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B. Editorial Note

Ruaha Journal of Business, Economics and Management Sciences would like to wish all our esteemed readers on this first appearance A HAPPY NEW YEAR.

We shall be appearing twice a year January and July. We hope you will be able to help us fulfill this pledge by feeding us with journal articles, book reviews and other such journal writings and stand ready to read from cover to cover all our issues. On behalf of our Editorial Board we promise that this will be worth the time you will spend reading our journal.

The journal is produced by the Faculty of Business and Management Sciences at Ruaha Catholic University. The day to day task of planning and producing the journal is undertaken by the Editorial Board chaired by Dr., Alex Juma Ochumbo, Dean of the Faculty of Business and Management Sciences. As part of the Editorial Board we have also Associate Editors from our sister Universities in Iringa, - Mkwawa, Iringa and the Open University as well as the University of Dar es Salaam and Mzumbe. The idea is that we will invite academic members of staff from other academic institutions teaching and researching in Business, Economic and Social Sciences in Tanzania.

We believe in the oneness of the African Continent so this should be reflected in the composition of our Editorial Board. This is reflected in this first issue with the appearance in our Editorial Board as Associate Editors of colleagues from Makerere and Nairobi to begin with to be joined as soon as possible by academicians from other African countries and the world.

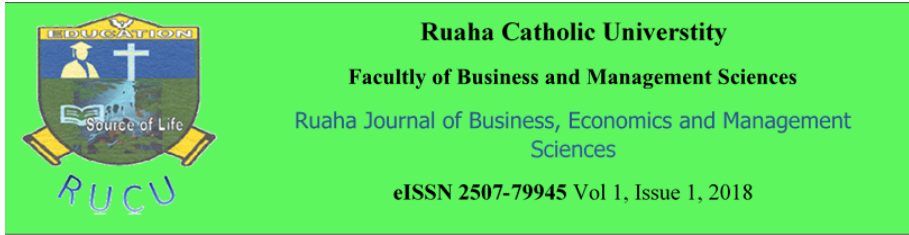
In addition to academicians, this journal is for all people who want to keep themselves in touch with concepts, events, knowledge and policies in business, economics and management sciences, be they policy makers, practitioners and others. Above all, we would like to give a special word to all students in our areas of concern. You will find this journal in the libraries, read it. You do not need your teachers to assign it as required reading! But students should not be just on the receiving end. You may ask yourself, what, how do I write at this stage. My answer is the same one that mother millipede gave to her daughter how she was going to be able to move so many eggs at the same time. She said walk daughter walk and I say to you write student write.

Finally, let me thank Rev. Dr. Cephas Mgimwa who encouraged us to dream about the possibility of producing the journal, to Prof. Fulgens Mbunda, his two deputies, Prof. Donatus Komba and Rev. Dr. Pius Mgeni and all those who in any way possible made our Faculty and the Ruaha Catholic University make the realization of this dream within a reasonable period.

Prof. Robert B. Mabele
Chief Editor

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Determinants of Public Procurement Corruption in Tanzania: A Case of the Local Government Authority in Iringa

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Abstract

This study examines the determinants of Public Procurement corruption such as economic, political, organizational and social factors in Tanzania Local Government Authorities particularly in Iringa. A quantitative approach was adopted and a case study design was employed. A questionnaire was used as the survey instrument. The stratified random sampling technique was used to select respondents from the entire population while probability sampling was used to select a representative sample from each stratum. A sample size of 100 was drawn from the study population. Descriptive statistics were used to analyze data collected from respondents using SPSS version 20 and the excel Microsoft application. Findings revealed economic inflation; economic development, economic freedom, and income distribution as significant determinants of corruption. Political factors particularly the imposition of unnecessary regulations equally escalated corruption. On the contrary however, social attributes like religion lacked a significant effect on corruption. Interesting findings further

show that promoting gender equality may diminish competitiveness in reference to corruption behavior. In conclusion therefore, economic and political determinants significantly account for the increasing trend in procurement corruption and, endeavors to minimize public procurement corruption must target the identified factors.

Key words:*Public Procurement, Public Procurement Corruption*

1. Introduction

Corruption exists in various forms in all societies at dissimilar developmental stages in diverse politico- economic regimes (Blackburn, Bose, & Haque, 2005, Aidt, 2003). Over the years, corruption has been likened to a cancer that strikes nearly all societies, “eats” their cultural, political and economic fabric and destroys the functioning of vital organs (Amundsen, 1999), is an act where public office is used in a manner that contravenes codes of conduct (Jain, 2001); corruption in Africa has been blamed for the development challenges facing the continent (Basheka, 2009, Thai, 2008).

Corruption is the abuse of public resources or power for personal gain thus; corruption watch is concerned with any such abuse by anyone at any level of government or in business (Marshal, 2011). Public Procurement corruption means the offering, giving, receiving, or soliciting anything of value to influence the action of a public officer in the procurement process or contract execution (PPA 2011). Public Procurement (PP) as a function of government includes decisions about the services delivered to local authorities and the communities they serve (Hughes, 2005). It is utilized not only to secure goods and services required by public sector organizations for their mission and to support services rendered to taxpayers, but also to implement national policies and achieve social and other objectives (Thai, 2005).

Several attributes of public procurement corruption have come to light as discussed below. Given with the immense efforts of PPRA, Prevention, Combating Corruption Bureau (PCCB) and Public Ethics Commission, there is perhaps no public official ignorant of the fact that giving, soliciting or receiving anything of value in the course of their

fulfilling the duties and responsibilities in the procurement process or contract management is corruption and is prohibited by the PCCB (PPA 2011). But such efforts are yet to yield any tangible outcomes. A disabling working environment is also found to enhance corruption practices. In one survey, Rugaba (2011) revealed that PMU had inadequate offices that hindered the execution of responsibilities and salaries were below basic expectations, undisputably forcing workers to engage in inappropriate practices to enhance their income. The ambiguous public procurement law has also been blamed for the current corruption epidemic in public offices: a good understanding of why there should be a procurement law in place and the attributes of good law is therefore imperative. Long as the discussion may be, it is critical to objectively draw the lines as to whether the Public Procurement Act 2011 is unambiguous or not. Since this Act became operational in 2012/2013, numerous errors were identified but have yet to be amended to date, corrupt employees therefore continue to take advantage of this ambiguity to impose their undue influence on bidders.

In the recent past, the issue of corruption in public procurement has attracted the attention of both academicians and policy makers worldwide. Mashal (2011) terms corruption as the abuse of public offices in pursuit of private gains. This implies that corruption hinders public procurement in achieving development goals such as reducing poverty, providing health and infrastructure at large (Eyaa and Oluka, 2011). The misuse of public offices for private gain is rampant in developing countries like Tanzania frustrates all efforts rendered towards the achievement of development goals through public procurement (Chekol and Tehulu, 2014). According to Amemba, et al. (2013) public procurement is an imperative function of the government as it significantly impacts on the economy and societal needs. Cane (2004), also advocates that procurement is central to the government service delivery system, and promotes aims which are arguably secondary to the primary aim of procurement such as using procurement to promote social, industrial or environmental policies. Hence public procurement is the bedrock of national development when managed for public gain.

Given the global importance of public procurement, most governments have put initiatives in place to mitigate public procurement corruption. The Legislations to regulate the public procurement process in the Tanzania government has for instance enacted the Public Procurement Act of 2004 as amended in 2013 in order to remove some parts to public procurement performance including corruption (URT 2004).

Despite several government endeavours to ensure the smooth operation of public procurement without the interference of corruption, scholars like Ibietan and Joshua (2013) observe that public procurement continues to face widespread unaccountability, pervasive unethical conduct and corrupt practices. Amemba, et al. (2013) also argue that efforts for the maintenance of high ethical standards in the public procurement process remain a nagging challenge. Surprisingly, a lot is yet to be done to investigate the determinants of public procurement corruption in Tanzania. It is therefore debatable as to whether the reform was executed with a comprehensive understanding of the factors contributing to public procurement corruption in Tanzania, a gap in knowledge the current study sought to bridge.

Literature Review

The influence of economic factors on public procurement corruption

Ata and Arvas (2011) studied the determinants of economic corruption through a cross-country data analysis. The empirical findings revealed that statistically; economic development, inflation, economic freedom and income distribution were significant determinants of corruption. It was further found that in periods of economic boom as GDP per capital rises, corruption declines. On the contrary however, in periods of high inflation and skewed income distribution, corruption rises. The authors also concluded that statistically, economic growth is a significant determinant of corruption. Dimant (2013) completed a meta-analysis of literature on the nature of corruption from an interdisciplinary perspective; it was found that tested characteristics were antecedents rather than effects of corruption, with legal origin, political openness, economic openness and economic wealth and growth as variables with the most negative

relationships. The study provided more conclusive evidence supporting an inverse relationship between competition and corruption as well as economic freedom and corruption. Osimen, et al. (2013) conducted a study on assessment of corruption in the Public Sector in Nigeria. It was observed that factors such as; weak government institutions, unemployment and poverty significantly stimulated corruption in Nigeria.

The influence of organizational factors on public procurement corruption

Dimant (2013) studied the interdisciplinary nature of corruption and found that unfavourable institutional settings provide fertile ground for corruption to spread in the wake of negative selective migration. Lee and Guven (2013) studied employees' motivation to engage in corruption. Findings indicated a stronger role for the government to play in punishing or restricting excessive risk taking by individuals leading to indirect effects on corruption. Promoting more gender equality may also lead to less competitive behaviour which had a significant relationship with corrupt behavior. Parsamehr, et al, (2013) also conducted a study on factors influencing corruption and findings indicated that inter- organizational factors (discrimination, clear rules and regulations, adequate infrastructure) have a significant influence on administrative and financial corruption.

Eyaa and Oluka in (2011), studied the attributes of non – compliance with the public procurement regulations in Uganda. Data was collected from 46 Central Government procuring and disposing entities using a structured questionnaire. Empirical findings indicated that of the three variables which are professionalism, familiarity with procurement regulations and institutional factors, only familiarity is a significant predictor of compliance. The model explains 52.4% of the variation in compliance with regulations. Moreover, Mukopi and Iravo (2015) conducted a study on factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County in Kenya. Findings indicate that there is a strong relationship between the four variables; public procurement policies, e-procurement, staff skills, funding and the use of alternative methods of procurement in public hospitals in Vihiga County. Moreover, Osimen, et al, (2013) assessed corruption in Nigeria's

public sector, particularly Akure South Local Government Area. It was observed that factors such as lack of transparency and moral laxity significantly stimulated corruption in Nigeria.

The influence of political factors on public procurement corruption

Dimant (2013) who studied the interdisciplinary perspective on corruption concluded that unnecessary regulations lower corruption rents. It is more a question of the kind of state rather than the size that had an impact on the magnitude of corruption, as theoretical and empirical evidence link weak governance, higher levels of corruption to lower growth. Koech and Namusonge (2015) studied the factors influencing public procurement corruption in Kenya's National Treasury. Using multiple regression models, findings indicated that procurement regulation compliance, procurement procedures, professionalism and transparency have a positive relationship with procurement corruption in Kenya's National treasury. The authors recommend that public entities should embrace procurement regulation compliance, procurement procedures compliance, professionalism and transparency to improve procurement performance.

The Influence of social factors on public procurement corruption

Shadabi (2013) conducted a study on the impact of religion on corruption and found that Islam and Christianity lacked a significant effect on corruption. The robustness test also strongly confirmed that religion or lack of it does not affect corruption. Wanyonyi and Muturi (2015) also conducted a study on the factors affecting Procurement Function among Public Training Institutions in Kisumu County, Kenya. Findings from the regression analysis indicated that information technology, ethics and staff competence had a positive effect on the performance of the procurement function in technical training institutions.

3. Methodology

The quantitative approach was employed to determine the causal relationships between social, economic, political and organizational factors and their influence on public procurement corruption in local government authorities. As argued by Mack (2010), the main purpose of a positivist paradigm in research is to prove or disapprove a hypothesis. The descriptive research design was used to profile respondents' characteristics in relevance to the study. Data were collected in Iringa Municipality using a survey questionnaire from a sample of 100 local authority employees. Quantitative data analysis was performed using a correlation analysis test to determine the extent to which each factor influenced corruption behavior among employees in the public sector.

4. Results/Findings

Results documented indicate respondents' profiles, the relationship between determinants and public procurement corruption as detailed hereunder:

Respondents Profile

To profile respondents' characteristics, three categorical variables were considered namely respondents' Gender, Age, and Level of education as depicted in table 4.1 below.

Table 4.1 Respondents' Profile

	Value	Frequency	Percentage
Gender	Male	37	38.4
	Female	58	
Age	18-24years Old	16	17.0
	25-34 years Old	15	16.0
	35-44Years Old	28	40.0
	45-54Years Old	35	37.0
	Above 65	1	
Level of Education	Primary education	1	1.00
	Secondary Education	2	2.00
	Certificate	8	8.00

Diploma	14	15.0
Degree	70	74.0

Source: (Field Data, 2017)

Economic determinants of public procurement corruption Table 4.2 below portrays the economic determinants of public procurement corruption

Table 4.2 Economic determinants of public procurement corruption

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Size of organization	6	6.3	14	14.7	2	2.1	73	76.8	0	0.0
Budget of the organization	7	7.4	12	12.6	5	5.3	69	72.6	2	2.1
Foreign donation	8	8.4	11	11.6	4	4.2	70	73.7	2	2.1
Multiple taxes imposed	71	74.7	11	11.6	2	2.1	10	10.5	1	1.1
Low salaries	71	74.7	22	23.2	0	0.0	0	0.0	2	2.1
Level of income	69	72.6	24	25.3	1	1.1	0	0.0	1	1.1
Personal interest	69	72.6	20	21.1	6	6.3	0	0.0	0	0.0

Source: Field Data (2017): F= Frequency, N= Total Number of Population

As revealed in table 4.2 above, the organizational size has no influence on public procurement corruption. This is because with the availability of good governance and a supportive working environment, corruption is likely to diminish. 73(76.8%) interviewees however disputed these assertions. The multiple and burdensome taxes charged had a positive relationship with corruption. This is because in an attempt to evade the overwhelming taxes, bribes were paid to public officers to exempt such tax payers from paying the true amount owed. 71(74.7%) interviewees agreed with these assertions.

Employees' level of income was found to have a significant positive relationship with public procurement corruption. Interviewees particularly stated that with low income, employees are usually confronted with financial crises, forcing them to engage in corruption contrary to their codes of ethics. Such corrupt activities include favoring particular suppliers who offer money to responsible officers thus corrupting their judgment.

Political determinants of public procurement corruption

Results on the influence of political determinants on public procurement corruption are as presented in table 4.3 below

Table 4.3 political determinants of procurement corruption

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Presence of political power	15	15.8	21	22.1	54	56.8	3	3.2	2	2.1
Absence of political will	12	12.6	69	72.6	8	8.4	4	4.2	2	2.1
Lack of freedom of press	16	16.8	59	62.1	10	10.5	10	10.5	0	0.0
Elected officers invest in politics	40	42.1	35	36.8	10	10.5	8	8.4	2	2.1
Weak judiciary system	53	55.8	25	26.3	9	9.5	7	7.4	1	1.1

Source: Field Data (2017): F= Frequency, N= Total Number of Population

Findings in table 4.3 reveal that a weak judiciary system such as that marked by slow investigations, delayed decisions, and lack of strong witnesses were found to influence corruption as confirmed by 53(55.8%) respondents. Furthermore, 69(72.6%) respondents agreed that the absence of appropriate political systems contribute immensely

to public procurement corruption while 62.1% agreed that lack of freedom of press equally contributes to the same.

Social determinants of public procurement corruption

Table 4.4 social determinants of public procurement corruption

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Level of education of officials	14	14.7	18	18.9	5	5.3	56	58.9	2	2.1
Lack of an educated society	13	13.7	29	30.5	42	44.2	11	11.6	0	0.0
Societal tolerance of corrupt officials	10	10.5	67	70.5	12	12.6	6	6.3	0	0.0
Proximity from major cities	10	10.5	18	18.9	43	45.3	19	20.0	5	5.3
Traditional societal values	50	52.6	27	28.4	8	8.4	4	4.2	6	6.4

Source: Field Data (2017): F= Frequency, N= Total Number of Population

As depicted in table 4.4 above, employee's level of education has no significant relationship with public procurement corruption. 56(58.9%) of respondents disputed the argument that corruption among public officials is attributed to lack of code of ethics during public

procurement implementation. 44(44.2%) respondents were also neutral as to whether limited societal knowledge influenced public procurement corruption thus findings on this aspect remain inconclusive. Finally, 50(52.6%) respondents agreed that beliefs and attitudes significantly influence corrupt practices during the implementation of public procurement. It was found that the majority of people believe that one cannot access quality services unless they offered bribes. They also believed that regardless of the fact that quality service provision is their responsibility, employees expected to get monetary offers prior to providing such services.

4.4 The influence of organizational determinants on Public Procurement

Table 4.5: Organizational determinants of procurement corruption (N=95)

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Lack of transparency and accountability systems	58	61.1	27	28.4	4	4.2	5	5.3	1	1.1
Lack of effective systems to disciplining employees	15	15.8	66	69.5	10	10.5	3	3.2	1	1.1
Weak investigative structure	17	17.9	62	65.3	10	10.5	4	4.2	2	2.1

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	F	%	F	%	F	%	F	%	F	%
Lack of transparency and accountability	58	61.1	27	28.4	4	4.2	5	5.3	1	1.1
Lack of effective systems to disciplining employees	15	15.8	66	69.5	10	10.5	3	3.2	1	1.1
Poor capacity of technical staff and contracts	21	22.1	46	48.4	14	14.7	9	9.5	5	5.3
Weakness of procurement procedures	21	22.1	59	62.1	7	7.4	7	7.4	1	1.1
Lack of effective supervision	52	54.7	31	32.6	8	8.4	4	4.2	0	0.0
Poor reporting system in organization	43	45.3	41	43.2	4	4.2	5	5.3	2	2.1
Lack of performance rating of procurement staffs	19	20.0	53	55.8	14	14.7	9	9.5	0	0.0
Lack of adequate facilities for staffs	55	57.9	24	25.3	6	6.3	9	9.5	1	1.1

Source: Field Data (2017): F= Frequency, N= Total Number of Population, % = Percentage

Table 4.5 above indicates that transparency and accountability are among the principles governing appropriate procurement implementation hence; lack of transparency may enhance corruption as

it serves to minimize accountability of public officials as confirmed by 58 (61.15%) respondents. 69.0% of respondents stated that ineffective systems of disciplining culprits significantly influenced corruption among public officials, explaining why although efforts are in place to remedy the situation, corruption persists. Finally, 62.1% were of the view that weakness of procurement procedures influence government officials in performing procurement manipulation to obtain illegal benefits.

5. Discussion

The study investigated the four major determinants of public procurement corruption in Tanzania in consideration of economic, political, social and organizational factors. Each of these determinants were assessed using a set of variables and through factor analysis, the most critical measures of various determinants were identified. In this section, the extracted items for each of the determinants and the respective factor loadings are presented and discussed. The strength of each variable is assessed through factor loadings with low factor loadings representing a weak strength and those with high factor loadings as strong. In the current study, determinants of procurement corruption in Tanzania were found to be complex. One single factor cannot therefore fully explain the phenomenon. One set of factors like the economic variable for instance multiple taxes and low income was found to influence procurement corruption whereas size of organization was found to have low influence. Also in reference to political factors, a weak judiciary system with slow investigations, delayed decisions, and lack of strong witnesses fostered corruption. Eyaa and Oluka (2011) similarly found that non – compliance with public procurement regulations in Uganda significantly influenced Corruption.

