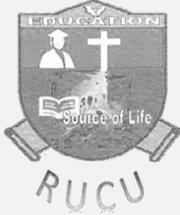


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B. Editorial Note

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

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

Firstly, thanks are due to my predecessor the late Prof Robert Mabele. Over the past few years he has done a fantastic job, shaping the journal to ensure it is well operated and maintains the place as the leading venue for publication addressing Business, Economics and Management Sciences issues. He has acted always with the utmost academic integrity, which combined with his breadth and depth of understanding of research methods and Business, Economics and Management Sciences issues and a prodigious appetite for hard work makes him a hard act to follow. I am very aware of the responsibilities that the editor's role entails, and I approach my new role with both excitement and some trepidation! “May God Rest his Soul in Eternal Peace”

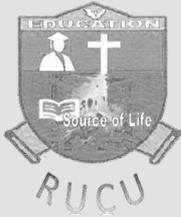
Secondly, given the secure footing of the journal under my leadership, Ruaha Journal of Business, Economics and Management Sciences will need to continue to evolve to ensure full advantage is taken of the rapidly changing world of publication and information dissemination.

Lastly, I should thank all our submitting authors, who have toiled in the production of their work, and have chosen Ruaha Journal of Business, Economics and Management Sciences as the journal they would like to publish in. We want to bring the Ruaha Journal of Business, Economics and Management Sciences closer to the international environment and make its publications more accessible to other scholars and well-known worldwide.

Prof. Dominicus Kasilo
Chief Editor

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**ICT and Transformation of African Universities Libraries:
Challenges and Solution**

**Alberto Gabriel Ndekwa (PhD), Gasper Chuwa, Lupiana Samwel
& Joseph Ndawi**

Ruaha Catholic University

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Abstract

This study focused on investigation of the challenges facing universities in enjoying full benefit of ICT in transformation of library services in African universities. Descriptive cross-section survey was conducted in two Universities in Tanzania that is Ruaha Catholic University and The Open University of Tanzania. Questionnaires were used to collect data to a sample of 162 respondents who were selected using stratified sampling technique followed by simple random sampling technique.

Findings using descriptive mean in cross section survey indicated that major infrastructure challenges which were found include; Lack of enough competence, Lack of enough technical staffing, Inadequacy ICT Knowledge, Inadequacy funding, Lack of awareness, Lack of in-service training and Lack of confidence. In addition, challenges base on capability and Technical expert which were found includes Lack of enough competence, Lack of enough technical staffing, Inadequacy ICT

Knowledge, Inadequacy funding, Lack of awareness, Lack of in-service training and Lack of confidence.

Premised on these findings, it was recommended that university communities should be well motivated to develop their ICT competence as this has been found to enable them to enjoy full transformation of library through ICT. University management should find internal and external funds to support ICT innovation, and should conduct ICT training programs to enhance ICT innovation and library transformation.

Key Word: Library, ICT Innovation, Digital Library, Electronic Library

1. Introduction

The adoption of ICT in university libraries has revolutionized service provision in libraries and their general information management systems. This revolution and transformation through ICT innovation is changing the face of libraries, their functions and services which has transformed most services to digital (Sarkar, 2012). Notably, the shift from print to electronic information means that both academic staff and students in a University system use these resources for better quality, efficient, and effective research more than ever (Ali, et al., 2013). As it was argued by Gbaje (2007) that today within the developing world, most libraries are moving towards transforming their existing traditional library services to digital systems which is allowing them to tap and benefit from the vast advantages of ICT usage. Having a global reach to all national and international networks through the digital library, it is realized a great advantage to educational advancement in higher learning institution in the world is realized.

Despite the fact that, university library is a vital organ of the institution since it is at the core through which most the academic activities evolve and through ICT innovation a better library services is achieved. Yet, it is evidenced that most of universities in developing countries still lag

behind on transformation of their library through ICT innovation. For example, in the study by Oyedokun, et al. (2018) which assessed the ICT acquisition and competencies among professional librarians in Nigeria University libraries, it was found that, professional librarians are incompetent in defining, accessing, retrieving and evaluating the specialized subject databases of e –resources needed to meet the information needs of users. Again, they lack skills in website design and database management as tools for marketing and disseminating e -resources to users. Ikoja-Odongo, (2013) emphasized that, the limited technical expertise to design and manage websites on libraries hinders the effective provision of visibility, accessibility and usability of ICT usage to library services. It has been argued above that the success of academic libraries depends on the ability of librarian to utilize ICT innovation to better serve the needs of the academic community. Thus this study intended to examine the challenges of ICT implementation in library among universities in Tanzania.

2. Literature Review on Challenges facing University libraries

In this digital age, there are plenty of ICT tools which are used for providing e-resources to university library. These tools ranges from those which are used for defining and accessing e-resources to those which are used in evaluating, managing, integrating, creating and communicating e-resources to users (Educational Testing Service , 2007). On the other hand, Emmanuel and Sife (2008) carried out a study on challenges of managing information and communication technologies for Sokoine National Agricultural Library in Tanzania, results revealed that new technologies provide new challenges related to acquisition, preservation, maintenance and security issues, training of users, and lack of awareness and commitment among key stakeholders. On the same perspective, Awuor, et al.(2013) carried out a study on hindrance of ICT adoption to library services in higher learning institution in developing countries indicated that developing countries are experiencing a lot of barriers in adoption of ICT resulting from several factors which include inadequate

funding, and it was expected that the governments to meet their obligation to provide libraries with adequate funding which will facilitate information flow for economic growth.

