for their ordinary and micro-transactions but also are imperative for global competitiveness (Igudia, 2017). Given developing countries are powered by informal economies that traditionally have had limited access to information technologies, mobile payment system infrastructure has the potential to transform the way microenterprises conduct business (Frederick, 2014).

Economy as part of its effort to become a member of the twenty most economically developed countries in the world by the year 2020 (Igudia, 2017). To achieve this, the Nigerian government created the policy of a cashless economy in which all payments for goods and services especially in businesses have to be done electronically(ibid). Like other countries, the government of Tanzania has established the National ICT policy to create a sound environment to support SMEs' financially and in promoting the adoption of the latest technologies to promote their businesses (URT, 2017).

In spite of the benefits derived from mobile money and initiative which are done to enhance its adoption, it is well evidenced that SMEs in tourism have been slow in adopting and using mobile money services. Policies and various studies have confirmed that SMEs are slow in adopting and using mobile money services. For example, Dubihlela and Kupangwa (2016) have found and confirm

that SMEs in the developing economies have been slow in adopting and using mobile money services. In Africa, Kenneth,et al.(2012) note that small medium tourist enterprises in Kenya, have generally been slow to adopt and evaluate electronic commerce.

Tanzania like other countries, despite the fact that several initiatives have been made to enable adoption of mobile money, the adoption and usage of the mobile payment technology has been disappointing (Anthony and Mutalemwa, 2014). This was also found by Lema (2017) who advocated that the use of mobile money services by the poor in the unbanked areas where small and medium tourist enterprise are included is very low in Tanzania.

Despite the low uptake of mobile money by SMEs and their contribution in the national economy, little has been done in the literature to analyze factors influencing its adoption. Even those few studies, their results have been found with conflicting views. For example, scholars(Lwoga and Lwoga, 2017)have supported the influence of external pressures, internal pressures and facilitating conditions to have significant influence in supporting the adoption of mobile money while on the other side other scholars (Al-Somali , et al., 2011; Omotayo and Dahunsi, 2015) have found insignificant contributions of internal pressure, external pressure and facilitating conditions. Therefore, it is not clear what determinants could help in pushing the SMEs in tourism toward mobile money adoption. As argued by Igudia (2017) that no nation can compete in a global market without developing a versatile and veritable platform for competition especially in trade and commerce through electronic business and mobile commerce. To enable SMEs in tourism sector to act as a symbol of economic success for African economies, this study fills the gap by analyzing the determinants of mobile money adoption among SMEs in the tourism sector.

2. Literature Review
2.2 Theoretical Literature Review

2.2.1 Institutional theory
According to DiMaggio and Powell (1983) Institutional theory states that organizations are affected by the environment in which they operate and that this comprises both technology and the institutional environment. As argued by Oliveira and Martins (2011) that institutional theory postulates that mimetic,

coercive, and normative institutional pressures existing in an institutionalized environment may influence the organization's predisposition toward an IT-based inter organizational system.

The applicability of institutional theory in studying adoption of technology is well evidenced. For example, Nurdin,et al. (2012) found and concluded that four institutional external forces, central government, regulations, local citizens and limitation in financial resources, have strongly influenced the regency to adopt and implement electronic systems. On the other hand, Jan, et al. (2012) found that normative and mimetic pressures of institution theory significantly influence the attitude and intention of adopting electronic services.

Despite its suitability in studying the adoption of technology, yet scholars (Oliveira and Martins, 2011) have evidenced that the institutional theory has ignored the influence of tangible resources on firm adoption of technology. To address this weakness, Nurdin, et al. (2012) have advocated that institutional theory can be combine with other theories. In this chapter, institution theory combined with resource based theory to address the explanatory power of resources on adoption. Given this justification, this chapter used institutional theory to provide further analysis of the influence of external institutional pressures, internal institutional pressures and facilitating conditions on adoption of mobile money services.

2.2.2 The Resource Based Theory (RBT)

RBT states that differential firm performance is due to firm heterogeneity (Barney, 1991). A firm owns resources that are rare, valuable, non-substitutable, and difficult to imitate will achieve sustained competitive advantage (ibid). Resource based theory emphasis is on resource possessed by the firm and its capability to utilize the resources tend to enhance SMEs adoption of mobile money for competitive advantage in tourism. The idea of resource and capability for firm success is evidenced by Matwiejczuk (2011) who found and conclude that financial capabilities and resources of the firm are key on the market success of a SMEs in tourism. However, this theory has ignored other factor other than resources. To enhance its applicability, this theory was integrated with institution theory. Resource based theory was used to provide further analysis of the influence of facilitating conditions on the mobile money adoption among SMEs.

2.3 Empirical Literature Review

2.3.1 Influence of External Institutional Pressures on Adoption of Mobile Money Services

Kenneth, et al.(2012) carried out a study on factors affecting adoption of mobile commerce among small and medium enterprises in Kenya. Using structural equation modeling the findings from tour and travel firms showed the significance influence of competitors on the adoption of electronic commerce. The findings further recommended that mobile commerce provides SMEs with new opportunities to participate in new supply chains and markets, thus competing with established channels and established market structures, hence a boost to withstand competition. On the other hand, Ramadhan, et al. (2017) conducted a study on determinants of mobile money services adoption by traders in Uganda. The findings revealed that traders may adopt mobile money services because of the influence of their business rivals (competitors) and business partners as well.

2.3.2 Influence of Internal Institutional Pressures on Adoption of Mobile Money Services

Abdullah, et al. (2013) conducted a study on technology adoption enablers among Malaysian SMEs. Findings showed that internal factors (team work, organizational structure, staff readiness and organizational culture) have significant influence. On the other hand, Padachi (2010) on their study on internet banking among SMEs in Mauritius. The results have shown that SME owner/managers have significance.

2.3.3 Influence of Facilitating Conditions on Adoption of Mobile Money Services

Peng, et al.(2013) carried out a study exploring tourist adoption of tourism mobile payment in China. The empirical results show especially strong support for the effects of perceived security, perceived compatibility, destination m-payment knowledge, and tourist susceptibility to interpersonal influence. It was recommended that system developers should provide a user-friendly interface, reinforce security mechanisms for tourism m-payment services, and design a suitable information system flow more compatible with user's work style. On the other hand, Liu and Tai (2016) carried out a study of factors affecting the Intention to Use Mobile Payment Services in Vietnam. Findings using structural

equation modeling indicated that the strong predictors of the intention to use M-payment are perceived ease of use, compatibility and mobile payment knowledge. Further the results has proved that trust of safe to use has no significant impact on usefulness, but instead has direct impact on intension to use mobile payment services. Anthony and Mutalemwa (2014) carried out a study on factors influencing the use of mobile payments in Tanzania. Analysis of the findings revealed that perceived ease of use, perceived usefulness, perceived cost, perceived mobility, perceived trust and perceived expressiveness have significant influence on mobile payment. This study was conducted on only one mobile service provider, thus it is recommended that the same study should be conducted by comparing and contrasting the factors necessary for adoption and usage of the M-payment services of all mobile service providers in Tanzania.

2.4 Conceptual Framework

This framework was composed of three independent variables namely external pressure, internal pressure and facilitating conditions and one dependent variable namely mobile money adoption as described below.

Independent Variables   Dependent Variables
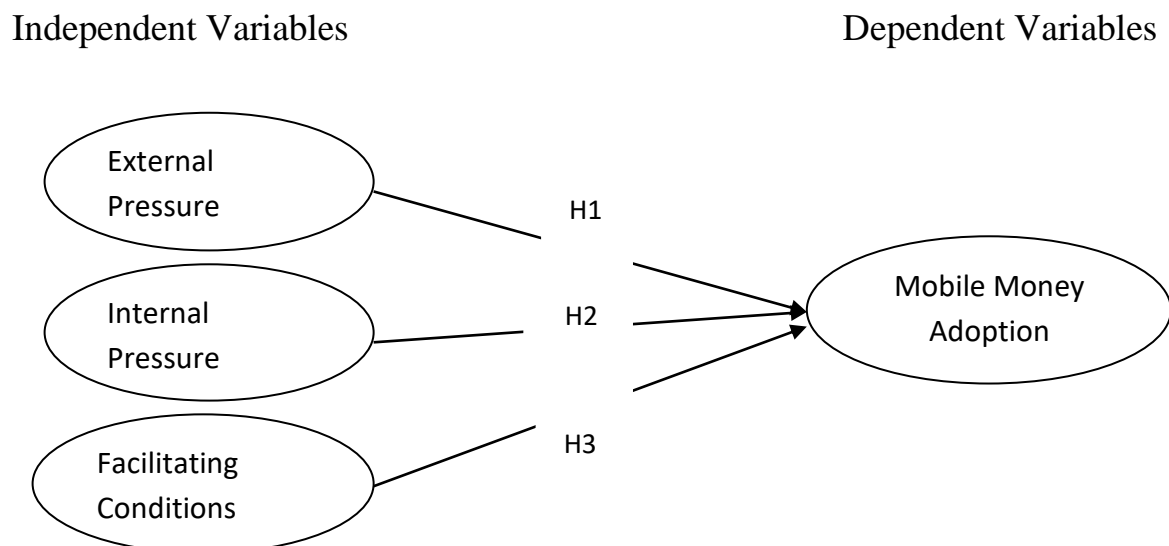
Source: Constructed by Author (2019)

3. Methods

3. 1.Research Paradigm

Saunders et al. (2012) define research paradigm as a system of beliefs and assumptions on knowledge development. Positivism paradigm was adopted. Bryman (2015) advocated that positivism paradigm is based on the assumption that the scholar produce knowledge and understand realities through theory and empirical evidence available. In this chapter, positivism was used to acquire knowledge and understands adoption of mobile money base on available theories and empirical evidences to explain the determinants of the adoption of mobile marketing among SMEs in tourism. Hence, positivism paradigm was used as it offers a chance to a researcher to use available theory and test the significant influence of determinants of adoption of mobile marketing in the tourism context.

3.2. Study Area

The study was conducted in Tanzania more specific in Arusha, Unguja and Dar es Salaam. This area has been selected because of high involvement in tourism business activities which has resulted into high number of small and medium tourist enterprises. Therefore, collecting data from this area helped in providing adequate information in understanding the adoption of mobile money among tourist enterprises in Tanzania.

3.3 Sampling Procedure

The study started by using stratification sampling technique. The main objective of starting with stratified sampling was to ensure sample representative from Arusha, Unguja and Dar es Salaam and enabled easy to administer data collection tools which led to more reliable results. After stratification of the sample, a simple random sampling was used to select respondents from each strata.

3. 4 Data Collection Techniques

Questionnaire was used in this study to collect quantitative data suitable for hypothesis testing and model validation. As argued by Gray (2009), that structured questionnaire is mostly used to capture measurable data for statistical testing of the hypothesis of the study. The coded questionnaire is attached at appendix I. On the other hand, documentary review was used in providing data interpretation, support and give evidence of field data. As it is evidenced by Gray (2009) that, social scientists use documentary research methods to

supplement and confirm on the information collected through social surveys. In this study, the documentary review served the same purpose.

3.5 Construct Validity and Reliability

Reliability was evaluated in terms of composite reliability as described in table 3.1. The composite reliabilities (CR) in table 3.1 ranged from 0.904 to 0.959, which were all above the recommended value of 0.7, suggesting adequate internal consistence (Asparouhov and Muthén, 2015).

Convergent validity and discriminate validity was assessed based on the results of the measurement model as described in table 3.1. Convergent validity was evaluated in terms of average variance extracted (AVE), which explained the variance that was measured by the construct in relation to the measurement error. Zaiţ and Bertea (2011) argued that convergent validity requires an AVE of not less than 0.5. Table 3.1 shows that all AVE values were above the recommended value of 0.5 (ranging from 0.711 to 0.887), thus demonstrating adequate convergent validity. On the other hand, discriminate validity was evaluated by comparing the AVE of each individual construct with the shared variances between this individual construct and all of the other constructs. A higher AVE than shared variance for an individual construct suggests discriminate validity (Smith, 2005). A comparison of all of the correlations and square roots of the AVEs on the diagonal in table 3.1 indicated adequate discriminate validity.

Table 3.1 Reliability and Validity

	CR	AVE	MSV	MaxR(H)	INT	EX	FC	AD
INT	0.946	0.853	0.118	0.953	**0.924**			
EX	0.904	0.711	0.064	0.989	0.211	**0.843**		
FC	0.959	0.887	0.124	1.006	0.291	0.253	**0.942**	
AD	0.938	0.793	0.124	0.962	0.343	0.037	0.352	**0.890**

4. Findings

4.1 Model Formulation and Validation

This section helps to consider if the proposed conceptual framework is indeed consistent with actual data. This is because at the beginning, the conceptual framework was developed without data it is now not clear if the construct are aligned with their underlined measure.

To ensure construct are aligned with their underlined measure factor analysis of both exploratory factor analysis and confirmatory factor analysis was used as described below.

First exploratory factor analysis with varimax rotation was conducted to assess the underlying structure for the thirty seven (37) items of the conceptual framework. In selecting factors to retain, four criteria were adopted namely eigen values, scree test (i.e., scree plot), theoretical assumption and factors that have at least three items. Yong and Pearce (2013) recommended the use of a combination of criteria to help to offsite the weakness of using one criterion.

Given this situation four factors were extracted based on those four criteria which explain 78.362 % of the cumulative variance. The four factors had Eigen values >1 attached at appendix II , in a scree test all factors above the cutoff point was retained and those below the break/cut off point were dropped. Finally, all retained factors had at least three indicators. These means that all retained factor had meet the recommendation made by Yong and Pearce (2013).

After discovering that the four factors have met the criteria and now are qualified to be retained, further analysis of indicator variables was done in order to see if this indicator really fits their underlying factor. The following criteria recommended by Yong and Pearce (2013) were adopted for retaining/dropping an item/indicator as follows:

First, all items loaded into their associated factors were retained and those loaded into more than one factor were dropped. Second, if more than two items loaded in one factor all items were retained and if less than three items loaded in one factor were all dropped. Third, all items with KMO p-value greater than 0.5 were retained and those with less than 0.5 were dropped. Fourth, all items with loading ranging from 0.5 to 0.8 were retained and those with loading less than 0.4 or above 0.8 were dropped.

As far as this chapter is concerned, the following items namely EX1,EX3,EX5, FC2,FC4, INT2,AD2 and AD5 presents a selected output of SPSS of items which were dropped to enhance model fit. On the other hand, those items that fitted well were retained as described below in Table 4.2Rotated Component Matrix[a].

Table 4.1 Rotated Component Matrix[a]

ITEMS	Component			
	EXTERNAL PRESSURE	FACILITATING CONDITIONS	INTERNAL PRESSURE	ADOPTION
EX2	.898			
EX5	.867			
EX8	.807			
EX6	.794			
EX7	.777			
FC5		.917		
FC3		.890		
FC6		.887		
FC7		.677		
FC1		.660		
INT5			.914	
INT3			.910	
INT1			.897	
INT4			.892	
AD4				.924
AD1				.888
AD3				.878
AD6				.870
Eigen values	6.408	3.321	2.413	1.964
% of Variance	19.982	19.905	19.593	18.882

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

After exploratory factor analysis, the next step was to perform confirmatory factor analysis to account for measurement error which was not addressed in exploratory factor analysis as described in detail below.

To carry out confirmatory factor analysis, the measurement model was developed based on the factors from exploratory model to test for measurement error. The following criteria were used to guide the model refinement process to achieve a better model fit as recommended by Byrne (2010) who asserts that a Standardised regression weights (S.R.W) values should be above 0.5, the value of GFI, AGFI and CFI >0.9 and RAMSEA <0.08. Therefore to enhance model

fitness, an item with modification indexes that reveal high covariance between measurement errors accompanied by high regression weights between these construct errors were dropped.

After initial run of the Amos 20 the model performed poorly and refinement process of the model was done by removing the following items namely EX6, FC1, FC7 and INT4 which had high modification index to improve the model.

After the deletion of those items performed poor, a re-run of CFA using Amos 20 reveled a   GFI =.952, AGFI=968, CFI = .996, and RMSEA = .027. All items retained had standardized regression weights (S.R.W) values cut of 0.45 or greater the accepted fit, hence falling within the acceptance framework this means that the selected observed variable used fit the model as describe in figure 4.1 Measurement Model.

Figure 4.1 Measurement Model

Chi-square = 91.709 (71 df), P = .050, CMIN/DF = 91.709/df.
CFI = .996, GFI = .968, AGFI = .952, RMSEA = .027.

MESUREMENT MODEL
Key Note
AD:Adoption, AD1:Payment AD3:Prompt Payment,AD4:Cash deposit, AD6:Contro Cash

INT:Internal Pressure , INT1:Owners Pressure,INT3:Employees, INT5:Managers

EX:External Pressure, EX2:government, EX5:Customers Pressure, EX7:Competitors, EX8:Service Providers

FC:Facilitating Conditions, FC3:Regulatory Framework, FC5:Experties , FC6:compatibility

Having established the model fit and all hypothesis of the relationship between observed and unobserved variable have agreed in the measurement model. The next step was to move to a structural model to test the existence of relationship in the model. The basic structural model which hypothesized the relationship between external pressure, internal pressure and facilitating conditions on

mobile money adoption was analyzed. The results of the analysis of the basic structural model using AMOS version 20 are diagrammed in Figure 4.2 below.

Figure 4.2 Measurement Model

Chi-square = 91.709 (71 df), P = .050, CMIN/DF = 91.709/df.
CFI = .996, GFI = .968, AGFI = .952, RMSEA = .027.

MESUREMENT MODEL STANDARDIZED ESTIMATES

Key Note

AD:Adoption, AD1:Payment AD3:Prompt Payment,AD4:Cash deposit, AD6:Contro Cash

INT:Internal Pressure , INT1:Owners Pressure,INT3:Employees, INT5:Managers

EX:External Pressure, EX2:government, EX5:Customers Pressure,
EX7:Competitors, EX8:Service Providers

FC:Facilitating Conditions, FC3:Regulatory Framework, FC5:Experties , FC6:compatibility

From figure 4.2 all model fit index had a good fit (GFI=0.968, AGFI=0.952,CFI=0.996, RAMSEA=0.027) as suggested by Byrne (2010). Having established a model fit which indicate a good fit using indices, the path coefficient and hypothesis testing was evaluated as elaborated in the next section using this model.

4.2 Path Analysis and Coefficients

4.2.1Influence of External Institutional Pressures on Adoption of Mobile Money Services

The first postulated relationship of this study hypothesized a positive and strong significant relationship between external pressures and SMEs adoption of mobile money services in tourism as stated below.

H1: External Pressures (EX) have significant and positive influence on adoption of mobile money services among SMEs in tourism.

External Pressures were measured using four measurement namely government (EX2), Customers Pressures(EX5),Competitors (EX7) and Service Provider (EX8).

In order to test this hypothesis, the results from structural model in figure 4.2 above were used to determine the positive and significant influence of external pressure on SMEs adoption of mobile money as illustrated below in Table 4.2.

Table 4.2 External Pressure Path Coefficient

			Estimate	S.E.	C.R.	P	S.R.W	REMARKS
AD	<---	EX	-.093	.047	-1.969	.049	-0.097	REJECTED
EX2	<---	EX	1.081	.037	29.221	***	0.994	
EX5	<---	EX	1.061	.040	26.814	***	0.937	
EX7	<---	EX	.652	.059	11.013	***	0.514	
EX8	<---	EX	1.000				0.848	

The results of the standardized path coefficients (γ) in Table 4.2 above yield standardized regression weights of -0.096 which indicate a weak negative relationship between external pressures and SMEs in adoption of mobile money services. Chin (1998) has postulated that a standardized paths coefficient (γ) should be at least 0.2 in order to be considered significant and meaningful for discussion. In our case, the standardized path coefficient of -0.096 which is below the recommended value to be considered for meaningfully discussions.

This means that external pressures are not positively associated with SMEs adoption of mobile money services.

Further analysis of the significant influence of external pressures on adoption of mobile money in Table 4.2 above has yield a critical ration of -1.969 and *p* =0.049. As argued by Hox and Bechger (2014) a relationship which has yield a critical ratio greater than 1.96 and p-value less than 0.05 is considered significant. Based on the findings in the current study the influence of external pressure on SMEs adoption of mobile money was found to be insignificant.

4.2.2 Influence of Internal Institutional Pressures on Adoption of Mobile Money Services

The second postulated relationship in this study hypothesized a positive and strong significant relationship between internal institutional pressures and SMEs adoption of mobile money services as stated below.

H1: Internal Institutional Pressures (INT) have a positive and significant influence on SMEs adoption (AD) of mobile money services.

Internal Institutional Pressures were measured using for measurement namely Owners Pressures(INT1), Employees(INT3) and Managers (INT5).

For testing the stated hypothesis, the results from structural model in figure 4.2 above was used in order to determine the positive and significant influence of Internal Institutional Pressures on SMEs adoption of mobile money as illustrated below in Table 4.3.

Table 4.3 Internal Institutional Pressures Path Coefficient

	Estimate	S.E.	C.R.	P	SRW	REMARKS
AD <--- INT	.230	.043	5.381	***	0.277	Accepted
INT1 <--- INT	.968	.033	29.031	***	0.879	
INT3 <--- INT	.997	.028	35.862	***	0.946	
INT5 <--- INT	1.000				0.944	

The path leading from *INT* to AD in Table 4.4 is used to examine the relationship between Internal Institutional Pressures and SMEs adoption of mobile money services. A positive path coefficient (γ = .277) using standardized estimate results in Table 4.3 above indicates that Internal Institutional Pressures are positively related to SMEs adoption of mobile money services. This concurs with Chin (1998) and Hoe (2008) who argue that a standardized paths coefficient (γ) should be at least 0.2 in order to be considered significant and meaningful for discussion. The results thus in the current study confirm a strong positive relationship between Internal Institutional Pressures and SMEs adoption of mobile money services.

Apart from standardized coefficient, further analysis was done using critical ratio and p-value to determine the significant influence of Internal Institutional Pressures on SMEs adoption of mobile money services. In this study the findings yielded a critical values (C.R = 5.381) which is (greater than 1.96) and significance level of p-value=0.00. The results concur with Hox and Bechger (2014) who argued that a relationship which has yield a critical ration greater than 1.96 and p-value less than 0.05 is considered significant.

4.2.3 Influence of Facilitating Conditions on Adoption of Mobile Money Services

The third postulated relationship of this study hypothesized a positive and strong significant relationship between facilitating conditions and SMEs adoption of mobile money services as stated below.

H3: Facilitating Conditions (FC) have significant and positive influence on adoption of mobile money services among SMEs.

Facilitating Conditions (FC) were measured using measurement namely Regulatory Framework (FC3), Expertise (FC5) and Compatibility (FC6).

In order to test this hypothesis, the results from structural model in figure 4.2 above was run in order to determine the positive and significant influence of facilitating conditions on SMEs adoption of mobile money as illustrated below in Table 4.4.

Table 4.4 Facilitating Conditions Path Coefficient

			Estimate	S.E.	C.R.	P	S.R.W	REMARKS
AD	<---	FC	.293	.050	5.808	***	0.296	ACCEPTED
FC3	<---	FC	.947	.031	30.505	***	0.887	
FC5	<---	FC	1.012	.022	46.364	***	1.003	
FC6	<---	FC	1.000				0.932	

The path leading from *FC* to AD in Table 4.4 is used to examine the relationship between facilitating conditions and SMEs adoption of mobile money services. A positive path coefficient (γ = .296) using standardized estimate results in Table 4.15 above indicates that Facilitating Conditions are positively related to SMEs adoption of mobile money services. This concurs with Chin (1998) and Hoe (2008) who argue that a standardized paths coefficient (γ) should be at least 0.2 in order to be considered significant and meaningful for discussion. The results thus in the current study confirm a strong positive relationship between facilitating conditions and SMEs adoption of mobile money services.

Apart from standardized coefficient, further analysis was done using critical ratio and p-value to determine the significant influence of facilitating conditions on SMEs adoption of mobile money services. In this study the findings yielded a critical values(C.R = 5.381) which is (greater than 1.96) and significance level of *p*=0.00.The results concur with Hox and Bechger (2014) who argued that a relationship which has yield a critical ration greater than 1.96 and p-value less than 0.05 is considered significant.