6. Conclusion

Public procurement corruption studies are more difficult to investigate and address than other crimes because of the various determinants which account for the occurrence of corruption. It is increasingly becoming one of the most common and lucrative white-collar 'crimes' in the government machinery in Tanzania. It usually takes place at any of the stages of the procurement process and may involve both internal and external stakeholders. To gather information about the extent of corruption is crucial for effective and efficient decision making although corruption lends itself to problems of measurement. This paper has examined the determinants of public procurement corruption in Tanzania. Political factors, Social factors and economic factors follow in the same order of strength. However, the study clearly shows that economic factors related to the public procurement corruption has a significant contribution of 0.319** compared to other factors due to the fact that most of the officials who engage in this practice of corruption are mainly induced by the economic benefits to be gained.

7. Recommendation

Study findings imply that the determinants of public procurement corruption in Tanzania are vital in various government sectors especially in implementing procurement activities for the betterment of Tanzanian citizens. This being the case, the government and stakeholders should ensure that authorities responsible provide all the prerequisites for the wellbeing of government officials in Tanzania. Finally, public procurement practitioners should ensure total compliance to stipulated terms, conditions, acts and regulations for the effective management of procurement processes.

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The Influence of Financial Reward on Labour Turnover

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Abstract

The main purpose of this research was to investigate management overview on the influence of financial rewards on labour turnover. A survey of 31 management employees was done at Kilosa district using purposive sampling. Data was collected using a structured questionnaire and summarized using tables. Data was analyzed using Pearson correlation, factor analysis and linear regression analysis. Factor analysis results show the emergence of four variables; incentive, pay, statutory benefit and other benefits that had an influence on labour turnover in Kilosa District. Among the variables house allowance is leading while hardship allowance is ranked lowest. The findings also show that, the financial reward factor has a P-value = 0.01, $R^2 = .536$. The findings therefore indicated that, financial reward is significantly inter-correlated with labour turnover. Management has to consider house allowance and interest free loans or loans with minimal interest rates to employees. Similar studies in other LGAs are suggested.

Keywords: *Financial Rewards, Labour Turnover.*

Introduction

The direct and indirect costs of labour turnover is a challenge to many organizations (Ally, 2011; Ongori, 2007). Labour turnover in Tanzania was high in public and private schools during the 1990s (Sumra et al, 1999). However, now the problem has emerged in many of the public institutions among others, district councils, township councils (Sumra et al, 1999; Minja, 2011; Magalla, 2011; URT, 2009). Samuel (2009) argues that financial rewards even though do not inspire employees, and act as the main source to this challenge, yet must exist in workplaces to encourage employees. The financial reward factors include salaries, performance bonus, accommodation allowance, subsidized meals and transport (Aktars et al, 2012; Adams et al, 2000; Samuel, 2009).

In view of the above facts, there is a need to increase knowledge on employee turnover regarding financial reward factors that lead to employee job fulfilment and the strategic resources of the organization for its performance (Armstrong, 2006; Robbins, 2008; Ng'ethe et al, 2012). Therefore, this study intends to find out the management overview over the influence of financial reward factors on labour turnover. It should be noted that the majority of residents including employees in the local areas suffer from insufficient facility provisions in terms of education, health, electricity, water, communication, transportation and so forth, that some are part of financial reward factors that were not studied and that seem to highly influence labour turnover (Ako, 2001). Therefore, the demand of financial reward factors such as transport allowance, hardship allowance, water and communication allowance and the like is high.

Objective of the Study

The study aims at achieving the following objective;-

To explore the influence of financial reward factors on labour turnover in Kilosa District

Usefulness of the Study

The study is useful to the management of Kilosa district and other Local Government Authorities (LGAs) in Tanzania at the level of district councils as it will assist them in formulating new strategies on labour turnover in the areas of concern and in improving the performance of LGAs.

2.0 Literature Review

2.1. Labour Turnover

According to Beam (2009) Labour turnover is a percentage assessment of the number of employees a company must exchange in a specified time period to the average number of total employees. Labour turnover is defined as the employee's intention to quit the organization willingly (Nazim, 2008). For the purpose of this study labour turnover is defined as the proportion of the total organizational constituents absent during the period being measured separated by the regular amount of total inhabitants in that organization during that time (Price, 1977). Gupta (2011) labour turnover can be calculated as follows:

$$\text{Turnover rate} = \frac{\text{Total separation during the year}}{\text{Average number of employees}} \times 100$$

Financial Reward

According to Burton (2012) financial reward means that the employer spends more money on rewarding employees directly. For the purpose of this study financial reward include salaries, incentives, bonuses, and benefits which are paid directly or indirectly in monetary terms when employees are rewarded for individual or collective performance (Gupta, 2012).

Studies across the world have come up with labour turnover challenges in their respective areas. Petcharak (2002) in the United States hotel

industry found that the challenge is in low reputation class hotels because employees like to work in high reputable class hotels. MINTRAC (2011) in Australia confirmed that labour turnover is between industries. The study shows that upon improving labour turnover causes such as financial reward factors, it is possible to make employees stay in their respective areas of work (ibid).

The study by Justus (2011) reveals that labour turnover in the sugar industry in Kenya is influenced by salary. This finding is contrary to Mrara (2010) in the Eastern Cape department of Health South Africa, who argues that, it is important for management to preserve doctors, pharmacists, nurses and the like by improving job satisfaction and working conditions because relying on salary per se does not make employees to stay in the organization. In addition, ALMC (2010) claims that beside the effort of attracting employees by giving equitable salary to government employees, and other benefits such as interest free loans, overtime payment and study opportunities workers are still hesitant to get employed in public institutions because they are looking for other financial rewards such as work security and long-term benefit. Harunavamwe (2013) concluded that, there is significant relationship between the effect of monetary rewards and lower-level employee motivation.

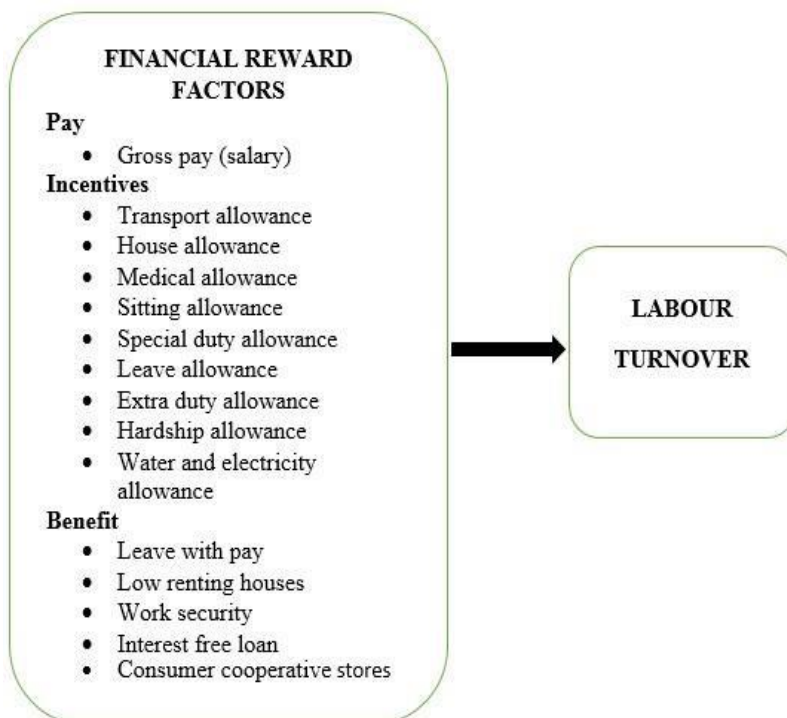
The above facts reveal that, labour turnover exists in various sectors. The studies also show that, labour turnover is influenced by different financial reward factors. However, studies done in Local Government Authorities (LGAs) are very few as the majority of studies have been done in the health sector. Therefore, there is a need to find out the influence of financial reward factors on labour turnover in LGAs in Tanzania. There is a need also to minimize the labour turnover rates to realize decent service provisions in local areas where a large number of residents including employees suffer from insufficient facility

provisions, in terms of education, health, electricity, water, communication, transportation and others (Ako, 2001).

Conceptual Framework

The conceptual framework shows diagrammatically the influence of financial reward on labour turnover. Financial reward factors represent the independent variables and these are categorized into three dimensions which are pay, incentives and benefits. Pay is the gross salary, while incentives include factors such as transport, house and medical allowances. Benefits include work security, leave with pay, and interest free loans. The interactions among these variables are very important in determining the extent financial reward influence labour turnover at Kilosa. Labour turnover is a dependent variable as is indicated in the figure below.

Figure 1: Conceptual Framework: The Influence of Financial Reward on Labour Turnover



Source: Adapted from Armstrong (2012)

Hypothesis of the Study

From the conceptual framework the following hypothesis can be formulated. Ho: There is no influence of financial reward factors on labour turnover.

H1: There is an influence of financial reward factors towards labour turnover.

3.0 Methodology

This study focused on financial reward factors which is part of human resources management practice at Kilosa District, Morogoro. The choice of the study area was influenced by the fact that, the area suffers from inadequate social services such as access to clean water, electricity, education and health services (MSEP, 2012). Moreover, the main sources of energy in the area are wood, charcoal and kerosene, only a few households use electricity (Ako, 2001). The factors shown to be associated with labour turnover, in which some of the factors are connected to financial rewards. The study uses a deductive approach with a survey research design. A Sample size of 31 management members was drawn from the target population using purposive sampling. Data were collected using a structured questionnaire that was self-administered.

The researcher distributed the questionnaire, employees were then given time to fill in, thereafter the researcher collected those that were completed. Finally, variables were measured by using a five point Likert scale from “*strongly disagree to strongly agree*”. Data were analyzed using Pearson coefficient of correlation, factor analysis and linear regression analysis. Cronbach's alpha and KMO were used in assessing reliability and validity of the study instruments. Findings were presented in tables and described using the coefficient of variation and mean scores and regression coefficients. The linear regression model can be summarized as;

$$LT = \alpha + \beta_1 X_1 + \varepsilon$$

Where;

LT = Labour Turnover (Dependent Variable)

α = Constant

β_1 = Partial Regression Coefficient

X_1 = Financial Reward Factors (Independent Variable)

ε = Error Term or Stochastic Term

Findings

The aim of this research was to examine management overview over the influence of financial reward factors on labour turnover at Kilosa Tanzania. Questionnaires were used in collecting data, whereby a total number of 31 respondents were requested to answer questionnaires. Data analysis was carried out by performing the factor analysis, Pearson correlation and linear regression and presented in tables.

Demographic Data

Table 1: Demographic Data

Demographic Variable	Freq	%	Demographic Variable	Freq	%
Sex			Position		
Male	21	67.7	Management	14	45.2
Female	10	33.3	Supervisors	12	38.7
Education Level			Other officers	5	16.1
Master's Degree		25.8	Freq in changing job		
Bachelor degree	17	54.8	Never change job	16	51.6
Diploma	5	16.1	Once	7	22.6

Secondary	1	3.2	More Than Once	6	19.4
Prior Experience			Frequent	1	3.2
<3 Years	5	16.1	Very frequent	1	3.2
3-6 Years	10	32.3			
7-10 Years	5	16.1			
>10 Years	11	35.5			
Freq =					
Frequency					

Source: Field Data, (2017).

From table 1 above, it is revealed that the majority of management personnel in Kilosa are male with bachelor and master's degrees, who have been working in management position in a Local Government Authority for more than three years without changing job.

Correlation Results

The table 2, shows the correlation matrix for the fifteen variables that are used to measure financial reward variables that influence on labour turnover. Variables are presented in table 3. From table 2, findings reveal that, several variables are strongly correlated at 0.05 level of significance. This indicates that there is a positive significant relationship between the variables.

Table 2: Correlation Results

	FRT-D1	FRT-D2	FRT-D3	FRT-D4	FRT-D5	FRT-D6	FRT-D7	FRT-D8	FRT-D9	FRT-D10	FRT-D11	FRT-D12	FRT-D13	FRT-D14	FRT-D15
FRT-D1	1														
FRT-D2	.001	1													
FRT-D3	.132	.808**	1												
FRT-D4	.356*	.659**	.744**	1											
FRT-D5	.422*	.453*	.369*	.631**	1										
FRT-D6	.403*	.389*	.228	.394*	.497**	1									
FRT-D7	.290	.441*	.408*	.605**	.513**	.318	1								
FRT-D8	.364*	.308	.152	.388*	.550**	.598**	.322	1							
FRT-D9	.081	.873**	.703**	.658**	.490**	.409*	.461**	.350	1						
FRT-D10	.400*	.440*	.542**	.723**	.589**	.308	.726**	.367*	.561**	1					
FRT-D11	.406*	.276	.367**	.551**	.341	.399	.496**	.476**	.317	.586**	1				
FRT-D12	.411*	.471**	.512**	.336	.422*	.314	.340	.162	.535**	.419*	.193	1			
FRT-D13	.266	.234	.262	.094	.244	.257	.113	.222	.227	.329	.219	.348	1		
FRT-D14	.121	.223	.190	.069	.111	.379*	-.006	-.032	.261	.150	-.056	.460**	.136	1	
FRT-D15	-.021	.214	.172	.116	.131	.177	.305	-.192	.162	.185	-.054	.311	.206	.342	1

*. *r* is significant at the 0.05 level (2-tailed) **, *r* is significant at the 0.01 level (2-tailed). **Source:** Field Data, (2017).

Factor Analysis

In this study factor analysis was used for each of the financial reward variables to measure labour turnover. Either, factor analysis was used purposely to extract factors loading below or less than 0.6 (Isaga, 2012). This criterion was applied to all factor analysis performed in this study. The criteria were adopted from Isaga (2012), Joarder & Ashraf (2012) in their study used the criteria and achieved positive results.

Table 3: Principal Component Analysis (PCA) Results

Financial Rewards Factors Component				
FRT-D1. Gross pay				
FRT-D2. Transport allowance	.921	.130	.144	.170
FRT-D3. House allowance	.809	.315	-.010	.181
FRT-D4. Medical allowance	.642	.603	.205	.009
FRT-D5. Sitting allowance	.374	.477	.492	.189
FRT-D6. Special duty allowance	.231	.088	.740	.353
FRT-D7. Leave allowance	.322	.774	.022	.137
FRT-D8. Extra duty allowance	.184	.260	.832	-.137
FRT-D9. Hardship allowance	.860	.188	.212	.196
FRT-D10. Water and electricity allowance	.363	.779	.146	.211
FRT-D11. Leave with pay allowance	.156	.704	.322	-.102
FRT-D12. Low renting houses	.353	.215	.175	.668
FRT-D13. Work security	.021	.212	.254	.467
FRT-D14. Interest free loan	.182	-.251	.157	.746
FRT-D15. consumer cooperative store	.098	.172	-.352	.706
Percentage of variance explained (Total 71.538%)	22.443	19.880	14.805	14.410
Cronbach's alpha (overall .885)	.920	.784	.765	.631

Source: Field Data (2017).

Table 3, results show the emergence of four factor solution that accounts for 71.538% of the variance explained. The factors show a good internal consistence with the Cronbach's alpha at .920, .784, .765, and .631 achieved for factor one, two, three and four respectively. Factor one can be considered as incentives, factor two as pay, factor three as statutory benefit and factor four can be considered as other benefit. The overall Cronbach's alpha is .885 implies internal consistence is significantly high, similarly to the Cronbach's alpha for each factor as in the table above. Therefore, item number FRT-DI, FRT-D5 and FRT-D8 are retained besides the loading has less than extracted criteria 0.6(see Table 3.

Table 4: Factor Analysis Results

Factor and Items	Mean	St. Dev	Factor Loading	Eigen Values	% of Variance
Factor 1: Incentive					
Transport allowance	2.16	1.393	.921	5.677	22.443
Medical allowance	2.26	1.249	.809		
House allowance	2.32	1.413	.642		
Hardship allowance	2.13	1.408	.860		

Factor 2: Pay

Gross pay	3.39	1.588	.529	1.997	19.880
Leave allowance	2.55	1.486	.774		
Water and electricity	2.29	1.553	.779		
Allowance					
Leave with pay allowance	2.32	1.249	.704		

Source: Field ata, (2017).

Factor 3: Statutory Benefit

Sitting allowance	2.65	1.518	.492	1.655	14.805
Special duty allowance	2.42	1.409	.740		
Extra duty allowance	2.90	1.513	.832		

Factor 4: Other

Benefit	2.32	1.492	.668	1.219	14.410
Work security	2.68	1.492	.467		
Interest free loan	2.61	1.498	.746		
Consumer corporative stores	2.35	1.253	.706		

A test of validity showed Kaiser-Meyer-Olkin (KMO) measures of 0.739. The sample is therefore considered adequate for factor analysis (Isaga, 2012). The Bartlett test of Sphericity was significant at .0001.

Linear Regression

A linear regression analysis was performed to test the hypothesis; H_0 : *There is no influence of financial reward factors on labour turnover* and H_1 : *There is an influence of financial reward factors on labour turnover*. The findings in Table 5 reveal that, there is a significant influence of financial reward on labour turnover as shown by a positive coefficient score of .664. The finding therefore implies that, financial reward have positive and significantly influence on labour turnover as a unit change in financial reward factors results in a .644 increase in labour turnover.

The coefficient of determination clarifies the magnitude to which variations in the dependent variable can be described by the variation in the independent variable (Mumbiko, 2015). From table 5 above, the linear regression results show the coefficient of determination is .536. This result depicts that financial reward factors explain 53.6% of the variations in labour turnover. That the linear model has power to significantly influence labour turnover at .05 level of significance.

The implication of the regression model used in this study was created by the use of ANOVA. In testing the implication level, the statistical

significance was considered significant if the probability value was less or equal to 0.05. From Table5, the regression model is significant as per with P-value of 0.000 which is less than 0.05. The results show the confidence level was at 95%. Also, the analysis designates high consistency of the outcomes attained. The general ANOVA outcomes specifies that, the model was significant at $F = 32.318$, $p = 0.000$.

Table 5: Regression Analysis Coefficients

Parameter	B	S. E	t	Sig.
Constant	12.364	4.512	2.740	.011
Financial Reward Factors				
Dependent Variable: Turnover				
	.644	.113	5.685	.000
R-Square .536, A/R –Square .519, F= 32.318, P = .000				

Source: Field Data, (2017).

Discussion

From table 4 factor analysis results display four financial reward factors that have high influence on labour turnover. The factors are as follows:-

Incentives

The first financial reward factor that influence labour turnover in Kilosa District Council is incentives. The item under this factor are transport allowance, medical allowance, house allowance and hardship allowance. The factor accounts for 22.43% of the total variance. Under this factor two items have been identified as the most important variables that influence labour turnover at Kilosa as per mean scores. The variables are house allowance and medical allowance that accounts for 2.32 and 2.26 mean scores respectively. The lowest possible variable to influence labour turnover in this factor is hardship allowance that accounts for 2.13 mean scores. In fact, public administrators must

implement a cohesive and organized tactic in dealing with social amenities through raising of awareness among small and medium enterprises by endorsing practical policies in the fields of labour standards, education and healthcare assistance to deal with the problem (Møller and Erdal 2003). In addition to this, Peter (2014) argued local firms normally need to advance in their products and services by upgraded technology and better practices although technological transfer is highly associated with labour turnover.