Ugwu and Onyegiri (2013) on their study of management problems of electronic information resources of UN Library which identified that, funding, staffing and information technology infrastructure was the barrier in escalation information flows. These problems are found to be linked with administrative policies, funding, staffing and e-resources provision using ICT. Similarly, in the study by Esew and Ikyembe (2013) on Nigerian academic libraries prospects and problems of ICT application, findings revealed that, poor ICT knowledge, lack of comprehensive ICT policy and poor funding are challenges facing transformation of libraries. Goktas (2009) on this study of the main barriers and possible enablers of ICTs Integration into pre-service teacher education programs, findings indicate that the majority of the stakeholders believe that lack of in-service training, lack of appropriate software and materials, and lack of hardware are the main barriers for integrating ICTs in pre-service teacher education programs.

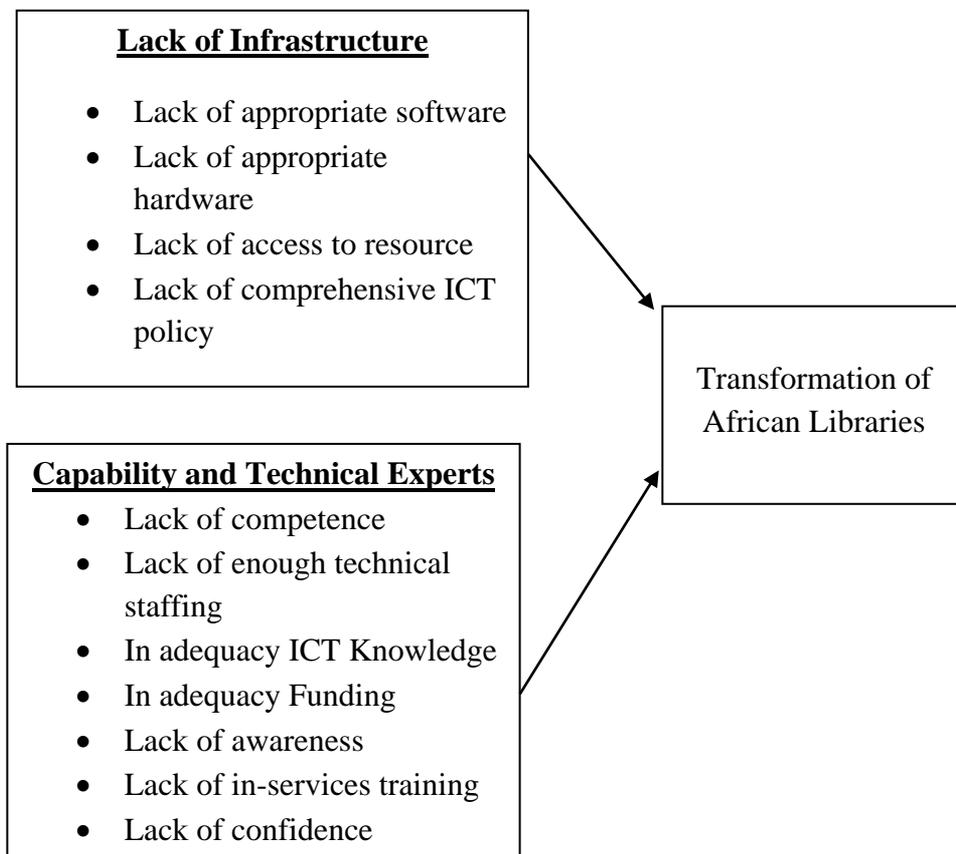
3. Conceptual Framework

Base on the literature review, Lack of infrastructure and Lack of university capacity and experts are conceptualized as challenges in library transformation through ICT in African libraries.

Independent Variables

Challenges: ICT& Transformation

Dependent Variable



Source: Constructed by Authors based on Literature Review (2018)

3. Methodology

3.1 Research design strategy

Descriptive cross section survey was used. According to Kombo and Tromp (2006) a descriptive cross-sectional studies are carried out to investigate associations between risk factors and the outcome of interest. As in this study the use of descriptive survey was considered suitable as the study was investigating the association between University library

transformation through ICT and challenge facing the users in enjoying a fully transformation outcome of ICT in university library.

3.2 Targeted Population

According to Kothari (2004) target population for a study is the entire set of units for which the survey data are to be used to make inferences .As in this study, the targeted population comprised of users of library in two Universities that is Ruaha Catholic University and The Open University of Tanzania. Library users have been selected since they are the ones who face challenges and react to the challenges which are experienced when Universities fail to adopt a fully library transformation through ICT innovation.

3.3. Sampling Design and Technique

Since data collection was done in two universities that is Ruaha Catholic University and The Open University of Tanzania, stratified sampling technique was considered to be useful for ensuring proportional representation of the respondents at initial sampling of two university library users. According to Goretti(2008) stratified sampling technique is appropriate when you have heterogeneous population and you want to ensure a fair representative of respondents. Then after stratification, systematic sampling technique with 2 as an nth was used to pick sample respondents from two strata.

3.4 Data Collection Methods

Questionnaire was used to collect data for survey. Questionnaire was appropriate for this study since it allows capturing data that can be used for descriptive survey. On other hand, review of various documents and empirical studies assisted to support and give evidence of the data collected from a field survey. Thus the use of multiple data sources will serve to triangulate data (Goretti, 2008) and enhance the quality of the collected data.

4. Results

4.1 Lack of Appropriate Software

Table 4.1 presents the results of the study based on the infrastructure that can facilitate smooth running of ICT in African libraries.