5. Discussion of the findings

5.1 Influence of External Institutional Pressures on Adoption of Mobile Money Services

The chapter considered whether external pressures could have significant influence on SMEs adoption of mobile money services in tourism sector. Based on that background, the current study hypothesized that external pressures have a positive and significant influence on SMEs adoption of mobile money services in the tourism sector. The empirical results in the findings on the above hypothesis has yielded standardized coefficient estimate (γ) of .203, critical ration (C.R) of -1.969 and significant p-value of .049 which indicate week negative correlation and insignificant relationship. These insignificant finding have concur with the findings of previous studies (Alam and Noor , 2009; Al-Somali , et al., 2011; Omotayo and Dahunsi, 2015). Notably example in Alam and Noor (2009) external pressures are found to be insignificant in determining adoption among SMEs in Malaysia. On the other hand Al-Somali , et al.(2011) found and concluded that external pressures does not impact adoption of latest technology among firms in Saudi Arabian. These findings imply that context does not affect the outcome of the finding as the finding of the current study has appeared to be similar from studies conducted from different context findings.

While these findings support the findings of the current study on the insignificant influence of external pressures, but their insignificant value is explained by different measures. For example in Al-Somali, et al.(2011) the insignificant level of external pressure is explained by the fact that customers pressures were found to have little effect on the adoption due to little education in Saudi Arabian firms. These findings concur with the argument made by Chirchir and Simiyu (2016) who argued that for customer to push SMEs to adopt mobile banking there should be a programme on customer education on the usefulness of integrating m-banking options like saving, credit/debit alerts, bill payments and financial services like share trading. In related study, Omotayo and Dahunsi (2015) explained the insignificant of external pressures was due to low explanatory power of IS vendors' support. In the current study the insignificant influence is explained by low explanatory power of government pressure, customers pressures, competitors and service provider. This implies that in the current study, government pressure, customers pressures, competitors and service provider are not the only influence of SMEs

adoption of mobile money services in tourism but there might be other measures for pushing SMEs adoption of mobile money services.

In unrelated perspective, some previous studies (Otieno and Kahonge, 2014; Igudia, 2017) have found a significant influence of external pressure which is contrary to the current study. For example Riyadh, et al.(2009) found and concluded that the adoption of mobile banking among SMEs in developing countries and in Botswana is influenced by external forces. On the other hand Igudia (2017) found competitive pressures and government interventions to have a strong external pressure for adoption of electronic payment systems by SMEs in Nigeria. This implies that findings from different countries in developing countries are affected by contextual different. In addition, the findings imply that despite the fact that the current study did not support the influence of external pressure, some of previous study are still acknowledging the significant influence of external pressure on mobile money adoption.

Despite some previous studies discussed above are supporting the influence of external pressures on adoption of mobile money which is contrary to the current findings, but their possible explanation differs from one study to another. Notably Aziz and Jamali (2013) have explained the significant influence of external pressure is due to the pressure from buyer/supplier pressure, support from technology vendors and competitors while Otieno and Kahonge (2014) reveals a significant influence of competitors and customers to explain the significant influence of external pressures on adoption of mobile technology among restaurants, tours and travel enterprises in Kenya. These findings are similar to the argument made by Kabanda and Brown (2015) who argued that for conducive adoption of E-Commerce in tourism context in Tanzania there must be business relationships with ICT foreign companies and the use of mobile technology for interactive and transactive purposes with consumers and suppliers. While the current study findings illuminate on the fact that external pressures are not the basis for SMEs to adopt mobile money services in context of Tanzania, it also shows that in other context in developing countries external pressures are rewarding.

5.2 Influence of Internal Institutional Pressures on Adoption of Mobile Money Services

The drive for this study was to establish how Internal Institutional Pressures are related to tourist firms adoption of mobile money services. According to Ali, et al. (2015) internal institutional pressures are the pressures arising within an organization and have significant impact on pushing firms to adopt new innovations. They add that, these internal pressures include firm size, employee pressure, technological knowledge and organization structure. In the current study, it was hypothesized that internal institutional pressures are positively and significantly related to SMEs adoption of mobile money services. The research models identify owners pressures, employees and managers pressures to explain the internal institutional pressures that influences SMEs to adopt mobile money services. In evaluating the sought relationship, the results have yielded a standardized path coefficient (γ) of0.277, critical ration (C.R) of 5.381 and significant value (p) of 0.00. The results indicate that Internal institutional pressures are positively and significantly related to SMEs adoption of mobile money services in tourism sector. These findings have collaborated with the findings from previous studies (Alshamaila and Papagiannidis, 2012; Lim, et al., 2014).

While these studies were found to be similar to the current study but they differ in explaining the significant influence of internal institutional pressures. Notably example Lim, et al.(2014) they found that management support and organization readiness are internal pressure pushing the adoption among SMEs in Malaysia. On the other hand, Alshamaila and Papagiannidis (2012) found internal organization pressure namely firm size, top management support and prior experience have significant influence in the north east of England. In Africa context Kabanda and Brown (2015) found and concluded that top management support have great influence among organization attributes to influence the use of mobile technology among SMEs in Tanzania. These findings imply that different attributes of internal pressures are rewarding in number of developing countries but tend to vary due to contextual different.

In unrelated perspective, previously studies by Damanpour (1988) and Zailani, et al. (2009) found insignificant relationship between organizational characteristics and SMEs adoption of mobile money services. For example, Damanpour (1988) explained that the insignificance of the internal pressures is contributed by some of the firm with flat organization structure and centralized decision making which rest the adoption of innovation decision on top

managers who are not innovative. This implies that the firms with decentralized organizational structure tend to spread the adoption of innovation decision on the hand of many stakeholder of whom some are innovator that have a power to push the innovation decision.

On the other hand, Zailani, et al. (2009) explains that the insignificant of internal pressures is due to firms with low knowledge of e-business. This implies that firms with greater innovative knowledge tend to adopt innovation more rapidly compared with firms deficient in innovation knowledge. This implication is in line with Ali, et al. (2015) who argued that knowledge sources of e-business are one of the significant variables that determine the adoption of e-business. Therefore, a point of departure from this study is that SMEs already have knowledge of operating mobile devices and the nature of their services allowed them to use mobile money services.

5.3 Influence of Facilitating Conditions on Adoption of Mobile Money Services

The drive for this study was mainly to establish how facilitating conditions are related to SMEs adoption of mobile money services in tourism. In attending to this inquiry, reviewed literature, connect the findings in the past study to the metrics used in evaluating the sought relationship. In the current study, the research models identify regulatory framework, expertise and compatibility to explain the facilitating conditions that influences SMEs to adopt mobile money services. In evaluating the sought relationship, the results have yielded a standardized path coefficient (γ) of 0.296, critical ration (C.R) of 5.808 and significant value (p) of 0.00. The results indicated that facilitating conditions are positively and significantly related to SMEs adoption of mobile money services in tourism sector.

The findings corroborate what Mwai (2016) who found that facilitating conditions are among the important facilitators in the adoption of mobile money services among business firms. On the other hand the findings are in line with Tornatzky and Fleischer (1990) who notes significant influence of facilitating conditions toward enterprises adoption of mobile banking. They add that, facilitating conditions have attributes that include perceived benefits and perceived regulatory support which when combined significantly influence enterprises to adopt mobile banking. This implies that when SMEs are exposed

to the facilitators which are friendly to mobile money services, automatically they are pushed by facilitators toward mobile money adoption.

Previous studies, by Setiowati, et al. (2015) and Wilson, et al. (2008) found a significant relationship between facilitating conditions and SMEs adoption of mobile money services. While this study shares some similar findings (i.e. the link between facilitating conditions such as customers, competitors, with innovation adoption) the results differ in some of the measured variables. Wilson, et al. (2008) found and report the significant influence of facilitating conditions namely regulatory framework, availability of external consultancy and customer demand, while in the current study the external consultancy were not supported. The findings of the current study show that only three of these facilitating conditions namely regulatory framework, expertise and compatibility contribute towards SMEs adoption of mobile money services.

While the current study findings illuminate on the fact that facilitating conditions are the bases for SMEs adoption of mobile money services, it also shows that not all elements of the facilitating conditions are pushing SMEs to adopt mobile money. For example, Setiowati, et al. (2015) found among three facilitating conditions, only competitive pressure and institutional intervention were determinants that influence ICT adoption in SMEs, whereas market turbulence shows no significant contribution toward the adoption of ICT. This implies that despite the significant influence of facilitating conditions on SMEs adoption of mobile money services not all attributes that build up the facilitating conditions can have a significant influence on SMEs. Further, the significant influence of the facilitating conditions depends on the degree of those facilitators which reflect a particular environment.

6. Recommendations for Africa

This section presents the policy and practical implications of the study drawn from the findings, discussion and conclusions.

6.1 Recommendation to Policy Makers

The study finds and concludes that the facilitating conditions have potential contributions to push SMEs in tourism sector to adopt mobile money services. In each case expertise, compatibility and regulatory framework are of an overriding influence on firm adoption of mobile money services. Moreover, regulatory framework, expertise and compatibility have principal influence for tourist firm to adopt mobile money services as they are significant and source of adoption respectively.

These call for policies that create conducive operating environment, encouraging small firm use of mobile money services and embrace on an entrepreneurial culture that leads to greater understanding of opportunities offered by mobile money services. The policy should address availability of expertise and should be given priority as they pave the way for better use of mobile money resources and thus augment the internal capabilities of firms. On the other hand, policy and public interventions that emphasize both the skills and mobile infrastructure are important. Small firms should be facilitated through better policy interventions that enhance learning and knowledge sharing on opportunities offered by mobile money and its impact on their business. Additionally, SMEs should be encouraged and assisted to embrace more mobile money adoption behavior through proper policy guidelines. In line with this, small firms should, in a way, be encouraged to share business and mobile money knowledge, experience and skills among themselves to increase their expertise. In that way, even conservative firm's performance could transcend.

The current study has also found that the regulatory framework is significant in promoting SMEs adoption of mobile money services. This call for the government policies tailored to secure users of mobile money and improve the adoption of mobile money services should be developed to encouraging SMEs and their value chain the use of mobile money. The policy may address the issue of reducing cost associated with registration, importation of infrastructure and addressing security issue that could protect the users of a mobile money services. The government may develop a policy that encourages firms to adopt innovation by developing policies which are beneficial to the organization.

Moreover, the study demonstrates that internal pressures are significant in pushing tourist enterprise to uptake mobile money services. This organization readiness is clarified as a bundle of resources and that the same resource endowments are shaped by both mobile money infrastructure available and the knowledge possessed by firm about mobile money services. It is thus important to call for the policy to foster mechanisms and interventions which help SMEs to understand their internal environments and how they can use mobile money services to enhance and be more efficient in terms of its operations. It is even more important, for policy interventions which are on sectored basis to address and ensure that appropriate knowledge and infrastructure are made available to SMEs on the most important aspects of mobile money services that are demanded from the market in which they compete. This makes it easy and possible for SMEs to align their mobile money use to meet these demands. With such interventions, it is possible for SMEs to adopt mobile money that give them a competitive edge even at a global marketplace.

In this study, it was found and posited that the influence of organization readiness through mobile money infrastructure at the firm level and the extended mobile money infrastructure from the external vendors are crucial to adoption of mobile money services. Governments in developing countries have to intervene primarily by improvising policy guidelines which ensure that providers of such services offer quality and reliable services fit for SMEs. For instance mobile money services such as money transfer and withdraw that are tailored to meet the needs of small firms are imperative and improve mobile money services fitness to tourist firms business operation. While national policies and strategies have put a lot of emphasis on the use of ICT for SMEs in general, the current study suggests that the development of the National policy should address mobile money services adoption at the national level and at firm level is imperative for proper deployment and adoption of mobile money services. Similarly, mobile regulatory framework and compatibility should be given priority as they pave the way for better use of mobile money resources and thus augment the internal capabilities of firms. Therefore, the study argues for national policies that address mobile money services issues at the national and at the firm-level both of which underscore enterprising culture as necessary for firm adoption of mobile money services.

This strong link indicates that both policies and strategies enhance mobile money adoption and are crucial and heavily impact the adoption of mobile money services by SMEs locally and in the global market arena.

6.3.3 Managerial and Practical Implication

At managerial level, the owner-managers are the ones who derive the equation that leads to SMEs adoption of mobile money services. In this regard, a resources endowment of the firms is mainly a subject that is defined by owner-managers. In this case, it is implied that owners should strive to better understand the specific business activities they run and manage and thus align the mobile money resource acquisitions and deployment to meet and fit the activities. More importantly, they should strive to gain more knowledge that gives them the ability to coordinate and influence cost effective mobile money services applications. In a situation where the owner lacks the necessary industry knowledge and experience, the best option is to develop by training or hiring people with such skills. Additionally, they are to understand the various mobile money vendor options and once sourcing options are in order, managers could differentiate through strong networks and contacts which influence the availability of the technical mobile money support from the vendor as well as reliable services.

An empirical result from the current study has evidenced the significant influence of compatibility of mobile money services. This means that, financial institutions should select the appropriate mobile technology topology which fit well with SMEs operation in tourism sector. Other studies have found that infrastructure availability is the main factors that speed up the adoption of the mobile money services among SMEs. The current study has added to the body of knowledge by appreciating the significant influence of available infrastructure when they are compatible with a firm's daily operations. This has created a major contribution to vendor to look on the mobile money services which fit well to tourism and SMEs in general.

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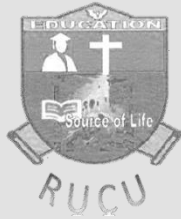
The Integrity Factors Affecting Loans Repayment For SACCOS In Mbeya City, Tanzania

Bakari Haule
Accountant-Mbeya University of Science and Technology
&
Dr. Joseph Magali
Senior Lecturer-The Open University of Tanzania
(Corresponding author: joseph.magali@out.ac.tz)

Abstract

Savings and Credits Cooperative Societies (SACCOS) are very important for delivering various services to a large number of people who cannot afford to obtain credit services from formal financial institutions in Tanzania. The critical problem which faces most of SACCOS in Tanzania is poor loan repayment for borrowers. Therefore, this study sought to assess how the integrity factors (loans appraisal procedures, the integrity of credit officers and credit committee members and collateral assessment) affect the loan's repayment among SACCOS' borrowers in Mbeya City (MC). The study used descriptive research design and the stratified sampling to obtain 7 SACCOS from 76 SACCOS. The sampling formula was used to get 179 respondents from 324 borrowers with outstanding loans while the random and stratified sampling were used to select respondents for the survey. However, only 118 questionnaires were returned. The collected data were coded and analyzed descriptively by using SPSS version 21. The study established that low integrity of credit officers/credit committee members, poor loan appraisal and poor valuing of collateral were the reasons for poor loans repayment among SACCOS' borrowers in MC. The study recommends that the loan appraisal committee and borrowers should be trained on issues related to integrity, collateral valuation and effective loan appraisal procedures. Also, SACCOS' rules and regulations should be enforced to promote loans repayment.

Keywords: The integrity factors, loans repayment, SACCOS, Tanzania

1. Introduction

SACCOS are the type of cooperative societies which have the primary function of mobilizing savings and furnish their members with credits (Absanto & Aikaruwa, 2013). According to the Institute of Continuing Co-operative Education (ICCE, 2014), the history of SACCOS in Tanzania began from 1938 when the first SACCOS was formed by Ismaila group in Moshi Town but many SACCOS were established after the liberalization of the financial services since the 1990s (Maghimbi, 2010). The number of SACCOS in Tanzania in 2019 were 6,137 but the active SACCOS were 2,158 which is equivalent to 35.16 % (Tanzania Cooperatives Development Commission-TCDC, 2019). The number of registered SACCOS and loans issued in Mbeya region and Mbeya City by December 2018 was 399 and 76 and Tanzanian Shillings (TZS) 63 and 27 billion respectively.

SACCOS serve the majority of Tanzanians who have been excluded from accessing financial services from formal financial institutions (Absanto and Aikaruwa, 2013). They provide loans for low-income earners in rural and urban areas because of their spread all over Tanzania (Nigusie, 2015). The government of Tanzania promoted the formation of SACCOS to enhance the availability of the financial services to the majority of Tanzanians who are not served by the formal financial institutions (Magali, 2013). Maio, Mirporian, Rusian, Caragliu and Landoni (2015) asserted that high loans repayment rate benefit not only borrowers but also the microfinance institutions (MFIs). This benefits the borrowers because makes them continue receiving the SACCOS' services which are deposits, savings, insurance, remittance and training (URT, 2017). The paid interests also serve as income and make the SACCOS to cover operation costs (Magali, 2013).

SACCOS in Tanzania have been facing loan repayment challenges. To cite a few cases, an outstanding loan of TZS 762.5 million (equivalent to $610,000) was revealed in Kibaigwa Financial Services and Credit Cooperative Society (KIFISACCO) (Karumuna and Akyoo, 2011). Magali (2018) also revealed that some SACCOS in Dodoma and Morogoro regions had unpaid loans from 99.5% to 19% with an average of 22%. TCDC (2019) proclaimed that poor repayment of loans has accumulated the number of inactive and untraceable SACCOS in Tanzania.

Integrity is the act of being fully consistent and coherent with principles and value (Montefiore and Vines, 1999). It further reflects the ability to perform the responsibilities professionally, carefully and adequately taking into consideration the stakeholders' needs. Integrity is against corruption, dishonesty, impartiality and non-accountability (Karssing, 2007). Magali (2014) established that some leaders and borrowers in Morogoro and Dodoma regions ran away to avoid the repayment of their loans. However, the study did not ascertain if the default of loans was linked with the low level of integrity of SACCOS' staff or loan committee members. Moreover, due to higher level of loans default experienced by the majority of SACCOS in Tanzania, in 2019, the Ministry responsible for cooperatives ordered Tanzania Prevention and Combating of Corruption Bureau (PCCB) to conduct the investigation in SACCOS and take measures for borrowers who failed to repay their loans. The PCCB order motivated the authors to assess the influence of integrity factors on loan repayment in SACCOS.

Maio, et al. (2015), Jote (2018) and Yeboah and Oduro (2018) revealed that the demographic factors affecting loan repayment in MFIs are borrowers' gender, age, experience, education, level of income, family size and marital type. The other factors affecting loan repayment in MFIs are the sources of income, credit appropriateness, repayment time suitability, the trend in loan repayment, training, religious education, distance, business legal structures, follow-up effectiveness, total monthly sales, loan amount, loan appraisal and disbursement procedures (Nawai and Shariff 2012; Pasha and Nigese, 2014; Ssebuwufu, 2014; Gerba, 2017, Garomsa 2017; Mariadas, 2017), to list a few. Katula and Kiinya (2018), Chinduri (2016) and Chepkorir, Osiemo and Wambua (2014) also emphasized that loan appraisal is essential in enhancing the loan repayment. However, the studies were done outside Tanzania (Kenya and Zimbabwe) and they did not link with the integrity of loan appraisal committee. According to Yeboah and Oduro (2018), loan appraisal involves appropriate evaluation of the borrowers' financial capacity of servicing the loan. It comprises of gathering, processing and use of information for loan disbursement decision making. Katula and Kiriinya (2018) found that effective loans appraisal influenced loans repayment for SACCOS in Kenya. Also, other such as Chinduri (2016) and Adu, Owualah and Babajide (2019) assessed the influence of MFIs loan appraisal in Zimbabwe and Nigeria respectively while Chepkoriret, Osiemo and Wambua (2014) analyzed how loan appraisal

influenced the loan repayment in Kenyan commercial banks. Nevertheless, none of the studies examined how staff integrity influenced the loan repayment.

Adu, Owualah and Babajide (2019), George (2015), Angaine and Waari (2014) and Abiddin (2005) stressed that integrity of staff in microfinance institutions is important, despite the scholars did not assess how integrity affected the loan's repayment. Kohansal and Mansoori (2012), Gebremedhin (2010), Chachalika (2013) and Haldar and Stiglitz (2016) assessed how collateral may be used to secure the loans but the studies did not assess how the collateral value assessment was linked with the integrity of SACCOS' staff and loans appraisal committee. The studies were also not done in SACCOS but in commercial banks and other financial institutions.

The Tanzania Cooperatives Development Commission (TCDC) and other SACCOS practitioners in Tanzania have strived to promote the loan repayment in SACCOS but the repayment of loans is still a challenge (TCDC, 2019). Moreover, the data from the Mbeya region show that as at 31.12.2018 the SACCOS at Mbeya region issued loans worth TZS 63 billion but 39% of loans were not paid back. Therefore, this paper analyses on how loan appraisal procedures, the integrity of SACCOS' staff and loan appraisal committee members, and valuation of collateral influence loan repayment among SACCOS borrowers in MC in Tanzania.

This study applies the adverse selection theory of Stiglitz and Weiss (1981) who stated that buyers with unfavourable characteristics may expose the risk of loss to the seller, especially in the financial or insurance market. This study assessed how staff involved in approving loans in SACCOS (considered as sellers in this case) may pose the risk of loan default. The risks may be emanated by the lack of integrity in loan appraisal and collateral assessment.

Literature Review
Adverse Selection Economic Theory
According to Siegelman (2004), adverse selection insurance theory was originated by Rothschild and Stiglitz in 1976. The theory stress that a competitive market equilibrium cannot function well in absence of symmetric information. Stiglitz and Weiss (1981) asserted that the adverse selection for the credit market occurs when borrowers possess the unobservable characteristics that may be detrimental to the lenders and this may affect the loans' repayment if the loans are given to unqualified applicants. Adverse selection in SACCOS

occurs when borrowers provide false information to be issued loans. While the adverse selection theory concentrates on borrowers' integrity, it does not articulate the role of staff who process the credit. It happens that if their integrity is low, there is a high probability of non-repayment problem of loans. It follows that, if the integrity of both loan appraisal committee and borrowers is low, they can collude in an unscrupulous way and ignore the loans processing regulatory procedures and hence the loans may be given to unqualified applicants.

Loan appraisal is done to ensure that the loan is given to a qualified applicant (Katula and Kiinya, 2018). Hence, the loan appraisal should be fair and realistic and free from any inducement. inducement using corruption makes the process futile (Karssing, 2007). Proper assessment of collateral promotes the loan repayment (Haldar & Stiglitz (2016) because genuine collateral minimizes the problem of adverse selection in credit processing and disbursement (Dinh, Hainz & Kleimeier, 2010). If the SACCOS' loans committee cannot differentiate the qualified and unqualified borrowers, they pose threats to SACCOS (Absanto and Aikaruwa, 2013). Islam and Nishiyama (2016) argued that the bank's percentage of Non-Performing Loans (NPL) depends on the credit quality and borrowers' adverse selection may influence the NPL. If the integrity of the loans' appraisal committee is high, they often reject the fake collateral or collateral with less value. However, if their integrity is low, they would receive corruption and approve the loans using the fake or less valued collateral. Here the problem is not because they do not have important information but because they decide to be selfish and hence deliberately expose loans at the risk of default. This paper assesses how the theory of adverse selection applies both to the loan appraisal team and the borrowers by integrating the variables of loan appraisal, the value of collateral and integrity of staff because the previous studies focused only on the borrowers' side (Katula and Kiinya, 2018; Dinh, Hainz & Kleimeier, 2010; Stiglitz and Weiss, 1981). Moreover, the studies on the application of adverse selection theory on borrowers' part have concentrated on the commercial banks (Zimba, 2013; George,2015; Makomeke, Makomeke and Chitura, 2016). The study, therefore, assessed how the adverse selection affects the loan repayment in SACCOS, by focusing the variables of the integrity of SACCOS' staff and loan appraisal committee members, collateral valuation and loan appraisal procedures.

Empirical Literature Review

Influence of demographic and loan-related factors on loan repayment performance

Scholars such as Reta (2011), Magali (2013), Maio et al. (2015), Mwaka (2017), Gutu, Mulegeta and Birlie (2017), Yeboah and Oduro (2018) and Jote (2018), to list a few, have assessed the influence of demographic variables on loan repayment. The demographic factors under assessment were borrowers' gender, age, experience, education, marital status and income. The loan-related factors were loans' size, loan activity, repayment period, type of loan/purpose and loan diversification.

Nawai and Shariff (2012) and Maio et al. (2015) assessed how the distance of the borrowers influenced the loan's repayment while Haile (2015) and Absanto and Aikaruwa (2013) examined the influence of saving and training and qualified human resource personnel. Mukono (2015) and Jote (2018) analyzed the method of lending and firm and leaders' characteristics. Makorere (2014) concentrated on the role of the grace period and interest rate. The variable of interest rate also was considered by Katula and Kiriinya (2018) and Salifua, Tofik-Abub, Rahmane and Sualihud (2018) who also studied on how the loan application costs influenced the loan's repayment. Moreover, Maigua (2017) scrutinized the influence of loan follow-up procedures and customers characteristics on loan repayment while Ndiege, Mataba Msonganzilla and Nzilamo (2016) found that lack of sound implementation of good governance practices in SACCOS influenced the sustainable financial performance. However, the study did not assess how the variable of integrity as a component of good governance practices influenced the loan repayment in SACCOS.