Pay

The second financial reward factor that influence labour turnover at Kilosa is pay. This factor is made up of four variables which are gross pay (salary), leave allowance, water and electricity allowance, and leave with pay allowance. 19.88% of the total variance is accounted by this factor. However, the findings show that, among the item listed gross pay is noticeable as the variable that highly influence labour turnover in Kilosa with 3.39 mean scores followed by leave allowance with 2.56 mean scores while water and electricity allowance is the last variable with 2.29 mean score. These findings concur with the findings of Justus (2011) and ALMC (2010) that give emphasis to the effect of gross pay on labour turnover.

Statutory Benefit

Statutory benefit is the third factor that influences labour turnover in Kilosa. Within statutory benefit three items emerged. The items are sitting allowance, special duty allowance and extra duty allowance. 14.81% of the total variance is accounted by this factor. Results displays that, in this factor extra duty allowance is the most leading item to influence labour turnover with the mean scores 2.90, while special duty allowance is the minimum item with 2.42 mean scores. Prasad (2013) argued that benefits and services are provided by Tata motors at Jamshedpur plant as a part of Corporate Social Responsibilities (CSR) in enhancing local communities by building schools, clubs, hospitals

and dispensaries to make community members including workers satisfy with environment.

Other Benefits

The last factor is other benefits that influence labour turnover in Kilosa. Under these four variables emerged which are low rent houses, work security, interest free loan and consumer cooperative stores. A total of 14.41% of variance is accounted by this factor. In table 4 findings confirm that, among the variables in this factor work security is marked as the variable that highly influences labour turnover at Kilosa followed by interest free loan that accounts for mean scores 2.68 and 2.61 respectively, while low rent house is the least item in the factor with mean score of 2.32. Besides this, an organization can offer the above discussed benefits, Prasad (2013) argues that, other benefits that can be offered to employees in order to increase motivation and reduce labour turnover are such as re-imbursment of educational expenses, subsidised housing and meals.

6.0 Conclusion

Four merged variables were identified from the financial reward factors influencing labour turnover at Kilosa as per Principal Component Analysis (PCA) that used to decrease the number of variables. The identified factors were incentive, pay, statutory benefit and other benefit. House allowance, gross pay, extra duty allowance and work security were among the items leading in influencing labour turnover at Kilosa respectively. However, hardship allowance, water and electricity allowance, special duty allowance, and low rental houses were found to have the least influence.

Pearson correlation was used to measure correlation among financial reward variables that influence labour turnover. Result shows that, variables are strongly correlated. Linear regression analysis was used to show the influence of financial reward factors on labour turnover. Findings reveal that, financial reward factors have significant

influence on labour turnover at Kilosa as indicated by the strong coefficient of correlation.

7.0 Recommendations

Based on the study findings the study recommends the following:-

Among the incentive factor, the item that has leading the influence on labour turnover is house allowance that accounts for 61.3% of respondents. Thus, it is better for the organization to consider house allowance to employees to lower cadres who by now are not entitled to such allowance.

Salary accounts for 48.4% among the item that influence labour at Kilosa. Perhaps, this shows that, employees at Kilosa are motivated by their salaries. Thus, government should stop thinking of increasing employee's salary, instead it should think on other pay items such as leave allowance that account for 51.7% among the other items leading to labour turnover at Kilosa.

Interest free loan is another financial reward item that lead in influencing labour turnover among other benefit factors. The item accounts for 48.0%. With this the researcher recommends that, interest free loans or loans with minimal interest rates are highly encouraged to bring life relief to employees.

On the part of statutory benefits, extra duty allowance is the leading item in influencing labour turnover with 32.4%. Management of the organization has to make sure employees are paid extra duty allowance as soon as they finish their job and not make it as a debt because employees have expectations after the job is done. Similar studies are suggested for other Local Government Authorities.

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Effect of Professional Ethics on the Performance of Health Sector in Tanzania: Case of Tosamaganga District Designated Hospital

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Abstract

The study focused on assessing the effects of professional ethics on the performance of the health sector in Tanzania. The study used a descriptive and explanatory research design and simple random and purposive sampling were used to get a sample of 59 respondents. Data was collected using a questionnaire, observation and interview. Data were analyzed using descriptive and inferential statistics for quantitative data through the help of the Statistical Package for Social Sciences (SPSS) version 20 and thematic content analysis for qualitative data. Also KMO, Bartlett's test and Chi square together with Cronbach's alpha were used to test the consistency of the data. Validity and reliability of data were ensured and research ethics was adhered to where by anonymity, confidentiality, freedom and feedback were put into practice.

The major findings of the study revealed that professional ethics has a lot of impact on the health sector's performance and enables employees to work properly and give appropriate services. Findings also revealed that putting professionals' ethics first and foremost, will help in bettering the performance of the health sector. The study concluded that the issue of integrity, accountability and objectivity have a very significant effect on the health sector's performance. Furthermore, findings widen the general understanding and contribution to the knowledge on the effects of professional ethics in facilitating health services in all health sectors and the major constructs in the study can be easily defined and described for academic and research use. Lastly, the study recommends that health sector workers should know and work according to the values of their professions by diligently serving people. Also the government should consider overcoming all challenges which act as hindrances and help to emphasize the use of professional ethics, in offering health service for better performance. **Key words:** Effects, Professional Ethics, Health, Performance.

1. Introduction

The vision of Tosamaganga hospital is that it is a center of excellence in the delivery of quality health services for all. The mission statement of Tosamaganga Hospital is to promote health services by competent staff placing the patient at the center of everything with the available resources (Report,

2015/16). It is also a center of cooperation, bringing together doctors from Italy, Spain, Germany, Ireland, Myanmar etc. to help patients by giving good services (Bernardi, 2016). Tosamaganga was used as a case study because of the high number of patients attending the hospital for treatment. The attendance is high because of the good services which are provided. The patients are satisfied with the services. This high satisfaction with the services given by the healthcare workers is an indicator of their adherence to professional ethics which is ensured by

the hospital. Therefore, this is one of the factors for people to attend at Tosamaganga designated hospital.

Ethics is often used in connection with the activities of organizations and with professional codes of conduct: for instance, medical and business ethics, which are often formalized in terms of exhaustive sets of rules or guidelines stating how employees are expected to behave in their workplaces, such as in respect of a duty of care or confidentiality that health-care workers owe to their patients; or the medical ethical principles of beneficence, non-maleficence, respect for autonomy, and justice (Traer, 2013).

There are three broad areas of ethical study, the area of meta-ethics is more of a 'pure', abstract or theoretical field of study, whereas the areas of normative and applied ethics tend to focus more sharply on how ethical considerations relate to human actions in general (in the case of normative ethics) or in particular situations and contexts (in the case of applied ethics). Given that our interest is principally on the study of ethics in relation to environmental and development issues, it is the latter which will provide the most useful insights. Therefore, our focus was primarily on questions that fall within the areas of normative and applied ethics (Gasper, 2009). Problems in professional ethics typically arise when the values dominant within particular professions come into conflict with other values in the course of practice. Some professionals are likely to perceive these values as dominant where others may not' (Becker, 1992). The possibility of self-derivation is linked to the autonomy of professional bodies in determining standards of practice.

Problems of professional ethics fall into two broad categories, but both arise essentially from professional power. The first is concerned with the professional-client relationship, while the second relates to the role of professions and professionals in society as a whole. Although an ideal service is supposed to involve a safeguard, to promote the use of

professional expertise to help rather than harm, specialist knowledge, to which professionals have access and clients do not, does give power to the professional, and the client is thus placed in a vulnerable position. The most thorough discussion of the professional-client relationship has taken place in relation to the medical profession, with regard both to the feasibility of applying traditional ethical theories to the problems of medical practice and to the development of a set of principles specific to the context of the relationship between healthcare professional and the patient, as in (Childress & Beauchamp, 1986) principles of biomedical ethics autonomy, beneficence, no maleficence and justice. A question about the use of power in the medical context would be whether practitioners should use their expertise to decide, beneficently, what is in the patient's interest, or provide information to enable the patient to take an autonomous decision (Beauchamp, 1979).

2. Literature Review

Theoretical Literature Review

The theoretical framework for the study consisted of a collection of interrelated ideas based on some theories related to normative ethics, reinforcement theory and the goal setting theory.

i) Normative Ethics

Normative ethics is interested in determining the content of our moral behavior. Normative ethical theories seek to provide action-guides; procedures for answering the Practical Question ("What ought I to do?"). The moral theories of Kant and Bentham are examples of normative theories that seek to provide guidelines for determining a specific course of moral action. Think of the Categorical Imperative in the case of the former and the Principle of Utility in the case of the latter (Cavalier, 2014). This was the main theory that guided this study. There are three types of normative ethical theory—virtue, deontological,

and consequentialist—each emphasizing one of these elements (Holt, 2009).

a) Virtue Ethics

This first normative ethical theory, virtue theory, concentrates on the moral character of the agent. According to virtue theory, we ought to possess certain character traits—courage, generosity, compassion, etc.—and these ought to be manifest in our actions. We therefore ought to act in ways that exhibit virtues, even if that means doing what might generally be seen as bad or bringing about undesirable consequences (Holt, 2009).

b) Deontology: Normative theories of the second type, deontological theories, concentrate on the act being performed. According to deontological theories, certain types of act are intrinsically good or bad, i.e. good or bad in themselves. These acts ought or ought not to be performed, irrespective of the consequences (Holt, 2009)

c) Consequentialism: the third approach to normative ethics is consequentialism. The Consequentialist theory holds that we ought always to act in the way that brings about the best consequences. It does not matter what those acts are; the end justifies the means. All that matters for ethics is making the world a better place (Holt, 2009)

ii) Reinforcement theory: Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that an individual's behavior is a function of its consequences. It is based on "law of effect", i.e., an individual's behavior with positive consequences tends to be repeated, but an individual's behavior with negative consequences tends not to be repeated. Reinforcement theory of motivation overlooks the internal state of an individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to

Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory relates to the study as it explains how the theory is a strong tool for analyzing controlling mechanisms for an individual's behavior which will lead to professional ethics. However, it does not focus on the causes of an individual's behavior.

iii) The Goal Setting Theory

The Goal Setting Theory was proposed by Prof. Edwin Locke of the University of Maryland at College Park and Prof. Gary Latham of the University of Toronto, Canada. According to the theory, people who have more difficult but attainable goals perform better than those who have less difficult goals. Goals can be either directional goals or accuracy goals. The Goal setting theory relates to the study because it states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

Empirical Literature Review

Choga (2012) in his work, explains factors influencing effective observance of professional ethics and code of conduct among tutors. Adherence to professional ethics and code of conduct by the tutors directly determine the educational standards of colleges. Working according to ethical standards is an essential component of education. In order to clarify the current situation with regard to the professional ethics of tutors (Teachers) in institutions of teacher education in Morogoro Region Tanzania, this study investigated the factors that promote effective observance of professional ethics and code of conduct among College tutors. The specific aim of the study was to explore the factors that advance or hinder effective observance of professional ethics and code of conduct in three Teachers Colleges in Morogoro Region: Mhonda, Dakawa and Morogoro TTC. The theoretical

frameworks underpinning the study included normative ethical theory and relativism ethical theory. The study entailed a cross-sectional survey design. The sample for the study consisted of eighty (80) tutors including principals and vice principals of the target colleges. The study made use of Likert scale questionnaires, unstructured face-to-face interviews and documentary analysis for collecting data. The effort of the study was to identify reasons behind unethical and misconduct among tutors in Teachers' Colleges. The findings isolated factors that promote and/ or hinder appropriate understanding of professional ethics and code of conduct among the tutors studied (Choga, 2012).

Bette Case di Leonardi (2012) in the work, "Ethics and the Healthcare Professional", talked about the purpose of Ethics in the Healthcare Profession is to provide healthcare professionals with information about ethics, ethical principles, and Codes of Ethics, and to explore the ethical aspects of situations that healthcare professionals commonly encounter in practice. Professional codes of ethics clearly indicated that the healthcare professional's primary responsibility is to the patient. Most healthcare professionals prefer to work in their accustomed settings with peers they know. But in order to fulfill the ethical responsibility to the patient, the healthcare professional may need to venture outside the comfort zone.

Nicola Higgs Kleyn and Dimitri Kapelianis, (1999) in the work role of professional codes in regulating ethical conduct. They investigated the regulation of ethical behavior of professionals. They researched the professional operating in the business community (specifically accountants, lawyers and engineers). Concerning their need for and awareness of professional codes and the frequency and acceptability of peer contravention of such codes were thought, the nature of a profession implies that it owes obligations to a number of parties such as clients, other members of the professions and the general public. A method used to implement professionals' ethics is the development of codes of

conduct which generally require that members maintain a higher standard of conduct that called for by law. The use of the code of conduct assists the profession in its ongoing relationship with society and its desire for self-regulation. The code is a vehicle which assures the public, clients and colleagues that members are competent, have integrity and that the profession codes play an important role in forcing members of a profession to question their values (Nicola Higgs - Dimitri Kapelianis, 1999)

Koehn, (1994) adds to this list as the assault of academic disciplines such as sociology and philosophy. The sociology critique has suggested that professions, rather than being essentially moral enterprises, are in fact effective monopolistic institutions and that the professed commitment to ethical ideals, rather than conferring legitimacy on the profession, is nothing more than ideology. Far from using their knowledge to serve, they have become forms of control, claiming the authority to determine human needs. Homes are transformed into hygienic apartments where one cannot be born, cannot be sick and cannot die decently.

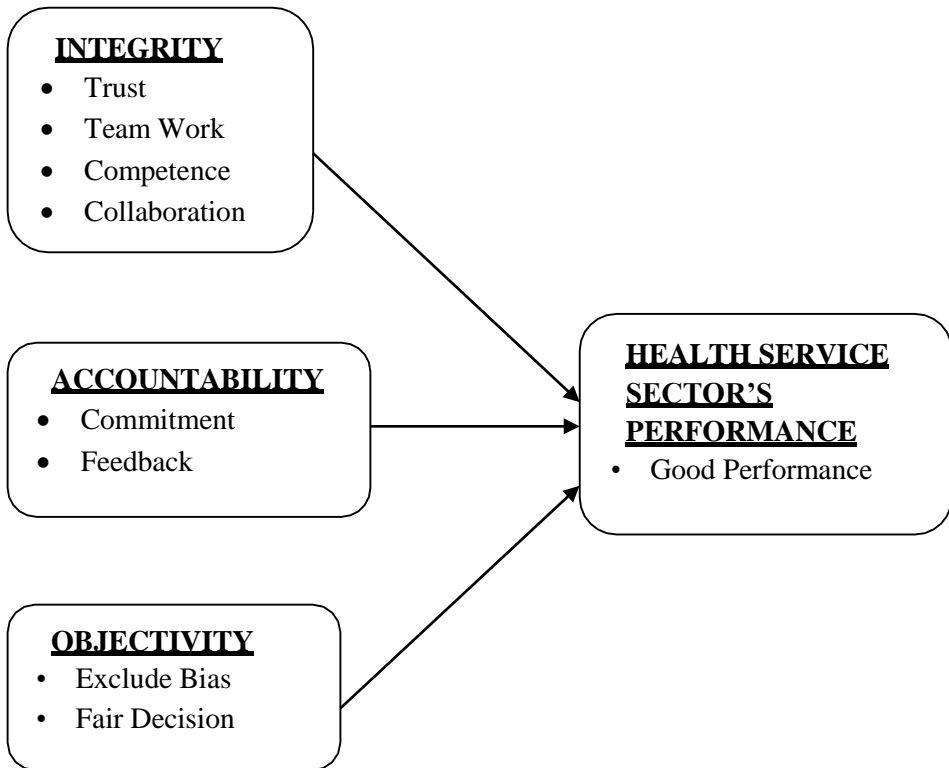
Conceptual Framework

The conceptual framework takes a view that professional ethics can be helpful in attaining the effective performance in the health service sectors. In addressing this aspect, the framework is categorized into independent and dependent variables as indicated below; independent variables (as integrity or accountability and objectivity) show how professional ethics influence performances in the health services sectors.

The independent variable integrity includes elements of trust, teamwork, competence and collaboration while the variable accountability deals with issues of commitment, feedback and responsibility. The third independent variable is objectivity which deals with exclusion of bias, fair decision and truth. The indicators of the dependent variable include

good performance, improvement in health service sector and goals are achieved.

Fig. 1.0 Conceptual Framework on Effects of Professional Ethics towards Health Service Sector’s Performance



Source: Authors 2017

3. Methodology

This study used a mixed method in order to be able to mix different approaches that had the advantages of enabling triangulation. Triangulation is a common feature of mixed methods studies. The use of the mixed approach was to determine the predictive generalizations of the theories, whether they hold true or not. That was to determine effects of professional ethics towards the health service sector’s performances and tested how the theories work. Also was used so as to emphasize

effect of the theories towards performances. We used a descriptive technique which comprises both qualitative and quantitative approaches. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collected (Glass & Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. From probability the researchers used simple random sampling as a sampling technique because there are various groups of people, health officers, doctors and nurses; therefore, stratified sampling was suitable for having acceptable sample. However, the study used purposive sampling as non-probability technique simply because groups of people, health officers, doctors and nurses were selected purposively as targeted sample to be used to accomplish the goal of the study. Data was collected through the use of questionnaire, interview and observation. Both primary and secondary sources of data was adopted and applied accordingly. Data collected was coded and edited as required and thereafter processed by the Statistical Packages for Social sciences (SPSS) version 20 and Microsoft excel 2013. Validity and reliability of the study was checked through pretesting, and examining the content validity, criterion validity as well as construct validity. Also KMO, Bartlett's test and Chi square together with the Cronbach's alpha were used to test the consistency of the data. Meanwhile the validity and reliability of data have been tested and assured. In addition, issues of research ethics where considered where anonymity, Confidentiality, freedom and feedback were put into consideration.

4. Results/Findings

Authors /researchers selected a sample of 58 respondents of employees in Tosamaganga Hospital of which 52 participated effectively in the completion of questionnaires and all the answers were coded in SPSS version 20. Out of 52 respondents contacted by the researcher, 27 were male and 25 were female. This is equivalent to 52% and 48% respectively of the population sample. Therefore, this concludes that both gender

were involved well in this study thus increasing its validity especially in data collection process.