Table 4.1 Lack of appropriate Infrastructure

Challenge base on Infrastructure	N	Minimum	Maximum	Mean
Lack of appropriate Software	162	1	5	4.20
Lack of appropriate hardware	162	1	5	4.12
Lack of access to resource	162	1	5	4.11
Lack of comprehensive ICT policy	162	1	5	4.10
Valid N (listwise)	162			

Table 4.1 above, the findings indicated that lack of appropriate software, lack of appropriate hardware, lack of access to resources and lack of comprehensive ICT policy are the challenges facing ICT implementation in African libraries. This mean that lack of appropriate software yields a high mean value of 4.20 Lack of comprehensive ICT policy which yield a mean value of 4.10. The greater the mean the high the impact or the more the mean value close to five the more the impact. These findings are in line with Mndzebele (2013) who found and conclude that lack of resources within the educational sector educational is a hindrance in the implementation of ICT in developing countries. These findings are in line with Ugwu and Onyegiri (2013) finding who found that, university policies or practices, funding, staffing and information technology infrastructure are the challenges facing transformation of library through ICT. On the other hand, Onu et al (2012) found similar findings which indicate that lack of in-service training, lack of appropriate software and

materials, and lack of hardware are the main barriers for integrating ICTs in pre-service teacher education programs. These findings from different contexts of Africa imply that, regardless of contextual different that exist among countries in Africa the challenges affecting transformation of libraries in African through ICT are similar form one country to another with slight differences.

4.2 Capability and Technical expert

Table 4.2 presents the results of the study based on the capacity and Technical expert that can facilitate smooth run of ICT in African libraries.

Table 4.2 Capability and Technical expert

Challenges base on Capability and Technical expert	N	Minimum	Maximum	Mean
Lack of enough competence	162	1	5	4.16
Lack of enough technical staffing	162	1	5	4.13
Inadequacy ICT Knowledge	162	1	5	4.11
Inadequacy funding	162	1	5	4.01
Lack of awareness	162	1	5	3.99
Lack of in-service training	162	1	5	3.94
Lack of confidence	162	1	5	3.81
Valid N (listwise)	162			

Table 4.2 above indicated that lack of enough competences, lack of enough technical staffing, inadequacy funding, lack of awareness and lack of in-service training are the capability and technical experts challenges facing implementation of ICT in African Library. This mean that lack of enough competences yield a high mean value of 4.16 while Lack of confidence yield a mean value of 3.81. The greater the mean the high the impact or the more the mean value close to five the more the

impact. On the other hand, Jantz (2012) found similar findings which indicate that lack of in-service training and expertise are the main barriers for integrating ICTs in pre-service teacher education programs. These findings from different context of Africa imply that, regardless of contextual different exist among countries in Africa but the challenges affecting transformation of libraries in African through ICT are similar form one country to another with slight differences.

5. Conclusion

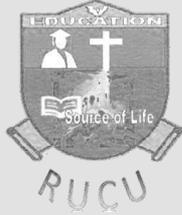
The growing numbers of higher learning institutions and poor funding which results in poor ICT infrastructure in library and lack of experts have implications for research and development, as research depends on having access to the current and relevant literature. Having recognized the advantages associated with a library, the universities have put in place policies and various initiatives to address this problem by starting transforming their Libraries through the use of ICT. The universities must make a deliberate effort to provide funds for policy implementation, provide necessary technology training for librarians, and develop national information infrastructure or else the advantages associated with a virtual library will continue to elude us. The enabling technology infrastructure for building a library must include stable electricity, and upgrading or installing a high speed Internet connection to support a variety of servers, such as web servers, proxy servers for remote access, FTP servers for uploading and downloading large files, with appropriate digital library software in each higher institution. Perhaps most important, systems/digital librarians with the required skills to manage and maintain this technology infrastructure need to be trained or employed.

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Impacts of Real Estate Investments Towards the Economic Growth of the Country- Case of Tanzania.

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Abstract:

This study focused on the impacts of real estate investments towards the economic growth of the country. The study investigated on how interest rates, inflation rates, transaction costs and demand for houses economic forces in real estate investments affect economic growth of the country of Tanzania.

The study adopted quantitative research approach; this approach was used to make possible to gather more data and test research hypotheses. Explanatory research design, survey research technique, simple random sampling and purposive sampling were employed during the study.

Data were collected by the use of questionnaires which were administered to 100 respondents. Validity and reliability of the data were tested showing the KMO= 78%, and Cronbach's Alpha= 93.5%.

Findings using regression analysis revealed that there is positive relationship between interest rate, inflation, transaction costs as well as demand for housing and the economic growth of the country. It is concluded that a change in unit of inflation, interest rate or transaction costs and demand for houses lead to a decrease or increase in performance of real estate respectively. However, an increase in demand for housing was found to be positively affecting performance of real estate in the economic growth of the country. Researcher recommends that, since inflation, interest rate or transaction costs demand for houses in real estate investments have significant contribution on economic growth, thus the government should take action to monitor interest rates or lending rates provided by lending institutions so that to encourage real estate investors as it has been observed that interest rate is major stumbling block /obstacles to investors and transaction costs.

Key words: *Country, Economic, Real, Estate, Growth, Inflation, Interest, Investment.*

1. Introduction

The real estate sector in Tanzania is currently still underdeveloped, but the ongoing institutional reforms have significantly improved its growth. Over the reform period, the sector has attracted a considerable number of institutional and private investors, both local and foreign developers. Using local and foreign real estate developers, real estate professionals, land officers, officials from financial institutions, Tanzania Mortgage Refinance Company (TMRC), Tanzania Investment Centre (TIC), and Tanzania Bureau of Standards (TBS). The real estate sector in Tanzania is mainly dominated by pension funds, government owned institutions such as National Housing Corporation (NHC) and Tanzania Building Agency (TBA), private local investors/developers and few foreign investors/developers. The private real estate development market is dominated by private enterprises, individuals and family owned businesses.

Rents and capital values have traditionally been extremely high, significantly greater than most of other sub-Saharan African cities. For many years, the real estate sector has had marginal contribution to the country's GDP. For instance, between 1993 and 2006, the average contribution of the real estate sector to the GDP was only 2.3%. Despite its low share of GDP, real estate sector is regarded to have had great potential of attracting more investments following liberalization of the financial sector, trade and exchange regime. Although the last two decades of economic reforms have witnessed a sharp increase in commercial real estate development projects (especially in large urban centers such as Dar es Salaam, Mwanza and Arusha cities), this study presupposes that the sector is not growing at a pace that is practically and economically justified. This is probably due to the fact that there are some value drivers for real estate development which are yet to be exploited to realize the full potential of the sector and to enhance its attractiveness to both local and foreign investors. This reasoning takes note of Porter's point of view which emphasizes that the essence of the decision is often not the financial benefits of the alternatives but strategic issues that are hard to quantify (BOT, 2012).