Loan appraisal and repayment

In SACCOS, loan monitoring is done by the loan appraisal committee or any SACCOS' designated staff. The purpose of loan appraisal in the MFIs such as SACCOS is to ensure that the loan is given to qualified applicants (Mpogole, 2012). Yeboah and Oduro (2018) found that loan monitoring influenced repayment performance. However, the study did not examine how the loan monitoring, repayment performance and integrity of the staff and borrowers were intertwined. Similarly, Katula and Kiinya (2018) found that loan appraisal, and follow-up procedures, customers characteristics have effects on loans' repayment. Nonetheless, the study did not ascertain if customers' characteristics

are interrelated with the integrity of the borrowers. Moreover, the assessment of the integrity of the loan appraisal officers was ignored in the analysis. Chinduri (2016) revealed that inadequate credit appraisal was the major cause of non-performing loans for Microfinance institutions in Zimbabwe. But no details were provided whether the integrity of the loan committee led to inadequate appraisal or not. Possession of low integrity of loan appraisal officers induces them to disregard regulations set for appropriate loan appraisal and this leads to loans non-repayment problem.

Chepkoriret al. (2014) divulged that credit appraisal for SMEs borrowed in the commercial banks' involved provision of the certified financial statements while Adu et al (2019) propounded that loan appraisal before disbursement is essential for prevention of the loan default. However, none of the studies was conducted in SACCOS. Moreover, the study did not expose if there were cases when the borrowers' in the commercial banks were denied loans because of the low integrity of the borrowers. Furthermore, no information was given on the integrity status of loan appraisal committee and how the integrity of the loan appraisal committee influenced the loan repayment.

Angaine and Waari (2014) declared that honesty may be used to evaluate the probability of microfinance borrowers to repay loans. However, the study did not analyze how honesty was used to promote the loan repayment in Kenya. Abiddin (2005) contemplated that the profile of the borrower may depict his integrity and personal attitude. However, the paper did not assess how integrity influenced the loan repayment for borrowers. The study also did not evaluate how the integrity of the loan committee influenced the loan repayment. George (2015) found that loan default was not caused by borrower-loan officer relationship. None of these studies analyzed how the integrity of borrowers and loan committee influenced loan repayment in the microfinance institutions such as SACCOS.

Valuation of Collateral and Loan Repayment
Kohansal and Mansoori (2012) found that collateral positively influenced loan repayment performance in Iran, despite the study did not ascertain if this was caused by the higher integrity of the loan appraisal committee. Dinh et al. (2010) emphasized that integrity of borrowers determines whether collateral should be used to secure the loan or not. However, the study did not consider the integrity of the loan appraisal committee in their assessment. Chachalika (2013) argued that the shares bought or held by borrowers, other membership

fees and contributions made were used as collateral to secure the loans but his study failed to ascertain how the collateral was used to enhance the loan repayment in Manyara Region in Tanzania. The study also did not depict how the integrity of the loan officer influenced the acceptance of the borrowers' collateral.

Gebremedhin (2010) emphasized that it is better to know the personal characters of the borrower and collateral value before issuing loans to him. Some of these attributes include integrity and honesty. However, the study did not assess how collateral and personal attributes influenced the loan repayment and no detailed analysis of how the integrity and honesty of both borrowers and loan appraisal officers affected the loan repayment. Haldar and Stiglitz (2016) contended that using collateral in loan processing is an intention to use force to recover the loans, implying there is a challenge for using collateral as a mean of loan recovery. Nonetheless, the study did not recommend other alternative strategies which could promote the timely repayment of loans. The study also did not postulate how the integrity of borrowers and loan committee influenced the loan repayment performance. Capra, Comeig and Fernandez (2007) insisted that true collateral separates the high risk and low-risk borrowers but they emphasized that sometimes the loans with no collateral are charged the high rate of interest to compensate the risk. However, the author did not indicate whether the integrity of the loan officer was one of the factors which encouraged the presentation of false collateral.

The government of Tanzania in May 2020 has deregistered 3,436 cooperatives, among which 2554 (74%) were SACCOS and also ordered PCCB to investigate SACCOS to enhance the repayment of unpaid loans. This situation motivated us to assess the influence of integrity factors on the loan repayment for SACCOS in Tanzania.

3. Methods

The study applied descriptive research design where 179 borrowers were randomly sampled to participate in the survey from 324 borrowers. Data were collected using questionnaires. The five Likert scales 1-Strongly Disagree, 2-Disagree 3-Neutral, 4-Agree and 5-Strongly Agree was used to obtain the scores for each statement from which data were collected. Only agree and disagree scores were used to compute the percentages of responses. Table 3.1 shows the information about the population and sample size SACCOS for the study.

Table 3.1: Population and Sample size

SN	Name of SACCOS	Type of members	Number of members	Number of defaulters (n)	Sample size; x= (179 x n)/324
1	MTC	Employee at Mbeya University of Science and Technology)	250	48	27
2	Lulu	Business People In MC	350	40	22
3	Chakuwama	Primary Teachers Mbeya Council	750	98	54
4	Mwanjelwa	Any Tanzanian Citizen 18+ years	528	48	27
5	Uwamu	Any Tanzanian at Uyole	1140	48	27
6	TAZARA Mbeya	TAZARA Employees and Others People	1307	30	17
7	Amkeni	Business People at Ilomba	250	12	7
		Total	4575	324	179

Source: Mbeya City Cooperative department, 2019

Mbeya city has 76 SACCOS. By using the stratified sampling, SACCOS were grouped by using the following criteria: SACCOS with many members, with the high number of defaulters and types of members in the SACCOS (whether members are businessmen/women, employees or mixed members). The three criteria were used to get diverse responses from SACCOS members on the integrity factors that affect the loan repayment. By using the stated criteria, 7 SACCOS were selected for the survey as follow: SACCOS which accepted only businessmen/women were Lulu and Amkeni SACCOS. Also, SACCOS which accepted only employees (employees-based SACCOS) were Chakuwama and MTC and mixed members SACCOS were Uwamu, TAZARA and Mwanjelwa. The last groups of SACCOS accepted any potential member, who engage in any legal activity such as farming, business or employment provided that he/she is 18 years and above. After obtaining 7 SACCOS, a sampling formula by

Yamane (1967) at 95% confidence level was used to calculate a sample size of 179 borrowers from 7 SACCOS. The formula is written as:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= Sample size to be studied

N= Population size

Thus, by substituting; N = 324, e = 5% we get:

$$n = \frac{324}{1 + 324(0.05)^2}$$

Thus, by substituting; N = 324, e = 5% we get:

n= 179, the stratified sampling formula of x = (179 x n)/324 was used to obtain the sample size from each SACCOS as indicated in Table 3.1 (n=number of defaulters in selected SACCOS, x=Sample size obtained by using the sampling formula). The simple random sampling was then used to obtain the default borrowers. Thorough simple random sampling, all defaulters were assigned numbers on the piece of papers and then the researcher picked the papers randomly to get the required sample size. However, during the survey, only 118 respondents returned the questionnaire which is a 66% response rate. This rate is within the ranges recommended by Mugenda and Mugenda (2003), who stated that the response rate of 50% may justify proceeding for data analysis. Questionnaires were used to collect data and the survey technique was applied in data collection. The collected data was coded, summarized and verified using the SPSS version 21. The data were analysed by using the descriptive analysis. The ethical issues such as consent, confidentiality and originality were considered.

Validity and reliability of data

Validity measures exactly what was intended to be measured (Cresswell, 2011). Two strategies were undertaken to ensure that the validity of the research instrument. These include consultation with experts of SACCOS from MCC to check the validity of the data collection tool before data collection. Moreover, the instrument was pre-tested to 20 SACCOS clients before the data collection to prove its validity (as recommended by Cooper and Schindler, 2014).

The test-retest method used was used to test the reliability of the data. This method analyzes the level of correlation among the variables. The reliability of

data was measured using the Cronbach alpha statistics. According to Quansah (2017), the accepted value of Cronbach alpha coefficient ranges from 0.70 to 0.95. The results of Cronbach alpha from Table 3.2 indicate that the data was not having the problem of reliability.

Table 3.2: Cronbach's Alpha for Reliability Scale Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
0.710	0.755	13

4. Results and Discussion

Demographic variables of respondents

The background information of the respondents considered in this study are gender, marital status, age, education level and experience of borrowers.

Gender

The findings indicate that 48.3% of respondents were males while 51.7% were females. The findings indicate that female in Mbeya city were involved much in entrepreneurial activities and hence they joined SACCOS to access the loans. The study is analogous with Salifua et al. (2018) who revealed that the majority of borrowers from SMEs in Ghana were females. Reta (2011), Nawai and Sharif and Maio et al. (2015) found that gender influenced the loan's repayment. In the current study, generally, it was revealed that the majority of defaulters were males.

Marital Status

The findings from Table 4.1 shows that the majority of borrowers (62.8%) were married. The results may imply that married borrowers had multiple responsibilities than the other category of marital status. Therefore, they borrowed loans to finance some of the social-economic activities. Yeboah and Oduro (2018) and Mwaka (2017) found that marital status influenced the loan repayment.

Age

The data from Table 4.1 shows that SACCOS attracted members of diverse age ranges from 18 years to above 60 years old. The findings indicate that SACCOS were perceived important by people of different ages and hence they decided to

join them. Yeboah and Oduro (2018) found that 31.1% of clients were aged 35-45. Also, the study done by Gutu et al. (2017) found that 48% of the clients were aged 26-50, implying that the MFIs absorbed the majority of the active age group. The findings further indicated that age influenced the loan repayment performance.

Education Level of Respondents

Education of the borrower is an important parameter which determines the loan repayment performance. The findings show that the majority (49.2%) of SACCOS' clients had secondary education while only 20.3% of clients possessed the primary education. Education might help borrowers to have the knowledge on diversification of their loans into various possible investments and hence makes them be able to service their loans when due and reduce loans default (Table 4. 1). Magali (2013) revealed that the education of the SACCOS staff influenced the loan repayment performance negatively.

Experience of SACCOS borrowers in years

The findings indicate that majority of members were having enough experience with SACCOS' operations. Hence, they might be aware of loan applications and repayment procedures. This could facilitate the proper repayment of loans. However, the demographic information was presented to articulate the general picture of defaulters in MCC. Since the analysis of how each demographic variable influence loan repayment was beyond the scope of this study.

Table 4.1: Demographic information of respondents (N=119)

Variable	Frequency (f)	Percent (%)
Gender		
Male	57	48.3
Female	61	51.7
Marital status		
Single	26	22.0
Married	74	62.8
Divorced	11	9.3

Widow	7	5.9
Age Ranges		
18-35	37	31.4
36-45	47	39.8
46-60	29	24.6
Above 60	5	4.2
Education level		
Primary	24	20.3
Secondary	58	49.2
None	8	6.8
University	28	23.7
Experience in SACCOS (years)		
Less than a year	15	12.7
1 - 3 years	28	23.7
4 - 6 years	37	31.4
Above 6 years	38	32.2

Loan Appraisal Committee's integrity and Loan Repayment

The study established the integrity of borrowers concerning loan repayment. The responses from borrowers are indicated in Table 4.2. The results from Table 4.2 shows that 90% of respondents agreed that some borrowers provided false information during the loan application. The findings signify that the prominence of the problem was high. The findings also indicate that corruption was also a problem which influenced the loan repayment as manifested by 72% of respondents. The findings show that it happened that the loan officers received corruption to disburse the loans. The findings indicate that the integrity of the majority of loan officers and loan officers/loan committee was low.

Angaine and Waari (2014) stated that honesty of borrowers influenced them to repay the loans. Abiddin (2005) suggested that the integrity of the borrowers may be assessed by looking at their profiles. Gebremedhin (2010) emphasized that it is better to know the integrity and honesty of borrowers before the loan repayment. Robert (2014) found that commitment and integrity of loan officer was important aspects which loan officer considered before disbursement of loans to borrowers in Uganda while Ahmad (2013) revealed that corruption influenced positively the accumulation of NPL for MFIs in Pakistani.

Table 4.2: Influence of Integrity Appraisal Committee on Loan Repayment

Variable(s) N=119	Frequency	Percentage
Provision of false information on loan application	106	90
Borrowers give corruption to get loan	85	72
Officers received corruption to offer loan	78	66

Influence of Loan Appraisal on Loan Repayment

The researchers also assessed the contribution of loan appraisal procedures on loan repayment. The findings indicate that majority of loan officers lacked knowledge on loan appraisal as manifested by 51.7% of the respondents (Table 4.3). Moreover, 72.03% asserted that loans were issued according to rules and regulations but only 32.2% of respondents agreed that documents given during the appraisal were genuine. The findings indicate a lack of knowledge on loan appraisal and presentation of fake documents contributed largely to poor loans repayment. The provision of fake documents during the loan appraisal is associated with low integrity. The influence of loan appraisal on loan repayment has been witnessed by Yeboah and Oduro (2018), Katula and Kiinya (2018), Chinduri (2016) Chepkoriret al. (2014) and Adu et al. (2019), to list a few.

Makomeke et al. (2016) further asserted that commercial banks apply a variety of credit appraisal methods to improve the quality of loans. George (2015) found that the bank relied on information provided by customers where there was no means of validating the information provided by them. The strictness of loan appraisal procedures used by the commercial banks helps them to issue loans to qualified applicants. Zimba (2013) found that CRDB bank at Azikiwe branch in Dar es salaam, Tanzania used a bureaucratic and strict criteria procedures in appraising loans for customers who had no reliable income. The strict procedures intended to issue loans only to qualified applicants and are related to the integrity of the appraisal staff.

Table 4.3: Influence of Loan Appraisal on Loan Repayment

Variable(s) N=119	Frequency	Percentage
Loan officers lack knowledge on loan appraisal	61	51.7
Loan appraisal is done according to regulations	85	72.03
Documents given for loan appraisal are genuine	38	32.2

Influence   collateral assessment on Loan Repayment

The study examined the influence of integrity of borrowers and appraisal staff on collateral assessment. The findings indicate that 63% of respondents agreed that loans were given without collateral and this tendency posed a risk of non-recovery for loans (Table 4. 4). The findings further indicate that there are some cases where despite the collateral was used, it did not reflect the value of loans as supported by 59.3% of the respondents. The findings further indicate that only 46.7% of the respondents agreed that collateral was sold to recover the loan. The finding generally indicates that there was a problem in using collateral in recovering the loans during the event of default because there were some cases where collateral was not presented during the loan application and even if presented, did not reflect the value of loans and in most cases, it was not sold to recover the loans and this indicates the low integrity of borrowers and loan appraisal staff and this designates the low integrity of the loan appraisal committee. During the survey, it was revealed that one borrower was given a loan worth TZS 13 million after presenting a copy of motor vehicle registration card, instead of the original card. Collateral is important in ensuring the recovery of loan during the default as revealed by Kohansal and Mansoori (2012) Dinh, et al. (2010) and Chachalika (2013). However, Haldar and Stiglitz (2016) contended that using collateral in loan processing is an intention to use force to recover the loans, implying there is a challenge for using collateral as a mean of loan recovery. George (2015) reported that borrowers failed to meet the difficult conditions sat on the bank's collateral and hence borrowed loans from other financial institutions.

Table 4: Influence of collateral assessment and loan repayment

Variable(s) N=119	Frequency	Percentage
Loans are given without considering applicants' collateral	75	63
Collateral did not reflect the value of loan	70	59.3
Collateral were sold to recover the loans	55	46.7

5. Conclusion and recommendations

The study findings indicate that low integrity of staff, failure to consider the value of the collateral and poor loans appraisal accumulated the high number of NPL for SACCOS in Mbeya city. The study revealed that poor loan appraisal and poor valuation of collateral was associated with low integrity of SACCOS staff and loan appraisal committee members. Therefore, this study recommends that SACCOS' officers and loan committee should be trained on issues related to integrity, collateral valuation and effective loan appraisal procedures. Also, integrity standards and procedures for officers dealing with loans in SACCOS should be established. This study recommends that the government of Tanzania should develop effective policies and amend SACCOS' rules and regulations which will promote the loan repayment performance. These policies may include the regulated credit risk management and involvement of staff from the Tanzania Prevention and Combating of Corruption Bureau (PCCB) in SACCOS lending activities to reduce the corruption problems. Therefore, the paper recommends that PCCB should continue interfering the loan repayment procedures in SACCOS when the normal procedures fail to function.

This study contributes to the body of knowledge on adverse selection theory by revealing that both seller and buyer side (borrowers and credit officers/loan committee) have a role to play to promote the better loan repayment performance. This study reveals that the integrity of the majority of SACCOS' staff and loan appraisal committee was low and this disturbed the loan appraisal process and valuing of collateral and ultimately affected the loan repayment in SACCOS. The paper contributes to the adverse selection theory because the theory concentrates largely on the borrowers' behaviour. The finding from this study discloses that the integrity of the loan appraisal committee also is vital in promoting the loan repayment, specifically in SACCOS. However, the study is based on the descriptive design which does not give a full explanation of how

these variables influence the loan repayment. Therefore, the mixed design study may offer a more detailed explanation of how each variable contributes to the loan repayment. Also, during the survey, some members of the SACCOS were not ready to disclose the information to researchers. Nevertheless, the researcher concentrated on respondents who were ready to provide the required information. Furthermore, The 5-Likert scales may involve response bias. Hence, the mixture of techniques in data collection such as the use of secondary data, evidence and qualitative data might increase the precision of data.

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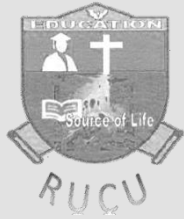
CONTRIBUTION OF INFORMATION COMMUNICATION TECHNOLOGY TO BUSINESS DEPARTMENT PERFORMANCE IN TELECOMMUNICATION INDUSTRY: A CASE OF HALOTEL IN IRINGA REGION

Prof Alex Juma Ochumbo
Professor- Ruaha Catholic University
&
Victoria Munisi
Iringa University, Iringa
(Corresponding author: ochumboalex@gmail.com)

ABSTRACT

With the spread of ICT and its entering into work environment, the world is witness to a close relationship of employment of ICT and performance and also better and faster achievement to organizational goals. This study aimed at assessing the contribution of information technology to business department performance in telecommunication industry, by taking Halotel Iringa region as a case. The specific objectives were to describe the contribution of ICT on the performance of Business Department in customer care effectiveness, inventory management and training.

The study adopted a descriptive research methodology with a survey of total of 128 and applied a stratified random sampling technique to select a sample size of 108 respondents. Questionnaires were used as the main data collection method. Statistical Package for Social Sciences (SPSS) version 20 software program was used to analyze the data.

The study findings showed that Information and communication Technology (ICT) had greater impact on Business Department Performance in terms of customer care effectiveness, inventory management and training thereby affecting departmental performance in terms of cost minimization, simplified

business activities, decision making , effective information dissemination and proper time utilization. The study concluded that contribution of ICT at Halotel is used more as administration tool rather than the operation tool hence lack direct impact to customers. However, more research should be done in other sectors to see whether these findings are similar in different industries.

The study suggested that Halotel should focus on training its staff on effective management and use of ICT system, Government should set policy which will influence the use of ICT in its institutions and improve its existing systems, also the academicians should conduct more research for developing new theories which will have a direct link between ICT and performance. The study recommended that Information and communication Technology (ICT) systems should be well implemented since it forms a platform for ease of evaluating risk in which the organizations invest a lot of money in managing business activities.

Key words: ICT, Business, Telecommunication Industry, Business Customer Care System (BCCS)

1.0 Introduction

The Business Department plays a vital role in promoting the business and mission of an organization. It serves as the face of Halotel Company, coordinating and producing all materials representing the business. It is the Business Department's job to reach out to prospective, customers, investors and the community, and create an overarching image that represents Telecommunication Company in a positive light.

The use of Information Communication Technology has allowed Telecommunication Company to develop new and cheaper ways of reaching new markets, offering customers the opportunity of buying goods and services whenever they want and often at reduced cost, whilst also enhancing the level of customer service. The Information Communication Technology (ICT) is considered the driving force behind the long unprecedented economic growth period of the last decade. It provides the infrastructure for economic development helps to create the knowledge society, contributed to innovation and creates value for the economy. More importantly, it brought the world closer together by improving the dissemination of knowledge, accelerating research, stimulating innovation and facilitating collaboration (Anderson, 2010).

ICT includes all technical means that are used for handling information and facilitating communication, including computers, network hardware, communication lines and all the necessary software. In other words, ICT is comprised of information technology, telephony, electronic media, and all types of process and transfer of audio and video signals, and all control and managing functions based on network technologies (Celebic, 2011).

Based on the above definition, ICT is the technology that supports activities involving information. Such activities include gathering, processing, storing and presenting data. Increasingly, these activities also involve collaboration and communication. Information and Communications Technology (ICT) provides businesses with avenues that allow them to remain competitive in local and global economies.

The line ministry, the Ministry of Communications, Science and Technology, provides a policy guide. Policy guides include the National ICT Policy of 2003, and the National Telecommunications Policy of 1997. The legal framework is provided by the Tanzania Communications Act of 1993, the Tanzania Broadcasting Services Act of 1993, the Tanzania Communications Regulatory

Authority Act of 2003,and the Universal Communications Service Access Act of 2006.

Given the dynamic nature of the telecommunications sector, these policies, legal provisions and regulations require regular review to accommodate new services and a changing business environment. For example, the Tanzania ICT Policy lacks provisions for electronic money transactions and electronic transactions in government business. In terms of the regulatory environment, the sector has regulations for broadband, consumer protection, content licensing importation and distribution, installation and maintenance, interconnections, numbering and electronic address, radio communication, spectrum, tariffs and quality of service (Diyamett, 2010).

Halotel (Viettel Tanzania Limited) is a mobile communications company, providing voice, messaging, data, money transfer service through Halopesa and converged services in Tanzania. Viettel launched service in Vietnam in 2004 and started oversees investment in 2007 by investing in Cambodia. In 2014, July Viettel signed the memorandum of understanding with Tanzania to start the Telecommunication services by using Halotel as its Branding name.

Halotel is owned by Viettel Group, which is the state-owned mobile operator from Vietnam and invested over $1 Billion into the country. Viettel Group currently operates in ten (10) countries which include Lumittel – Burundi, Nexttel – Cameroon, Movitel – Mozambique, Natcom – Haiti, Bitel – Peru, Metfone – Cambodia, Unitel – Laos, Telemor – East Timor, Halotel – Tanzania and Viettel – Vietnam CITATION Tra16 \l 1033 (Hung, 2016).

Telecommunication industries can use ICT to increase the capacity to gather information regarding sales, distributions and training of its staff and also store and retrieve in timely manner and the reduce the operation costs as well as increasing its efficiency and effectiveness of the business functions. It is an effective tool that can be used for streaming the sales functions of the Business Department. This can be achieved by creating an elaborate and relevant database. The data that an effective ICT system can have can include customer management, customer care, inventory and sales management, product management, guarantee management, distribution channel management and e-learning for the purpose of training staff. By using this data the Business Department can make contributions towards strategy formation within the telecommunication industry.

In Halotel Tanzania ICT is used to manage all activities which are done by the Business department. Those activities include the inventory management, Customer care systems, training of staff through E-Learning system and staff evaluations through the system which is known as Business Customer Care System (BCCS) for computers and in mobile phones as Mobile Business Customer Care System (MBCCS) CITATION Tra16 \l 1033 (Hung, 2016).

Hence, Halotel is the best place to conduct this study as it applies the use of ICT to control all activities relating to Business through the use of the system known as Business Customer Care system (BCCS) although it is not the only system used to control the business activities but also the Finance System (ERP) and the Inventory Management system.

There is no doubt that the introduction and implementation of information technology within the Business department of companies is a complex matter and that the requirements for the implementation and the contribution of the technology differ according to the nature of the company's Business management strategies and of the technology. According to Reddington (2009) the use of Information and Communication Technology could establish more virtual customer relationships within the organization thus enabling it to provide strategic value. Through social networking, it can also improve employee voice.

The consequence of not knowing the contribution of ICT on the Performance of Business department leads to less emphasis by management on the use of ICT and the proper management of Information and Communication Technology systems in telecommunication companies. The study findings contribute to increase use of ICT in controlling the Business activities through the use of Information and Communication Technology systems and ICT policy formulation in telecommunication companies.

The study specifically aimed;

(i)   To examine the contribution of ICT on the performance of Business Department in customer care effectiveness.
(ii)   To determine the contribution of ICT on the performance of Business Department in Inventory Management.
(iii)   To find out the contribution of ICT on the performance of Business Department in training.