Table 1: Gender of Respondents

Variable	Frequency (N = 52)	Percentage (%)
Male	27	52
Female	25	48
Total	52	100

a) Integrity and Health Services Sectors’ Performance

The data in table 2 shows that 96.2% of the respondents agreed that, they were strictly following the planned program at the workplace, 88.5% agreed that they are up on time every time. 90.4% of the health officers are constantly looking for the productive way of using their time. 95.1% pay attention on details to the job assigned to them and 92.3% understand what they are supposed to do. The data clearly indicates that integrity has effect on health sector’s performance. Integrity as a psychological construct impacting on workplace behavior is receiving a considerable amount of attention in various industrial and organizational psychology domains, such as leadership, organizational dynamics, employee wellness and employee selection. More specifically, it has been found to be a central trait of effective leaders (Cameron, 2003). The issues of the integrity of the individual and its importance at the corporate level in creating a culture of integrity. Individuals that have integrity build trusting relationships with others. At the corporate level it takes individuals of integrity to develop a consensus around shared values. As this consensus builds, the corporation develops a culture of integrity. A culture of integrity creates a highly valued work environment; it impacts the quality of corporate governance; and it provides a foundation for solid long-term financial performance. At the individual level, integrity is more than ethics; it is all about the character of the individual.

Table 2: Integrity and Health Sector’s Performance

1 = Strongly Agree 2 = Agree 3 = Neutral 4 = Disagree
5 = Strongly Disagree

F = Frequency P = Percentage

Items	1	2	3	4	5
	F and P	F and P	F and P	F and P	F and P
Strictly following the planned programme	42(80.8)	0(0)	2 (3.8)	8(15.5)	0(0)

Showing up on time every time	33(63.5)	0(0)	6(11.5)	13 (25)	0(0)
Constantly looking for the productive way of using their time	40(76.9)	2(3.8)	3(5.8)	7(13.5)	0(0)
Pay attention on details to the job assigned to them	45(86.5)	0(0)	1(1.9)	5(9.6)	1(1.9)
Understand what they are supposed to do	45(86.5)	1(1.9)	2(3.8)	3(5.8)	1(1.9)

b) Accountability and Health Services Sectors’ Performance

The data in table 3 indicates that 98.1% of the health officers are committed to improve quality services,

86.5% are responsible of their doings whether their results are good or bad. 80.8% are policing themselves and they believe that personal accountability is a commitment, 48.9% of the employee are held accountable for their work and 86.5% of the employee agreed that they are involved in important decision making that affect them. Accountability is used primarily as a normative concept, as a set of standards for the evaluation of the behavior of public actors. Accountability or, more precisely, being accountable, is seen as a

positive quality in organizations or officials. Accountability is an important feature of any workplace. When employees are able to take responsibility for their work, they feel empowered by their decision-making and engaged within their organization. Similarly, when supportive employers and team leaders are able to hold their team accountable for what they do, the result is often a committed team that leaders can rely on. Research findings are hand in hand with ethics activist Geoff Hunt, accountability is the readiness or preparedness to give an explanation or justification to relevant others (stakeholders) for one's judgments, intentions, acts and omissions when appropriately called upon to do so (Hunt, 2009).

Table 3: Accountability and Health Sector's Performance

1 = Strongly Agree 2 = Agree 3 = Neutral 4 = Disagree

5 = Strongly Disagree

F = Frequency P = Percentage

Items	1	2	3	4	5
	F and P	F and P	F and P	F and P	F and P
Committed to improve quality services	46(88.5)	1(1.9)	0(0)	5(9.6)	0(0)
Responsible on their doings whether their results are good or bad	30(57.7)	1(1.9)	4(7.7)	15(28.8)	1(1.9)
Policing themselves and they believe that personal accountability is a commitment	37(71.2)	5 (9.6)	3(5.8)	5(9.6)	2(3.8)
Held accountable for their work	24(46.2)	5(9.6)	6(11.5)	17(32.7)	0(0)
Are involved in important decision making that affect them	35(67.3)	3(5.8)	4(7.7)	10(19.2)	0(0)

c) Objectivity and Health Services Sectors' Performance Objectivity aims to eliminate decisions based on personal bias, cultural differences and any other criterion that cannot be measured or proven. The data in table 4 indicates that 96% of the workers agreed that they schedule their days in advance to avoid wasting of time, 76.6% agreed that they insist on honest in all their dealings since their reputation is essential to success. 78.8% of the Tosamaganga hospitals agreed that they always tell the truth and 84.6% of the health officers agreed that people should be fair in all of their dealings with others.

Objectivity is a state of mind that excludes bias, prejudice and compromise and that gives fair and impartial consideration to all matters that are relevant to the task in hand, disregarding those that are not. Like integrity, objectivity is a fundamental ethical principle and requires that the auditor's judgment is not affected by conflicts of interest. Objectivity in the workplace means using fair, unbalanced criteria for making decisions concerning employees or company problems. Decisions are based on hard facts and evidence, not the personal judgment of one person or a group. Those findings above go hand in hand with the publication of Edward; objectivity is that assertion the agent approved of his/ her action does not depend for its truth upon the person who made the assertion or the time or place at which he made it (Edward, Pap, 1973)

Table 4: Objectivity and Health Sector's Performance

1 = Strongly Agree 2 = Agree 3 = Neutral 4 = Disagree

5 = Strongly Disagree

F = Frequency P = Percentage

Items	1	2	3	4	5
	F and P	F and P	F and P	F and P	F and P
They schedule their days in advance to avoid wasting of time	41(78..8)	2(3.8)	0 (0)	9(17.9)	0(0)

Insist on honest in all their dealings since their reputation is essential to success	36(69.2)	6(11.5)	6(11.5)	4 (7.7)	0(0)
They always tell the truth	35(67.3)	4(7.7)	7(13.5)	6(11.5)	0(0)
People should be fair in all of their dealings with others	34(65.4)	3(5.8)	5(9.6)	10(19.2)	0(0)

5. Discussion

The findings of the study have shown the effects of professional ethics on the performance of the health service sectors in Tanzania. The following specific objectives; To assess integrity and its effects on health service sector's performance at Tosamaganga hospital in Iringa Municipal, To assess objectivity and its effects on health services sector's performance at Tosamaganga hospital in Iringa Municipal, and to assess accountability and its effects on health sector's performance at Tosamaganga hospital in Iringa Municipal. Findings have rejected all null hypotheses and accepted all alternative hypotheses: There is a significant relationship between integrity and the healthy service sector's performance at Tosamaganga hospital. There is a significant relationship between objectivity and the healthy service sector's performance. There is a significant relationship between accountability and the healthy service sector's performance. Therefore, the study concludes that, integrity, accountability and objectivity have effects on the health sectors' performance. Iringa municipal council has helped people from locality and outside to get health services due to the effects of professional ethics. Health officers are fully engaged in what is important, particularly to their profession and their skills, so as to help people, rather than looking for self-benefits which would not produce enough effects on the society at whole.

6. Conclusion

Professional ethics is concerned with the values appropriate to certain occupation activity, particularly on health service. This is to ensure all of health officers should put first ethical consideration during performing and conducting their tasks. What is most valued is that service which they offer because is most helpful to the people rather than what they receive as the payments. Professionals should realize the standard and goods of a profession, which has the capacity and the desire to live up to the standards to make the right decisions in all problems. Professional ethics on health sectors was chosen so as to emphasize the giving and offering of this service. This service is very essential, since it affect human being directly. Therefore, those with these skills, capabilities and knowledge, should apply and imply their knowledge with high consideration with professional ethics. Putting professional ethics as the guidance onto performance of their duties will help much on giving services and serving the society, rather than only dealing with personal benefits. This should guide all of the health officers and will lead to the efficiency on the performance as well as serving people's lives. Conclusion goes hand in hand with recommendations as stated below. The government should improve all health services by providing essentials and maintaining all poor environments facilities, health officers should be well compensated and motivated due to the nature of their work, environments should be conducive to help in reaching the sense of comfort ability on their surroundings. Health is very important in various issues of life because, by people being healthy will help to develop various sectors and most of the government plans will be reached and achieved. Government should realize importance of health services as one of the factor for the stabilization and development of the society. Therefore, findings recommend for the government to ensure all of the frustrations and stresses to the health officers are well dealt of, whereby will enable the level of performance to be increased by themselves and professional ethics will be well implicated. Government, policy makers and stake holders should deal with all the challenges facing

health services so as to ensure effect of professional ethics towards health service sectors performances in Tanzania is well achieved.

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Lobbying for Better Business Environment in Emerging Economies: Selected Cases of Lobbying for Better Tax Deals in Tanzania's 2016/17 Budget¹

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Abstract

A better business environment is among the key preoccupations of business leaders across the world including in emerging economies. This is because an attractive, friendly and conducive business environment is good for competitiveness and by extension for profitability of business undertakings. Such business environments are however not always in place. They have to be created and at times businesses have to lobby for them. Among the business environment components is taxation. Businesses find better tax deals to be in favour of their competitiveness and profitability. They therefore have appetite and incentives to lobby for better tax breaks.

Lobbying for favourable tax treatment seems to be a normal thing for various tax interest groups in Tanzania. This is done in different ways by different interest groups. The interest groups are by and large sectoral in nature voicing their united voice via their umbrella

organizations representing specific interests. They include but are not limited to those in the industrial sector, insurance industry, stock exchange, tourism sector, soft drinks, mobile money transfer, banking industry and politicians among others. Lobbying on tax issues is normally done as part of the private sector entities to improve the business environment that is related to the fiscal issues in the country. Lobbying for better fiscal regime has typically included efforts to have fewer taxes, lower tax rates, more predictable fiscal regime including fiscal policy and its instruments and more participatory approaches in tax reforms among others. The paper documents and discusses selected cases of lobbying for better tax deals as evidenced in the 2016/17 national budget in Tanzania.

Key words: *Business Environment, Lobbying, Tax¹*

1. Introduction and context

The state of business environment in any jurisdiction in emerging economies and beyond is very important in attracting and retaining businesses in forms of trade and investments. A good, conducive, attractive and friendly business environment in general is among the pre-requisites for competitive and profitable businesses. Presence of the desired business environment in a country in general and in the context of emerging economies and Tanzania in particular depends partly on lobbying by the business community. In the context of Tanzania lobbying for a better business environment is done by various lobby groups in the private sector. They include various umbrella organizations at national level such as the Tanzania Private Sector Foundation (TPSF), Confederation of Tanzania Industries (CTI) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA). Lobbying is also done by various sector-specific organizations and associations. They include but not limited to the Tanzania Horticultural

¹The author draws from the on-going research project on Taxation, Institutions and Participation (TIP) funded by Norwegian Research Council and implemented by Christian Michelsen Institute (CMI) of Norway and Mzumbe University Dar Es Salam College Campus

Association (TAHA), Tanzania Stock Exchange Brokers Association (TSEBA), Tanzania Association of Tour Operators (TATO), Tanzania Porters Organization (TPO) and Tanzania Association of Transporters (TAT) among others.

The lobby groups aim at getting a better business environment from the government. This is happening after the major and far-reaching reforms in the management of Tanzanian economy in the mid-1980s. The reforms made a U – turn from the socialist past that existed in the 1967 to mid-1980s Ujamaa epoch to the post mid-1980s era of market and private sector-led economy. In this new era the role of the government has changed from the one of owning and running businesses to one of creating, developing and maintaining good business and investment environment/climate. It is in this context that various lobby groups are lobbying for the government to deliver the desired business environment that the business community desires for its competitiveness and profitability. Various arguments are given by lobbyists as to why they need what they are lobbying for. This paper builds on the foundation laid by Fjedstad, Rakner and Ngowi (2015)². The trio limited their work on the Value Added Tax (VAT) Act 2014. This paper goes further by looking at lobbying in various tax issues including VAT and beyond in the 2016/17 fiscal year budget for Tanzania.

2. Lobbying

The Cambridge Diction of English (undated) ³ defines lobbying as a process to persuade a politician, the government or an official group that a particular thing should or should not happen or that a law should be changed. Among the examples given that is of relevance to this paper is that of business community lobbying for or against a given tax law. According to the Business Dictionary (undated) ⁴, lobbying is the act of attempting to influence business and government leaders to create legislation or conduct an activity that will help a particular organization.

Lobbying is done by lobbyists. For Pass et al (2000)⁵, lobbying is the process of bringing pressure to bear on governments to persuade them to adopt policies or allocate resources in ways that are favourable to special-interest groups. In the context of his paper, these groups include but are not limited to farmers, traders, transporters, tour operators, stock market dealers, members of parliament etc.

Among the areas in which the business community in Tanzania has been lobbying is in the area of taxation. This is partly due to many constraints that the fiscal environment presents for businesses in the country. Among others, the tax environment in Tanzania is comprised of many tax types and high ²rates; unpredictabl³e fiscal regime; complicated, bureaucratic and long tax refund procedures; lack of one stop shop for tax payment purposes; costly tax compliance in terms of number of days taken to pay tax etc. See among others Ngowi (2016)⁶ and Fjedstad, Rakner and Ngowi (2015)⁷.

⁴Fjedstad, Ngowi and Rakner (2016)⁸ inform that private sector lobbying for the concession of tax incentives or exemptions is often

2Fjedstad, H. O; Rakner, L; and H. P Ngowi (2015). Shaping the tax agenda: Public engagement, lobbying and tax reform in Tanzania. CMI Brief, July 2015 Vol 14 No 52

³ Cambridge Diction of English (undated) Online at, <http://dictionary.cambridge.org/dictionary/english/lobby>

⁴ Business Dictionary (undated), online at <http://www.businessdictionary.com/definition/lobbying.html>

⁵ Pass, C., Lowes, B., and Davies, L. Dictionary of Economics, 3rd Edition, Harper Collins Publishers. Glasgow

⁶ Ngowi, H. P (2016). Economic Perspectives of Sh 1.3tr Monthly Tax Revenue Target. In Citizen newspaper, January 2nd 2016, page 24

⁷ Fjedstad, O. H, Ngowi, H. P and Rakner, L. (2015). Shaping the tax agenda: Public engagement, lobbying and tax reform in Tanzania. CMI Brief, July 2015 Vol 14 No 5

⁸ Fjedstad, O. H, Ngowi, H. P and Rakner, L. (2016 - forthcoming). Who sets the tax agenda? Political institutions, lobbying and tax reform in Tanzania. Paper for the Conference on Unveiling the Secrecy Veil: Tax Havens, Capital Flows and Developing Countries. Organized by the Christian Michelsen Institute (CMI) and Norwegian School of Economics and Business (NHH), Bergen Norway November 21st - 22nd 2016 to most effectively influence policy.

⁹ Tsebelis define veto players as actors whose agreement is needed to change status quo (2001: 17-19). Through the Ministry of Finance and Economic Affairs. The lobbying is see as part of efforts of the

poorly regulated in developing countries and operates in a gray area between legal and illegal- formal and informal. There is little documentation on who the drivers are that determine national tax law and what interests are involved. Theoretical contributions focusing on firms have largely neglected to empirically investigate how institutions shape firms lobbying strategies (Govorunet al. 2013). In this institutional context, firms are expected to make strategic choices in order.

One strand of literature distinguishes between inside lobbying which is direct interactions between special interests and policy makers on one side and outside lobbying which is linked to group efforts to pressure elected officials indirectly through their constituents (Kollman 1998). Another contribution focuses on the choice that firms face between lobbying and corruption. Corruption is illicit and is based on difficult to enforce contracts. The induced policy changes obtained through corruption may be more easily reversed (Harstad and Svensson 2011). Another distinction frames business-state relations as a choice between capture and influence- where firms either take control over the state or just pay for influence (Hellman et al. 2003).

In the lobbying process, veto players are very important. These are actors whose consent is necessary to secure policy changes through law making and implementation (Grindle and Thoumi 1993 123-4)⁹. This is partly seen in the lobby cases documented here by way of who the lobbyists are approaching. The lobby efforts are directed to some key veto players including the President, Prime Minister and ministers responsible for a given sector where lobbyists are operating. These key veto players are approached by the lobbyists because of their institutional role. They are perceived by the lobbyists as having the ability and desire to influence fiscal policies in their favour because their assent is necessary to alter existing policies.

business community to demand better business and investment climate in the context of tax in particular. The various lobbying based on the 2016/17 budget are documented in the matrix that follows. Then a discussion of emerging issues is done.

3. On business environment

Conceptually, business environments (also termed as business climate), is the combination of various internal and external factors that influence enterprises' operating situation. Business environment can include a variety of factors. These include but are not limited to clients and suppliers; their competition and owners; improvements in technology; laws and government activities; and market, social and economic trends. It is the sum total of all positive and negative external and internal factors that influence a business. These sets of factors can influence each other and work together to affect a business positively or negatively.

4. Lobbying for better taxes in Tanzania's 2016/17 budget

Taking the 2016/17 Tanzanian national budget as an example, this piece documents and discusses issues raised by various lobbyists in their bid to get (more) favourable tax treatment from the government

¹⁰Hussein Kamote, Director of Policy and Advocacy at the Confederation of Tanzania Industries which is umbrella organization for actors in the industrial sector in Tanzania. It is the voice of industry in the country.