Real estate development is becoming a major issues emerging from the on-going devolution debate, is how housing situation will look like at the country headquarters. They are expected to be the major engines of economic growth and will attract key investments. According to World Bank report (2010) Tanzania is one of the most rapidly urbanizing nations among the developing countries. It is estimates that about 200,000 Tanzanians move to cities every year and that formerly rural areas are increasing becoming urban. Despite this, the national and local governments have failed to provide basic urban services like infrastructure and affordable housing, thus allowing the private sector to take over. Unfortunately, the profit-motivated sector largely provides housing for the upper-middle and upper-income households, thus leading to proliferation of slums and other informal settlements that cater for

poor dwellers (UN-Habitat report, 2011). Despite of the significant of the real estate investments on economic growth in Tanzania the sector still facing still challenges on developments or investments. Therefore, the researcher was motivated to investigate the effects of the real estate investments on the economic growth in the Tanzania.

2. Theoretical Literature Review

2.1 Classical theory of interest rate

This theory concerns the determinants of the pure or risk-free interest rate. It was elaborated further by (Irving Fisher, 1930, Bullard, (1991); Keynes, (1936), (Mishkin, 1978) and (Neely, 2001). It argues that the rate of interest is determined by two forces; the supply of savings, derived mainly from household. What is the relationship between the rate of interest and the volume of savings in the economy? Most savings in industrialized economies is carried out by individuals and families. For these household, savings is simply abstinence from consumption spending. Current savings are equal to the difference between current income and current consumption expenditures for a household to determine how much to save they must consider, the size of the current and long-term income, the desired savings target, and the desired proportion of income to be set aside in the form of savings (propensity to save). Higher-income families and individuals tend to save more and consume less relative to their total income than families with lower incomes (Bullard, 1991). Interest rate affects an individual's choice between current consumption and saving for the future consumption. Classical theory considers the payment of interest a reward for waiting-the postponement of current consumption in of greater future consumption. Higher interest increases the attractiveness of saving relative to consumption spending, encouraging more individuals to substitute current saving (and future consumption) for some quality of current consumption. This is called substitution effect calls for a positive relationship between interest rates and the volume of savings (Marquis, 2002).

2.2 The liquidity preference or cash balance theory of interest rate

This theory was developed by Keynes (1936) as a short-term theory of the rate of interest which was more relevant for policymakers and for explaining near-term changes in interest rates. The demand for liquidity; Keynes argued that the rate of interest is really a payment for the use of a scarce resource, money (cash balances). Business and individuals prefer to hold money for carrying out daily transactions and also as a precaution against future cash needs even though money's yield is usually low or even non-existent. Investors in fixed-income securities such as government bonds, desire to hold money against declining asset prices. Interest rate is the price that must be paid to money holders to surrender a perfect liquid asset (McGraw, 1999).

2.3 The loanable funds theory of interest

It argues that the risk free interest rate is determined by the interplay of two forces; the demand for and supply of credit/loanable funds. The demand for loanable funds consist of credit demands from domestic business, consumers and government, and borrowing in the domestic saving, disharding of money balances, money creation by the banking system and lending in the domestic market by foreign individuals and institutions (McGraw, 1999).

Government deficit spending and the loanable funds market: only the Fed can shift the money supply curve, but what factors can affect the Supply and Demand curves for loanable funds? Key points to know about the loanable funds market are; When the government deficit spends ($G > \text{tax revenue}$), it must borrow from the public by issuing bonds. The Treasury issues new bonds, which shift the supply of bonds out, lowering their prices and raising the interest rates on bonds. In response to higher interest rates on bonds, investors will transfer their money out of banks and other lending institutions and into the bond market. Banks will also lend out fewer of their excess reserves, and put some of those reserves

into the bond market as well, where it is secure and now earns relatively higher interest (Keynes, 1936)

As households, firms and banks buy the newly issued Treasury securities (which represent the public's lending to the government), the supply of private funds available for lending to households and firms shifts in. With fewer funds for private lending banks must raise their interest rates, leading to a movement along the demand curve for loanable funds. This causes crowding out of private investment.

2.4 The rational expectations theory of interest

This theory assumes that the money and capital markets are highly efficient institutions in digesting new information affecting interest rate and security prices. When new information appears about investment, savings or the money supply, investors begin immediately to translate that new information into decisions to borrow or lend funds. This theory assumes that business and individuals are rational agents who form expectations about the distribution of future asset prices and interest rates that do not differ significantly from optimal forecast made using all the available information that the marketplace provides. A rational agent will tend to make unbiased forecast of future asset prices, interest rates and other variables. Thus in a highly efficient market interest rate will be very near the equilibrium. Economic factors around the equilibrium are likely to be random and momentary. In the absence of new information, the optimal forecast of next periods interest rates would probably be equal to the current period's interest rates (i.e., $E(r_{i+1}) = r_1$) because there is no particular reason for next period's interest rate to be either higher or lower than today (Fredrick et al, 1978).

3. Empirical Literature Review

Zhou and Power (2005) assessed the effectiveness of real estate assets in hedging inflation as compared to other financial assets. The real estate assets examined included residential, commercial, and industrial

buildings; whereas financial assets included stocks, short term and long term government bonds. In order to manage the risk of inflation, investors need to hold assets which are effective in hedging inflation. From their study and findings real estate assets showed that are effective in hedging inflation. Also Chun and Shilling (2000) tried to examine the role of pension plan real estate investment in asset liability framework. As it is assumed that pension plan manager wishes to have assets of at least equal value to the liabilities at all point in time. Their findings showed that, when contributions are well controlled, most pension plans opt for larger asset allocation to real estate investment, because it is assumed that contributions reduce plan costs without adding to surplus volatility.