2. Literature Review
2.1 Theoretical Literature Review

This research study was guided by the Information System theories which have been selected as they relate to the study. These theories include **Technology Acceptance Model (TAM) and Theory of Reasoned Action (TRA).**

Technology Acceptance Model (TAM)

The technology acceptance model (TAM) is an information systems theory that models how users come to accept and use a technology. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, notably: Perceived usefulness, this was defined by Fred Davis as "the degree to which a person believes that using a particular system would enhance his or her job performance". Perceived ease-of-use, Davis defined this as "the degree to which a person believes that using a particular system would be free from effort" (Davis 1989).

Theory of Reasoned Action (TRA)

Theory of reasoned action (TRA) was developed to examine the relationship between attitudes and behavior. There are two main concepts in TRA: "principles of compatibility" and the concept of "behavioral intention". Principles of compatibility specify that in order to predict a specific behavior directed to a specific target in a given context and time, specific attitudes that correspond to the specific target, time and context should be assessed. The concept of behavior intention states that an individual's motivation to engage in a behavior is defined by the attitudes that influence the behavior. Behavior intention indicates how much effort an individual would like to commit to perform such behavior. Higher commitment is more likely to mean that behavior would be performed.

Behavior intention is determined by attitudes and subjective norms. An attitude refers to an individual's perception (either favorable or unfavorable) toward specific behavior (Werner 2004). 'Subjective norm 'refers to the individual's subjective judgment regarding others' preference and support for a behavior (Werner 2004).

TRA was criticized for neglecting the importance of social factors that in real life could be a determinant for individual behavior (Werner 2004). Social

factors mean all the influences of the environment surrounding the individual (such as norms) which may influence the individual behavior.

Why Technology Acceptance Model and Theory of Reasoned Action?
These theories were used as when users perceive that a new information technology tool can help them to finish work efficiently, their perceived usefulness toward it will be higher. That is, the higher a product usefulness perception is, the higher adoption of it is. On top of that when users have high perceived ease of use of a product; they will have a positive attitude to adopt it. Therefore, perceived usefulness and perceived ease of use are assumed as external variables to influence users' acceptance behavior on an information technology tool, and perceived ease of use will influence perceived usefulness (Davis, 1986).

Additionally, users' attitude and perceived usefulness will positively affect their behavior intention and further affect users' acceptance. Perceived usefulness and perceived ease of use will influence users' attitude, and behavioral intention will be influenced by of perceived usefulness and perceived ease of use (Davis, 1989). When subjective norm causes affection to certain users, such as peer or social pressure, it will urge them to perform a certain behavior. When users' subjective norm to adopt a certain behavior becomes more positive, the influence on their behavioral intention will be more intensive.

Furthermore, the theory was used to explain why the Halotel organization as the case study has adopted the ICT and how the employees consider the technology in performance of their duties; the usefulness and ease of use both affect the business Department and Individual performance.

2.2. Empirical Literature Review

This dealt with similar studies which have been conducted by several different researchers from different perspectives and approaches.

2.2.1 Contribution of ICT in Customer Care Effectiveness

Kabanda (2014) in the study done at Harare – Zimbabwe, the researcher aimed at finding out the impacts of ICTs on customer service excellence. The researcher states that the diffusion and adoption of ICT innovations permeate through a social system that positively affects customer satisfaction and support customer service excellence. The three discourses with respect to information

systems innovation are discussed in the context of Zimbabwe with particular reference to diffusion, and the transformative nature of ICT interventions. The methodology used is a mixed method approach, where the quantitative approach was used in assessing the ICT usage patterns and indicators in Zimbabwe. The research used the quantitative approach on Info density covering 18 countries in East and Southern Africa for the period 2000 to 2012, and for Africa in comparison with the rest of the world from 2005 to 2014. The qualitative approach was used in the analysis of online query handling facilities at the Zimbabwe Open University (ZOU) website. Through a random sampling technique a total of 42,349 views were collected through the ZOU website on addressing frequently asked questions as a way to improve customer service excellence. The ICT development index in Zimbabwe has grown steadily from the year 2000 to 2012, where Zimbabwe experienced one of the highest mobile density increases from 2007 to 2012 due to the enabling environment created by the Government of Zimbabwe. The infrastructural facilities for ICTs are now sound in Zimbabwe. However, the gap is on the application and effective utilization of ICTs to improve on customer service excellence with some innovation CITATION Gab14 \l 1033 (Kabanda, 2014).

This study is related to this study as both studies focus on knowing how ICT contributes to Customer service excellence in Zimbabwe but the study is more related to impacts of ICTs while focus relate to the performance of Business Department.

Towo (2015) in the study done at Moshi – Tanzania, the study centered on understanding the determinants of customers' satisfaction particularly Uchumi Commercial Bank Limited in Moshi Municipality, Tanzania. A cross sectional research design was deployed where data were collected by using interviews and questionnaire to a sample of 55 respondents obtained conveniently. Factors revealed to influence customer satisfaction levels significantly include; timeliness (ability to deliver service timely), reliability (performance of service facilities, goods, and staff), staff competence (skills, expertise and professionalism with which the service is executed), staff attitude (politeness and friendliness), look and feel (appearance, comfort of environment, facilities and staff). Based on these findings it is recommended that, there is a need to increase coverage area, improving reliability and use of modern technology to improve service delivery and maintain customer satisfaction.

The study is related to this study as both studies discuss the Customer satisfactions but did not explain how ICT can help in getting the customer satisfaction and also did not discuss how ICT leads to performance of Business Department.

2.2.2 Contribution of ICT in Inventory Management

Kithinji (2015) in the study done at Nairobi – Kenya, The study revealed that Information technology in inventory management acts as a tool for enhancing efficiency and cost reduction. Some supermarkets that have implemented IT in inventory management have succeeded while others have failed. The study sought to determine the impact of information technology on inventory management in supermarkets in Nairobi. The study used questionnaires as the research instruments. The target population were 314 Supermarkets where out of that 136 were used as sample, also the study used Descriptive Research design and stratified random sampling techniques. The study had a response rate of 70%. Data analysis was done using descriptive statistics and regression analysis.

The study concluded that vendor managed inventory systems and warehouse management systems were implemented to a greater extent by supermarkets in Nairobi. Supermarkets should invest more in modern technologies for example information communication technology in order to achieve integration, minimize communication costs, enhance efficiency and increase sharing of information which will eventually lead to improved performance. The regression results reviewed that IT adoption in inventory management was positively related to performance of supermarkets in Nairobi. The study recommended that the supermarkets in Kenya should invest in modern technologies in order to integrate their supply chain management systems. This would minimize communication costs and increase sharing of information leading to improved efficiency and performance of supermarkets in Kenya.

The study is related to this study as both studies discuss the contribution of ICT to inventory management while also the study revealed that the adoption of IT in inventory management is positively related to performance of Nairobi supermarket.

Namusonge (2014) in the study done at Jomo Kenyatta University of Agriculture and Technology, Nairobi – Kenya, where as the general objective

was to find out factors affecting warehousing management. The specific objective was; to determine the effect of information technology on warehouse management.

The researcher used descriptive research design taking Jomo Kenyatta University of Agriculture and Technology as a case for this study. The target population was 930 and a sample size of 50. The sampling design adopted was stratified random sampling. Data collection was done by use of questionnaires and informal interviews.

Majority of respondents (75%) noted that the organization had managed to implement warehouse management system.

The study recommends continued investment and training in information technology and adoption of better information sharing tools.

The study is related to this study as both studies need to know the impact of ICT to inventory management. The study aimed to determine the effect of information technology on warehouse management but did not discuss the contribution of ICT to performance.

2.2.3 Contribution of ICT in Training

Galandari (2012) in the study done at Tehran – Iran, The researcher states that with spread of ICT and its entering into work environment, the world is witness to close relationship between employment of ICT and performance improvement and also better and faster achievement to organizational goals.

Statistical population of the study consists of export firms of Tehran city. The study adopted descriptive survey design and quantitative research where in total, 250 questionnaires were distributed to employees of these firms and at last 230 ones were used for final analysis; results of data analysis using structural equation method show that in export firms of Tehran city, ICT has a significant effect on export performance. But this effect varies depending on way of using ICT. Using ICT for searching information only influences dimension of performance in international markets but has no effects on new market knowledge dimension. Also using ICT for sales activities does not influence these two dimensions and finally there is a significant relationship between using ICT for communicational development and both dimensions of export performance.

Results of the study showed that it is better to use ICT as a facilitator in first instance and after creation of face to face contacts; in next step was used as a means with high capability to support interactions between parties.

This study is related to this study as both studies focuses on knowing how ICT contributes to the performance but the study did not show how training of individuals on the use ICT will improve the performance of staff that use ICT.

Masese (2013), in his study done in Dar Es Salaam – Tanzania on the banking sector across the globe is embracing ICT technologies and using as part of business strategy for expansion, revenue increase, extension of customer network and creating competitive advantage among banking institutions .The study had an effort to investigate the impacts and challenges of ICT adoption in the Tanzanian banks. The population is forty eight respondents; four managers were selected from twelve banks and out of the 48 questionnaires distributed, 42 were collected that is 87.5% response, purposive sampling was used and the data collected was analyzed using SPSS, the researcher employed use of mean and standard deviation.

The study found out that there is a need for bankers to educate public in the use of online banking products, invest more into ICT infrastructure and the government to reduce tax of ICT gadgets. This study recommends that individual technologies need to be investigated, impact of adopting other individual technologies, profitability and performance issues should also be investigated to open up and clear the way for policy and business decisions (Masese, 2013).

The study is related to this study as it focuses on knowing how ICT contributes to the Business activities but the study did not aim to measure the performance of individuals who use ICTs while this study will focus directly to performance of individuals using ICTs.

2.3Research Gap

Extant literature has fairly covered the contribution of ICT on Business Department activities in Customer care (Masese,2013) training(Abernathy et al, 2000) , and inventory management (Abernathy et al, 2000) as increased efficiency, speed, enhance customer satisfaction, increased accuracy of data and improve transparency.

Despite these studies, there is a call for more studies to test earlier findings in different contexts and different economic activities in order to get a better understanding of the contribution of information communication technology to Business department performance. Also currently the use of ICT has increased compared to past years hence ICT has more impacts to Business.

2.4 Conceptual Framework

It is defined as an end result of bringing together a number of related concepts to explain or give a broader understanding of the phenomenon of interest CITATION Pro08 \l 1033 (Vaughan, 2008). It may be a written or a visual presentation that explains either graphically or in a narrative form or both. The main things to be studied are the key factors, the concepts or variables and also the presumed relationships between them.

FIGURE 2.3 Conceptual Framework on Contribution of ICT to Business Department Performance

INDEPENDENT VARIABLES   DEPENDENT VARIABLE

Training

Indicators

- On the job
- Off the job

Inventory Management

Indicators

- Response to time
- Quality
- Productivity

Customer care

Indicators

- Forecasting Customer needs
- Timely Information

Business Department Performance

Indicators

- Meet Customers' needs
- Quality Products
- Timely Information
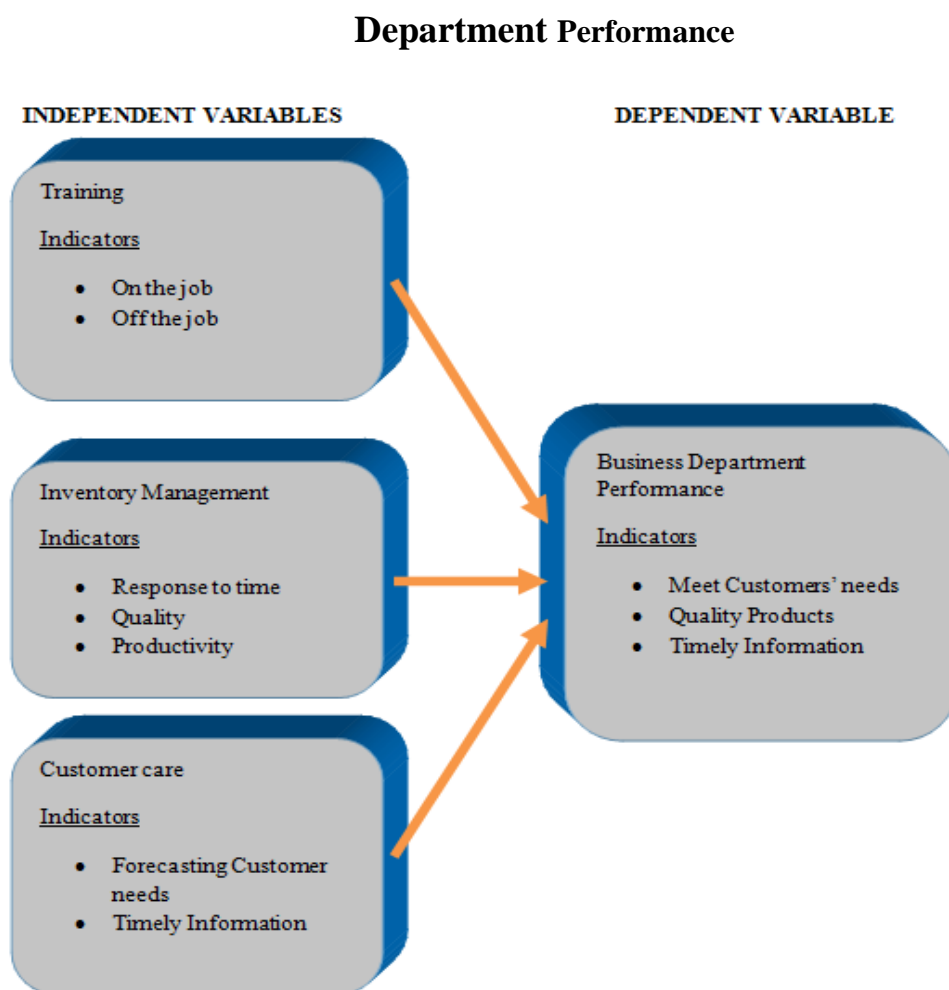
Source: Researcher, 2019

Independent Variables

Independent variable is a variable that stands on its own and is not changed by the other variables to be measured. It is a presumed cause that identifies forces that act on something else CITATION MWa15 \l 1033 (Wagigi, 2015). In this research, the independent variables identified are employment, Training, Inventory management and Customer care. These variables have a direct impact on performance of the Business department.

Dependent Variables

This refers to the effect, the results or outcome of another variable in the relation CITATION MWa15 \l 1033 (Wagigi, 2015). Business department performance will be determined by a number of factors indicators of which some are the independent variables.

2.5 Hypotheses of the Study

Ha 1: There is a significant relationship between ICT on the performance of Business department and Customer Care effectiveness at Halotel Iringa Region.

Ha 2: There is a significant relationship between ICT on the performance of Business department and Inventory Management at Halotel Iringa Region.

Ha 3: There is a significant relationship between ICT on the performance of Business department and training at Halotel Iringa Region.

According to the hypothesis set, the study results were positive as to show a clear interrelationship of the variables indicated in the conceptual framework.

3.0 Methodology

The study adopted a descriptive research methodology with a survey of total of 128 and applied a stratified random sampling technique to select a sample size of 108 respondents. Questionnaires were used as the main data collection method. Statistical Package for Social Science (SPSS) version 20 software program was used to analyze the data.

The research paradigm was positivist while the research approach was quantitative. The study used the descriptive research design and stratified sampling technique to select respondents. For reliability of data, cronbach alpha was 0.906, while Kaiser – Meyer Oklin of sampling adequacy was 0.884 implying the adequacy of the sample employed.

4.0 Findings

This section deals with analyzing, interpreting, presenting and discussing the data collected in accordance to the research objectives and their respective questions used during this study. It starts by outlining the demographic information of the respondents. The aim of this study was to assess the contributions of Information technology on the performance of Business Department in Telecommunication industry in Tanzania. Tables and figures will be used to present the findings of the study in this section.

4.1 Information Background of Respondents

This subsection presents the Information Background of the respondents specifically their Gender, Age, Education level, Duration in working with Halotel and specific activity of the respondents. The data were collected from the Halotel office; questionnaires were used to collect data from respondents. The ages of the respondents were grouped in intervals. The findings were as presented below:

Table 4.1 Table for gender of the respondents

Gender	Frequency	Percentage
Male	65	60.2
Female	43	39.8
Total	**108**	**100.0**

Table 4.2 Age of the respondents

Age	Frequency	Percent
Below 16	3	2.8
16-25	47	43.5
26-35	55	50.9
36-45	2	1.9
46-55	1	0.9
Total	**108**	**100**

Table 4.3 Duration of work of Respondents

Duration of work	Frequency	Percent
Less than 6 months	18	16.7
Between 6-12 months	29	26.9
More than12 months	61	56.5
Total	**108**	**100**

Table 4.4 Academic Qualification of Respondents

Education	Frequency	Percent
None	7	6.5
Primary	11	10.2
Secondary	17	15.7
Certificate	11	10.2
Diploma	27	25
Degree	33	30.6
Masters	2	1.9
Total	108	100

Table 4.5 Type of Work of Respondents

Department	Frequency	Percent
Technical team	10	9.3
Business Team	38	35.2
Assuarance team	8	7.4
Business Channel	52	48.1
Total	108	100.0

Source: Field work (2019)

The findings indicate that most of respondents were male (65 respondents) which is 60.2% and the rest were female (43 respondents) which is 39.8%. This implies that there is more male staff than there are female staffs as this is the case in other Telecommunication Companies in Tanzania. The study also reveals that majority of respondents (61 respondents) which is 56.5% have worked with Halotel for more than 12 months, this implies that they have good work experience with BCCS. The findings further reveal that majority of respondents are aged between 16-35 which is 94%. These findings indicate that majority of employees are in their middle ages and have clear expectation of Business Department performance. The finding indicates that majority of respondents are educated, have certificate and above implying that Halotel has employed qualified and competent staff.

4.2 Analysis of Objectives

The analysis was done on Halotel respondents. The analysis was based on the relationship of the outcomes that is Business Department performance. The Business department performance can be seen on effective time utilization, cost

minimization, good decision making, efficiency in business activities like production of quality products and effective information dissemination.

4.3 Summary of Findings

From the findings, the respondents are from different departments but all in one way or another uses the Business Customer Care System (BCCS) in their daily task assignments. These respondents constantly use BCCS as they deliver service and therefore well placed to assess the contribution of ICT to Business Department performance. They are also best positioned to understand the extent of the usage of ICT in BCCS in Halotel Company and its effect on their work.

The study determined the extent to which ICT contributes to the performance of Business Department. The respondents were instructed to respond to the statement on 5 point Likert scale and indicate they agree with statement that is: 1=Strong Disagree,   2=Disagree, 3= Neutral   , 4=Agree, 5=Strong Agree. The findings revel that ICT is used to great extent by the Halotel Company to get good performance in customer care effectiveness, inventory management and training .

4.3.1 Contribution of ICT in Customer Care Management and Business Department Performance

Customer Care Management is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer life cycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. Business Customer Care Systems (BCCS) is designed to compile information on customers across different channels and points of contact between the customer and Halotel Company. BCCSs also give customer facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

Further analysis was done using the weighted mean as shown in table 4.6

Table 4.6: Weighted Mean for Customer Care Effectiveness

Dimension	Weighted Mean
Customer care process	3.85

Forecasting customer needs	4.06
Decreased time spent on customer care services	3.91
Company decision on customer needs	3.91
Promotes competitive advantage	3.84
Customer care Improvement	3.85
Improved dissemination of information	3.62

Source: Field work (2019)

As seen in Table 4.6, all dimensions (customer care process, forecasting customer needs, decreased time spent on customer care services, company decision on customer needs, promotes competitive advantage, customer care Improvement and improved dissemination of information) have weighted mean above neutral point (3). This shows that ICT have improved the performance in Customer care effectiveness.

Hence, from these findings, the Halotel employees showed that the use of ICT in customer care effectiveness has improved the Business Department performance. Due to correlation results it shows that customer care improvement and improvement on dissemination of information did not have the direct relationship bwith the Business Department performance in terms of customer care effectiveness.

4.3.2 Contribution of ICT in Inventory Management and Business Department Performance

Inventory management is the supervision of inventory and stock items. A component of inventory management in BCCS supervises the flow of goods from manufacturers to warehouses and from these warehouses to point of sale and customers. A key function of inventory management is to keep a detailed record of each new or returned product as it enters or leaves a warehouse and point of sale.

Further analysis was done using the weighted mean as shown in table 4.7

Table 4.7: Weighted Mean for Inventory Management

Dimension	Weighted Mean
Improved data input system	3.94
Decreased Paper work	4.09
Decrease time spent in inputting data	3.82
Increased goods management	3.38
Decision on stock in and out	3.79
Effective in meting company goals	3.87
Improved inventory management process	4.07

Source: Field work (2019)

As seen in Table 4.7, all dimensions (improved data input system, decreased Paper work, decrease time spent in inputting data, increased goods management, decision on stock in and out, effective in meting company goals and Improved inventory management process) have weighted mean above neutral point (3). This shows that ICT have improved the performance in inventory management.

Therefore, for these findings, the Halotel employees showed that the use of ICT in inventory management has enhanced the Business Department performance. Due to correlation results it shows that inventory management process and improvement on dissemination of information on inventory management did not have the direct relationship bwith the Business Department performance in terms of inventory management.

4.3.3 Contribution of ICT in Training and Business Department Performance

Training as one of the ways for acquiring business skills and improving the performance of Business Department the findings reveals high positive of each independent variable Training (improved training process, decreased time spent on training, decreased training expenses, decision on when training is necessary, decision on who to be trained, improved training need process, forecasting staffing need) and Business Department Performance and the significance of each of the variable.

ICT did not cause the direct relationship between Business Department performance and improving training need process as it has .103 coefficients and forecasting staffing training need as it has .047 and improvement on dissemination of information as it has .307 coefficient, and these variables correlate at 0.01 significant levels 2-tailed with 99% confidence level.

Further analysis was done using the weighted mean as shown in table 4.8

Table 4.8: Weighted Mean for Training

Dimension	Weighted Mean
Improved training process	3.68
Decreased time spent on training	3.74
Decreased training expenses	3.93
Decision on when training is necessary	3.79
Decision on who to be trained	3.84

Improved training need process	4.13
Forecasting staffing training need	3.99

Source: Field work (2019)

As seen in Table 4.4, all dimensions (improved training process, decreased time spent on training, decreased training expenses, decision on when training is necessary, decision on who to be trained, improved training need process and forecasting staffing training need) have weighted mean above neutral point (3). This shows that ICT have improved the performance in training process.

Therefore, for these findings, the Halotel employees showed that the use of ICT in inventory management has enhanced the Business Department performance. Due to correlation results it shows that Improving training need process, improvement on dissemination of information and improvement on dissemination of information for training requirements did not have the direct relationship with the Business Department performance in terms of training.

4.4 Test of Hypotheses

The results from the Table 4.9 below indicate high positive relationship of each independent variable (Customer care Effectiveness, Inventory Management and Training) and the significance of each of the variable in relation to dependent variable. As shown, all the variables had positive correlations with overall satisfaction. These variables were tested by Pearson correlation where Customer care effectiveness at.760 coefficients, Inventory Management .762 coefficients and Training .697 all these variables correlate with overall satisfaction at 0.01 significant level 2-tailed with 99% confidence level.

The result from correlation indicates that there is positive relationship between 'Independent Variables (Customer care effectiveness, Inventory Management and Training) and Dependent variable (Overall Satisfaction).

Table 4.9: Correlation results

Correlations					
		Customer care effectiveness	Inventory Management	Training	Overall Satisfaction
Customer care effectiveness	Pearson Correlation	1	.708**	.645**	.760**
	Sig. (2-tailed)		.000	.000	.000
	N	108	108	108	108
Inventory Management	Pearson Correlation	.708**	1	.536**	.762**
	Sig. (2-tailed)	.000		.000	.000
	N	108	108	108	108
Training	Pearson Correlation	.645**	.536**	1	.697**
	Sig. (2-tailed)	.000	.000		.000
	N	108	108	108	108
Overall Satisfaction	Pearson Correlation	**.760****	**.762****	**.697****	1
	Sig. (2-tailed)	.000	.000	.000	
	N	108	108	108	108
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Field data, 2019 via SPSS v20

Further analysis was done using regression in order to determine the relationship between independent variables (Customer care Effectiveness, Inventory Management and Training) and the dependent variable (Overall satisfaction) as it is described in the regression table below:

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854[a]	.729	.722	2.433

a. Predictors: (Constant), Training, Inventory Management, Customer care effectiveness

Source: Field data, 2019 via SPSS v20

The table of interest is the model summary above. This table (4.10 provides the R and R-Square value. The R value is .854 which represents high correlation and indicates high degree of correlation. The R-Square indicates how much of dependent variable can be explained by independent variables.