Table 1: Selected Cases of Lobbying for Better Tax Deals in the 2016/17 National Budget

S/n	Lobbyist	Issues raised by lobbyists	Remarks
1	CTI ¹⁰	<p>Issue: Cutting VAT from 18% to 16%</p> <p>Arguments:</p> <p>Lower VAT is part of the very needed conducive business environment for CTI's 430 members if they are to become competitive.</p> <p>Conducive economic (fiscal) environment is necessary for the industrial sector to operate effectively and prosper thereby contributing to national wealth and development.</p> <p>Lower VAT is also good for reducing cost of doing business and hence improvement of competitiveness of CTI members in the domestic, regional and international markets.</p> <p>VAT on deemed capital goods is bad because it adversely affect manufacturers by increasing their production costs and reducing their competitiveness. This is because they cannot claim back the VAT collected on processing inputs for the final products that they produce because these are VAT exempt.</p> <p>For producers of agricultural products such as milk, fertilizers, poultry feeds, and pharmaceuticals VAT has been a cost of production that cannot be claimed on the final products.</p>	<p>The lobbying by CTI was not successful as VAT remained 18% in the 2016/17 national budget</p>
		<p>Source: http://ippmedia.com/business/cti-advocates-cut-vat-16pc, The Guardian, Tuesday 31st May 2016</p>	

2	<p>Dar Es Salaam Stock Exchange (DSE)¹¹, Members of Parliament (MPs)¹², Tanzania Stock Exchange Brokers Association (TSEBA)¹³</p>	<p>Issue: Removal of VAT exemption on Dar Es Salaam Stock Exchange (DSE)</p> <p>Arguments:</p> <p>The DSE was of the opinion that removal of tax exemption on non-investment assets will slow down Tanzania's desire to have a vibrant capital market and retard the country's industrialization dream. Tax exemptions/incentives were introduced to promote stocks. When exemptions were introduced at the Nairobi Securities Exchange (NSE), it could not work. Such tax can lead to loss of stock market investors. It can therefore lead to rapid slowdown of market activities and liquidity. The tax can lead to investors exiting the stock market opting for other portfolio investments destinations elsewhere in the region. Given the fact that DSE is still in its infancy stage of development compared to, say NSE, there is a need to tax incentives to attract investors in this market.</p> <p>Kenya has abolished the capital gain tax on stock market after realizing that the tax negatively affects stock market in terms of interest from foreign investors as it acts as a disincentive and sends jitters through the market. Removal of tax incentive at the DSE can mean that the country may not realize the goals of establishing the market which include creation of efficient financial system that will facilitate investment and financing of businesses and government project.</p> <p>MPs argued that introduction of this tax would curtail the development and growth of the bourse and make Kenya more competitive in this area. On its part, Tanzania Stock</p>	<p>The objection to the removal of the tax incentive at the DSE follows government's decision to reform its tax structure by removing exemption on non-investment assets (shares) which the government thinks would broaden the tax base.</p> <p>It would be interesting to follow up the performance of DSE after the removal of this tax exemption</p>
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		<p>Exchange Brokers Association (TSEBA) argued that introduction of the VAT on stock market would have severe consequences on the market thereby inflicting heavy blow on Tanzania's economy. The tax is seen the TSEBA as among factors leading to uncompetitive investment climate in this specific market. Tax incentives in DSE were introduced to attract investments in the market and these are still needed.</p> <p>Source: The Guardian, 17th June 2016 (page 25).</p>	
3	<p>Experts (Financial Sector Deepening Trust – FSĐT – Deloitte senior manager)</p>	<p>Issue: Introduction of 10% excise duty on mobile money transfer</p> <p>Arguments:</p> <p>In Deloitte's budget breakfast on 14th June 2016, participants argued that the move by the government to introduce tax on mobile money transfers was bad. The tax was seen as affecting low income earners. The negative impacts of the tax include reducing the pace of digital money transactions; hesitation for the use of digital cashing thereby retarding financial inclusion and deepening efforts and encourage cash than digital economy.</p> <p>Source: The Guardian, June 15th 2016 (page 14)</p>	<p>These were reactions against the government's imposition of 10% excise duty on sending and receiving money via mobile phones.</p>

4	<p>Tourism stakeholders 14, MPs¹⁵,</p>	<p>Issue: Introduction of VAT on tourism services</p> <p>Arguments: Tanzania is among very expensive tourism destinations in Africa, it does not have many direct flights from abroad and it has poor infrastructure. The VAT can negatively affect employment of up to 36,500 people¹⁶. For every one tourist there are about three tour guides. Therefore if the tax will lead to reduced number of tourists, there will be three direct employment lost from tour guiding only. The sector has over 40 different taxes, therefore adding this one will make it more uncompetitive and companies will not be able to pay well porters¹⁷. Tourism is the sector leading foreign exchange earner but it is heading for serious downfall. The tax will make t very costly.</p> <p>Kenya made the mistake of introducing this tax but learnt from the mistake and removed it although it is more competitive than Tanzania in many nodes of the tourism value chain.</p> <p>Source: The Guardian, 22nd June 2016 (page 4)</p>	<p>The government should have consulted stakeholders accordingly.</p> <p>The Ministry of Natural Resources and Tourism (MNRT) was planning to meet members of the Tanzania Association of Tour Operators (TATO) to discuss the matter and see how they can protect the sector from being negatively hit by the move.</p>
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		<p>European Travel Agents' and Tour Operators' Associations – ECTAA¹⁸ - (through their French counterparts) requested the government of Tanzania¹⁹ to reconsider its decision and put off the implementation of the 18% VAT on tourism services for the 2016/16 season. Its arguments include the following:</p> <p>It had not received advance announcement from the government over the new tax²⁰; the VAT could adversely impact on tourists who had earlier planned to visit Tanzania;</p> <p>Its members have expressed grave concern about the sudden introduction of VAT on</p>	<p>It is to be noted that in a truly participatory and consultative tax reform, this kind of consultation should have been done well before the decision to introduce the tax, not after introducing it.</p>
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11 DSE Chief Executive Officer Mr. Moremi Marwa

12 Including Mr. Hussein Bashe, Nzega MP

13 Including TSEBA Chairman George Fumbuka and its secretary Raphael Masumbuko who travelled from Dar Es Salaam to Dodoma to seek special audience with finance minister in order to lobby for their case

14 Including European Travel Agents' and Tour Operators' Associations (ECTAA)

15 Including Mbiga Urban MP, Sixtus Mapunda; Jackline Msongozi (special seats CCM); Hussein Bashe (Nzega); Norman Sigala (Makete);

16 According to Emmanuel Molles Secretary General of Tanzania Tourists Guides Association and his deputy Khalifa Msangi

17 According to Loshiye Mollel, Deputy Chair Tanzania Porters Organization (TPO)

	<p>tourism services. This will substantially increase the cost of travelling to Tanzania.</p> <p>According to ECTAA, European travel organizers are subject to stringent EU consumer protection legislation (Package Travel Directive) which requires them to indicate the price and applicable taxes. The prices provided in the brochures are binding on the travel organizer and can only be changed if they have been communicated to the customer prior to the conclusion of the contract.</p> <p>The VAT will inflate tourism products by 25% above similar products offered in the region. According to TATO, before introduction of VAT, Tanzania was considered 7% more expensive compared to Kenya, Botswana, South Africa and Angola.</p> <p>Source: http://ippmedia.com/news/eu-travel-agents-balk-vat-short-notice; The Guardian 9th July 2016 (pages 1 – 2); Citizen on Saturday 9th July 2016 (page 4)</p>	
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18It is based in Belgium (Brussels) and is an umbrella organization bringing together national associations of travel agents and tour operators of 30 European countries, representing some 70,000 enterprises in the continent.

19In a letter to the Minister for Finance and Planning, Dr Phillip Mpango, copied to the Minister for Natural Resources and Tourism, Prof Jumanne Maghembe and signed by its Secretary General Michel

20Including SBC Tanzania chief executive officer Avinash Jha; Coca-Cola Kwanza Ltd managing director Basil Gadziros; Bakhresa Group head of corporate affairs Hussein Suffian; and CTI vice chairman Jayesh Shah

5	Soft drinks companies ²¹	<p>Issue: Hiking of import duty on industrial sugar by 5%²²</p> <p>Arguments:</p> <p>Prices of sodas, juice and other soft drinks and the industry's operating costs were likely to significantly shoot up.</p> <p>Tax hike is counter-productive and would undermine the growth of local manufacturing capacity. There is no way that Tanzania's sugar producers could start manufacturing</p>	<p>This was a reaction on the government's plan to raise import duty on industrial sugar by 5% in 2016/17 to 15% from the 10% that was applicable until 2015/16 and hike it further to 20% in 2017/18 and 25% 2018/19</p> <p>The move to increase import duties on industrial sugar was made jointly by</p>
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²¹Representatives of soft drinks companies in Tanzania were seeking audience with the Prime Minister, Kassim Majaliwa, and Finance Minister Mpango to explain the adverse effects the move would have on their business. It is seen in this case that the lobbying includes not only the Minister for Finance as is the case for the lobbying on exemptions in Dar Es Salaam Stock Exchange but also the Prime Minister himself

²² Including Aeshi Hilaly (Sumbawanga Urban), Kangi Lugola (Mwibara)

²³ Including Zito Kabwe (Kigoma Urban); David Silinde (Momba)

²⁴ Through its Chief Operations Officer, Mr Hussein Wandwi

²⁵ Resolution reached in their meeting on August 18th 2016 to air their grievances about the burden of value-added tax (VAT) on ancillary services associated with goods in transit> They met under the umbrella of the Tanzania Private Sector Foundation and the European Business Group and agreed to continue pressing (lobbying) for finding a solution on this problem.

	<p>industrial sugar locally in less than 5 years to meet demand of soft drinks industries. They can't even meet demand of domestic sugar.</p> <p>The tax will also hit producers other beverages, confectionery and dairy products. The infant industry protect argument by the government is unjustified as no local manufacturer can currently produce industrial sugar.</p> <p>The import duty increase will negatively affect production since refined industrial sugar is one of the major and most costly raw materials in production. Increasing import duty by 5% every year will not slow businesses and threaten future investments, become a burden to the industry and consumers. Also the ability of local sugar producers to meet demand for industrial sugar was questioned in the context of the duty increase on imported industrial sugar. Also, it is not seen to be fair to hike taxes on a key raw material because manufacturers are still required to pay multiple taxes such as excise duty, value added tax (VAT) and corporate tax. When production costs are too high due t the tax, manufacturers will be forced to reduce the number of workers.</p> <p>Source: http://ippmedia.com/news/soft-drinks-giants-raise-alarm-over-sugar-tax-hike; and The Guardian, June 14th 2016 (Pages 1 – 2)</p>	<p>EAC finance ministers. The other countries opted to deliberately delay implementation of the move until they build local production capacity and allow stakeholders to discuss the matter further. Tanzania chose to prematurely go it alone.</p> <p>Source: http://ippmedia.com/news/soft-drinks-giants-raise-alarm-over-sugar-tax-hike; and The Guardian, June 14th 2016 (Pages 1 – 2)</p>
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6	Members of Parliament	<p>Issue: Opposition of introduction of VAT on MPs gratuity</p> <p>Arguments:</p> <p>Some ruling party (CCM) MPs²³ argued that the gratuity is the only source of income they depend on after the end of their five years tenure. They also argued that they are highly depended upon financially in their constituencies and that their monthly salaries are already taxed. Therefore the gratuity should not be taxed.</p>	<p>Following government introduction of VAT on MPs gratuity. This was extended to all political leaders who were enjoying tax exemptions on their gratuities when their tenures of office come to the end. They include the President, Vice President, Deputy Vice President; Prime Minister, Regional and District</p>
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		<p>Opposition MPs²⁴ supported the tax and proposed it to be applicable not only to the MPs but also to all political leaders including the President, Vice President, Deputy Vice President; Prime Minister, Regional and District Commissioners.</p> <p>Source: Mwananchi newspaper, Thursday June 16th 2016 (Page 33)</p>	<p>Commissioners. This shows that it is not only the business community that lobbies for better tax deals but also the politicians. Since the MPs lost in the lobby, it shows that even lawmakers who are key players and decision makers in shaping and re-shaping tax matters can lose out against the government in their lobbying.</p>
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7	Tanzania Association of Transporters (TAT) 25	<p>Issue: Resolution²⁶ to meet the Prime Minister (PM) to reverse the decision on introduction of VAT on ancillary services for goods in transit</p> <p>Arguments:</p> <p>Most transporters have been failing to repay bank loans on time due to decline in business as a result of reduced cargo at the port of Dar Es Salaam as which is a result of introduction of the 18% VAT on ancillary services for goods in transit</p> <p>There is link between the cargo decline at the Dar es Salaam Port and the VAT imposition on ancillary services for goods in transit.</p> <p>Importers from landlocked countries have been avoiding the Dar es Salaam Port because the VAT had been harming them. VAT on ancillary services associated with goods in transit has harmed their business</p> <p>The business of hauling goods in transit has deteriorated to the extent that revenues have fallen abysmally.</p> <p>Transport business on transit goods is reeling.</p> <p>Source: Citizen, Wednesday 31st August 2016:12, online at http://www.thecitizen.co.tz/News/Business/Transporters-to-see-PM-help-on-tax/1840414-3363900-lvry1pz/index.html</p>	<p>Tanzania Revenue Authority (TRA) has been insisting that the VAT imposition was not responsible for cargo decrease at the port.</p> <p>The Parliamentary Committee responsible for trade and investment under its chairman Dr. Dalali Peter Kafumu had a visit at the Port and argued among others that the parties (TRA and business community/transporters) should meet to resolve the dispute and advice the President frankly.</p>
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5. Discussion

It is seen in the above cases that various interest groups have been lobbying for their specific tax interests in form of reduction of taxes proposed and even endorsed in the 2016/17 national budget in Tanzania. Lobbying has been through various ways including seeking audience with the Minister for Finance and even the Prime Minister. The specific interest groups lobbying may suggest that the known and expected joint lobbying through the Tanzania Private Sector Foundation (TPSF) is not adequate. In the case of the VAT 2014 Act lobbying, there were joint efforts by private sector through TPSF that was used as umbrella organization to air their voices. See Fjedstad, Rakner and Ngowi (2015).

In the cases presented here, TPSF is not in the picture. We see individual interest groups either as companies or a group representing them lobbying for their interests. Contrary to the expectation, we are also seeing foreign entities involved in direct lobbying to the government in the case of tourism services VAT. This is arguably a new dynamism in tax lobbying and reforms efforts.

The complains by the various tax interest groups also raise questions on the extent and nature of participatory approaches in the budgeting process in general and tax reforms in particular. In the 2016/17 budget speech, the Minister for Finance claimed that the budgeting process has been consultative in nature. If that was the case and if it was properly done, then the tax issues raised after the budget would have been captured much earlier and agreed upon before the budget was presented in the parliament. The complains also indicate that the Tax Task Force may not be handling tax issues properly as a collective body that is why some interest groups are lobbying individually.

Whereas some of the cases are drawn from lobbying done before the national budget was presented in the parliament on the 8th June 2016,

others are for lobbying done after the budget was presented. Furthermore, lobbying was also done after the budget was endorsed in the parliament and even when the 2016/17 fiscal year had begun on 1st July 2016.

The latest lobbying case documented here is dated 31st August 2016 – two months after the 2016/17 fiscal year began. This implies among other things that if the lobbying is to work in favour of the lobbyists lobbying after the fiscal year has begun, they have to wait until next fiscal year. By extension it implies that they have to accommodate the current uncomfortable situation. This implies further that for tax lobbying to make sense for the lobbying groups, they have to do so well before the fiscal year begins. They have to be proactive not reactive in the whole budgeting process.

Contrary to expectations and orthodox thinking, lobbying has been done not only by Tanzanian entities but also by foreign ones thereby widening the scope of Tanzania tax stakeholders to include, arguably, hitherto unthought-of foreign Tanzanian tax stakeholders.

6. Conclusions

Based on the cases presented here it is concluded that businesses are lobbying for better business environment in general and in the context of taxes in this case in particular. This is happening in the environment in which the government is supposed to play the facilitative role of ensuring friendly business and investment climate/environment. It partly implies among other things that even though the government has been undertaking various fiscal reforms, the results are far from satisfactory for some businesses. Lobbying seems to be among the strategies of the business community to ensure that the government is delivering the needed friendly fiscal environment for their competitiveness and by extension for their profitability.

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Warehouse Receipt System and Commercialization of Cashewnut Farming in Mtwara and Lindi Regions

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Abstract

This study investigates on the warehouse receipt system and its contribution towards commercialization of cashewnut farming in Mtwara and Lindi regions. Three objectives were adopted which are i) the operation model of the warehouse receipt system ii) the contribution of the system towards commercialization of cashewnut farming which has revealed to be not beneficial indeed to small holder farmers in alleviating them from poverty and a low standard of living for more than 50 years of political independence and iii) obstacles towards performance of the system. The study employed a survey research design in which primarily structured interview was used, secondary sources, publications, books, past research papers, journals were concretely reviewed. The collected data were analyzed by using trend, thematic and descriptive tools and the results were as follows:- the market has become accessible, raw cashewnuts are now subjected to good price; access to credit facilities; licensed cashewnuts warehousing;

inventory holding, storage, administration and transportation costs/risks are handled by third parties such as Primary Societies, Cooperative Unions and Warehouse Operators; the system is not properly adopted by farmers; some farmers complain of the installment payments, late payments, un-accountability of the Primary Societies, Cooperative Unions and CBT.

Key Words: *Warehouse Receipt System, Commercialization of Cashewnut Production, Marketing of raw*

Cashewnuts, Value addition.

1. Introduction

Tanzania is one among the major cashew producing countries in Africa. Cashew is mainly grown in

Mtwara, Lindi, and Coastal regions in Tanzania. Among these regions, Mtwara and Lindi account for

87% to the national cashew production (Cashew nut Board of Tanzania (2001). Some coastal regions in the south rely on cashew for 80% of their GDP, making it the main vehicle for poverty reduction on which more than 280,000 growers are directly dependent. The cashew nut processing sector in Tanzania still remains underdeveloped and insufficiently competitive. Having more than 90% of total production of raw nuts exported in raw form to India, the country is losing not only incomes from export of processed kernel, but also loss in employment opportunities to local communities and the loss of export of by-products which would have been realized if local processing has been realized. Area and production of cashew nut in Tanzania has varied decade-on-decade. Neither continuously been growing nor decreasing. Senile plantations are resulting in the decrease of cashew nut production in the country. Area under cashew cultivation is decreasing year-on-year as some farmers are shifting towards other crops.

Tanzania, through the Cashew Board of Tanzania, has put in place a robust warehouse receipt based auction system to ensure quality nuts get fair price and small-holder farmers are not discriminated against. Since 2007 a warehouse receipt system has been put in place which means that all cashew production has to be auctioned via co-operatives at an auction managed by the Cashew Nut Board of Tanzania. The warehouse receipt system was introduced to prevent exploitation of farmers and to enhance competitiveness of processors, but which in reality has allowed black market sales – with their instant and not installment payments – to continue unabated even though they offer lower prices than the government.

The warehouse receipting system received support from some quarters such as the Agricultural Non State Actors Forum (ANSAF, 2012), but does not seem to have been well received by farmers. Critics add that the CBT has failed to tackle the most important issue of increased production, since Tanzanian smallholder farmers, like their colleagues on the continent, produce only half the yield of the world average at between 400-500kg p/ha, according to IDH. Challenges such as these therefore prevent the sector from operating at its full potential.

Marketing of raw cashew nuts in Tanzania has changed over time and has included direct sales from farmers to traders and delivery of the raw nuts to the Primary Society for marketing. The Primary Societies were the sole marketing of farmer's cashew nuts from independence until 1991 when marketing was liberalized and farmers were allowed to sell to any buyer. Individual farmers collect well dried and graded raw cashew nut to the primary cooperative societies and in turn get a receipt indicating the quantity, quality and amount of loan to be secured from banks.

Since the Tanzanian government introduced agriculture reforms especially for cash crops and particularly in cashew nut, some changes

were seen. With regard to warehouse receipt system, despite some success, there were also a few challenges that resulted in some difficulties for the cashew farmers to sustain and benefit from cashew nut production. Initiating a warehouse receipt as a trading instrument, lending procedures and availability of financial services close to farmers were not always easy. Low level of production, poor quality and standard of commodities produced, poor grades, and resistance from the existing marketing systems and channels cartels and sabotage were some of the issues that needed attention (URT, 2009). All these were likely to have an influence on the warehouse receipt system aimed at the cashew nut farmers. It was believed that, in the Tanzanian context, lack of knowledge on how the system works was another constraint facing the warehouse receipt system whereby most farmers and other stakeholders in general were still unfamiliar with the system. The other constraints were delayed payments, low price of cashew nut, and payment to the farmers effected in installments. These matters were cited by many stakeholders as issues that needed urgent intervention.

Before the introduction of this warehouse system in cashew nut, there was a purchasing system in which the farmers could sell and receive his/her money in a single installment. It was quite different from the new model of purchasing known as warehouse receipt system whereby the farmer was paid in at least two different periods, the first payment initially on supplying the cashew nut to the primary society and the second payment being made after the cashew nuts were sold. If auction prices were above expectations, farmers were paid an additional bonus (Cashew nut Board of Tanzania, CBT, 2017s). Although the government's intention was to help the farmers through this system, the result was not as it was expected especially for the small farmers. The resistance from the farmers and other stakeholders are noticed in the southern region and there were differences of opinion about the contribution of the system. This has increased due to the fact that, the performance of the warehouse receipt system chain to deliver what the

farmers were expecting was considered unsatisfactory. It was stated that “Politicking distorts the performance of the warehouse receipt system because it allows inclusion of personal interests for personal gains at the expense of farmers” (*Hamis, a farmer, 2017*). Some members of the cooperatives, during unofficial interviews with them, claimed that warehouse receipt system in itself was not bad, but it was the way that was being executed that made the farmers reluctant to adopt it. Though the system was well accepted by farmers, but since there had been a number of constraints associated with it, it has been discouraging farmers from continuing with this system. It means that, although warehouse receipt system has been operational since 2007, still many stakeholders, particularly small farmers had limited knowledge on how it worked (*Mchemo, 2017*). These challenges have been contributing to the inefficient performance of the warehouse receipt system in cashewnut marketing although there was a considerable success in some areas.