Liu Hongyu *et al* (2002) asserts that the importance of housing investment in the national economy and its rapid growth have become distinct characteristics of the Chinese economy in recent years. However, at the same time, there is a concern that the economic growth heavily dependent on housing investment may compromise the stability and the health of the national economy. Using Granger causality analysis, this paper examined the interaction between housing investment and economic growth as well as that between non-housing investment and economic growth.

The study found the evidence that housing investment has a stronger short run effect on economic growth than non-housing investment. It also found that housing investment has a long run effect on economic growth while economic growth has a log run effect on both housing and non-housing investment. The findings suggested that housing investment is an important factor for the short-term fluctuations of economic growth, with its growth stimulating the economic growth and its slumps leading to downside fluctuations. On the same premise Kun (2007) argue that, through a number of parameters and variables to illustrate the interaction and impact between the real estate industry and the national economy, on

the basis of this premise, this paper also states the corresponding countermeasures for the sustainable development of the real estate industry. Chui and Chau (2005) tried to examine the relationships between real estate prices, real estate investments, and economic growth. Results suggested that there is no relationship between GDP and real estate investment. This contradicts the results of similar previous studies in other economies. We propose that the lack of relationship is due to the significant variation in the project's duration in Hong Kong. The variation in project duration implies that the observed volume of real estate investment in any period represents the realization of investment decisions made at different points in time in the past.

The lack of a relationship between real estate investment and economic growth does not mean that changes in demand for real estate have no effect on economic performance. Since Hong Kong's real estate market is very efficient, changes in demand conditions in the real estate sector are reflected more accurately and quickly in real estate prices.

Our empirical results show that real estate prices, especially office and residential prices, lead to economic growth.

The findings in this study have a number of implications. First, real estate prices, office and residential prices in particular, were found to lead to GDP growth. Therefore, movements in real estate prices can be used to forecast GDP growth. Secondly, since real estate prices lead to GDP, policies that stabilize residential prices are also likely to stabilize economic growth. Thirdly, any policy that suppresses or deters the real estate sector, especially the residential sector, is likely to negatively affect economic performance. Similarly, any policy that stimulates real estate prices will also stimulate the economy. In Hong Kong, the Government has far more ability to influence real estate prices than aggregate demand, since the government is the only supplier of new developable land. For example, real estate Prices will go up if land

supply is restricted by the cessation of land sales, as investors would anticipate a lower supply of real estate units. According to (Mugendi and Moronge, 2014) on their study about Effects of Economic Factors on Performance of Real Estate in Kenya, Real estate market is an ideal sector for many investors to invest. Hence it is a sector that is an ideal venture for research due to the enormous interest it has on investors. With the scope of the study focusing on real estate market in Nairobi. Stratified sampling technique was used to select the sample from each stratum; the study used simple random sampling giving the study a sample population of 44 respondents from the target population which was believed to be a good representation of real estate market. Primary data was gathered using semi-structured questionnaires where the respondents were issued with the questionnaires. The questionnaires were self-administered among the sampled employees currently employed by real estate agents. Secondary data was gathered from past published scholarly articles explaining theoretical and empirical information on performance of real estate. Descriptive analysis was used enabling the generalization of large information. SPSS computer software was used for analysis to generate data. Qualitative data analysis method was applied in analyzing the data that was gathered using open ended questions. From the study, the researcher can conclude that, interest rate, inflation, transactions cost and demand for housing highly influence the performance of real estate industry. It can be settled that interest rate is stochastic in determining the performance of any property market. Therefore, the government should take a stake with the real estate industry to balance macroeconomic effects particularly the interest rate and inflation that highly affects the industry's performance as discussed below.

a. Interest rate

The rates on interbank exchanges and treasury bills have as profound an effect on the value of income-producing real estate as on any investment vehicle. Because the influence of interest rates on an individual's ability

to purchase residential properties (by increasing or decreasing the cost of mortgage capital) is so profound, many people incorrectly assume that the only deciding factor in real estate valuation is the mortgage rate (Neely, 2001). However, mortgage rates are only one interest-related factor influencing property values. Because interest rates also affect capital flows, the supply and demand for capital and investors' required rates of return on investment, interest rate will drive property prices in a variety of ways (Andrew, 2004).

b. Inflation

Inflation will affect interest rate levels. The higher the rate of inflation, the more interest rates are likely to rise. This occurs because lenders will demand higher interest rates as compensation for the decrease in the purchasing power of the money they will be repaid in the future (Jessica and Webber, 2001). There is a correlation between inflation and house prices - in fact there are correlations between inflation and any good with a limited supply. Increasing money supply causes inflation and house prices to increase (Modigliani, 1996). A country with a consistently lower inflation rate exhibits a rising currency value, as its purchasing power increases relative to other currencies. Lenders will demand higher interest rates as compensation for the decrease in the purchasing power of the money they will be repaid in the future (McGraw, 1999). The U.S. Federal Reserve (the Fed) often comes without announcements about how monetary policy will affect interest rates. The federal funds rate or the rate that institutions charge each other for extremely short-term loans, affects the interest rate that banks set on the money they lend; the rate then eventually trickles down into other short-term lending rates. The Fed influences these rates by the use of "open market transactions", which is basically the buying or selling of previously issued U.S. securities. When the government buys more securities, banks are injected with more money than they can use for lending, and the interest rates then decrease. When the government sells securities, money from the

banks is drained for the transaction, rendering less funds at the banks\' disposal for lending, forcing a rise in interest rates (Modigliani, 1996).