In this case, R-Square is .729 which means the independent variables explain 72% of the variation with the dependent variable which is high. The standard error of estimate for model was 2.433.

Table 4.11: Anova[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1660.223	3	553.408	93.466	.000[b]
	Residual	615.777	104	5.921		
	Total	2276.000	107			

a. Dependent Variable: Overall Satisfaction

b. Predictors: (Constant), Training, Inventory Management, Customer care effectiveness

Source: Field data, 2019 via SPSS v20

The table 4.11 is the ANOVA table which indicates that the regression model predicts the outcome variable significantly well. Here, $p < 0.000$, which is less than 0.05, and indicates that, overall, the model applied can statistically significant predict the outcome variable of relationship between dependent and independent Variables.

Table 4.12: Coefficient[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.066	1.617		.659	.511
	Customer care effectiveness	.245	.070	.284	3.524	.001
	Inventory Management	.383	.070	.400	5.473	.000
	Training	.319	.072	.300	4.440	.000

a. Dependent Variable: Overall Satisfaction
Source: Field data, 2019 via SPSS v20

Table 4.12 above is Coefficients table which provides information on the predictor variable. This gives us the information needed to predict dependent variables from independent variable. It can be seen that the three predictors (Customer care Effectiveness, Inventory management and Training) contribute significantly to the model by p<005 hence they are accepted and have a significant impact on dependent Variable (Overall Satisfaction).

The equation for the regression analysis using the Coefficients[a] from Table 4.12 is as follows:

$$Y = \beta_o + \beta_1 x_1 + \beta_2 x_2$$

$$Y = 1.066 + 0.245X_1 + 0.383X_2 + 0.319X_3 + \text{EMBED Equation.3}$$

Whereby:

b_o= Constant or intercept

X= Independent variables

X_1= Customer Care Effectiveness

X_2= Inventory Management

X_3= Training

Y= Overall Satisfaction

4.5 Discussion of the Findings

This sub part deals with the discussions on the facts findings in relation to the research questions and objectives. All these facts mostly are concerning with the focus on factors that are the results of ICT contribution to Business Department performance.

4.5.1 BCCS in Customer Care Management and Business Department Performance

Customer Care Management is the most important and fundamental function of Business Department. An effective Customer Care Management leads to proper customer management. This in turn can contribute to proper Customer care process, Forecasting Customer needs, Decreased time spent on customer care services, to help Company decision on customer needs, Promotes competitive advantage, Customer care Improvement and Improved dissemination of information. This is however reliant to the Business Department having complete information about the nature, demands, and the economic status of their customers.

The findings show that BCCS has improved Customer care process, Forecasting Customer needs, Decreased time spent on customer care services, to help Company decision on customer needs, Promotes competitive advantage but not Customer care Improvement and Improved dissemination of information.

This can also be seen on the study done by Towo (2015) in the study done at Kilimanjaro – Tanzania, The study centered on understanding the determinants of customers' satisfaction particularly Uchumi Commercial Bank Limited in Moshi Municipality, Tanzania.

Findings revealed to influence customer satisfaction levels significantly include; timeliness (ability to deliver service timely), reliability (performance of service facilities, goods, and staff), staff competence (skills, expertise and professionalism with which the service is executed), staff attitude (politeness and friendliness), look and feel (appearance, comfort of environment, facilities and staff).

In this scenario, the BCCS is of little importance and any real relevance. On Administrative side regarding proper Customer care process, Forecasting Customer needs, Decreased time spent on customer care services, to help Company decision on customer needs and Promotes competitive advantage.

BCCS has failed to improve the activities which have the direct link between the Business Department and the customer as to have improvement on customer care and to disseminate the necessary information to customers.

4.5.2 BCCS in Inventory Management and Business Department Performance

Major roles of BCCS in Inventory Management are to supervise the flow of goods from manufacturers to warehouses and from these warehouses to point of sale and customers, also to ensure goods are of good quality and are available when needed.

The findings show that BCCS has Improved data input system, Decreased Paper work, Decrease time spent in inputting data, Decreased goods management, Decision on stock in and out and Effective in meting company goals but not Improved inventory management process.

This can also be seen on the study done by Kithinji (2015) in the study done at Nairobi – Kenya, The study revealed that Information technology in inventory management acts as a tool for enhancing efficiency and cost reduction. The study showed that supermarkets should invest more in modern technologies for example information communication technology in order to achieve integration, minimize communication costs, enhance efficiency and increase sharing of information which will eventually lead to improved performance.

4.5.3 BCCS in Training and Business Department Performance

Training helps reduce any weak links within the company on completing basic work tasks. Providing the necessary training creates an overall knowledgeable staff and to work without constant help and supervision. The training builds the employee's confidence.

Findings shows that, BCCS has Improved training process, Decreased time spent on training, Decreased training expenses, Decision on when training is necessary, Decision on who to be trained, Improved training need process but BCCS has failed to Forecast staff needs on training.

This can also be seen on the study done by Masese (2013), in his study done in Dar Es Salaam – Tanzania on the banking sector across the globe is embracing ICT technologies and using as part of business strategy for expansion, revenue increase, extension of customer network and creating competitive advantage

among banking institutions. The study found out that there is a need for bankers to educate public in the use of online banking products, invest more into ICT infrastructure and the government to reduce tax of ICT gadgets.

Therefore, the BCCS is an important tool in training of staff at Halotel Company.

Contributions

The results for ICT contribution to Business Department performance showed that ICT at halotel has helped in Customer care effectiveness, inventory management and training of staff. Also, with ICT the time in performing business activities was shorten, business processes were made easy, cost minimization, decision making was made easier and information access was simplified.

Customer Care Management is the most important and fundamental function of Business Department. An effective Customer Care Management leads to proper customer management. The findings show that Business Consumer Care Systems (BCCS) has improved Customer care process, Forecasting Customer needs, Decreased time spent on customer care services, to help Company decision on customer needs, Promotes competitive advantage but not Customer care Improvement and Improved dissemination of information.

Findings revealed to influence customer satisfaction levels significantly include; timeliness (ability to deliver service timely), reliability (performance of service facilities, goods, and staff), staff competence (skills, expertise and professionalism with which the service is executed), staff attitude (politeness and friendliness), look and feel (appearance, comfort of environment, facilities and staff).

Major roles of BCCS in Inventory Management are to supervise the flow of goods from manufacturers to warehouses and from these warehouses to point of sale and customers, also to ensure goods are of good quality and are available when needed. The findings show that BCCS has Improved data input system, Decreased Paper work, Decrease time spent in inputting data, Decreased goods management, Decision on stock in and out and Effective in meting company goals but not Improved inventory management process.

Training helps reduce any weak links within the company on completing basic work tasks. Providing the necessary training creates an overall knowledgeable staff and to work without constant help and supervision. The training builds the employee's confidence. Findings shows that, BCCS has Improved training process, Decreased time spent on training, Decreased training expenses, Decision on when training is necessary, Decision on who to be trained, Improved training need process but BCCS has failed to Forecast staff needs on training.

Therefore, the use of ICT systems is an important tool in training of staff at Telecommunication Company.

Conclusion and Recommendations

Conclusively, for these findings BCCS has helped the Business Department performing the Administration jobs better rather than the operation jobs which have the direct impact to customers. The entire view of the role that BCCS can play in improving the efficiency and integration of Business department into more strategic role that was missing. The respondents could not establish the direct link between BCCS and its impact on daily routine work. There was lack of clarity as to the exact value of BCCS would add to organization. Neither cost saving, can strong communication nor effective customer care management be linked directly to BCCS. So even BCCS appears to have tremendous promise it has not been fully utilized according to its potential. However, more research should be done in other sectors to see whether these findings are similar in different industries.

Telecommunication companies especially in Tanzania must give attention to advance the existing products and services and innovatively develop new products and services that will meet the customers' needs and widen the customer's choice in the market through the use of ICT systems. The ICT systems keeps the clear records and provides the database for customers hence through evaluating the usage of system it is easier to identify the customer preference and then ensure the customers satisfaction which will the increase the company's profitability and timely response to the market with the use of low costs.

The study recommends that telecommunication companies should invest in use information and communication technology systems in order to improve their

inventory management activities. This would minimize communication costs and increase sharing of information which leads to improved efficiency and performance of telecommunication companies.

Using ICT for searching information only influences dimension of performance in international markets but has no effects on new market knowledge dimension. Also using ICT for sales activities does not influence these two dimensions and finally there is a significant relationship between using ICT for communicational development and both dimensions of export performance (Galandari 2012). Due to this telecommunication companies have to invest in training its staff on the use of information and communication systems so as to ensure good performance in the national and international markets, also should educate their customers so that they can trace their use of money of their kits through the use of information and communication systems.

Telecommunication Companies in Tanzania needs to have a clear policy for selecting staff that need training known to all employees and make them part and parcel of the program. In so doing the employees will understand the importance of developing their skills and knowledge in order to cope with the environment. The Management must consider all employees to have equal chances and rights for training. ICT investment in a wide range can enable Halotel organization to make significant cost savings and productivity gains.

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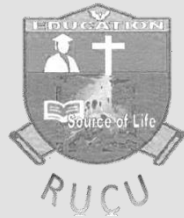
The Influence of Inspirational Motivation on Industrialization Agenda Performance in Tanga Region Tanzania

Dr. Bahati Golyama
Iringa Regional Secretariat

Dr. Bukaza Chachage
Senior Lecturer-The Open University of Tanzania

Serijo Mlasu
University of Iringa – Tanzania
&

Mkapanda Amir
Tanga Regional Secretariat
(Corresponding author: tibagolyama@yahoo.com)

Abstract
This study examined the influence of inspirational motivation on industrialization agenda performance in Tanga Region. The study used quantitative research approach whereby survey design was used to collect data. The sample size involved 304 respondents and simple random sampling technique was employed for data collection. Descriptive data analyses were used to profile respondent characteristics. In addition, structural equation modeling employed for testing the significant effects of inspirational motivation on industrialization agenda performance in Tanga Region. The findings of the study revealed that inspirational motivation has significant influence on

industrialization agenda performance in Tanga Region in Tanzania. The practical implication of this study is that the leaders in Tanga Region should use inspirational motivation leadership behaviour to increases industrialization agenda performance. In addition, leaders in others regions may apply inspirational motivation leadership behaviour to influence industrialization agenda performance on their region.

1. Introduction of the Study

This study determined the influence of inspirational motivation leadership behaviour on industrialization agenda performance in Tanga Region. It was important to conduct this study because the fifth government of Tanzania through all regions, has been promoting industrializations agenda whereby Tanga Region was found with maximum potentiality for industrializations. Governments leaders particularly leaders in Tanga Region were much concerned in promoting industrialization investments and developments by using different leadership behaviour; thus, it was important to examine whether inspirational motivation leadership behaviour has an influence on industrialization agenda performance in Tanga Region. This study therefore, has exposed the importance of inspirational motivation on industrialization agenda performance in Tanga Region.

Industrialization is a term that is mostly associated with development experienced from Western Europe and North America during the 19th and early 20th centuries. In this early sense it was referred to departure from a subsistence economy mainly agriculture towards a more mechanized system of production (Acemoglu, et al, 2001). As such, industrialization is understood purely in economic terms particularly the physical presence of industrial plants that were involved in manufacturing capital goods as well as processing raw materials into finished goods either for further industrial use, general commercial use or purely for domestic use or purposes. Acemoglu, et al., (2002) argued that in the early 20th century therefore a country's industrialization was measured by the percentage of plants and/or industries involved in manufacturing as well as the volume of labour within such industries. Acemoglu, et al., (2012) described

that in 1820, industrialization picked in Europe where coal was used to run the steam engine among other industrial machines.

In Africa continent, promotion of industrialization has given priorities (Austin, 2008). For instance, in Tanzania, promotion of industrialization has been an integral part of development since independence era. The aim of promoting industrialization was transforming the country's economy from low productivity and low growth to high productivity and dynamic economy, associated with structural change and sustained income growth (GoT, 2017). According to GoT, (2010) the government of Tanzania promoted heavily manufacturing sector, which was virtually nonexistent at the time, allowing the sector to grow smoothly throughout the decade between the year 1960 – 1980. However, this trend changed dramatically due to a serious economic crisis caused by external shocks and internal constraints during the late 1970's. On the other hand, in 1980-1995 had a negative impact on the incipient manufacturing sector (Austin, 2007). Infant industries were particularly affected by massive import flow. Industrial stagnation was further severely affected by declining agricultural yields and poor product quality (SIDP, 2000). In addition, in 1996 – 2000 the government developed the sustainable industrial development policy (SIDP) 1996-2020, the main purpose being to shift the economy's engine of growth from the public to the private sector, making the latter the as key player of developments.

Since 2000, the promotion of industrialization has been reflected in many key government policy and various initiatives. For example, the governments of Tanzania development vision (TDV) 2025, the national trade policy, Small and Medium Enterprise Development Policy 2003, Tanzania Mini-Tiger Plan 2020, Export Processing Zones Program, Five Year Development Plan (2011/12-2015/16) (FYDP I). Many of these efforts which aimed to promote of industrialization were somehow lagging behind expectation.

Even though the industrialization initiatives were lagging behind expectation, the practices of transformational leadership by using inspirational motivation is considered as an important behaviour to stimulate industrialization agenda performance in Tanzania. On view of the importance of inspirational motivations on performance, Omar (2011) examined the influence of transformational leadership on performance in Argentina. The survey involved 218 employees in public sector organization. The findings revealed that inspirational motivation increased performance. This means that the

applicability of inspirational motivation by leader's influences the performance initiated by governments. In the African context, Duressa and Asfaw (2014) investigated the relationship between inspirational motivation and its implication in Ethiopia after the period of transformation. The findings revealed that inspirational motivation was poorly implemented. Furthermore, the results from Argentina corroborated with the findings by Amin *et al.* (2016) who examined the relationship between inspirational motivation and projects team performance in Pakistan by involving 180 projects experts from public and private sector and multiple correlations used for analysis. The results indicated that inspirational motivation significant influenced projects performance. These empirical studies mostly analyzed the influence of inspirational motivations on performance but no study was done to examine the influence of inspirational motivation on industrialization agenda.

Likewise, Karamat (2013) argued that transformational leadership stimulates improved performance of private sector in terms of investments. In addition, Orabi (2016) argued that transformational leadership has positive and significant influence on the performance of various public sector initiatives such as industrialization. Comprehending the essential of transformational leadership under inspirational motivations for improving performance of various initiatives, practitioners and the governments in various countries in the world adopted the construct of transformational leadership for enhancing performance of initiatives (Lufunyo, 2013).

In the case of Tanzania, the government in recent years introduced big results now (BRN) as a transformative initiative aiming to transform the country economy from low to middle income, but it did not perform as expected (GoT, 2013). Since, the BRN did not perform, the fifth term government committed implementing industrialization agenda through the national five-year development plan 2020 nurturing industrialization for economic transformation. Furthermore, in December 2017 the government again introduced initiatives of developing 100 industries from each region. This concludes that, the Government of Tanzania committed to implement industrialization agenda.

Scholars viewed these governments' commitments as a huge and positive plan that requires the influence of transformational leadership based on its main construct namely inspirational motivation which could eliminate working business as usual to enhance industrialization agenda performance. Before adopting the transformational leadership for implementation of industrialization

agenda, it was important to investigate its influence. Therefore, a further investigation was conducted to determine the influence of inspirational motivation on industrialization agenda performance in Tanzania. On the other hand, majority of scholars have scrutinized the effects of inspirational motivation in general perspectives of performance but not industrialization agenda performance in Tanzanian context. Therefore, little is articulated on the influence of inspirational motivation on industrialization agenda performance in Tanzania particularly in Tanga Region. This study intended to know the influence of inspirational motivation on industrialization agenda performance in Tanga region in Tanzania.

2. Literature Review
2.1 Theoretical Literature Review

To study the influence of transformational leadership on performance, Burns, (1978) introduced the transformational leadership theory. He described that that TL is a leadership style where leaders and followers help each other to the higher level of motivation performance. Later, Bass (1985) extended the theory of TL by adding four dimensions that tend to influence organisational performance. He describes the theory by stating that inspirational motivation, individualized consideration, intellectual stimulation and idealized influence are the four determinants of TL that have significant influence on performance. For the purpose of this study, inspirational motivation was selected to study its influence on industrialization agenda performance in Tanga Region in Tanzania. Burn (1978) defined inspirational motivations as the capability of leaders to raise consciousness of employees to work according to the organizational mission and vision. In addition, according to PO-RALG (2016) performance of industrialization agenda is the capability of each region to promote investments of 100 industries within the respective regions. This study described industrialization agenda performance as the successful promotion of industrialization investments.

2.2 Empirical Literature Review
David (2014) conducted a research in Nigeria and findings revealed that there was positive and significant relationship between transformational leadership and performance. Hence, in view of the industrialization agenda, transformational leadership was considered the best to influence its performance (Allen, at, el. 2011). In addition, Omar (2011) conducted a study to analyze the

influence of transformational leadership on performance by employing 218 employees of public sector organisation. The result of the study indicated that transformational leadership has a positive and significant influence on performance. In addition, Amin, *et al.* (2016) examined the influence of transformational leadership on the performance of projects team in Pakistan whereby 180 projects experts were employed as respondents. Correlations analysis was applied and the findings revealed a significant relationship between transformational leadership and project performance. Hassan, (2007) in his study to examine the effects of transformational leadership through inspirational motivation used shared vision, team work, commitments and having attainable objectives to measures the influence inspirational motivation. On the other hand, Ngaithe (2015) applied only team work, autonomy and communication to measure inspirational motivation. Argia and Ismail, (2013) pointed out that some of the measurements for inspirational were teamwork, motivation, shared vision, attainable objectives, autonomy, commitments and confidence. Regardless of the scholars' using the described indicator variables to test the influence of inspirational motivations on performance, these determinants rationally have never been tested at industrialization agenda performance in Tanzania particularly in Tanga Region. Therefore, this study adopted these measurements to measure the influence of inspirational motivation on industrialization agenda performance in Tanga Region. Thus, the practices of inspirational motivation under motivations, freedom, teamwork, shared vision, attainable objective, commitments, confidence and respect were considered influencing industrialization agenda performance in Tanga Region through increased investors, improved services, systematic action taking, corruptions prohibitions, linking and coordination, accountability and accomplishing directives. The adopted measurements of inspirational motivations are described as follows:

Teamwork: Teamwork is a combination of individual's efforts in the organisation which lead better performance. Boerner, *et al.* (2011) examined the influence of teamwork on organisational performance in Pakistan. The results indicated that teamwork positively related with organisational performance. At the regional commissioner`s offices teamwork is considered to influence individual employees and organisational performance.

Motivation: Motivation is thedesire to accomplish a goal and is a very important aspect of inspirational motivation which influences employees and

organisational performance. According to Mwogel, (2016) who conducted a study in Safari Com in Kenya by involving 109 respondents, he witnessed that employee's motivation increased employee's performance and organisational performance. This means that reasonable motivation to employees increases OP beyond expectation.

Shared vision: Shared motivation is the situations of envisioning stimulating possibility of working hard with confidence aiming at achieving the organisational goal. According toDatche, (2015) shared vision is used to measure inspirational motivation and found significantly impact on performance.

Attainable objectives: Attainable objectives are realistic objectives. looking to realistic objectives increases team spirit for achieving organisational goal. Kirui, *et al.* (2015) examined the applicability of TL for effective organisational in state owned Banks in Kenya. The findings revealed that realistic objective with common vision and goal results improved performance.

Autonomy: Autonomy is the freedom during accomplishing organisational goal. Cavazotte, *et al.* (2014) determined the impacts of job stress and organisational performance concluded that autonomy increased employee's job satisfaction and organisational performance.

Commitments: Ali-kashefi, *et al.*(2013) define commitments as the increased moral values of employees and insisted having committed employees in the organisation. Irefine and Ali-Mechanic, (2014) on the study to examine the effects of commitments in Nigeria found that there was a significant relationship between commitments and organisational performance.

Confidence: Hays, *et al.* (2009) described confidence as the increased cognitive, effective and behaviour response which influences organisational performance. In addition, Ratnasari (2014) also, found that confidence improved employees and organisational performance. Despite the applicability of IM measurements by various researchers in different studies, little is known on measuring industrialization agenda performance in Tanzania.

Respect: Walker (2014) defines respect as a deep admiration of employees, which influence organisational performance. Otherwise, Burchell (2011) recommended that provision of respect to employees in the organisation yields

commitments, innovations and creations, which are beneficial to the organizational performance.

In addition, the dependent variables of this study are industrialization agenda performance in Tanzania. According to Duressa and Asfaw, (2014) performance is measured by various measurements such as improved customer's needs, achievements of government reform programme, focused strategy and effectiveness in performance. Other scholars such as Tamkin et al., (2014) measured performance by using action taking, skilled people and influence of leaders. According to PO -RALG (2017) the indicator variables to measure the industrialization agenda performance were increased investments, improved service delivery, action taking, corruption prohibition, improved linking and coordination, and accountability and accomplishing directives.

2.3 Conceptual Framework

The conceptual framework comprises independent and dependent variable. Based on theoretical and empirical literature review it is hypothesised that inspirational motivation has positive and significant influences on industrialization agenda performance in Tanga Region.

Fig.2.1. Conceptual Framework
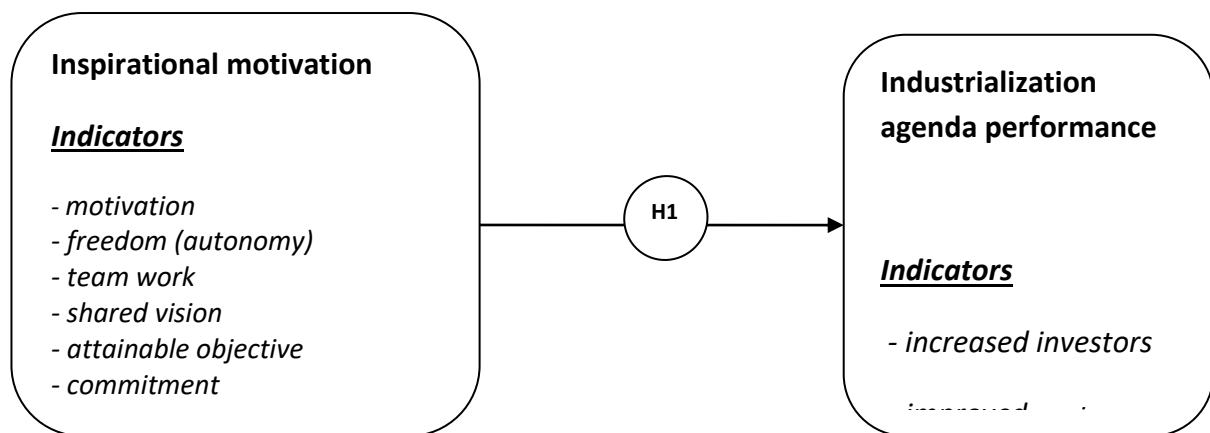
Source: Researchers, (2020).

3. Methods

The study was conducted in Tanga regional because the region is among the potential region for industrialization and investments in Tanzania. This study

employed positivism research philosophy because it depended on quantifiable observations which resulted in statistical analysis. In addition, the study adopted deductive research approach which emphasized moving from theory to data and explain the essential relationship of variables. Collins, (2010) pointed out that in deduction research approach, the concept has to be operationalized to allow facts to be measured quantitatively. The study also employed quantitative research methods where explanatory research design was used to test the relationship between inspirational motivation and industrialization agenda performance in Tanga Region. Kumar (2010) argued that explanatory research designed envisioned to assess the causal and effects of relationship of variables. In addition, descriptive research design also used to identify and profile respondent's characteristics (Gupta and Gupta, 2013). This study targeted a population of 3200 public employees from Tanga Region whereby simple random sampling was employed to draw 320 respondents. Public employees were from economic and productive sections, administration and human resources sections, infrastructure sections, planning and monitoring sections, financial and accounting departments, water, education and procurements. Public employees were considered in this study because they had been working with public leaders who were concerned with the promotion of industrialization agenda in Tanga Region. Hence, public employees were having viable information based on the influence inspirational motivation on industrialization agenda performance in Tanga Region. Survey questionnaire designed in 5-point Likert scale was employed for data collection. In analysis phase, reliability of the instruments using Cronbach's alpha (α) and the validity using confirmatory factor analysis was tested. Descriptive analysis was also applied to profile and describe the respondents' characteristics. In addition, structural equation model (SEM) through regression analysis used to test significant relationship of variables.