2. Literature Review

The warehouse receipt system has been in operation for more than 100 years in U.S.A and Canada. One of the purposes of its establishment is to achieve price stability. In Africa, the system has been gaining popularity and success has been reported in many countries e.g. South Africa, Zambia, Uganda and Tanzania (*URT, 2009*). The warehouse receipt was introduced to the farmers as a new and profitable system of crops marketing. Due to the warehouse receipt system, the countries that are agricultural based transformed their marketing systems especially on how to sell the produces to ensure that farmers can get profit to sustain their livelihoods. The use of a warehouse receipt system allows a farmer to deposit her/his crop in a warehouse and to meet his short term needs for cash by borrowing from a bank or other lending institutions. Also, the system allows the farmer to avoid selling her/his crop immediately at harvest when the supply of the commodity is usually at the highest and therefore, the prices tend to be low. It is felt that the warehouse

receipt systems seemed to be very helpful especially when the price of the crops was low. But the consequences that accompanied this system were sometimes creating disturbances to the farmers depending on the government or country arrangements. In the case of many developing countries, it was reported that there were problems in supervising the implementation of the system and this resulted in the poor performance of the system. For instance, the banks in Uganda were not interested in lending against warehouse receipts (Robbins, 2010 & van der Vyver & Nordier, 2013).

Cashew nuts represent a small portion of agricultural production in the United Republic of Tanzania (URT), with an average of 300,000 hectares cultivated (2 percent of total area) producing approximately

100,000 tonnes per year. The production is mainly centered in the southern coastal regions (Nkonya & Barreiro-Hurle, 2013). However, cashew nut is an important export crop for Tanzania. It is the main cash crop of southern regions particularly Lindi and Mtwara. It is also grown to a lesser extent in other regions along the coast. In the southern regions, specifically, Mtwara, cashew nut production has been the main source of income and also a source of improving the livelihoods. It amounted to over 80% of the regional gross domestic product. In the early 1970s, when production of raw cashew was increasing, the World Bank assisted Tanzania in installing processing capacity (Kilama, 2013). The Tanzanian government has been taking various measures to revive the cashew nut industry since 1987/88 marketing season. This included establishment of the Cashew nut Production Improvement Pilot Project (CPIPP) during 1987-89. Two other programs, namely the Cashew nut Improvement Programme (CIP-1990-96) and the Cashew nut Research Programme (CRP) were also implemented with the support from cashew levies (Tanzania Cashew nut Board, CBT, 2001). The average producer price of cashew nut increased substantially in 1994/95 after the agricultural marketing system was liberalized. The

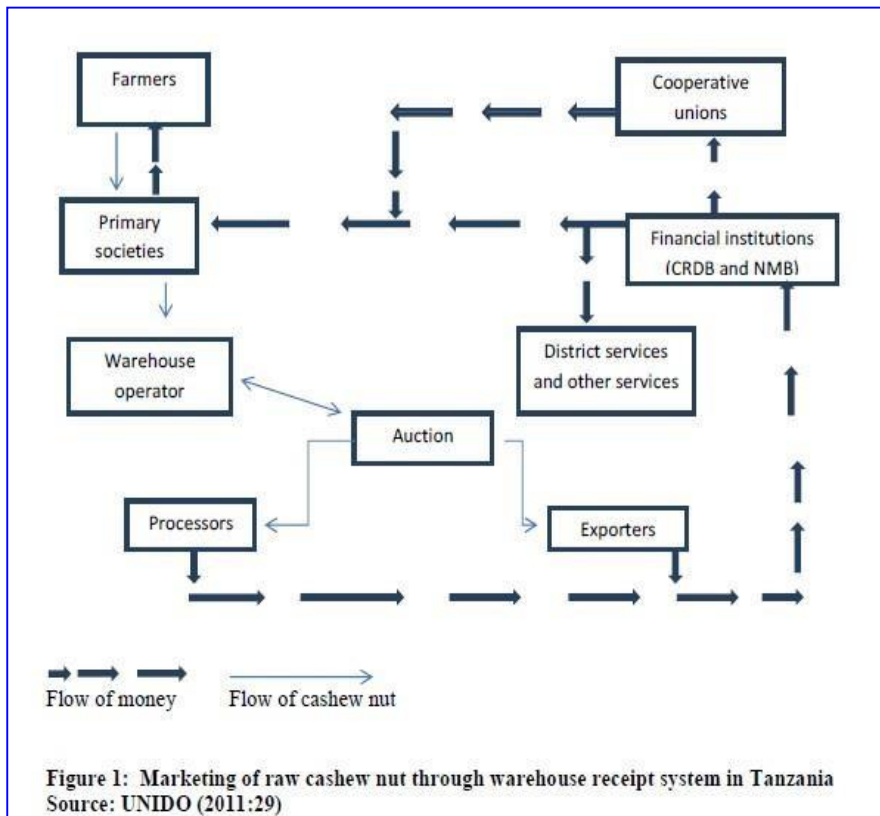
price continued to improve steadily and reached a record level of Tshs 600/= (US\$ 0.67) per kg (SG) in 1999/2000 (Sijaona, 2002).

The system of marketing raw cashew nuts in Tanzania has changed over time, and has included direct sales from farmers to traders and delivery of the raw nuts to the Primary Cooperative Society for marketing. The Primary Cooperative Societies were the sole marketing agents of farmers' cashew nuts from independence until 1991 when marketing was liberalized and farmers were allowed to sell to any buyer. It changed again in 2007 when the private sector was no longer allowed to buy cashews directly from farmers or Primary Societies and all raw cashew nuts were marketed through Primary Societies and Cooperative Unions by sale at auction (Nkonya & Barreiro-Hurle, 2013). In further response to the liberalization, the warehouse receipt system was developed in the 1990s. In Tanzania, it was officially introduced since 2005 with the pilot crops of coffee and cotton in some areas such as Ruvuma and Mwanza as a response to farmers' income instability due to price fluctuations resulting from liberalization and in actual practice to a large extent since 2007. It is claimed that, the use of a warehouse receipt system allows a farmer to deposit his crop in a warehouse and to meet his short term needs for cash by borrowing from a bank or other lending institutions (UNIDO, 2011). Since 2007, the marketing of raw cashew nuts in Tanzania is organized through the warehouse receipt system with auctioning taking place on a weekly or bi-weekly basis during the harvesting season. The new system of warehouse receipts was introduced in order to remove various problems. After the introduction of the warehouse receipt system, the expectation of the majority was to step up from low to high cashew nut production. It is claimed that 'still this system is surrounded by many problems that led to the poor performance of the cashew nut sector and hence a low production equilibrium' (Kilama, 2013).

It is reported that, since its introduction in 2007 in Tanzania, the warehouse receipt system under the Agricultural Marketing Systems Development Programme (AMSDP), has played a significant role in improving marketing of agricultural products. This has also been considered to have improved agricultural production and productivity, farmers' confidence, stability of producer prices and technological uptake in Tanzania, despite indications of dissatisfaction among some farmers. This system operates through primary societies, farmers' groups (organizations), cooperative unions and Savings and Credit Cooperatives (SACCOs) and the farmers are normally paid 70 percent of the price as an advance. It is reported that farmers retain the receipt and, after sale at the auction by the warehouse management several months later, the farmer is given the remaining 30 percent plus any bonus (less costs of storage, interest, transport and administration) (Mashindano *et al*, 2011).

There are differing views on the benefits of the warehouse receipt system. It is claimed that, the warehouse receipt system reduced anti-competitive behavior of large purchasers / processors by forcing them to purchase cashews through auction instead of directly from primary societies and cooperative unions. The introduction of this system has reportedly brought additional bank financing into the sector, as primary societies and cooperative unions have access to independent bank financing. Evidence from the operations of warehouse receipt system in cashew nut districts via Agricultural Marketing Cooperative Societies (AMCOS) and paddy districts via SACCOs revealed that this system was a useful marketing tool that has benefited members in terms of market outlets, price stability, and better prices. Farm-gate prices have risen in line with export prices, but not fully. It was cited that, in Nchinga and Nkangala (Mtwara district), farm-gate prices of cashew nut rose from TSh250 per kg in 2000 to TSh800 per kg with the introduction of the warehouse receipt system in 2007/08. Apart from its benefit to the farmers, particularly to small farmers in cashew nut production in

Tanzania, the system has not been without problems. Some farmers did not want to receive their payment in two installments. As a system they were practicing, farmers were paid in installments: a first installment is paid using money obtained from banks (bank loans) before cashew nuts are sold to traders and the remaining part of the price is paid after the auction. If auction prices are above expectations, farmers are paid an additional price bonus (CBT, 2012 & Nkonya & Barreiro, 2013). But some farmers, especially small farmers were said to have preferred 100 percent payment immediately at the time of harvest in order to pay off pressing labour costs, school fees and other essentials.



3. Methodology

The research used a descriptive -survey research design in which different literatures, journals, books and articles were surveyed and 30 farmers, 10 Primary Societies leaders, 10 Cooperative Unions leaders being interviewed. The study was researching on the contribution of warehouse receipt system towards commercialization of cashew nuts farming of which it is about 50 years more of political independence, small holders' farmers have not been benefiting from its farming despite of 80% of cashew nuts being grown in Mtwara and Lindi regions. The survey focused on reviewing the operation, management and implementation of WRS by Primary Societies, AMCOS, Cooperative Unions, and CBT. Since 2007 as compared to the first phase of 1961-1991's (socialism period) and 1991- 2007(the liberal economy period un-intervened) and the challenges from which some farmers reported that it is not good and that is why they opt for "*Kangomba system*" which then worse discriminating them as compared to WRS inwhich despite of commercializing their farming activities but it also *formalize*.

4. Findings

Operation of Warehouse Receipt System

Farmers supply the dried/harvested cashew nuts to the primary Societies (farmers' group or associations), Cooperative Unions. These Primary Societies deposit the commodities collected from famers to Warehouse Operators. Through Auction cashew nuts are sold to processors and/or exporters for immediate payment through group bank account of Cooperative Union previously opened with NMB and CRDB Banks while it could be better if the money could be entered in the group bank account of Primary Societies or directly to the individual farmers' bank account even after deducting storage, transportation, interest and administration costs, the expenses incurred by the so called intermediaries e.g Cooperative Unions. Direct payment could reduce or

eliminate the farmers complains over late payments even it the payment could be made in annuity. Warehouse Operators providing Auctioning process are regulated by Warehouse Receipt Regulatory Board.

Different from what it was since 1991-2005 when the warehouse receipt system was not there due to economic reforms. Warehouse receipt system was there before since independence up to 1991, the time when the economy was liberalized. Thus warehouse receipt system has passed different period/phases as follows: -

Phase 1

This extends from 1961 – 1990 before liberal market economy where the cashew nuts where collected

from farmers by Primary Societies, Cooperative Unions which sold them directly to traders. That means Cooperative Unions were the sole marketer in return of receipt to a farmer while paying 70% or the supplies. There was no Auctioning. It is the period of socialist or command economy.

Phase 2

This extended from 1991 to 2005 before renewal of warehouse receipt system in 2007. During this period a farmer was free to sell raw cashew nuts to any buyer or manufacturer (the period of liberal economy/market economy

Phase 3

During this period by 2007 onwards the warehouse receipt system came into action with more special features of Auctioning which was not there in the first phase. Here farmers the same are allowed to sell their products/raw cashew nuts direct to traders or even those traders buy raw cashew nuts from Primary Societies, AMCOS and Cooperative Unions rather from Auctioning process by having a warehouse operators.

Stakeholders in the System

Farmers

Farmers supply harvested cashew nuts to primary Societies or farmers groups (associations) owning low capacity warehouse-non licensed. The AMCOS work jointly with cooperative Unions with their warehouse also and therefore providing for stock holding/storage services. Farmers are the primary beneficiaries in this system and that is say the system was established to commercialize his/her agricultural activities which it is about 54 years more where Southern-Eastern zone people are not benefiting continuing to live in poor life standards. Warehouse receipt system aim to stabilize price or come up with attractive indicative price that cover cost of production and more over small holders farmer profit from their farming activities. Farmers are targeted to be accessed to reliable market in which even when the price is low the raw cashew nuts stock are held in store until the time when rise. Either through warehouse receipt system regulated by Warehouse Receipt Regulatory Board.

Stocks of raw cashew nuts are held and maintained at good condition, purchasing and issuing processes are handled to other stakeholders such as warehouse operators, transportation and administration costs due to price fluctuations, Labor capital inputs requirements, obsolescence, obsolete, inadequacy, waste accumulation, double handling are transferred to stakeholders playing between a farmer and a trader/buyer, processors, exporters. Farmers are satisfied with late payments and some farmers do not prefers payments to be done in installments i.e before selling Auctioning = 70% and after Auctioning 30% rather ones=100% which is then to be effected before being sold or during harvesting. Farmers require steady inputs to ensure for steady or large production or supply to be in a position of meeting market demand. Immediate payments help them to settle for labor, school fees and other social costs. And it is because of late payment that is why

some farmers prefer to use “Kangomba” where they have direct sale and receiving cash/money. It is by this payment system by annuity where farmers reported that less profit is obtained and the cash obtained for instance in the 2nd installment is very little even to foster to meet basic human being rather than if they should be paid a lump sum amount.

Primary Societies

They collect dried cashew nuts from farmers for deposition into warehouse operators. They usually communicate with Cooperative Unions for the type, quality, quantity and value (price) of the raw cashew nuts collected. Whatever credit or loan financial facilities provided to famers are given to the Primary Societies first. Cooperative Unions also work jointly by the warehouse operators and CBT in examining the Auctioning value, quantity and grade of cashew nuts for effective payment to be effected by group account of Primary Societies.

Cooperative Unions

They also have their own warehouses/stores receiving the deposits from Primary Societies. Since 2007 the Cooperative Unions was to integrate with Primary Societies for issuing and payment of supplies as well as Financial Institution which has group accounts of Cooperative Union. It was through these Cooperative Union group bank account where processors or/and exporters paid into for the supplies sold to them through Auctioning process. Before 2007 and in the period between 1961 to 1991 the Cooperative Unions were the sole marketer but now or since 2007 the function is handled by the CBT which also play role of assessing the quality of the cashew nuts.

Warehouse Operators

These are deposition areas for dried raw cashew nuts from Primary Societies. With the auctioning process, these intermediaries do perform Reverse Auction while creating the environment for competitive tendering over the purchases, processors or/and exporters. They hold

stocks of cashew nuts when the price is low to be sold when the price rises. They conduct and incur operation and administrative costs for over dried raw cashew nuts. They make quotations and prepare tender documents. They ensure for efficient and effective warehousing activities while being regulated by the Warehouse Receipt Regulatory Board. The Board evaluates the quality, promotes for credit accessibility by farmers, provide license to Warehouse Operators. Warehouse operators carry out all activities involved in purchasing cycle i.e. Identification and vocabulary, receiving, inspection, stock housing, stock control, recording, accounting as well as issuing and/or dispatching the stock of raw dried cashew nuts.

Table 1: Raw Cashew nuts Deposited into Warehouses

RAW CASHEWNUT DEPOSITED INTO WAREHOUSES: From 2016-10-05 TO 2017-03-18

NO	NO WAREHOUSE NAME	WAREHOUSE OPERATOR	LOCATION	TOTAL BAG	TOTAL WEIGHT
1.	AGROFOCUS LTD	SCALABLE PACE INVESTMENTS LTD	Newala*	330,650	26,478,159
2.	BUCO HOLDINGS LTD	DEMUTON TANZANIA LTD	Lindi Urban*	128,512	10,282,829
3.	EXPORT TRADING CO LTD	POA RICE MILLS CO LTD	Tunduru	114,662	9,163,413
4.	ILULU MTAMA	RF GENERAL SUPPLIES LTD	Lindi Rural*	113,078	9,053,397
5.	LINDI FARMERS LTD	MARKET WATCH CO LTD	Nachingwea*	386,129	30,985,880
6.	MICRONIX SYSTEMS LTD - MASASI	YURAP CO LTD	Masasi*	320,872	25,732,732
7.	MICRONIX SYSTEMS LTD - NEWALA	YURAP CO LTD	Newala*	263,597	21,127,249

8.	MTANDI INVESTMENT CENTER	L.M. MALEGERI CO LTD	Masasi*	275,760	22,114,888
9.	OLAM TANZANIA LTD	SCALABLE PACE INVESTMENT LTD	Mtwara Rural*	329,568	26,350,270
10.	TAMCU LTD	YURAP CO LTD	Tunduru	76,536	6,137,591
11.	TANECU NEWALA	SCALABLE PACE INVESTMENTS LTD	Newala*	216,913	17,349,098
12.	TANECU TANDAHIMBA	MARKET WATCH CO LTD	Mtwara Rural*	416,428	33,368,475
13.	UMOJA AMCOS	DAGEM EXPORT LTD	Liwale*	147,093	11,768,206
	TOTAL			3,119,798	249,912,187

Source: WRRB (2016/2017)

Cashewnuts Board of Tanzania, CBT

CBT sets an Auction price depending on the assessed grade or quality of cashew nuts, market the commodities. CBT therefore work together with warehouse depositors and Cooperative Unions. CBT work with warehouse depositors and Cooperative Unions. CBT work with warehouse depositors for quality assessment which then should correspond with the price (value) of the cashewnuts. Thus the quality (grade) and value of raw cashewnuts is recognized by CBT, plus the quantity then a total value of deposition is examined which is handled to the Cooperative Union for cashewnuts should corresponds with the payments effected by traders (processors, and/or exporters) to the group bank account of the Cooperative Unions.

Interpretation: Passive participation of primary Societies in Auctioning process lead to low price of raw cashewnuts. Poor storage and cashew nut handling facilities and operators cause lowering of value of cashewnuts, hence low price. Long staying of cashewnuts in warehouses unsold or un-marketed is the result of the late payment. Late payment has also been a result of effect ion of payments in Cooperative

Unions group bank account. The installments payments has revealed to be a main concern to farmers as what is received in the first installments and that in a second annuity is little cash that cause them fail to save as all money is used for consumption and thus less investment/production and that is why some farmers reported that the WRS is not good. But other farmers said introduction of warehouse receipt system has changed their lives.

The system has reported to commercialize the cashew nut farming, the cashewnuts are subjected to attractive price which then cover for production cost, what one of the farmer said the “farming itself is now formalized and access to credit services from Financial Institutions is not a problem”. For instance, in the financial year 2016/2017 one of the farmer said the price boom to Tshs3000 to Tshs3500 from a very low price in 2015/2016 where 1kg of raw cashewnuts was sold at Tshs1000 to Tshs1300. The increment in price for last year is doubled amount. Farmers are now easily accessed to the market. The cost of storage, operation and transportation is transferred to the intermediaries that are Primary Societies, AMCOS, Cooperative Unions, and Warehouse Operators. This study further recommends that these intermediaries are to act ethically and accountably for the benefits of farmers and National at large.