c. Transactions cost

The most evident impact of interest rates on real estate values can be seen in the derivation of discount or capitalization rates. The capitalization rate can be viewed as an investor's required dividend rate, while a discount rate equals an investor's total return requirements. K usually denotes RROR, while the capitalization rate equals $(K-g)$, where g is the expected growth in income or the increase in capital appreciation (Hull, 1989). Each of these rates is influenced by prevailing interest rates because they are equal to the risk free rate plus a risk premium. For most investors, the risk-free rate is the rate on U.S Treasuries; these are guaranteed by the credit of the U.S. government, so they are considered risk-free because the probability of default is so low. Because higher risk investments must achieve a commensurably higher return to compensate for the additional risk borne, when determining discount rates and capitalization rates, investors add a risk premium to the risk-free rate to determine the risk-adjusted returns necessary on each investment considered.

d. Demand for housing

Housing, together with the land under it, is the single most important asset of households in most of the world's cities. Housing investment and the flow of housing services account for a total contribution to GNP of between 7 and 18 percent in most countries. However, these figures fail to convey fully how the performance of the housing sector is intertwined with that of the broader economy through real, financial and fiscal circuits (Polinsky and Ellwood, 2009)

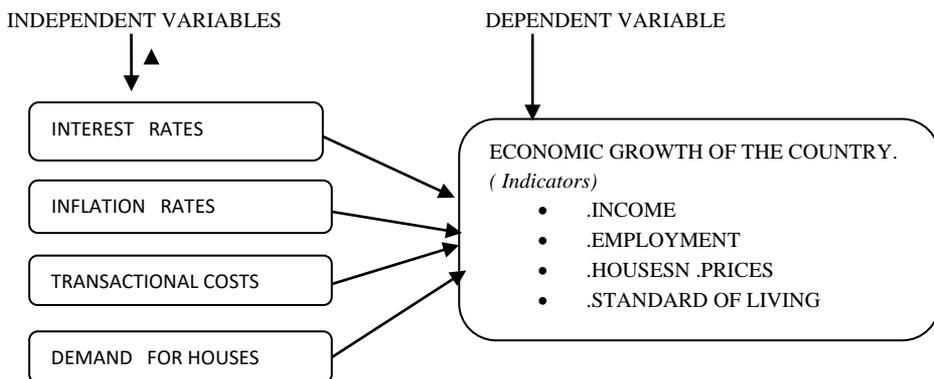
The main determinants of the demand for housing are demographic. But other factors, like income, price of housing, cost and availability of credit, consumer preferences, investor preferences, price of substitutes, and price of complements, all play a role. The core demographic

variables are population size and population growth: the more people in the economy, the greater the demand for housing. But this is an oversimplification. It is necessary to consider family size, the age composition of the family, the number of first and second children, net migration (immigration minus emigration), and non-family household formation, the number of double-family households, death rates, divorce rates, and marriages. In housing economics, the elemental unit of analysis is not the individual, as it is in standard partial equilibrium models. Rather, it is households, which demand housing services: typically, one household per house. The size and demographic composition of households is variable and not entirely exogenous. It is endogenous to the housing market in the sense that as the price of housing services increase, household size will tend also to increase (Bourne and Hitchcock, 1978)

4. Conceptual Framework

Conceptual framework is structured from a set of broad ideas and theories that helped researcher to properly identify the problem of assessing the impact of Real estate towards the economy of the country.

Conceptual Framework on the effect of Real Estate towards the economic growth of the country.



Source: Researcher (2017)

5. Methodology

This study used the mixed method i.e both quantitative and qualitative Research whereby Questionnaires and Interview guarding Questions were employed. Validity and reliability of the data were tested showing the KMO= 78%, and Cronbach's Alpha= 93.5%. Descriptive statistics and inferential statistics were used to analyze data collected from the respondents and SPSS version 20 and excel Microsoft application were used to process data. Sampling frame and sampling techniques were used in order to know the population characteristics and determine the sample size ready for data collection. Researcher took precaution on the Research Ethics by putting emphases on the Confidentiality, Anonymity, Freedom and Feedback.

6. Findings

The study assessed how interest rates, inflation rates, transaction costs and demand for houses economic forces in real estate investments affect economic growth in Tanzania. Results of findings indicate that $X=266.6$, $p = .000$. This implies to the fact that there is significant association between demand for houses and real estate thus causing the economic growth.

These findings prove the loanable funds theory of interest which argues that the risk free interest rate

is determined by the interplay of two forces; the demand for and supply of credit/loanable funds.

The demand for loanable funds consist of credit demands from domestic business, consumers and government, and borrowing in the domestic saving, dishoarding of money balances, money creation by the banking system and lending in the domestic market by foreign individuals and institutions (McGraw, 1999).

Also globally real estate prices have been on an upward trend because of high demand of houses;

like in the UK prices have been rising, but buying property remains 13 per cent more cost-effective than renting (Zoopla,2012).

In the UK, the market for property derivatives did not begin until 2004. However, since the market's inception, the growth has been significant.

7. Conclusion

a. Interest rates

From the study, the researcher can conclude that, interest rate highly influences the performance of real estate industry. The study revealed that the effect of the interest rate volatility on income and its interest rate elasticity performance. It can be observed that interest rate is stochastic in determining the performance of any property market. That is the volatility in the interest rate which is measured by its variance would lead to a change in elasticity of the performance for real balances. Findings in this study leads to a conclusion that the performance for risky assets depends upon the joint probability distribution of asset returns and in a mean-variance framework; the performance for an asset is a function of both the expected rates of return on all assets and the covariance's among asset returns.

b. Inflation rate

The researcher concludes because of the significant effects of inflation in real estate investments and in the economy. The responsible authority such as government should control inflation in the country as inflation should be moderate.

c. Transaction costs

The study concludes that costs in real estate investments such as interest rate/lending rate from banks, prices affect the real estate industry as the findings show that the transaction costs influence performance of real

estate by 65.8% as indicated by the coefficient of determination (R square) and p-value by 0.000 at 5% significance level which shows significant relationship between variables.

d. Demand for houses

The researcher concludes that demand for houses influence real estate investments thus causing urbanization and economic growth. Findings indicates that the demand for housing influence performance of real estate by 87.8% as indicated by the coefficient of determination (R square). It is notable that for higher demand in real estate, the core demographic variables are population size and population growth: the more people in the economy, the greater the demand for housing.