4. Results

4.1 Sample Distribution

In this study respondents' distributions were found to be important because they provided a major picture of the percent of respondents who were involved in the study. Respondent distribution helped to judge the proportional and representation of each characteristic of the group of respondents which could affect the outcome of the study. Therefore, in this study gender, education level and age were profiled in this section as described below, despite the fact that,

the researcher did not examine the influence of these demographic characteristics on the industrialization agenda performance in Tanga Region.

4.1.1 Respondents Distribution by Gender

In this study the gender of the respondents consisted male and female employees from Tanga Region as shown in Table 4.1 below. Among the 304 respondents, 58.2% were male but 41.8% were female. Despite the fact that female respondents were more than male respondents, the proportional of the percent above indicated that there was at least equal proportional of representation of gender in the process of data collection which helped to capture data which address each group of gender.

Table 4.1 Respondents Distribution by Gender

Category	Frequency	Percent
Male	177	58.2
Female	127	41.8
Total	**304**	**100.0**

Source: Researchers, (2020)

4.1.2 Respondents Distribution by Education Level

Among 304 respondents contacted, 0.7% were holders of primary education, 6.9% were secondary education holders, 6.6% were holders of form six educations as described in Table 4.2. In addition, 21.7% were diploma holders and 14.8% were holders of postgraduate degree (Masters). Majority of the respondents contacted were degree holders who were about 49.3%. This indicates that majority of respondents are educated. Based on such an argument it was necessary to ensure that respondents with varieties of education level are involved in this study in order to capture each level of education background.

Table 4.2 Respondents Education Level

Category	Frequency	Percent
Std VI	2	.7
Form IV	21	6.9
Form VI	20	6.6

Diploma	66	21.7
Bachelor Degree	150	49.3
Masters	45	14.8
Total	**304**	**100.0**

Source: Researchers, (2020)

4.1.3 Respondents Distribution by Age

In this study, Table 4.3 below shows the distribution of the age of the respondents employed at Tanga Region. Among 304 respondents who were involved in this study, 11.5% were aged between 20-29 years, 41.4% were aged between 30 - 39 years and 30.3% were aged between 40-49 years. In addition, 16.8% were aged between 50 – 59 years old. Majority of the respondents were aged 30-39 years, the age of active people for providing the required output of the industrialization agenda.

Table 4.3 Respondents Distribution by Age

Category	Frequency	Percent
20-29 yeas	35	11.5
30-39 years	126	41.4
40-39 years	92	30.3
50-59 years	51	16.8
Total	304	100.0

Source: Researchers, (2020)

4.2 Exploratory Factor Analysis

Exploratory factor analysis was used in order to ensure that constructs are aligned with their indicator variables. Babyak and Green (2010) suggested using exploratory factor analysis to identify a set of unobserved factors that fit into the reconstruct. In performing the exploratory factor analysis, the principal axis factor analysis with varimax rotation was conducted to assess the underlying structure for 14 items of the of survey questionnaire. The results of first run show that only one item namely accountability (PIA5) was removed since it had double loading. After, removing accountability, further analysis was conducted in order to see if the remaining measurements really fit to their underlying construct. Finally, all remaining items was found suitable for further analysis in confirmatory factor analysis. The remaining items which forms the framework for confirmatory factor analysis is described in Table 4.1.

Table 4.1 Definitions Fit Item for Confirmatory Factor Analysis

Inspirational Motivation Measurements		
IM1	=	Motivation
IM2	=	Autonomy
IM3	=	Confidence
IM4	=	Vision
IM5	=	Objectives
IM6	=	Commitments
IM7	=	Teamwork
IM8	=	Respect
Industrialization Agenda Performance		
PIA1	=	Increased investors
PIA2	=	Improved services delivery
PIA3	=	Systematic action taking
PIA4	=	Corruptions prohibition
PIA6	=	Accomplishing directives

Source: Researchers, (2020)

Having establishing the study framework from the exploratory factor analysis, the next step was to perform confirmatory factor analysis as described in detail below.

4.3 Confirmatory Factor Analysis

4.3.1 Measurement Model for Inspirational Motivation

IBM Amos 20 was run to test for inspirational motivation measurement model fitness which comprised eight dimensions namely IM1, IM2, IM3, IM4, IM5, IM6, IM7 and IM8. Initially, CFA was run, the model fit index produced the following indices: CMID/DF=5.647, GFI=0.911, AGFI=0.840, CFI =0.923 and RMSEA=0.124 which indicate poor fit and further improvement or model refinement was required in order to achieve a model fit. Therefore, further analysis was run and values less than 0.5 which are e1= IM1 and e5 = IM5 was deleted after running two times in their order in each run. These two items were deleted because they were having high value of standardized regression weight, covariance and regression weight at the modification index compared to other items in a model hence resulting in an inadequate fit in the model. After the deletion of the two items, the CFA was run again and resulted in the following model fit indexes: CMIN/df = 1.918; GFI = 0.983; AGFI=0.960, CFI =0.989;

and RMSEA = .055. All items retained had a standardized regression weights (S.R.W) values cut of 0.45 or greater the accepted fit, hence falling within the acceptance framework as shown in Figure 4.1.

Figure 4.1 Inspirational Motivation Mesurement Model
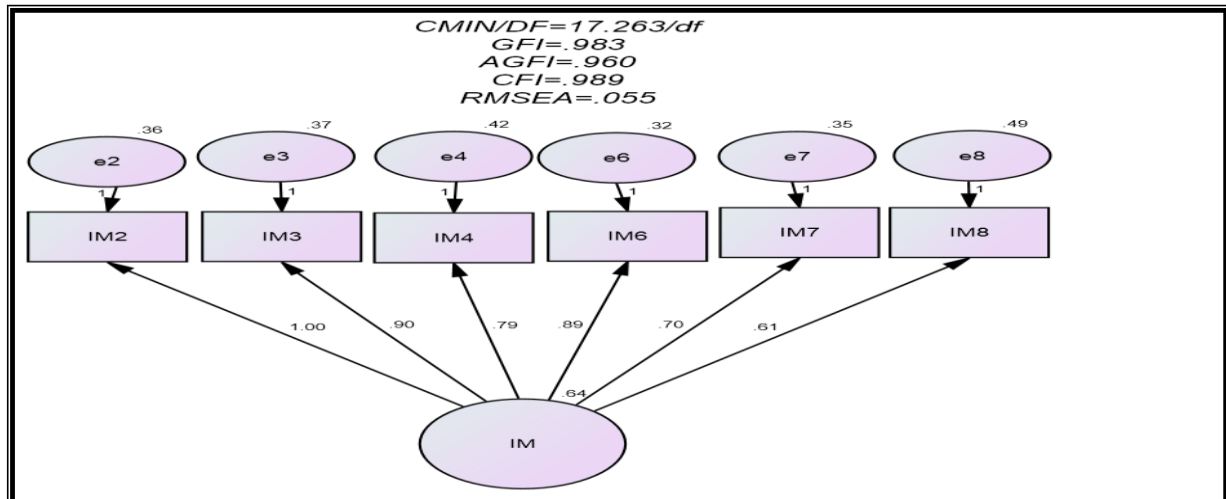
Source: Researchers, (2020)

4.3.2 Measurement Model for Industrialization Agenda Performance

According Hoe (2008) fit indices require a model to achieve the following minimum requirement CFI >0.90 indicates good fit, RMSEA <0.08 indicates acceptable fit, and commonly used $\chi 2$ statistic ($\chi 2$/ df ratio of 3 or less in order to be considered fit. Initial run indicated that CMIN/DF= 7.653, GFI =0.954; AGFI=0.862, CFI = 0.918; and RMSEA = 0.148 which indicated inadequate model fit. Based on inadequate model fit error e1=PIA1 was removed and hence the result indicated model fit which is CMIN/DF= 2.840, GFI =0.990, AGFI=0.952, CFI = 0.982 and RMSEA = 0.078 as shown in Figure 4.2.

Figure 4.2 Performance of Industrialization Agenda Measurements Model
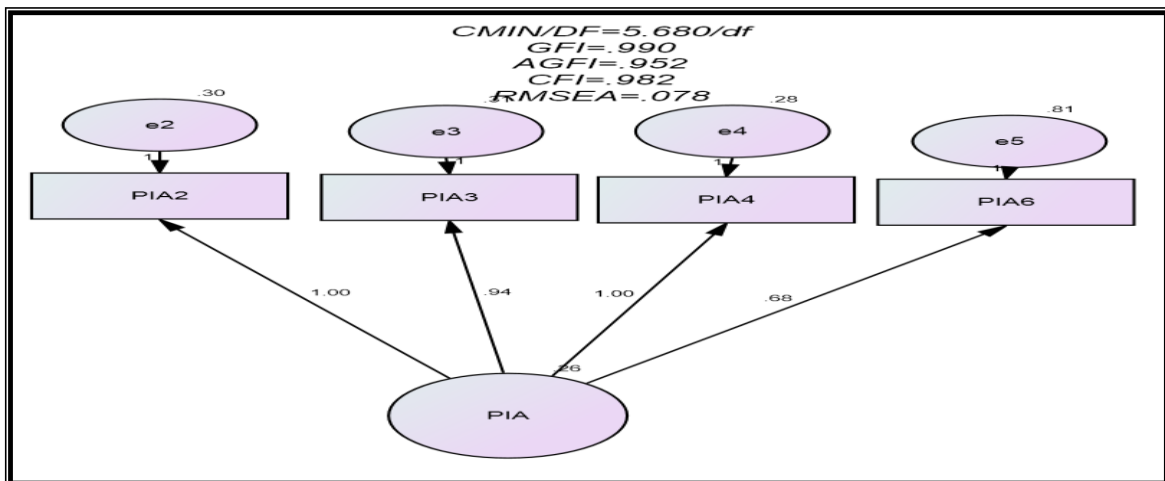
Source: Researchers, (2020)

Having established a model fit which indicate a good fit using indices the next stage was to evaluate the relationship of variables.

4.4. Testing the Relationship of Inspirational Motivation and IAP in Tanga Region

The structural model was used to test the relationships. In this research the relationship tested based on the direction, strength and the level of significance of the path coefficients. A standardized paths coefficient, critical value (C.R) and significant level (p) was used in this study in the testing and evaluation of strength and the level of significance. For testing the stated relationship, descriptive statistic analysis was run first to profile the influence of each attribute of inspirational motivation on industrialization agenda performance in Tanga Region as illustrated in Table 4.2 below.

Table 4.2 Inspirational motivation measurements

Category	N	Minimum	Maximum	Mean	Std. Deviation
Autonomy	304	1.00	5.00	3.2138	1.00017
Confidence	304	1.00	5.00	3.5428	.94300
Vision	304	1.00	5.00	3.5362	.90762
Commitments	304	1.00	5.00	3.4671	.91137
Teamwork	304	1.00	5.00	3.5461	.81923
Respect	304	1.00	5.00	3.1086	.85484
Valid N (listwise)	304				

Source: Researchers, (2020)

The results of the analysis indicate that among attribute of inspirational motivations stimulation in Table 4.2 above, teamwork had high impact on influencing industrialization agenda performance in Tanga Region by having mean value of 3.5461 followed by commitments with mean values 3.5428. In addition, other attributes namely autonomy, confidence, vision, objectives, confidence and respects yielded the slightly equal mean values ranging from 3.1086 to 3.5362 as shown in Table 4.2.

4.5. Analysis of the Basic Structural Model

The basic structural model of the study shows relationship between inspirational motivation and performance of industrialization agenda in Tanga Region. The findings for model fit in Figure 4.3 are elaborated as follows: The ratio of the χ 2, to the degree of freedom-CMIN/DF commonly referred to as normed chi-square value has yield a value of 1.324, which has range to the suggested cut of point values < 2 or < 3 by (Andrean and Petrik 2016). The CFI=0.962, GFI =0.962 and AGFI=0.918 obtained fall under the acceptable range whereas values close to 1 and generally values above 0.9 indicate a good fit as suggested by (Andrean and Petrik 2016). On the other hand, as suggested by Hoe (2008) that a RMSEA value of 0= indicate perfect fit, < 0.05 = indicate close fit, 0.05 to 0.08 indicate fair fit and 0.08 to 0.1 a mediocre fit, > 0.1 =poor fit. Comparing to the current study findings the RMSEA values of 0.039 which was produced in the analysis indicate that the model fits well in the data as summarized as follows: *CMIN/DF =\cmin/df 1.324;*
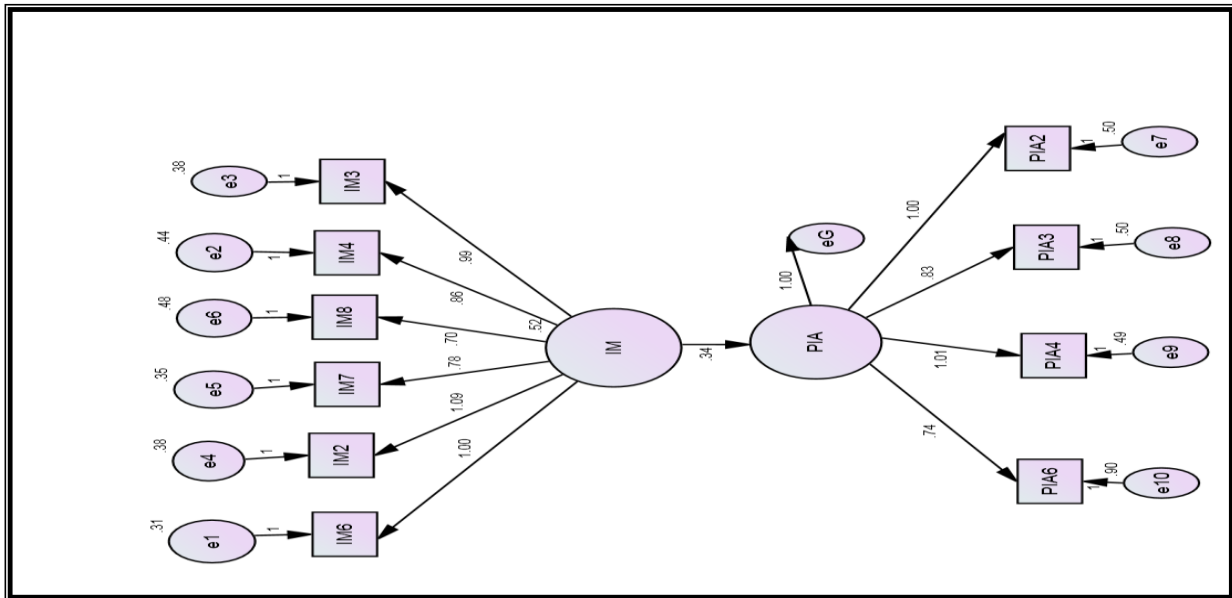
GFI =\gfi 0.962;

AGFI =\agfi 0.918;

$$CFI = \backslash cfi \quad 0.962;$$

$$RMSEA = \backslash rmsea \; 0.039.$$

Figure 4.3: Basic Structural Model between IM and PIA

Source: Researchers, (2020)

Having established a model fit which indicate good fit using indices, further analysis was done using SEM in order to determine the significant influence of inspirational motivation on industrialization agenda performance in Tanga Region as illustrated below in Table 4.3. The path leading from IM to IAP in Table 4.3 is used to examine the relationship between inspirational motivation and industrialization agenda Performance.

Table 4.3: Basic Model Un-standardized and SRW

Path			Estimate	S.E.	C.R.	P	Label	SRW	Remarks
IAP	<---	IM	.204	.055	3.689	***	par_13	.648	Accepted
IM6	<---	IM	1.000					.790	Accepted
IM2	<---	IM	1.091	.077	14.185	***	par_1	.786	Accepted

Path			Estimate	S.E.	C.R.	P	Label	SRW	Remarks
IM 7	<--	IM	.779	.064	12.105	***	par_6	.685	Accepted
IM 8	<--	IM	.696	.069	10.140	***	par_7	.586	Accepted
IM 4	<--	IM	.878	.071	12.347	***	par_10	.697	Accepted
IM 3	<--	IM	.991	.073	13.590	***	par_11	.757	Accepted

Source: Researchers, (2020)

5. Discussion

A positive path coefficient (γ = .648) using standardized estimate results in Table 4.3 above indicates that inspirational motivation is positively related industrialization agenda performance in Tanga Region. This concurs with Chin (1998) and Hoe (2008) who argued that a standardized path coefficient (γ) should be at least 0.2 in order to be considered significant and meaningful for discussion. The results in the current study confirm a strong positive relationship between inspirational motivation and industrialization agenda performance in Tanga region.

Apart from standardized coefficient, further analysis was done using critical ratio and p-value to determining the significant influence of inspirational motivation on industrialization agenda performance in Tanga Region. In this study, the findings yielded a critical values C.R = 3.689 which is greater than 1.96. The results concur with Hox and Bechger (2014) who argued that a relationship which has yielded a critical ration greater than 1.96 is considered significant. This means that the hypothesis H1a which start that inspirational motivation has positive and significant influence on industrialization agenda performance in Tanga Region.

This means that, inspirational motivation has positive contribution on industrialization agenda performance in Tanga Region. These findings imply that the applicability of inspirational motivation through commitments, autonomy and confidence of employees towards promotions of industrializations is very important to enhance its achievements in Tanga

Region. In additions, employees must have common vision, teamwork and respect to push and achieve industrialization agenda in Tanga region. Thus, that lack of inspiration motivation may hinder industrialization agenda performance in Tanga Region. Generally, the applicability of these items may increases improving services to investors in industrial areas, accomplish directives such as developing 100 and above industries are ordered by the central governments, taking actions systematically and prohibiting corruptions.

These findings are related with those of Northouse (2010) who argued that inspirational motivation are significantly influences performance subordinate working hard. Through inspirational motivation, subordinates work hard by providing attractive services to investors on industry area. Employees become committed and self motivated in accomplishing organizational vision which promoting industrialization agenda in Tanga Region. In addition, findings are related with the theory of transformational leadership by Bass (1985) who pointed out that inspirational motivation is among the four factors of transformational leadership which influence performance. This result confirms that inspirational motivations are among the factors of transformational leadership which have significant influence on performance particularly industrialization agenda performance. This study recommends that inspirational motivation should be insisted in Tanga Region and other region to obtain the required results industrialization agenda in Tanga Region and other regions in Tanzania.

6. Conclusion and Recommendation
Inspirational motivation has significant influence on industrialization agenda performance in Tanga region. Therefore, the practical implication is that the leaders in Tanga Region should use inspirational motivation behavior to increases industrialization agenda performance. In addition, leaders in others regions may apply inspirational motivation leadership behavior to influence industrialization agenda performance on their region. Generally, at managerial level from the district to the regional level the leaders could use the framework of this study to increases industrialization agenda performance on their respective district or regions. That means all employees and their leaders at departments or organization level has to involve inspirational leadership behavior to maximize industrialization agenda performance. The study was conducted in Tanga Region only; other study cab be conducted by involving all regions in Tanzania.

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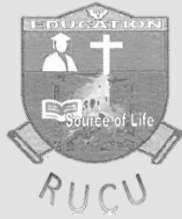
Challenges of Compliance with Public Procurement Act no.7 of 2011 and its Regulations in Tanzania

Theobald Kipilimba
Senior Lecturer-Ruaha Catholic University

Abstract:

The main purpose of this study was to investigate challenges towards compliance with Public Procurement Act no.7 of 2011 and its regulations of 2013 in Tanzania-Case of selected procuring organizations in Iringa municipality. This study carried the following specific objectives:-

Identify reasons of non-compliance of PEs to PPA no.7 of 2011on procurement, investigating on how disciplinary actions for not complying with the PPA can make procuring organization comply with the PPA no.7 of 2011 together with its regulations, and lastly, to analyze the extent to which procuring entities cooperate with other procurement professional bodies such as PSPTB in effectively complying with PPA no.7 of 2011 on procurement of goods and services.

This survey has used quantitative research approach whereby questionnaire as a data collection method. Data analysis of data had been done by SPSS version 25 and Microsoft Excel, 2007. This study has been guided by the Institutional theory and the principal-agent theory.

Empirical literature was reviewed both internal and external in order to become aware of what others had done. Some of the internal and external literature reviewed include Nyanda (2008), Matembo (2016), Richard (2014), and Njeru (2015), Obanda (2010), Lazarides (2011) respectively. Findings of the study revealed that:- Public procuring organizations do not comply with the Public Procurement Act (2011) because of many factors, including:- Tendering procedures are too complicated, insufficient knowledge to bidders, lack of

competent and qualified procurement staffs, and political interference within the public procurement processes.

It is therefore recommended that, tendering procedures should be improved, politicians should not intervene with public procurement processes, regular public procurement auditing should be done, recruitment and selection of procurement staffs should seriously consider professional etiquette together with qualifications, and the PSPTB should conduct internal and external capacity building in order to create awareness to the general public. Employees or procurement staffs in public institutions who do not qualify should be replaced with the qualified people referring to the referring to the PPA no.7 of 2011. Ultimately punitive legal measures should be taken against unethical businessmen who won tenders from public procurement organizations, then conspired with public procurement staffs in causing loses to the public so as to become lessons to other people with the same altitudes.

Key Words: *Challenges, Compliance, Public Procurement Act 2011.*

I. Introduction

It has been estimated that the financial activities of Government Procurement in all Countries in the World are in the range of 10% up to 30% of GPN (Calendar & Mathews, 2002). With procurement accounting for about 20% of all government expenditure worldwide, Mlinga (2009) shows that many governments have embarked on reforms in their procurement systems particularly streamlining and harmonizing the regulatory (legal) and institutional (structural) frameworks. According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For example, public 5 procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010).

II. BASIC VIEW OF PPA

Today, in many countries, public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations. Jackiline, (2013). In Tanzania the government has long realized to importance of public procurement hence taking various measures to improve including undergoing different reforms on public procurement laws and regulations. The reforms in Tanzania have gone different stages starting from 2001 where the first Public procurement act was enacted together with its regulations. In 2002 a Country Procurement Review Assessment was carried out to review the implementation of the Public Procurement Act No. 3 of 2001. The Country Procurement Review Assessment Report (CPAR) recommended further reforms from centralized to decentralized procurement system, hence the enactment of Public Procurement Act No. 21 of 2004

The Public Procurement Act No. 21 of 2004 established a decentralized procurement system in which Ministries, Departments, Agencies and Local Government Authorities (LGAs) could carry out their procurement without any financial thresholds. it established a Public Procurement Regulatory Authority (PPRA) charged with a task of ensuring that MDAs and LGAs adhere to the provisions of the PPRA Act. As a way of improving procurement system in the country, the government repealed the PPA No.21 of 2004 by enacting the new PPA no7 of 2011 together with its regulations of 2013. The Public Procurement Acts together with its regulations were initiated in order to govern Public Procurement where all procuring entities must comply to it so as value for money in using public funds can be achieved (CPAR,2003). But apart from the various initiatives being taken by the government still procurement matters are not performing effectively and efficiently as shown in Controller and Auditor General (CAG) Audit Report of 2013. The major obstacle however, has been inadequate regulatory compliance to the current public procurement act no.7 and its regulations. This has been evidenced by various reports that have been provided by PPRA resulted from auditing activities. It is further supported by Gelderman et al (2006) who contend that compliance in public procurement is still a major issue.

III. Public Procurement Act no.7 of 2011 and its regulations in Tanzania.

Public Procurement in Tanzania is governed by PPA, which decentralizes the procurement system and provides mandate for each PE to carry out procurement functions and to be accountable for all procurement decisions made. These

public procurement laws and regulations have been revised from time to time starting with the PPA no.3 of 2001, the PPA No. 21 of 2004 and its regulations of 2005, PPA No. 7 of 2011 with its regulation of 2013, and amendment of 2016 with their regulations. The major aim of revision of procurement laws is to establish an efficient procurement system in URT.

Compliance of Procurement Entities (PEs) to PPA is very fundamental in the attainment of public procurement goals and objectives. The PPRA as an oversight body has the mandate to ensure that public entities are adhering to Public Procurement Act. PPRA has been advocating percentages of procurement compliance by the PEs guided with compliance indicators that all PEs has to comply with during procurement processes. Evidences show that, most of PPRA annual audit reports reveal incidences of lack of compliance by the PEs to the PPA no 7 of 2011. For example, the audit report provided in 2010/11 indicated an average level of compliance of 68%. In 2011/12 compliance level was 74 per cent. In 2012/13 indicated the compliance level of 64.3%, while in 2013/14 average compliance level of 65%, while that of 2015/16 indicated an average compliance level of 71% . But despite the progress, the results found some serious problems of non-compliance in procuring entities to PPA and its regulations.