Contributions of Warehouse Receipt System towards commercialization of cashewnuts farming

- i. A farmer is assured of stable and available market
- ii. Attractive indicative price is set
- iii. A farmer is not discriminated in terms of price
- iv. Access to formal credits from financial Institutions used for buying inputs such as pesticides such as sulphur agro-spray.
- v. Risks such as surplus stocks, obsolescence, obsolete, damaged are transferred to intermediaries

- vi. Raw cashewnuts are held in a licensed warehouse by Warehouse Operators
- vii. Active participation of primary Societies I Auctioning creates a lot towards profiting farmers
- viii. Better practicing, accountability of Primary Societies, AMCOS, Cooperative Unions and CBT lead into premiums to farmers
- ix. The quality and graded raw cashew nuts are determined and thus attractive prices allocated to first or grade 'A' rather than what it was before whereby farmers were selling their commodities unclassified and thus it happened sometimes that all commodities was unclassified and thus it happened sometimes that all commodities of grade 'C' means poor quality and thus subjected to very low price.
- x. Warehouse receipt system has helped to come up with the right quantity of raw cashewnuts, as its weight (kgs) or size is determined, the issues included in the receipt given to a farmer
- xi. The Primary Societies, AMCOS (Warehouse Operators), Cooperative Unions, CBT in-turn acquire storage, transportation, and interest and administration allowances
- xii. Better identification of credit/loan applicants by financial Institutions
- xiii. It is through warehouse receipt system where farmers are not discriminated in-terms of quantity (weight) different from the so called "*Kangomba*"
- xiv. The Business /Value Addition Value Model is attained that entails
 - a) strategic choices b) value network c) value creation and d) value capture as it is shown the conceptual model below:-

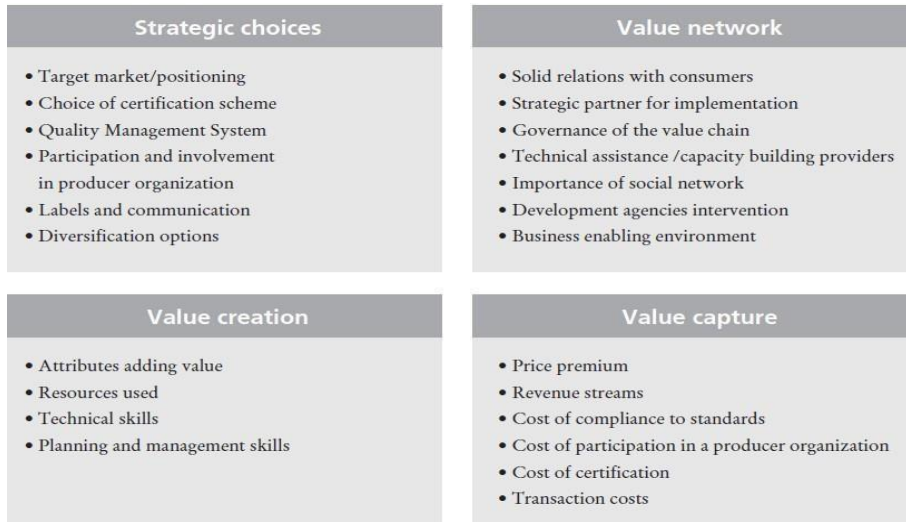


Figure 1: Value addition Model, a warehouse Receipt System has adopted
Source: Shafer, Smith & Linder (2005)

Hurdles to be addressed for performance of Warehouse Receipt System

- i. Late payments should be overcome which then to be fostered by the Cooperative Unions, CBT by ensuring that quotations are immediately made by warehouse operators for purchase and quick issuing of materials (raw cashew nuts) to traders who are to quickly effect payment
- ii. Several more payment installments are to be demolished
- iii. Warehousing, receiving, recording, accounting and issuing by warehouse operators should be automated say through the use of bar codes. And these licensed warehouses should operate in a system of cross docking to avoid delay of raw cashew nuts issuance.
- iv. Effective management and implementation of the system
- v. The two periods/installments of payments should be scrutinized and being paid ones =

100% and during harvesting or when supplying cashew nuts to primary Societies and in case there may be bonus then it should be paid as a supplements once cashew nuts are sold.

- vi. Education to farmers on innovativeness of warehouse Receipt System
- vii. Active participation of primary Societies leaders during Auctioning
- viii. The indicative price set by CBT should be realistic to be able to cover the production cost with surplus that will lead into increase in domestic savings for farmers to continue to invest in farming.

5. Conclusion

WRS is the value addition model that help farmers quickly get access to market, formalized its agricultural activity ,easy access to credit/loan facilities from Financial Institutions for input acquisitions, cashew nuts are held in a licensed warehouse in which the risk of stock holding such as obsolescence, obsolete, dead stocks, capital tiding up, rooting that in turn could demolish the quality of raw cashew nuts are handled to people in between the farmer and a processor or exporter that is primary Societies, Cooperative Unions, Cashewnut Board of Tanzania, CBT, Warehouse Operators. Farmers have now selling their commodities at attractive price (Auction price) for instance for income year 2016/2017 the price rose to Tshs3000 to Tshs3500 from Tshs1000 to Tshs1300/1500 in 2015/2016 and other years before last year that create the following i) increase in per capital income ii) small holders farmers are now able to meet basic needs iii) farmers are able to cover production costs. Warehouse receipt system has eliminated risks such as that of storage, administration, transportation that further need furnished storage, materials handling devices, space and capable labor force. A farmer receives 70% of the supplies and receipt before cashewnut are sold and the other 30% and bonus if any after sales. The

receipt indicates type, value, quantity, quality/grade of dried raw cashew nuts deposited.

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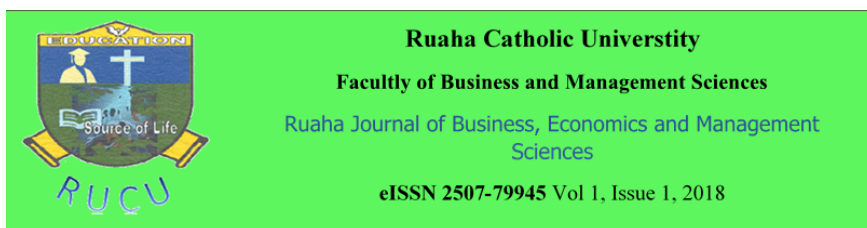
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Service Quality of University Libraries in Tanzania, A Case Study of Ruaha Catholic University, Iringa

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Abstract

This study examined service quality of universities libraries in Tanzania. A descriptive design was used and data collection to a sample of 200 students was administered from among students who used the library to assess their perceptions and satisfaction for the services they have received from the library. A questionnaire which was a kind of modified SERVIQUAL model was administered to respondents who represent students of Ruaha Catholic University from different courses.

Findings showed that in general service quality is perceived to be average. There is relationship between perceived library services and students performance. It was also discovered that with regard to satisfaction, students are neither satisfied nor dissatisfied. The study findings recommends improvements in different aspects of the SERVIQUAL model dimensions such as reliability by providing services as they promise, tangibility by improving collections. Managerially, the study findings recommend routine improvement of library services.

Key words: *Service quality, Serviqual, Library services, University.*

1. Background of the study

For years, researchers in libraries have examined information needs, user's wants, and user perceptions about the value of library services with a concept quality and effectiveness of library services (Zeithamlet *al*, 1990). In this way the research in service quality assessment has mostly been concerned with the question of how the expectations of the client have been met and correspondence between services offered, so the client's expectations are taken as a criterion.

Parasuman *et al*, (1985) propounded the concept of service quality and showed it as somewhat elusive and rejects easy definition, but they essentially emphasize gap reduction, reducing any gap that may exist between a customer's expectation and the customer's perception of the quality of service provided. Nitecki (1996) discovered that libraries are often criticized for being providers of low quality of services to the user's needs.

Efficiency of the library activities becomes important as the quality of its service. In this way, Kaur (2008) sees a university library as the heart of the learning community, providing a place where students, lecturers and researchers can do their research and advance their knowledge. With emphasis being placed on electronic resources, and the learning community being more interested in virtual information services on the internet, academic libraries urgently need to assess the quality of its services and how user satisfaction can be improved.

Although most practitioners and researchers admit that quality library service should meet user's expectations, there is no general accepted definition of service quality of a library. The study by Heck and Johnsrud (2000) elucidate that higher education is facing a pressure to improve value in its activities. They further provide solution for

enhancing educational value that institutions must expend efforts on continuous improvement, to focus on stakeholder interest and to increase student's satisfaction. However, a mere increase of services or capacity building programs does not really signify the quality of service.

The major gaps that can be seen from the studies above are; they first concentrated in most advanced library uses i.e. digital and self-service technologies. Second, the universities under study have multiple libraries while we have one. Third, most studies have been conducted in economically advanced countries hence a difference of services is likely to be higher. We want to cover the gap by studying in a quite different economic environment.

2. Literature Review

Theoretical literature review

The Serviqua model was first developed from the work by Parasuraman *et al* (1988) which emanates from the service quality construct. Their research consisted of series of qualitative and quantitative studies. A major outcome of their work was a conceptual framework (The gap model of service quality) and the measurement instrument i.e. SERVIQUAL for assessing service quality.

Parasuraman *et al* (1988) conceptualize service quality as perceived quality i.e. consumer judgment about an entity's overall excellence or superiority. They also distinguished it from the objective quality which is a form of attitude related but not equal to satisfaction and later characterized it as the results of the consumer's comparison of expectations with perceptions of performance. In their previous literature finding on service quality they identified that quality evaluations are not made solely on the outcome of a service, they also involve evaluation of the process of service delivery.

There are a number of studies that doubt on the validity of 5 dimensions and usability of the instrument across all services sector. Kapelman (2015) argues that using difference scores in calculating SERVIQUAL contributes to problems on reliability and validity of the measurement and that suggested that care should be taken when using the instrument scores. Methodologically, the model is criticized for measuring expectations and perceptions at one time (Kozerska, 2015) which is practically impossible for good as normally it is administered after a customer has already used the service. In this study, this was not a topic of concern but assumption was that students had perceptions already.

Despite that, the model has been used extensively in marketing areas. The model seems to be useful in measuring the service quality for many aspects. Developing economies like Tanzania have received less attention in research areas, hence applying the model in a library setting contributes to the literature on the applicability of the model in academic setting for a developing economy like Tanzania.

Empirical Literature Review

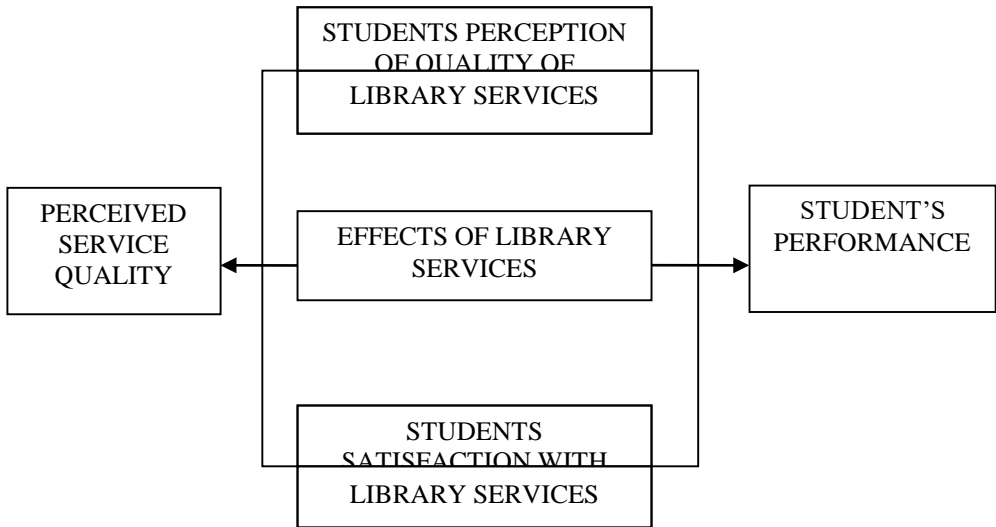
The study by Kot and Jones (2014) on the impact of library resource utilization on student's academic performance used propensity score matching to reduce selections biasness to assess the academic performance discovered that using a given library resource among the three resources selected (workstations, study rooms and research clinics) was associated with a small but also meaning gain in first term grade point average net of other factors. Kaur, (2008) did a study on assessing service quality at the University of Malaya Library to measure customer perception, in this case it was academic staff perceptions of service quality. The study also assessed the impact of that service on academic staff work and their perceived level of satisfaction towards the library services. By the use of SERVIQUAL dimensions he discovered that staff perceive the quality of the library services to just

above average. He also discovered that the library has a positive impact on their teaching and learning and research. On satisfaction, he found that library services received a satisfactory rating.

The study by Adeniran (2011) on User satisfaction with academic libraries services: Academic staff and students' perspectives identified that service oriented organizations have identified the customer or user as the most critical voice in assessing service quality. Kumar, (2012) assessed user satisfaction and service quality of the University libraries in Kerara. The author asserts that in university libraries user satisfaction and perceptions of quality depends on the extent to which customer expectations are matched by information products and services delivered by the library. The study by Abariet *al* (2011) on assessment of quality of education a nongovernmental university via SERVIQUAL model aimed at evaluating the quality of service in a nongovernmental university, Islamic Azad University. A standard questionnaire SERVIQUAL was designed and the results showed significant difference between student's expectations and current level of quality of services in responsiveness dimensions of quality. Given this empirical evidences, this study sought to answer the following research questions;

1. *What is the perception of the students towards the quality of RUCU library services?*
2. *What is the level of student's satisfaction with library services?*
2. *What is the effect of library services on the performance of students?*

Conceptual framework: Service Quality of University Libraries



Source: Constructed by Authors by Modifying the SERVIQUAL MODEL (2018)

3. Research Methodology

This study applied positivist approach to assess service quality by using the Serviqua model at RUCU library. This was done to enable the development of new conceptual knowledge on the management practices in ensuring service quality at RUCU. Quantitative approach could be viewed as a research philosophy assuming the phenomena being studied have a stable reality measurable from the outside by an objective observer and have a power of testing the existence of relationship. The study was conducted at Ruaha Catholic University Library to a target population of University students. Purposive sampling was applied to gather a sample of 200 students from different faculties of Ruaha Catholic University. A questionnaire which was a modified SERVIQUAL model was applied to collect information from respondents. Documentary method was also applied to support the

primary data collected in the survey. Leaning on triangulation importance, the use of multiple data collection tools was necessary.

4. Findings

Findings have been divided into four aspects; Sample information distribution, Reliability of Data and major findings of the data.

Table 4.1 Sample information distribution

	Scale Item	Frequency	Percent
Gender	<i>Male</i>	110	55
	<i>Female</i>	90	45
Age range	<i>18 -24 yrs</i>	83	41.5
	<i>25 - 30 yrs</i>	60	30
	<i>31 - above</i>	57	28
Year of studies	<i>Year 1</i>	108	54
	<i>Year 2</i>	66	33
	<i>Year 3</i>	26	13
Course	<i>BAED</i>	56	28
	<i>Pharmacy & Lab</i>	47	23.5
	<i>Business</i>	25	12.5
	<i>Postgraduate</i>	22	11
	<i>Law</i>	2	14
	<i>ICT &</i>	2	11
Library usage	<i>Rarely</i>	5	25.5
	<i>Daily</i>	4	23
	<i>When necessary</i>	1	51.5

Table 4.1 above shows the distribution of sample. It can be seen that the majority of respondents were first year students by 54% and most of them were the BAED students. The result show that majority of respondents visit the library when necessary by 51.5%.

Reliability

Table 4.2 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.621	.572	13

In assessing the reliability of the factors and in this case the SERVIQUAL model, for Tangibles, Reliability, Assurance, Empathy and Responsiveness, we computed the cronbach alpha of greater than .6 coefficient of reliability to connote high internal consistence hence .62 shows the questionnaire was reliable.

Major findings

Major findings in this study were based on the four research questions as described here under;

1. *What is the perception of the students towards the quality of RUCU library services?*

To answer this question, the analysis was done by calculating the mean value of perception for each statement concerned in this aspect. General mean value for the perception is 3.08 which indicate that library users find the quality of services to be average.

Table 4.3.1 Perceived service quality

Perceived service quality of the library	Mean	Rank
Library attendants show sincere interest with my needs	3.37	3
Library attendants give prompt services	2.80	6
Library staff are there and willing to help	3.36	4
Library facilities facilitates my academic needs	3.67	1
Library collections are up to date and have all that is required by my course	2.63	7
I can trust employees at the library	3.49	2
The library is dependable	3.19	5
When library promises to do certain things at a time it does	2.20	8

2. *What is the level of student's satisfaction with library services?* A frequency distribution was computed to assess the level of students' satisfaction with library services as is shown in the table 4.3.2. The results

suggest that students are neither dissatisfied not satisfied because the majority were found to be neutral by 43% of total respondents.

Table 4.3.2 Students satisfaction with library services

	Frequency	Percent
Strongly disagree	34	17.0
Disagree	4	2.0
Neutral	86	43.0
Agree	71	35.5
Strongly agree	5	2.5
Total	200	100.0

3. What is the effect of library services on the performance of students?

A frequency analysis was done to assess students’ view of library services in improving their academic performance. The results depicts that 78.5% agreed, which means the library helps in academic performance.

Table 4.3.3 Effect of library services and performance of students

	Frequency	Percent
Disagree	17	8.5
Neutral	19	9.5
Valid Agree	157	78.5
Strongly agree	7	3.5
Total	200	100.0

5. Discussion of the findings

Regarding research question one which examined *the perception of students towards the quality of RUCU library services*, the findings are in line with the study by Kumar (2012) who asserted that the needs and expectations of the customers are critical factors in assessing service quality. Customer orientation throughout the organization can ensure that service delivery meets customer expectations. The customer in terms of their expectations of the benefits, may judge the actual output of the service.

Regarding research question two *on the level of student's satisfaction with library services*, findings coincides with Kaur, (2008) who asserted that satisfaction results from met expectation where 35.5% of respondent admitted that their needs have been met by the library services. However, the majority of respondents were neutral in this aspect i.e. neither satisfied nor dissatisfied. This in general connotes that the services neither satisfy nor dissatisfy.

Regarding research question three which sought to understand *the effect of library services on the performance of students*, the finding is related to the study by Adeniran (2011) which asserted that the effect of the library services is measured in terms of contribution of services in benefiting academic needs, cost, encouragement to use the library again, and enhancing updated knowledge to users. It was true for this study that students agreed that the library services are important for their academic performance.

6. Conclusion and Recommendations

The findings of this study concluded that in general, service quality is perceived to be average. With regard to satisfaction, it shows that students were neither satisfied nor dissatisfied. However, they admitted to have met their academic needs through library services. In sum, the level of satisfaction at RUCU library is moderate. The effect of library

services has been perceived to improve performance of students. Basing on these basic findings, the study recommended that the library should work on improving its ability to perform the services at the time it promises to its customers. This is equally related to reliability aspect of the SERVQUAL model. Since there is strong relationship between perceived library services and performance, general and routine improvement of library services is important for better academic performance of RUCU.