8. Recommendations

From the findings it is recommended that the government should take action to monitor interest rates or lending rates provided by lending institutions in order to encourage real estate investors as it has been observed that interest rate is a major obstacle to investors. The federal funds rate or the rate that institutions charge each other for extremely short-term loans, affects the interest rate that banks set on the money they lend; the rate then eventually trickles down into other short-term lending rates. The government influences these rates by the using of "open market transactions", which basically the buying or selling of is previously issued U.S. securities. When the government buys more securities, banks are injected with more money than they can use for lending, and the interest rates then decrease. When the government sells securities, money from the banks are drained for the transaction, rendering fewer funds in the banks/disposal for lending, forcing a rise in interest rates (Modigliani, 1996).

Financial markets stability is another aspect which boosts real estate sector competitiveness. Banking and financial regulations, availability of financial services, affordability of financial services, ease of access to

loans, availability of mortgage finance and general soundness of financial institutions are some of aspects which create conducive environment for the real estate sector's growth. From the findings, it is clear that due to mismatch in the nature of deposit and lending, financial institutions are not capable of meeting the increasing demand for loans for real estate development and purchasing. Real estate financing mechanisms could therefore be improved. Financing arrangements could be broadened to attract more financial institutions and micro finance institutions to participate in the real estate sector. There could also be special financing arrangements for the large developers and small developers to ease their access to loans as follows below:-.

Firstly, Inflation rate:

The potential for rising inflation rates has provoked considerable consternation and discussion among real estate professionals. Specifically, investors worry about the impact of rising inflation rates which affect interest rates on property capitalization (cap) rates and valuations. Therefore, researcher recommends that, the government should control inflation rate through monetary policies.

Secondly, Transaction cost:

The government should regulate land acquisition; especial for real estate investors because there are difficult and time-consuming to process land acquisition documents thus making acquiring of land very difficult, while land in urban areas is expensive. Building materials and construction costs are also high and there is a reliance on expatriate workers resulting from a shortage of expertise in the local construction industry and high mortgage administration costs.

Thirdly, Demand for houses:

Since there is an increased residential demand has been met with high-end apartment developments funded by foreign investment and the supply of apartments or houses are very low compared with demand for

houses; government through Tanzania investment center, National Housing Corporation and other real estate investors should be encouraged to invest in real estates.

Recommendations for Further Studies

Future study should be carried in real estate investments especially on the strategies used by real estate investors and contribution of real estate towards the economic growth of Tanzania.

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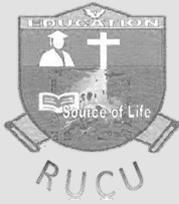
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Collaborative Network as a Way of Enhancing Women Enterprises toward National Competitiveness

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Abstract

In the global market, where the market is dynamic and unstable, thinking about the way to compete is a road map toward industrialization of the country economy. This study focused on assessing the influence of collaborative network as a way of enhancing women toward industrialization through national competitiveness.

The study used mixed approach of qualitative and quantitative. Sample size of 138 women who are owners of enterprises and are in informal network were used. Data were collected in Iringa using questionnaire and interview.

Findings indicated that collaborative network correlate significantly for enhancing women enterprises national competitiveness in Tanzania. In addition, the findings indicated that enhancing of women enterprises to participate in the national competitiveness is a way that enables women to participate in industrialization.

This study recommended that, for enabling women enterprises to participate in industrialization, the nation must improve national

competitiveness strategies through collaborative network. In addition, the national SMEs policy has to include collaborative network as a way toward strong national competitiveness scheme.

Key Words: Women Enterprises, Collaborative Network, Industrialization

1.0 Introduction

Women Enterprises are increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and are widely accepted as a key aspects of economic dynamism (Roy, et al., 2017). Despite their contribution, most of women enterprises are operating in a modern economy which is characterized by quick and impulsive changes, globalization and savage competition, high level industrialization and production which require strongly competitive advantage for enterprise's survival. Women enterprises, which are trying to live out in such difficult conditions, had to find invariably modern adaptation ways and abilities to compete in a competitive surrounding. In such surrounding, which quickly changes, enterprise has the resource management and market problem. That is why modern economy's angular stone uses effective collaboration network resources in order to reach competitive advantage.

As said by Scott (2012) who advocates that, having collaborative network facility in the newest economy help in the achievement of a sustained competitive advantage. He further added that, collaboration network is widely recognized for leveraging competitiveness and thus increasing survivability of enterprise in turbulent market conditions. On the other hand, Culpan (2008) advocates that, through different collaborative models, organizations nowadays are capitalizing on individual strengths by sharing risks and resources, and joining complementary skills and capacities, in order to gain new competitive advantages and excelling individual capabilities. Hence, collaborative networks are evidenced as an enabler for women enterprise to enhance

their competitiveness in the market place which intern improves their participation in industrialization.

In recognizing the importance of the emerging women enterprises in creating a vibrant and dynamic economy for the nation, and their volatile market in which they operate, most governments in least developing countries have put a lot of initiative and has been actively promoting women enterprises towards realizing their 2020 Country Vision. For example, the government of Gambia recognizes gender equality and women empowerment as a key factor for the attainment of social and economic development (NPAGW 2010-2020). One of the initiatives in Gambia was the establishment of the National Women's Council and Bureau by the Council Act of 1980 with the Women's Bureau serve as its executive arm(ibid). In recognizing women empowerment as a tool for socio-economic and political development, Tanzania has taken a number of measures to empower women enterprises in the country. Some of the undertaken measures include formulation of different policies and enactment of legislations and laws as well as introduction of administrative and affirmative action, which have altogether, enabled Tanzania to record remarkable achievements in some sectors (URT, 2012).