Today, there are a lot of complaints about public procurement activities being not complied with PPA during procurement process.. If this non compliance continues, the government resources will continue being misused. It is still not clear as what causes non compliance to procurement laws and regulations apart from literatures and studies trying to point out some causes for non compliance. This has been due to the fact that most factors/challenges identified by scholars and PPRA reports, do not seem to truly address the problem, as cases of non compliance increasingly continue to occur apart from efforts to overcome the identified challenges. This study therefore, aims at attempting to answer this problem by analyzing the challenges of compliance to Public Procurement Act no7 of 2011.

IV. Significance of the Study
i. **To the procurement policy makers**:- the study findings is expected to assist public procurement policy makers in understanding the short comings of PPA no. 7 of 2011 and work out to improve it so that it can have the desired effect in the future. Also, the study will be a key ingredient in the planning, designing and implementation of a sound

public procurement system that will align itself to the overall economic strategy as Tanzania currently aiming to become a semi industrialization country by 2025.

ii. **To the procuring entities:**- The study will provide useful information to other stakeholders spending public funds on how to take working measures to minimize factors that cause hindrance to comply with PPA.

iii. **To the academicians:** - this study will contribute to the debate on the real causes of non compliance to the PPA and its regulations in Tanzania. Further, the findings through this study will contribute to the knowledge base that is helpful for future researchers and scholars under this field and be of future references. It will be helpful to other researchers to go much deeper on other related topics so as to reveal more findings especially in the areas that are not covered by this study.

iv. **To the researcher: -** This study will increase knowledge as well as build capacity on part of the researcher which enable him be able contribute towards strengthening procurement system in the county.

V. Theoretical Literature Review
Definitions of key terms

a. **Procurement: -** this means buying, purchasing, renting, leasing or otherwise acquiring any goods or works by the Iringa municipality spending public funds, and includes all functions that pertain to the obtaining of any goods or works including description of requirements, selection and invitation of tenders and preparation and award of contracts (URT, 2014). Further, the PPA defines procurement as the process involving buying, purchasing, renting, leasing or otherwise acquiring any goods or works or services by a procuring entity spending public funds and includes all functions that pertain to the obtaining of any goods works or services

b. **Public procurement: -** this refers to the procurement undertaken by the procuring entities in the public sector, whereby it is financed by public funds (tax payer's money). In this regard, any procurement undertaken by procuring entities which is financed by public funds must be conducted in accordance with the PPA no.7 of 2011 together with its regulations. Public procurement is undertaken to provide public services to the public for instance procurement of plants and machines, electrical equipments, construction of roads, schools, hospitals etc for the benefit of the public.

c. **Compliance: -** means adhering to the public procurement laws and regulations and standards that apply in a given procurement setting. In other words it is a state of being in accordance with the established guidelines, specifications, or legislation (public procurement act and its regulations) when undertaking procurement activities. . In most countries, means compliance with laws and regulations and these laws can have criminal or civil penalties when not observed properly, Lyson (2006)

VI. Theories Guiding the Study
i. The institutional theory

The institutional theory is the traditional approach that is used to examine elements of public procurement. Obanda (2010) provided that, strong institutional support at top levels of the government is needed by procurement personnel in order to promote integrity, monitor the public procurement process and apply procurement laws appropriately. Scott, (2004) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanisms, with expedience as basis for compliance. The normative pillar refers to norms and values with social obligation as the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). Borrowing from this theory, public institutions in Tanzania are guided by rules and regulations with the PPA no.7 of 2011 together with its regulations of 2013 and guidelines directing public procurement activities.

From the three pillars of institutions propounded by Scott that is, organizational culture, social influence, organizational incentives and enforcement, they are identified as qualifications of compliance to procurement rules. The institutional theory, therefore, suggests areas that may determine compliance levels to the Public procurement act. The theory guides the study as it provides a framework on determining compliance factors.

ii. The principal-agent theory

This theory is an agency model developed by economists that deals with situations in which the principal is in position to induce the agent to perform some task in the principal's interest, but not necessarily the agent's (Health and Norman, 2004). Donahue, (1989) explains that procurement managers including all civil servants concerned with public procurement must play the agent role

for elected representatives. This theory helps us to investigate the role of political interference and records management in public procurement compliance as public procurement managers are considered stewards for politicians. As cited by Krawiec (2003), compliance may represent a principal-agent problem (Langevoort, 2002).

The principal agent theory concerns with the arrangement that exists when one person called the agent acts on behalf of another (called the principal). In this case the government of Tanzania (principal) engages PEs and PPRA (agents) to undertake public procurement and enforce the Public procurement Act on behalf. With such relationship, the principal engages the agent who acts and makes decisions on behalf of the principal (Bergent et al, 1992).

The political system of any country such as Tanzania can of course be understood as a complex network of principal agent relationships composed of citizens, governments and their agents such as Ministries, Departments and Agencies, District councils elected officials, the judiciary, the legislature and the media. These actors concurrently play principal and agent roles within and across political organizations. The framework was developed in this context examining the influences upon compliance with procurement directives Gelderman et al, (2006) and given its relatively general framing; provide a useful framework for examining the influences on the degree to which any aspect of public procurement policy translates into practice.

VII. Empirical Literature Review.

Researcher reviewed the work done by other researcher (empirical literature review) which relate to the topic under investigation. It basically aimed relating theoretical literature review with finding of other researchers as follows below:-

i. Factors for non compliance

Hui et al (2011) argued that, procurement officers must be trained and aware about all regulations in relation to procurement and related procedures. Supportably, Rossi, (2010) asserts that ethical code is not only a deterrent of incorrect behavior but also an enabler for all members of the organization to safeguard the ethical legacy of the firm. In Uganda, the PPDA Audit Report (2008) revealed that lack of professionalism was high amongst public procurement officers. This position is further confirmed by **Basheka and Mugabira (2008)** who stated that the level of professionalism in public procurement in Uganda is low or nonexistent. **Telgen, and De Boer(1998)** also

attributed non-compliance in public procurement to lack of purchasing professionalism in the public sector. they posits that; CAG, (2012/2013) during its audit found that most of LGAs have PMU but not effective which was found to be a major factor for non compliance to PPA of 2011 and its PPRs on road construction projects.

Further, basing on the assessment report by CPAR, there were a number of weaknesses which were observed by the auditors and measures for improvement recommended. The audit confirms that the repealed PPA 2004 was observed to give solutions but not without challenges. It outlines out weaknesses and threats of the various sectors. In the pursuit to improve compliance with the new enacted PPA 2011 the study recommends that public entities have to recruit procurement personnel and organize intensive and regular procurement training for the personnel handling public procurement especially in the area of procurement processes.

Moreover, Rossi (2010) propounded that, compliance with the formal elements gives an indication of knowledge of the rules. Gelderman et al; (2006) maintained that public purchasers will comply with the rules if they perceive them as clear. They added that the simple fact that the management of a public agency is familiar with the essence of the EU rules could function as an organizational incentive to comply. It is further argued that Lack of clarity is believed to increase the possibilities for (un)deliberate non-compliance. Educating and training public purchasers will be an effective tool for increasing the compliance with the directives.

Similarly Eyaa and Oluka, (2011) stated that, lack of familiarity with procurement rules results into poor compliance levels. They also found out that in the Ugandan context, familiarity with procurement regulations significantly predicted compliance with procurement regulations.

Also, Njeru, (2015) conducted study on factors affecting effective implementation of Procurement Practices, A case of tertiary public training institutions in Kenya. The objective of the study was to determine factors affecting effective implementation of procurement practices in tertiary public training institutions in Kenya. Findings revealed that, supplier management was followed by Training Institution and procurement policies were the major factors that mostly affected effective implementation of procurement practices of tertiary public training institutions.

Moreover, according to Akech, (2005), one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. The threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to non-compliance. His findings are supported by those of Hui et al; (2011) who also asserted that, interference from the local politicians, businesspersons, members of parliament and very influential top management individuals has interrupted the procurement processes and deterred transparency in the process.

Moreover, basing on the CAG audit report of 2012/2013, most of Tanzanian procurement projects are performed substandard due to non compliance to PPA of 2011 as a result of various challenges including; lack of funds, political interferences, shortage of expertise, poor supervision and lack of committed contractors.

Again, Abukari, (2014) who conducted a study on assessing the challenges affecting the implementation of the Public Procurement Act of 2003, by Road sector Project; A case of Public Financial Management Reform program (PUFMARP). Findings revealed that, the implementation of the Act was hindered by poor information dissemination, inadequate capacity building and trainings, delay in payment of works executed by service providers and challenges with the law itself.

Furthermore, Kotoka, (2012) conducted a study assessing the level of compliance with the Public Procurement Act of 2003, in public Entities; A case of Ashanti Region in Ghana. Findings reveled that, the public procurement Act, somewhat succeeded in harmonizing the process of procurement in the public entities to secure fiscal transparency, efficiency, and increase competition among the local industry. The similarities were that both studies concentrated on the Regional level, both concentrated on public entities, and moreover compliance to PPA was the main aim to both studies.

Similarly, Agbesi, (2009) conducted a study on the assessment on the level of compliance of the Public Procurement Act of 2003, by selected Government Institutions in Eastern Region of Ghana; A case of Eastern Regional Coordinating Council, New Juaben Municipal Assembly and Asuogyaman District Assembly. Findings revealed that the implementation of the Act was hindered by poor information dissemination, inadequate procurement capacity

and trainings, delay in payment of works executed by service providers, low tender prices and delay in the establishment of the procurement Unit.

ii. Extent of which procurement entities cooperate with other professional procurement bodies in order to comply with Procurement policies.

Nchimbi, (2005) argued that, in many organization some procurement personnel are not in the preparation of annual procurement plans and the work budget, this task has just remained too few procurement personnel together with top management, therefore it is recommended that the procurement staffs should be full involved in the process because they are the key personnel on the financial matter and planning as the results leads to efficiency of Public Procurement in Public sectors.

Further, Schapper et al; (2006) provides that, public procurement is considered an inherently politically sensitive activity. Agreeably, Murray (2009) and Pillary (2004) argued that, in public procurement, managers take on the role of agent for elected representatives. The senior officials and political leaders use public office for private gain and this has weakened the motivation to remain honest.

Further, it is re-echoed by Lodhia and Burritt, (2004), who recognizes that, social and political influences have an important bearing on public sector reform .In developing countries; one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. The threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to non-compliance as also provided by(Akech, 2005).

Moreover, Krawiec, 2003) contended that, an organization with a genuine commitment to legal compliance is evidenced by top management's dedication to ethical corporate behavior as cited in Heneghan and O'Donnell, (2007), that a compliance culture in an organization must start in the boardroom and should be reflected and evidenced in directors' own behaviors and attitudes. In a related argument, Obanda, (2010) stipulated that, strong institutional support at top levels of the government is needed by procurement staffs in order to promote integrity, monitor the public procurement process and apply procurement policies appropriately.

Further, Raymond (2008) contended that, professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. He added that, ministers and political parties receive clandestine payments in government procurement; this ultimately interferes with the procurement process and constrains compliance.

Also, Atkinson (2003 provided that, there were approximately 500,000 professional purchasing people in the United States and only 10 per cent of these have been members of a professional body and the rest are not even aware that there are ethical and legal standards involved in procurement. He also linked lack of a high degree of professionalism in public procurement to corruption, which ultimately impedes compliance.

iii. The extent to which disciplinary actions influence compliance to the procurement policies and regulations.

Zubcic and Sims, (2011) in their study concerning procurement enforcement provides that, enforcement could be broadly viewed as any actions taken by regulators to ensure compliance they further add that, enforcement actions and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela has been linked to a weak enforcement of the rule of law which was argued by (Nwabuzor, 2005). Some scholars such as Sparrow (2000, 1994) doubt the direct effect of enforcement on compliance. They argue that enforcement may make violators more sophisticated in how to prevent, and conceal detection by the authorities.

However, many other scholars agree that, enforcement improves compliance. A study on corporate governance in Africa by (Okeahalam, 2004) revealed that, countries such as Nigeria and Ghana suffer from weak law enforcement mechanisms. However, Lazarides, (2011) in his study concluded that, voluntary compliance is the result of personal or corporate ethics, motivation schemes and in most cases the result of corporate interest alignment with the legal provisions behavior. Similarly, Kuperan (1999) maintain that, the willingness to comply because of moral obligation and social influence is based, among others on the perceived legitimacy of the authorities charged with implementing the regulations. .

Moreover, OECD (2005) propounded that, it is difficult to combat fraud and corruption in public procurement if a group of individuals in an organisation collude with common interests in maintaining secrecy around their corrupt acts. As moral obligation and social influence are weakened, regulatory compliance also weakens.

Again, Gunningham and Kagan (2005) propound that, threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs. They add that, the outcome of sustained enforcement action instilled a culture of compliance and had a direct impact on corporate compliant behavior, and that, coercive enforcement measures remain an essential ingredient in any compliance regime.

Moreover, Lolojih P.K (2003) in the report namely "Report on Government Systems" conclude by saying that, Institutions and individuals involved in the procurement process have very important role to play in efforts to ensure efficient, effective, accountable and transparent procurement system. The report also reveals that, the ZNTB an institution responsible for regulating and controlling procurement of goods and services, is very old and is not acting according to the changes taking place. He further adds that "The governing legislation should, among other things: provide for clear guidelines; reliable and unbiased mechanisms for appeals; and adequate and explicit sanctions for the breach of procurement procedures." The researcher make several recommendations including the need to strengthen the ZNTB legal framework in order to seal loopholes for corruption, priority be given to local companies at all time, advertise formal tender in the local press, members of the Central Tender Committee should not be government appointees such as Permanent secretaries.

Also, Collier (2002) argue that, corporate compliance equates to corporate governance and refers to the mechanisms by which corporations are directed and controlled, and by which those who direct and control corporations are monitored and supervised and made accountable for their actions. He further maintains that enforcement has a greater regulatory impact beyond the violators and reminds directors and others involved in corporate management of their responsibilities and the risks attached to a failure to fulfill those responsibilities. Agreeably, Imperato (2005) contended that, any enforcement actions which aim

at ensuring compliance to laws, play an important role towards corporate governance. To ensure that, effective corporate governance standards must be employed and should be frequently monitored.

Moreover, (Okeahalam, (2004), in the study conducted, provided that, anecdotal evidence suggests that in order to enhance the level of corporate governance in Africa, there should be a simple ideal regulatory process. This should consist of setting the rules and effectively monitoring compliance and enforcement.

Not only that, but also, basing on the work of Zubcic and Sims, (2011), the media play a critical role in corporate compliance. Through media, the corporate community is made aware of the regulatory outcomes. Similarly, Hui et al (2011) stated that, in Malaysia, wide publication of tenders in the media such as newspapers and websites could help reduce corruption by increasing transparency and participation, thereby enhancing public procurement compliance. According to Borden (2007), media exposure reduces the incidence of wrongdoing through press coverage that highlights instances of wrongdoing. More to that, in an environment of heightened and effective press coverage of misconduct, others contemplating misconduct may be discouraged.

Such claims are also supported by Yeung (2002) who argues that, there is a direct correlation between negative media publicity about an organization and their subsequent approach to corporate compliance. At an individual level, it was also argued that corporate executives who have a high standing in the business community are fearful that their own personal reputations and respectability may be tarnished by adverse publicity related to the corporation they manage. Related to this, UNDP (2010) indicated that many procurement scandals have been uncovered by the media and a free and independent press is a powerful tool to promote transparency and accountability.

They further point out that, in Uganda, Nationwide circulated and widely read newspapers such as The New Vision and The Monitor have been used in disseminating procurement information on one hand and exposing individuals flouting procurement procedures on the other. For instance, The Monitor 15th November, (2010) exposed public officials and ministers who were implicated for contravening procurement rules in Uganda .The media assists in exposing corrupt politicians thereby increasing compliance. Manis (2008) cites Clinard (1990) and asserts that publicizing corporate misconduct has a deterrent effect and leads to better corporate compliance.

Again, Teutemann (1990) argued that public bureaucrats normally try to exhaust their budget fully as to avoid reductions in their future budget. Agreeably, Gelderman et al; (2006) also stated that, problematic transfer of budgets in many public agencies is likely to have a negative impact on the compliance with the EU rules. They argue that purchasers will take into account the risk of sanctions, imposed by the organization in case of non-compliance

VIII. Conceptual Framework

Regarding to this study, challenges of compliance to PPA is the independent variable, while compliance to PPA is the dependent variable. Public Procurement Compliance will be measured by perceived importance of compliance by procuring entities, effectiveness of punitive /sanctions for non compliance, and supervision/monitoring of compliance. That is to say perceived importance of compliance by procuring entities, effectiveness of sanctions for non compliance, and supervision/monitoring will result into compliance to the PPA.

These are the causes and effects, or in other words input and output relationships of the study as it has been shown in the figure 1 below:

Figure 1.Conceptual frame work for challenges of compliance to procurement act no.7 of 2011 and its regulations in Tanzania.

Independent variables   **Dependent variable**
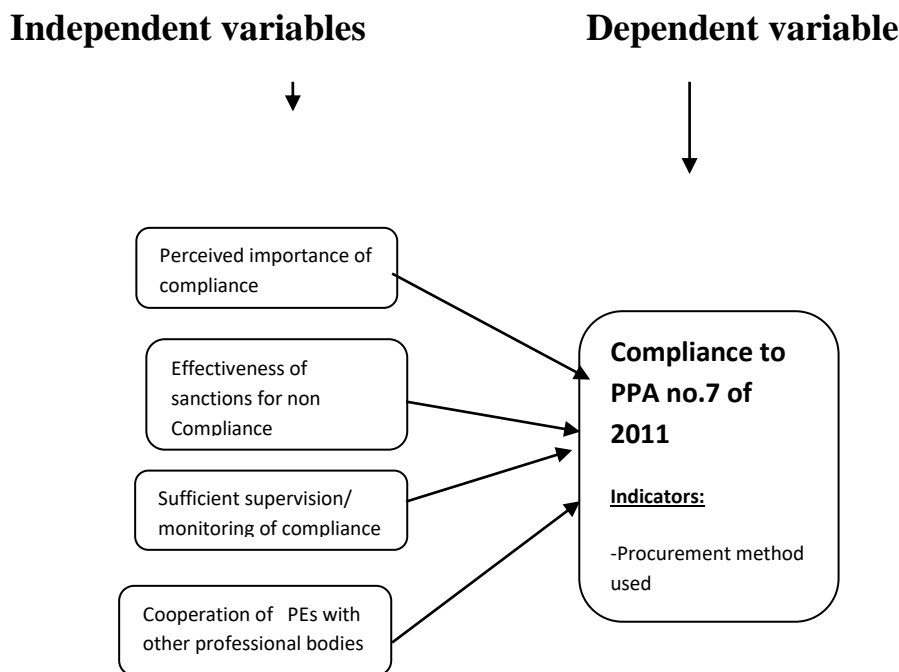
Source: Author (2018)

Operationalization of variables

Perceived importance of compliance

Implementation and compliance to the procurement laws and regulations depends on how the implementers of PPA view or have knowledge on the importance and benefits of adhering to it. Lack of understanding on the importance of complying with the act (the perceived inefficiencies in the public procurement system) will lead to poor compliance to it. But if an individual know clearly why it is required of him/her to comply with the laws and regulations, implementation can never be a problem. Thus the compliance to the PPA will be measured on how preserved importance of compliance by PEs affects compliance to the act.

i. Effectiveness of sanctions for non Compliance

The Public Procurement Act and its regulation provide that, it is mandatory for all procuring entities (PEs) to comply with it. Failure to comply makes the procuring entities to be sanctioned. The effectiveness of the punitive measures for non compliance to the PPA to the largest extent can influence PEs compliance to it. Thus, the level of compliance will be measured by the effectiveness of the punitive measures for non compliance, and how ineffectiveness of punitive measures a challenge to compliance with the act.

ii. Supervision/monitoring of compliance of the act

Effectiveness of monitoring and follow up in implementation of the Public Procurement Act and its regulations is also to a large extent determines the level of compliance to the PPA by the procuring entities. Lack of effective supervision and monitoring by relevant professional bodies such as the PPRA which has been given a mandate to monitor compliance of the PEs to the Act can be one of the challenges. The study tries to determine how it can be a challenge to PEs compliance. Thus, compliance to the PPA will be measured in terms of how poor supervision during implementation phase is a challenge towards compliance to the PPA together with its regulations of 2013.

IX. Hypotheses of the Study

H1-   Effectiveness of sanctions for non compliance to PPA strongly contributes to compliance of PEs to it.

H2-   Sufficient supervision and monitoring of compliance to PPA strongly leads to compliance of PEs to it in Tanzania.

H3-   There is a significant relationship between perceived importance of compliance and actual compliance to the PPA and its regulations.

X. Study Gap

Despite the fact that various researches have been done in the areas related to the compliance of PPA No. 7 of 2011 and its regulations on goods procurement, there are some gaps left which need to be covered. Such gaps include differences of geographical environment which is supported by Njeru, (2015) who conducted the study on the factors affecting effective implementation of procurement procedures in the tertiary public training Institutions in Kenya, whereby its environment is different from Tanzania. Again time lag between which studies were conducted and this new era where many changes have taken place. Further, most studies conducted look on common factors as the challenges that have been causing non compliance to the PPA which make their findings as insufficient. Such studies include that of Fikya, (2008), Suka, (2008), Nyendage, (2008) to mention a few. They isolate such factors as lack of proper sanctions to enhance compliance, lack of involvement of all stakeholders in amending the PPA, insufficient collaboration with other relevant professional procurement bodies during implementation of the PPA, the extent of monitoring etc. Therefore, from such views there is little or insufficient knowledge concerning the real challenges for compliance with PPA and its regulation especially in this era where the current government policy is to become a semi industrialized country by 2025. Hence; this study aimed at bridging the gap stipulated above.

XI. Research Methodology
a. Research philosophy.
Positivism research philosophy.

This philosophy have been employed in order to determine the absolute truth of knowledge concerning challenges of compliance to public procurement Act no.7 of 2011 and its regulations in Iringa municipality.

b. Research approach.

Basing on the positivism research approach that shapes this study, this approach links well with quantitative research of which have been used in order to collect and analyze data. Quantitative approach objectively measures numerical data in conjunction with statistical procedures to process data and summarize the results. Researcher used quantitative method in order to solicit breadth of information and to answer the research questions.

c. Research Design

Researcher used a conclusive research design to Iringa Municipal which is involved in public procurement activities towards "compliance" seems to be an issue of concern. Non-compliance to Public Procurement Act 2011 may have a significant effect on the municipal performance and the economy because of the magnitudes of procurement made especially with respect to capital projects. Also the design is selected to describe the respondent's feedback that has been obtained through questionnaire, and documentary review methods.

d. Study Population

The population or universe for this study comprised of both male and female employees from IMC, PSPTB, and GPSA. Whereby questionnaires had been distributed to 50 respondents. The study problem required such a population from whom data seek to answer the research problem.

e. Sample and sampling technique

This study has been then employed a simple random sampling technique to draw respondents into the study. A sample technique was selected by the researcher because of its chances of obtaining good responses from respondents which includes staffs that were of enough knowledge on public procurement in Tanzania and all over the world as well. This method has been used to sample respondents outside the members of procurement function like Administration. As it has been shown in Table 1 below whereby the Sample size analysis have been shown.

Table 1. Sample size

S/n	Procuring entity	Targeted respondents

1	Tanzania Postal Bank	5
2	IRUWASA	5
3	Iringa Municipal Council	20
4	Iringa Rural district council	15
5	TTCL	5
Total		50

Source: Author (2018)

f. Documentary Review

Documentary review has also been used in order to support and give evidence of the data that have been collected. Several publications relating to this study has been consulted so as to enrich the rationale of this study. The researcher has referred to various publications of foreign and local origin, books, journals, articles, newspapers, reports from PPRA, PPA, and the internet on subject to obtain additional information in order to answer the questions set in the problem definition. This has helped in comparing the information provided and what has been documented.

g. Reliability of Instruments

In order to ensure the reliability of this study, the researcher has designed the questionnaires in a simple language, short, and not boring format so as to avoid respondent's confusion. Also, the researcher has been conducted a pre-testing of questionnaire so as to test whether they would generate the sought data, then; the pilot tested questionnaires has been collected, redesigned and then distributed to all target respondents for final data collection.

h. Research Ethics

In order to ensure ethics, all literatures and other materials used in the study have been cited as references accordingly. Also, plagiarism has been avoided in this study in order to an extent of enhancing the integrity of findings.