7. Recommendations and Further Research

Research in developing economies is minimal and Africa has received far less attention in this regard, hence more researches on this should be done to add the body of knowledge in this aspect. This study has been done in a private university, further researches are encouraged to be done even in public universities and compare results which in turn will bring generalized knowledge on service quality of academic libraries in Tanzania and Africa.

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Professionals as Engines of Development in Society: What You and I can and should do

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Introduction

Cars and aeroplanes enable us to move from one place to another easily. It would take us a few days to walk from Iringa to Dar es Salaam but with a plane or car it only takes few hours. In a motor mechanics class, I remember the teacher asking us about the kind of car we like and which kind of aeroplane is favourable for long distances. A few mentioned Rolls Royce, Mercedes Benz, Ferrari and even the Concorde. Apart from the make or quality of the car or plane, the most important thing is the engine. A powerful engine can do wonders as regards speed and getting to the required destination on time. The Concorde took three hours from London to New York. Talking of engines as movers, professionals have been and continue to be engines of development in Societies. This concept paper focuses on “Professionals as Engines of Development in Our Society: What you and I can and should do”

Who are professionals?

The term *professional* is thrown around quite a bit these days, perhaps too much. We do it ourselves. But what exactly does it mean to be a professional? As you read through the items below, consider how you compare with each trait. There are things that define a true professional.

You may be a brilliant developer, a highly skilled business person, lawyer, engineer, or a medical doctor, but if you're unprofessional, your career is likely to fall short. Alan Norton (2010)⁹ offers some attributes to strive for.

1. **Put customer satisfaction first:** Understanding and satisfying your customer's needs are the cornerstones of a successful business. Do what is necessary to meet those needs. After all, without the customer, there is no professional. *Professionals identify and satisfy their customer's needs.*
2. **Make expertise your specialty:** The very word *professional* implies that you are an expert. Technical competence is essential. Become an expert in the skills and tools necessary to do your job. Always perform to the best of your abilities. Keep your knowledge up to date. *Professionals know their trade.*
3. **Do more than expected:** Professionals aren't bound by a time clock. They are given wide latitude in their daily self-management. They are expected to manage their time and work habits. Don't abuse the privilege. If you take an hour for personal needs, give back two hours. Professionals are expected to produce results. Strive to complete deliverables before their due dates and under budget. *Professionals meet or exceed expectations whenever possible.*
4. **Do what you say and say what you can do:** This is one of my favorite sayings especially in view of the fact that talking the talk is so prevalent and walking the walk so rare in this age of sound bites. You should "engage brain" before speaking — can you really do what you are about to say? If you can't, the wizard behind the curtain will eventually be revealed and hard-earned trust can be lost. *Professionals deliver on promises made.*
5. **Communicate effectively:** We go out of our way to patronize a dentist who has excellent communication skills. He takes the

⁹Alan Norton began using PCs in 1981, when they were called microcomputers. He has worked at companies like Hughes Aircraft and CSC, where he developed client/server-based applications. Alan is currently semi-retired and starting a new career as a writer; <https://www.techrepublic.com/blog/10-things/10-things-that-define-a-true-professional/> 10 things that define a true professional

time to explain the available options, make recommendations, state the total costs, and promise a date when the work can be completed. We then feel empowered to make the right decisions. Resist the urge to blame the customer when communication goes awry. Effective communication is ultimately your responsibility — not your customer's. *Whether verbal or written, professionals communicate clearly, concisely, thoroughly, and accurately.*

6. **Follow exceptional guiding principles:** Appreciate and support those you work with. Practice good manners and proper etiquette. Have high ethical and moral standards. Be honest and fair in all of your dealings with others. Obey the law. These may sound like the attributes of a Boy Scout, but they are basic values that all professionals should follow. Many companies have a document that outlines their operating principles. Have you read yours? *Professionals adhere to high values and principles.*
7. **Praise your peers not yourself:** Respect and acknowledge the talents of your peers. There is nothing more unprofessional and self-serving than telling others how wonderful you are. *Professionals are humble and generous in their praise of others.*
8. **Share your knowledge:** It is easy to find yourself in that comfortable place with "unique" knowledge. If you are a hoarder of information and are of the opinion that all of the nuts you have squirreled away grant you immutable job security, think again. The harsh reality is that *nobody* is irreplaceable. Information isn't a limited resource. Contrary to what some might think, your mind won't be emptied by giving away kernels of wisdom or experience. Think of knowledge as an ocean of facts and not a stream of data. It *is* possible to share what you know and still keep one step ahead of the competition — simply apply yourself and learn something new daily. *Professionals help their peers and are respected for doing so.*
9. **Say thank you:** We always try to find a way to thank others for their help. When their help is above and beyond the call of duty, we should buy them lunch or dinner *Professionals thank others in a meaningful way that most benefits the recipient.*
10. **Keep a smile on your face and the right attitude in your heart:** This has been the hardest item for us to do consistently over our working years. We may believe that we are lying to

ourselves and the world by smiling when we are miserable or unhappy with an ongoing issue at work. We should now realize it is not dishonest to be pleasant when you are having one of those lousy days. It is in fact thoughtful to care about how your attitude affects those you interact with. Share your unhappiness with your manager only. "Share the misery" is not the mark of a professional. *Professionals are pleasant even during trying times.*

The Final word: Working with professionals is a pleasure, and some of us have been fortunate to work with some truly exemplary ones. There *have* been a few who liked to be treated as professionals without having to work and act like one.

The medical profession is a good example of true professionals. Think back upon those doctors you've liked the most and model your professionalism after theirs. So, how do you measure up? Don't feel bad if you need some work in one or more areas. Demeanor that is less than professional can lead to an image problem for you and your company. Negative images are hard to shake. Recognize any shortcomings you might have and begin working on your professional image today.

To conclude, a **professional** is a member of a profession or any person who earns their living from a specified professional activity. The term also describes the standards of education and training that prepare members of the profession with the particular knowledge and skills necessary to perform their specific role within that profession. In addition, most professionals are subject to strict codes of conduct, enshrining rigorous ethical and moral obligations.¹⁰

Professional standards of practice and ethics for a particular field are typically agreed upon and maintained through widely recognized professional associations. Some definitions of "professional" limit this

¹⁰Postema, Gerald J. (1980). "Moral responsibility in professional ethics" (PDF). *NYUL Rev.* 55. Retrieved March 26, 2016.

term to those professions that serve some important aspect of public interest¹¹ and the general good of society.¹²

In some cultures, the term is used as shorthand to describe a particular social stratum of well-educated workers who enjoy considerable work autonomy and who are commonly engaged in creative and intellectually challenging work.¹³

Professional Goals

Regardless of where you are in life, having a goal is an essential part of living. But it is not enough to live a life of wishful thinking and hopeless daydreams, as you can only attain something if you fight hard for it. Apart from having life goals, you also need to have professional goals that shape your character as a working professional. While we all have our personal outlooks in our respective fields, the goals we possess still share a common purpose. It is not about climbing what society has shaped for us, but it's about building our own ladder to reach the top of our careers (Romme, 2016).

Professional Goals for a better you:

Goal-setting plays an important role in our work life. It is about taking baby steps towards becoming the best version of ourselves as professionals. While we can never expect ourselves to reach the top of the pyramid overnight, we need to allow ourselves to progress slowly but effectively. This involves a gradual process of developing our

¹¹Harvey, L.; Mason, S.; Ward, R. (1995). *Role of Professional Bodies in Higher Education Quality Monitoring*. Birmingham: *Quality in Higher Education Project*. ISBN 1-85920-108-3.

¹²Sullivan, William M. (2nd ed. 2005). *Work and Integrity: The Crisis and Promise of Professionalism in America*. Jossey Bass.

¹³Gardner, Howard and Shulman, Lee S., *The Professions in America Today: Crucial but Fragile*. Daedalus, Summer 2005. (pgs. 13-14)

professional knowledge and skills, strengthening professional relationships, and building effective working practices (ibid, 2016).

Although our goals are shaped by our personal ambitions and needs, Gardner et al, (2005) put together a simple list of smart goals to help push us towards success:

1. Expand professional knowledge and training
2. Improve our work performance
3. Strengthen professional relationships
4. Better presentation skills

What is Development?

Though the term *development* usually refers to economic progress, it can apply to political, social, and technological progress as well. These various sectors of society are so intertwined that it is difficult to neatly separate them. Development in all these sectors is governed by the same principles and laws, and therefore the term applies uniformly (Jacobs et al, 1999).

Economic development and human development need not mean the same thing. Strategies and policies aimed at greater growth may produce greater income in a country without improving the average living standard. This happened in oil-producing Middle Eastern countries—a surge in oil prices boosted their national income without much benefit to poorer citizens. Conversely, people-oriented programs and policies can improve health, education, living standards, and other quality-of-life measures with no special emphasis on monetary growth. This occurred in the 30 years of socialist and communist rule in Kerala in India:¹⁴

Human Development

Development is a human process, in the sense that human beings, not material factors, drive development. The energy and aspiration of people

¹⁴Victor Fic (1970), "Kerala: Yenan of India The Rise of Communist Power 1937 - 1969" (Nachiketa Publishing Bombay)

who seek development forms the motive force that drives development. People's awareness may decide the direction of development. Their efficiency, productivity, creativity, and organizational capacities determine the level of people's accomplishment and enjoyment. Development is the outer realization of latent inner potentials. The level of people's education, intensity of their aspiration and energies, quality of their attitudes and values, skills and information all affect the extent and pace of development. These factors come into play whether it is the development of the individual, family, community, nation, or the whole world.¹⁵

In general, development means "improvement in country's economic and social conditions". More specially, it refers to improvements in way of managing an area's natural and human resources in order to create wealth and improve people's lives.

Society Development

Social development theory attempts to explain qualitative changes in the structure and framework of society that help the society to better realize aims and objectives.

In this case, development can be defined in a manner applicable to all societies at all historical periods as *an upward ascending movement featuring greater levels of energy, efficiency, quality, productivity, complexity, comprehension, creativity, mastery, enjoyment and accomplishment.*¹⁶

Development is a process of social change, not merely a set of policies and programs instituted for some specific results. During the last five centuries this process has picked up in speed and intensity, and during the last five decades has witnessed a marked surge in acceleration.

¹⁵Jacobs, Garry and Asokan N., "Towards a Comprehensive Theory of Social Development". In: *Human Choice*, World Academy of Art & Science, USA, 1999, p. 152.

¹⁶ Ibid, 1999.

The basic mechanism driving social change is increasing awareness leading to better organization. When society senses new and better opportunities for progress it develops new forms of organization to exploit these new openings successfully. The new forms of organization are better able to harness the available social energies and skills and resources to use the opportunities to get the intended results.

Development is governed by many factors that influence the results of developmental efforts. There must be a motive that drives the social change and essential preconditions for that change to occur. The motive must be powerful enough to overcome obstructions that impede that change from occurring. Development also requires resources such as capital, technology, and supporting infrastructure. It is the result of society's capacity to organize resources to meet challenges and opportunities. Society passes through well-defined stages in the course of its development.

Process of Emergence of New Activities in Society

Education

One of the most powerful means of propagating and sustaining new developments is the educational system in a society. Education transmits society's collective knowledge from one generation to the next. It equips each new generation to face future opportunities and challenges with knowledge gathered from the past. It shows the young generation the opportunities ahead for them, and thereby raises their aspiration to achieve more. Information imparted by education raises the level of expectations of youth, as well as aspirations for higher income. It also equips youth with the mental capacity to devise ways and means to improve productivity and enhance living standards.¹⁷

¹⁷Jacobs, Garry and Asokan N., "Towards a Comprehensive Theory of Social Development". In: *Human Choice*, World Academy of Art & Science, USA, 1999, p. 152.

Resources

Since the time of the English economist Thomas, some have thought that capacity for development is limited by availability of natural resources. Resources can be divided into four major categories: physical, social, mental, and human. Land, water, mineral and oil, etc. constitute physical resources. Social resources consist of society's capacity to manage and direct complex systems and activities. Knowledge, information and technology are mental resources. The energy, skill and capacities of people constitute human resources.

The science of economics is much concerned with scarcity of resources. Though physical resources are limited, social, mental, and human resources are not subject to inherent limits. Even if these appear limited, there is no fixity about the limitation, and these resources continue to expand over time. That expansion can be accelerated by the use of appropriate strategies. In recent decades the rate of growth of these three resources has accelerated dramatically.

The role of physical resources tends to diminish as society moves to higher developmental levels.

Role of technological development

When the mind engages in pure creative thinking, it comes up with new thoughts and ideas. When it applies itself to society it can come up with new organizations. When it turns to the study of nature, it discovers nature's laws and mechanisms. When it applies itself to technology, it makes new discoveries and practical inventions that boost productivity. Technical creativity has had an erratic course through history, with some intense periods of creative output followed by some dull and inactive periods. However, the period since 1700 has been marked by an intense burst of technological creativity that is multiplying human capacities exponentially (Harlan, 1999).

Engines of Development in Society

Social development is about improving the well-being of every individual in society so they can reach their full potential. The success of society is linked to the well-being of each and every citizen.

¹⁸ Social development means investing in people. It requires the removal of barriers so that all citizens can journey toward their dreams with confidence and dignity. It is about refusing to accept that people who live in poverty will always be poor. It is about helping people so they can move forward on their path to self-sufficiency.¹⁹

Learning must start early in life. By investing in early learning initiatives, we can ensure a greater degree of success amongst our citizens. Making sure that children get a good start in their education goes a long way to increasing their success later in life. An affordable, high quality child care system is also needed for society to succeed. When people know that their children are being well taken care of, they can be more productive in their jobs. When employers have good employees their business is more likely to succeed. When businesses succeed, the economic situation of a community is improved. An investment today in good child care programs can provide many long term economic benefits for society. In addition, a safe affordable place to live is very important in helping people achieve self-sufficiency. It is the focus of family life; where families can live safely, nurture their children, build community relationships and care for aging

¹⁸Cleveland, Harlan and Jacobs, Garry. "Human Choice: The Genetic Code for Social Development". In: *Futures Research Quarterly*, Vol. 31, No. 9–10, November–December 1999, Pergamon, UK, p. 964.

¹⁹Jacobs, Garry and Asokan N., "Towards a Comprehensive Theory of Social Development". In: *Human Choice*, World Academy of Art & Science, USA, 1999, p. 152.

parents. Without a decent place to live, it is difficult to function as a productive member of society.

Other investments in people that contribute to the economic prosperity of society include youth programs and services, post-secondary education, job creation, promotion of healthy, active living and safe and secure communities. To reduce poverty we need to take a social development approach and invest in our people. By investing in people we can reduce poverty. We need to go beyond looking at government to find ways to develop our most valuable resources, our people. We need to share responsibility with community organizations, businesses, universities and municipalities in the task of improving the well-being of all community members and preventing and reducing poverty.

What You and I can and should do?

From what has been mentioned about the goals of professionals and the meaning of development, there is a lot that we can do as lawyers, lecturers, business people, engineers, contractors, doctors etc for our society. First we have to believe in ourselves and our professions as mentioned earlier and also believe in the potential of our society. We need to start with a feasibility study of the needs of society both economic and human.

What makes us professionals and how can we use our profession to help in the development of our society, For example, professional accountants in business in Iringa? The functions of tax agents or independent auditors are performed by the vast number of professional accountants who work in businesses are often forgotten and not well understood. Besides these roles, professional accountants take on a vast array of other roles in businesses of all sorts including in the public sector, not-for-profit sector, regulatory or professional bodies, and academia. Their wide ranging work and experience find commonality in one aspect – their knowledge of accounting. How can this expertise be used in the development of

society in Iringa town? Our professional accountants could show the importance of the role of professional accountants in business in ensuring the quality of financial reporting cannot be overly emphasized. Professional accountants in business often find themselves being at the frontline of safeguarding the integrity of financial reporting.

Like their counterparts in taxation or auditing, professional accountants in business play important roles that contribute to the overall stability and progress of society. Without public understanding of all these diverging roles and responsibilities of different accounting specialists working in business, public perceptions of their value may be misinformed. Closely link to the protection of public interest is the notion that public accountants need to be trusted to provide public value. Accountants will lose their legitimacy as protectors of public interest if there is no public trust. The accountancy profession has wide reaching effect on society.

As for engineers, there is plenty that they can do to develop society. Nichols and Weldon (2013), examined the relationship between engineers and society, and engineers' professional responsibilities given that relationship. This examination is particularly important for engineers in the execution of their professional responsibilities.²⁰

Some will say that I'm an academic and that I'm supposed to be a scientist, but I have this craving to be an engineer. Waldron (12).

Heineman et al (1999) sought to define the responsibilities of lawyers as both professionals and as citizens at the beginning of the 21st century. Specifically, they gave content to four ethical responsibilities that they believed are of signal importance to lawyers in their fundamental roles as expert technicians, wise counsellors, and effective leaders: responsibilities to their clients and stakeholders; responsibilities to the legal system; responsibilities to their institutions; and responsibilities to society at large. Our fundamental point is that the ethical dimensions of

²⁰S.P. Nichols and W.F. Weldon **PROFESSIONAL RESPONSIBILITY: THE ROLE OF ENGINEERING IN SOCIETY** Center for Electro mechanics, The University of Texas at Austin, USA

lawyering for this era must be given equal attention to—and must be highlighted and integrated with—the significant economic, political, and cultural changes affecting major legal institutions and the people and institutions lawyers serve.

Whatever the profession, we need to take care of our customers to cater for the human development of our society. Lecturers should make sure that the students are well taught with assignments that make them learn and search for more knowledge rather than simply produce what they have been taught. Doctors should treat their patient with total dedication and commitment which will be part of the healing process of the patients. Lawyers should develop a sense of trust towards their clients who will be confident that they will be represented honestly. In so doing, many professions will contribute to the development of society and in our case reduce poverty. There is great need of sustainable development and this can be brought about by professions through their individual and communal commitment in performing their duties to the best of their abilities.

Sustainable development goals

The Sustainable Development Goals (SDGs) are a bold, universal agreement to end poverty in all its dimensions and craft an equal, just and secure world – for people, planet and prosperity by 2030. The 17 SDGs and 169 targets are a part of transforming our world: the 2030 Agenda for Sustainable Development, which was adopted by 193 Member States at the historic UN General Assembly Summit in September 2015, and came into effect on January 1, 2016. The SDGs have been developed through an unprecedented consultative process that brought national governments and millions of citizens from across the globe together to negotiate and adopt this ambitious agenda.

Our Goals

Promote the development of intersectional gender expertise for professional practice.

Strengthen connections between gender theory, policy, and practice.

Support member collaboration, network-building, mentoring, and leadership.

Foster the production and dissemination of applied gender research.

Provide a platform for the exchange of gender information and resources.

Connect those working towards gender equality in various locations to create local networks of members

What you and I can and should do

1. First, we should love our professions in order to be good examples to others
2. Each of us should accept the society he/she is in , i.e. appreciating who the people are . learn the characteristics and culture of the society
3. Volunteer to stand for the oppressed and the needy at minimal fee; e.g. legal assistance
4. Avoid negativity: we need to be resilient and not to give up, even if we are not understood. Be positive always
5. Participate in the society's events and avoid scandals – participate for positive purposes.
6. We need to evaluate development needs of the society e.g. educational, infrastructure, water, legal services, etc

Let us always remember that an engine is the heart of a car, let us professionals be the heart of society for its developmental needs.

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