In the course of conducting this research, researcher has observed ethics guiding research conduct and thus the principles of voluntary participation, fair selection of participants, continuous respect of participant dignity, and scientific validity of research has adhered; moreover, researcher respected respondent's freedom as to when to complete the questionnaires. Most important, the researcher has observed and guaranteed participants confidentiality, that is; the identified

information have not made available to anyone who is not directly involved in this study. Thus, the researcher has observed all ethical principles in the whole process of the study.

Also, all respondents that have been purposely sampled have been contacted and informed on the purpose of the study. While observing the informed consent to participant to participate in the study, those who have volunteered, the questionnaire has been given for them for self-administering.

XII. Demographic data of Respondents

Researcher sought the basic background information of respondents. The information was necessary to provide the categories of respondents and context of the study. The information was also necessary to determine the representativeness of respondents in terms of gender, age, educational and experience level.

Thus questions 1, 2, 3, and 4 of the questionnaire for procurement practitioners determined respondents' age, gender, education, and experience level. The response to these questions is summarised in Table 2 below.

Table 2. Background Information of Respondents

Respondents Information	Response	Frequency	%
Gender	Male	31	65
	Female	17	35
Age	18-25	3	6
	26-35	32	67
	36-45	12	25
	Over 46	1	2
Level of Education	College	3	6
	Bachelor	28	53
	Masters	17	36
Level of Experience	Less than a year	4	8
	1-5 years	26	54
	6-10 years	17	36
	Over 10 years	1	2

XIII. Discussion of findings

i. Reasons for non –compliance of PEs to PPA no.7 of 2011 and its regulations.

With regard to the first objective, respondents were asked to how they agree or disagree with the following questions as reasons for non compliance.

The scale used;

1=strongly agree 2= Agree 3= Neutral 4=Disagree 5=strongly disagree.

Table 3. Factors of non compliance

EMBED Excel.Sheet.12

Source: Author (2018)

Whereby F=Frequency; % = Percentage

ii.Awareness of PPA among public procurement practitioners.

Further, respondents were asked whether they are aware of the PPA. Response are shown in the table below;

Table 4. Response to the question – "Are you aware of the PPA and its regulations?"

	Frequency	Percentage
YES	43	90
NO	5	10
TOTAL	48	100

Source: Field Data

iii. Importance of complying with PPA.

Table5. Response to the question: 'Do you acknowledge any importance of complying with the PPA?'

	Frequency	Percentage
YES	46	96
NO	2	4
TOTAL	48	100

Source: Field Data

From the table above; 46 (96%) respondents answered yes, while only 2(4%) responded no, that they see importance of complying with the PPA. They further indicated that, complying with the Act is important as it gives guideline and framework on how to conduct procurement; it ensures efficient use of public funds, and eliminates corruption opportunities. Thus, majority responded said that they see the importance of complying with it.

iii.   **The extent to which PPA enhance procurement performance.**

Table 6. Response to the question: 'To what extent Do you think PPA enhances procurement performance?'

	Frequency	Percentage
To the largest extent	43	90
To some extent	5	10
TOTAL	48	100

Source: Field Data

From the table above; 43 (90%) respondents answered that, to the largest extent while 5(10%) answered to some extent PPA enhance public procurement performance. Therefore, the findings indicate that, PPA to the largest extent enhances procurement performance in terms of cost reduction, timely completion of procurement contracts and acquisition of quality products. This is supported by Kraljic (1983) in his portfolio purchasing model, who indicated that purchasers maximize supply security and reduce costs, by making the most of their purchasing power.

iv.   **Awareness about sanctions and punishment for not Complying with PPA.**

Table7. Response to the question: 'Are you aware about the sanctions and punishment for not complying with the PPA?'

	Frequency	Percentage
YES	42	88
NO	6	12
TOTAL	48	100

Source: Field Data

From the table above; 42 (88%) respondents answered Yes, while 6(12%) answered No that, they were aware about the sanctions and punishments for not complying with the Act. This indicates that, public procurement practitioners are aware of the punishments for not adhering to the terms and provisions of the Act.

VI. Effectiveness of sanctions and punishment

Table 8. Response to the question: 'How do you rate effectiveness of sanctions and punishment for not complying with the PPA?'

	Frequency	%
Very significant	12	25
Significant	25	52
Neutral	6	13
Very poor	5	10
Total	48	100

Source: Field Data

From the above figure; 12 (25%) respondents very significant, 25(52%) significant, 5(10%) very poor, while 6 (13%) were neutral that sanctions and punishment for not complying with the act are effective. These findings indicate that, the current sanctions for not complying with the act are significant to incite compliance of Procurement practitioners to it.

These findings are similar to those of Zubcic and Sims, (2011) in their study concerning procurement enforcement provided that, enforcement actions and increased penalties lead to greater levels of compliance with laws. Also, Gunningham and Kagan (2005) found that, threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs.

vii. Degree to which implementation of PPA is done

Table 9. Response to the question: 'How do you rate implementation of PPA?'

	Frequency	%
Very easy	1	2
Easy	24	50
Somehow challenging	17	35
Difficulty	6	13
Total	48	100

Source: Field Data

From the table above, 24 (50%) of the respondents said that is easy, 1 (2%) it is very easy, 17(35%) somehow challenging, and 6(13%) it is difficult to implement the PPA. Therefore majority of respondents (52%) agreed that it is easy to implement and comply with the provisions of PPA.

viii. Extent to which procuring entities cooperate with other professional procurement bodies in complying with PPA.

Table10. Response to the question: 'Does your organization cooperate with other professional procurement bodies in complying with PPA?'

	Frequency	%
To great extent	2	4
To some extent	30	63
Not at all	13	27
I don't know	3	6
Total	48	100

Source: Field Data

From the figure above; 2 (4%) of the respondents answered to the great extent, 30(63%) to some extent, 13(27%) were neutral, while 3 (6%) were neutral that their organizations cooperated with other procurement stakeholders in inciting compliance to the PPA. This finding induce that, most procuring entities do not effectively cooperate with other procurement stakeholders such as suppliers, contractors, international procurement organizations etc.

The findings are related to those of Obanda, (2010) who stipulated that, strong institutional support at top levels of the government is needed by procurement staffs in order to promote integrity, monitor the public procurement process and apply procurement policies appropriately.

ix. Role played by other procurement professional bodies like PSPTB in effecting compliance of PE's to the PPA.

Table11. Response to the question: 'Do procurement professional bodies play any role in inciting compliance?'

	Frequency	%
YES	39	81
NO	9	19
Total	48	100

Source: Field Data

From the table above; 39 respondents (81%) agreed, while 9 respondents (19%) disagreed that other procurement professional bodies like PSPTB play roles in effecting compliance of PEs to the PPA. This indicates that, PSPTB play a great role in effecting compliance of PEs to the act. They provided that, these professional bodies like PSPTB trains procurement practitioners on standard practices, advices the government on appropriate procurement policies, undertakes research activities and instill new knowledge and skills to the staffs. This study is related to findings by Atkinson (2003(, who concluded that, there were approximately 500,000 professional purchasing people in the United States and only 10 per cent of these have been members of a professional body and the rest are not even aware that there are ethical and legal standards involved in procurement.

x. Getting assistance from Management

Table12.   Response to the question: 'Do always get assistance when encounter with difficulty when understanding procurement activities in your entity?'

	Frequency	%
YES	33	69
NO	15	31
Total	48	100

Source: Field Data

From the column above; 33 respondents (81%) answerer Yes', while 15 respondents (31%) said No' that they always get assistance when encounter with difficulty when undertaking procurement   activities in their organization. This finding indicates that, management is always supportive to the procurement practitioners whenever they are encountered with difficulties.The study by Obanda, (2010) supports the above findings, as he stipulated that, strong institutional support at top levels of the government is needed by

procurement staffs in order to promote integrity, monitor the public procurement process and apply procurement policies appropriately.

Also the related findings by Nchimbi, (2005) further supports it, as he argued that, in many organization some procurement personnel are not in the preparation of annual procurement plans and the work budget, this task has just remained to few procurement personnel together with top management, therefore it is recommended that the procurement staffs should be full involved in the process and be guided.

xiv. Recommendations

From the study findings, we recommend that,

To policy makers:-

The procurement policy makers need to educate bidders on the provisions of PPA so that they become more aware of its provisions and that they know on their part what to do as to enhance performance. Professional board like PSPTB should stress to ensure that those who are employed and engaged in the position public procurement should abide to the legal procedure in procurement process.

To Politicians:-

Politicians should not intervene in the procurement process but let the professionals in this field carry out their duties as required by the PPA. This will produce results in terms of increasing compliance of procurement practitioners and performance of the procuring entities in servicing the public.

It should check the Tendering process so as to improve it as the study have found that the procedures are too complicated which to some extent is the challenge to comply with the PPA.

PPRA as an autonomous body in public procurement should increase its supervising and monitoring activities so as to make compliance of PEs to the PPA.

Implications to the Procuring entities
With regard to procuring entities the following is recommended;

The PEs should continually impart knowledge to their procurement internal staffs concerning the PPA so that they can effectively know it and keep

updating with the new techniques in the procurement field. It should organize training programs from time to time for its procurement employees to update their knowledge and skills

The disciplinary sanctions and punishments for non compliance to the PPA need to effectively be applied and be improved as to accommodate the new ideas and concepts. This will make them more effective and hence compliance to the Act will increase.

They should increasingly continue to cooperate with other procurement professional bodies   so that they can learn, adopt, be advice and improve its operational procurement activities.

They need to acknowledge and devise their strategies for managing all the complex compliance challenges as indicated by the study, acknowledging their various forms, and their sources to effectively solve them.

Implication to the theory
This study was supported by both the principal-agent theory and the institutional theory as they had been manipulated in the study. From the institutional theory as propounded by Scott all three elements; organizational culture, social influence, organizational incentives and enforcement are identified as qualifications of compliance to procurement rules as their absence is the challenge of compliance by PEs to the PPA. Also the agent principal theory is supported by the study as the procuring entities work as the agents of the government, their failure to comply with the PPA means they fail to perform task of their principal (the government). Further, the results for this study support various previous studies as outlined in literature review and discussion of the findings.

Recommendations for further research
The current study adopted a descriptive approach based on descriptive statistics such as frequencies to summarize the results and present the conclusions. A similar study needs to be done based on different measures such as regression to test the relationships of the variables

The other area that the current study has not dealt with and which constitute a gap to be studied in future research is the identification of the factors that influence compliance of public procurement practitioners within the Iringa municipality.

To improve compliance to PPA, future research need to also get potential responses from other actors in procurement, particularly those of the respective politicians and how their interference in procurement affect their work.

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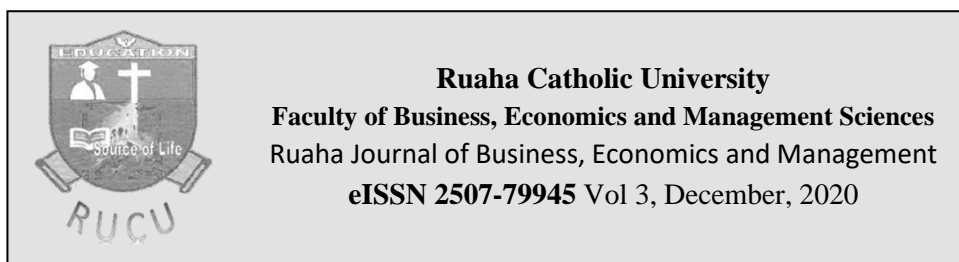
Organization Development Intervention On The Research Capability Of Lecturers: Insights From Ruaha Catholic University (Rucu) In Iringa, Tanzania

Dr. David Mosoma
Lecturer -Ruaha CatholicUniversity

Abstract

The major roles of most universities include: teaching, conducting research, and offering community service. In order for a university to grow, it must invest in research. Unfortunately, in most universities, research is not adequately conducted. The purpose of the study was to assess the organization development intervention on the research capability of lecturers. A number of scholars have highlighted the reasons why university lecturers have not been enthusiastic about conducting research. These reasons include insufficient knowledge on scientific competencies for carrying out quality research and insufficient management support to build and manage potent research teams. Another cause was indifference towards carrying out academic research. This study was carried out to assess whether organization development interventions can down play the above-mentioned challenges and ultimately augment research by university lecturers. The study found that knowledge on scientific competencies, attitude towards research as well as building and managing research teams significantly influence research and publication.

Key Word: Organization, Development, Capability

1.0 Introduction

It is universally acknowledged that the fundamental function of universities among other functions is to transmit knowledge. The impact of research on knowledge transmission cannot be understated. Research greatly provides a lecturer with up-to-date information that is eventually passed on to students. However, it has been noted that over the years, research and publication especially at RUCU has drastically declined. The available records revealed that between 2005 to 2012 only 8 out of 120 lecturers had published in peer reviewed journals. Shockingly, no books have been published by lecturers and no papers have been presented in conferences. Again, no lecturer has published in any international journal (Directorate of Research Report).

These figures above indicate a dormant growth in publications and research in the University. Publication is a fundamental requirement for promotion. It goes without saying that the decline in publications has significantly contributed to a decrease in promotions. For instance, from 2016 to 2019, only two senior lecturers were promoted to the position of associate professor. According to the Personnel Officer, no other promotions were recorded. This is mainly because promotion and research and publications are conducted simultaneously. These factors were synonymous with the scheme of service and promotion norms used by several universities in Tanzania.

Interactions among employees at RUCU were perceived to be relatively poor. The researcher thinks that this could be the major reason why research has not been explored. As a matter of fact, research is conducted individually thereby eroding team-based research and publications. This has ultimately wiped out research mentorship: the tradition of senior lecturers mentoring junior lecturers in research is rapidly diminishing. The existing situation at the university calls for immediate response to some of the following questions: what factors determine robust research publications at the University? What could be done to intensify staff active participation in research?

A more holistic evaluation of the problem could be conducted using SWOT framework. In terms of the internal strength, RUCU has recently started investing in ICT. Institutional capacity for ICT service delivery is relatively improved. There is a new modern library built with a number of facilities to

support personal and group development. Furthermore, there is a reliable number of supporting staff from the ICT department to increase research and publication. It was assumed that ICT advancement would simplify access to current and relevant materials electronically and thus provide alternatives to dependence on hard copy materials. At least, all employed academic staffs were considered to be potential researchers since they were research degree holders and were computer literate. These factors were holistically considered as stepping stones to building a competent research community at RUCU.

It is observed that the University suffers from limited funding for development of more and adequately reliable ICT and physical infrastructures on one hand. On the other hand, teaching and learning is still conducted using traditional methods, which limit interaction in the learning process. There had been intent to strengthen investment in e-learning, but little has been done. Also, there was a high teacher to student ratio, which resulted into abnormal high workload per lecturer. Despite insufficient evidence on the practical competencies of lecturers in research, little has been done to build more research skills and competencies at institutional levels.

Regardless of the challenges that an institution faces, the education sector remains a vital avenue for research development. The higher learning sector in Tanzania has greatly advanced in the past few decades. As a result, RUCU has been able to employ more academicians to deal with increase in enrolment. Upon graduating to a fully- fledged academic institution, the University planned to enroll 10,000 students. Increased enrolment will require academicians to conduct more research in order to boost teaching. The fast growing market demand creates a disguised demand for lecturers/researchers. RUCU as an institution has the capability to out-compete other academic institutions. In addition, online publications open doors to RUCU academicians who are equipped with ICT skills to publish.

Despite the opportunities for growth in research competencies and publishing, there were some challenges related to the ever growing publishing industry. RUCU academicians had a common perception on peer reviewed journals: they admitted that the general challenge is that book publishers impose stringent conditions. Again, the scarcity of seminars on research has become a barrier that has locked out prospective competent researchers. The researcher presupposes

that the decline in conducting research is mostly induced by a researcher's personal skills rather than the conduciveness of the research environment. In reference to the role of research in academic institutions, lecturers are expected to tirelessly carry out research regardless of what external forces dictate. Thus, a single factor analysis could not adequately direct the researcher to areas that needed intervention. The researcher, therefore, focused on several individual causes as they were identified by staff, but based on the model set of factors, which were also informed by the People, Process, and Technology framework (PPT framework). Therefore, the framework was used to carry out organizational analysis in light of perceived causes as will be shown in the next section.

2.0 Literature Review
2.1 Theoretical Framework
The study was guided by experiential learning theory. Knowledge related to experiential learning process is attributed to Aristotle's teachings. As quoted by Bynum, Porter, Messenger and Overy (2005), Aristotle stated that "for the things we have to learn before we can do them, we learn by doing them". So experiential learning theory focused on the actual research experiences of participants and can be tested within six months. In the present literature on organizational transformation and learning, the theory is widely associated with Kolb. The experiential learning theory was famously associated with Kolb & Fry (1974). Later on, a more detailed analysis of the theory was found in publications including Kolb (1981), Kolb (1984), Kolb, Boyatzis & Mainemelis (2001), Kolb & Kolb (2005), and later in kolb & Kolb (2012). This brought research capacity development close to the concepts laid down by Trostle (1992) who defined research capability building as "a process whereby individuals, groups, networks, organization and the wider social science community were encouraged and facilitated in enhancing knowledge and skills so as to increase their ability to carry out innovative and high quality social science research."

2.2 Empirical Literature Review
Arsyad and Arono (2016)observed that the low level of research output was attributed to extra workload among university teaching staff, which robbed lecturers of adequate time to concentrate on research. It was also pointed out that the most potential researchers were charged with administrative duties in

addition to teaching duties, which limited their effective participation in research. Also, the study identified that lecturers had a negative attitude towards research. Swales (2004) mentioned that limited skills in research and lack of available update resources such as journals, books, and access to scholarly database also influenced scholarly research productivity. A combination of those factors forced most potential researchers to desist from conducting research thereby affecting the academic ranking and performance of the University.

Nielsen (2010), insists that experiences in research information-gathering, challenges related to research, as well as cultural and personal encounters along the way reflect the importance of information-gathering, which is a relevant segment when 'pursuing a PhD' in Development Studies. Dess, Lumpkin, Eisner& McNamara (2012) define learning organizations as organizations that encourage proactive and creative learning characterized by inspiring and motivating people with a mission and purpose, empowering at all levels, accumulating and sharing internal knowledge, gathering and integrating external information and challenging the status quo and enabling creativity. If a research institution adopts the learning organization culture, its academicians are likely to become active knowledge seekers. However, it is difficult in most cases to pattern behavior of all organization members along a single organization culture.

From related literature, it is evident that universities are liable to invest efforts on building the research capabilities of their employees in order to maximize their own potentials and intensify the university's growth. Additionally, most studies support the contribution of both facilitated and personal learning by individuals and research teams to develop research capability and competencies of lecturers. However, there is little knowledge on what circumstances and contexts contribute to individual learning, development of research competencies as well as university supported research.

3.0 Methodology
This study used both descriptive and comparative survey, which were conducted in four phases involving65 lecturers from diverse faculties. The study utilized a questionnaire, which was modified by the researcher based on the APEC-Deloitte Consulting Study (2010) model and the People, process, and

technology framework of Chen et al. (2003,).The data were analyzed descriptively using means and percentages.

4.0 Results

The mean before and after Organizational Development Intervention (ODI) for knowledge on scientific competencies needed for research changed from 2.4 to 3.4 with a mean difference of 1.0. The mean difference was significant with t-value of 4.858 and p-value of .002. The null hypothesis that Organizational Development Intervention (ODI) on research capability of lecturers at RUCO has no effect on the existing problem is rejected since the p-value is less than 0.05. These findings tally with the studies of Senge (1990), Jia et al (2008); and Iqbal et al (2011). According to Senge (1990), universities as learning organizations should ensure that there is expansion of knowledge through capacity building on research capability, which meet desired goals and enable creation and innovations.

The realized new results and expanded thinking patterns are nurtured in inspirational and conducive research environments. This allows people to continually learn together as learning organizations. In turn, this builds a truly committed team that aims to create and recreate existing knowledge from day-to-day as a way of expressing that they have scientific competencies and that they are capable of challenging the existing conventional social reality.

Secondly, building and managing research teams changed from 2.5 to 3.5, reporting a mean difference of 1.0.The mean difference was significant with t-value of 4.858 and p-value of .000. The null hypothesis that there is no difference in the mean score for building and managing research teams before and after intervention is rejected since the p-value is less than 0.05.

This result is consistent with the theory established by Bandura, which maintains that the basis of human behavior is social interaction. This theory can be employed in improving, building and managing research teams. For example, Bandura (1969), logically argues that learning is influenced by both behavior and expectancy. In this regard, Bandura recognizes the significance of basic behavioral concepts of reinforcement as a determinant of future behavior. Furthermore, he emphasized the importance of internal psychological factors, especially, expectancies: it is considered that the prospects of succeeding in a given task will determine whether the task will be undertaken. If the odds of succeeding are high, then the task is most likely to be carried out.

Kolb *et al* (2005), asserts that learners acquire understanding that they internalize by being exposed to learning materials and by solving problems that were experienced as part of day-to-day activities. The practical implication of these results is that the intervention was effective. Specifically, three factors significantly contributed to the change i.e organizational efforts to build and strengthen research teams in the university, university's attitude in placing a motivation policy for those who have published their researches, and management's deliberate efforts to build skills and competencies in research.

Thirdly, attitude towards conducting research have improved from negative to neutral with mean difference of 1.2 with t-value of 4.858 and p-value of .000. The null hypothesis that the attitude towards conducting research before and after ODI has no change was rejected since the p-value is less than 0.05. These findings correlate with studies conducted by Benson et al (1991), Lertputtarak (2008), Iqbalet al (2011) and Rezaei et al (2013). Benson *et al.* (1991) concluded that innovation and quality management are directly related to the top management to enhance quality norms by setting policies and goals in the area of quality, treating it as a strategic variable, rewarding business unit managers on the basis of the quality of its products and/or services and making resources available for quality improvement.

Lertputtarak (2008), noted that there were five important factors affecting research output that could be conveniently grouped into three categories. These include: environmental, institutional, and personal career development related factors. To address the problem of low research output, the study put forward that the University Management needs to sequence solutions in relation with how they occur starting with the research and teaching environment followed by setting institutional rules and principles that support research output, and finally altering attitudes and behavior of individuals towards research. The table below presents a summary of pre and post evaluations cores in all the three areas of intervention.

Comparison of the Pre and Post Intervention Data

Research Capability	Mean Before ODI	Mean After ODI	Mean Difference	t-Value	P-Value	Ho Decision at a=0.05	Interpretation
Knowledge on	2.4	3.4	1.0	4.858	0.002	Rejected	Significant

Scientific Competencies Needed for Research							
Building and Managing Research Teams	2.5	3.5	1.0	12.722	0.000	Rejected	Significant
Attitude towards Conducting Research	2.3	3.5	1.2	9.753	0.000	Rejected	Significant

Therefore, there was an improvement in research capability because it is now clear that to some extent, lecturers have gained knowledge on scientific competencies in conducting research because through OD interventions carried out in the University, there is an increase of articles published in the University especially internationals journals. Up to this moment, about twelve (12) international journals have been published by one of the four faculties.

The University has established a research bureau and a performance criteria. The University has equally intensified its efforts in motivating research leaders, financing motivated researchers, and creating research units for all faculties in the University, which help in mobilization and management. Also, the University has created research promotion forums, improved the research environment, disseminated up-to-date information on research opportunities, and adopted a new policy on promotion of academicians. In regard to promotion, it is mandatory for applicants to indicate how much they have researched and published. Also, OPRAS has compelled lecturers to engage in research and publication. This shows that research and publication is gradually picking up momentum.

Conclusion
The organization development intervention, which was based on the fishbone model and the APEC-Deloitte Framework improved the research capability of lecturers in Ruaha Catholic University. Knowledge on research competencies needed for research and building and managing research teams were found to be moderate. There is a positive change in the attitude towards conducting research. The intervention activities designed by the researcher were considered successful as evidenced by the research outputs produced by the participants after the intervention.

Recommendations

The study recommends that RUCU Management should continue to improve areas that need special attention as indicated by the study. This requires the Management to offer adequate support and establish a follow-up system for research and publication. This could be better implemented through an established action plan by placing concrete dates, activities, responsible people, and resources needed. In connection to that, another action research should be conducted for the sustainability of the positive changes obtained.

Management should consider downplaying challenges facing research and publication in view of counteracting the challenges and ultimately boosting research. The study recommends that the models applied in this study should be distinctively used for other action research and interventional studies. This would be suitable for developing countries where inadequate research has resulted into inadequate information on the specific countries.

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