Despite the noted achievements, Tanzania like many other countries in Africa is still faced by the fundamental challenge of ineffective implementation of the formulated national progressive policies and legislative reforms into concrete outcomes (URT, 2012). In the same perspective, these policies are not addressing day to day market challenges faced by women in operating their enterprises. These constraints are, singularly and collectively, a serious impediment to the promotion of women enterprise toward industrialization through national competitiveness and to the advancement of women in the country. For example, due to inefficient implementation of policies and enactment of legislations, Msanjila and Kamuzora (2012) argued that there is still a

large gap towards realizing the configuration of effective collaborative networks in Tanzania particularly related to availability of required technologies and systems and lack of proper customized business models, among others which justify that women are not realizing the benefits of their enterprise. On the other hand, Tanzania through national strategy for gender development still recognizes that gender inequality is a major obstacle to socio-economic and political development of its peoples more particular women participation in industrialization initiatives (URT, 2012). Many studies (Tung, 2012; Tresca , 2013) have shown that gender inequality is one of the underlying causes of low productivity as it does, among other things, hamper the participation of at least half of the country's population to participate in industrialization where women are majority. With this situation, women still have to negotiate their way through policies and laws which significantly affects their participation in the economic market and the quality of their participation. Given this problem, this study was designed to assess the influence of collaborative network as a way of enhancing women enterprises toward national competitiveness

1.1 Research Objectives

1.1.1 General Objective

To assess the influence of collaborative network as a way of enhancing women enterprises participation in industrialization through national competitiveness

1.1.2 Specific Objectives

- i) To examine the influence of collaborative network in improving national competitiveness of women enterprise in Tanzania.
- ii) To assess the impact of national competitiveness on women enterprise participation in industrialization in Tanzania.

1.3 Justification of Study

In African Culture and Tanzania in particular, women play a big role and are majority in running small business activities. Unfortunately, women's participation in enterprise activities is limited by social cultural factors like social identity, social acceptance, social roles and limiting cultural practices such ownership of business resources. These tendencies tend to create gender inequality in business sector and impact the competitiveness of women enterprises negatively. Through women involvement in collaborative network, both men and women are empowered to participate and enjoy the fruits of enterprise in equal way. The evidence and model generated from this study helps to provide adequate structure of the collaborative network that could help both men and women to enjoy the opportunities of the network in enterprise operation in general. Further, the existing collaborative network will be (re)structured to fit both gender and dissolve all kind of gender inequality.

2.0 Literature Review

2.1 Theoretical Literature Review

Resource-Based Theory.

In this study, resource-based approach was used which state that, company as a whole consists of resources and skills whose competitive advantage depends on the rare (imitated) resource management. Resources in this context are perceived as a combination of tangible and intangible assets and skills. Resource-based approach explains that competitive advantage is effective strategic resource, which has value and is complex to simulate, manage and use (Hart, 1995). Therefore, resource-based approach supports the management of the company in accordance with the strategic decisions, which create or formulate ways to use the company's most important strategic resources in order to increase economic returns. In this study, collaborative network is

considered as a bundle of resources which tend to improve the competitive advantages of women enterprise to participate in industrialization. Those women enterprise which are in the collaborative network tend to benefit from a pool of resources which in turn improve their competitiveness or increase their competitive intensity to participate fully in investing in industrialization.

2.2 Empirical Literature Review

2.2.1 Relationship between Collaborative Network and Women Enterprises Competitiveness

Parida, et al. (2009) in their study of the impact of networking practices on small firm innovativeness, results reveal that network configuration positively influences firm innovativeness and competitiveness. On the other hand, Watson (2007) in his study of modeling the relationship between networking and firm performance, findings indicated a significant positive relationship between networking (particularly with formal networks such as external accountants) and firm survival. In related perspective, Maina, et al. (2016) conducted a study on network dimensions and firm performance among manufacturing SMEs, findings indicated that enterprises networking is significant a vital element for enhancing competitive among SMEs.

Tung (2012) carried out a study on firm performance in a social networks perspective. The results of this study suggested that social networks affect firm performance in a positive manner and can contribute to sustainable competitive advantage. Finally, the results suggest that growth firms positively benefit from increased relationship activity with both current and prospective actors in diverse relationship networks. These empirical evidence are a response to hypothesis which states that: collaborative network influence national competitiveness of women enterprise in Tanzania.

2.2.2 Relationship between national competitiveness and women participation in industrialization

Buccirosi, et al. (2011) found a robust positive and significant effect of competition policy on improving efficiency and productivity for industrialization. On the other hand, Aghion, et al. (2008) on their study of competition and productivity growth in South Africa, their findings indicated that competition policy (i.e a reduction of mark-ups) have largely positive effects on productivity growth and industrialization in South Africa. Further, Tung (2012) carried a study on firm social networks perspective. Findings indicated that social networks have been instrumental in establishing network competence and have been constantly helping in the invention of new concepts and fostering innovation of existing industry. Similarly, Ciriani and Lebourges (2016) conducted a study on the role of market power in economic growth. Finding indicated that market power is a necessary incentive to invest and a fair return on industrial investment.

These empirical evidence are a response to hypothesis which states that: National competitiveness influence women enterprise participation in industrialization in Tanzania.

3. Methodology

3. 1. Research Approach

Quantitative approach was used. Quantitative approach is conducted in order to identify the extent and nature of cause-and-effect relationships (Goretti, 2008). In this study, quantitative approach was used in order to assess the influence of collaborative network on women enterprise participate in industrialization through enhancing national competitiveness.

On the other hand, qualitative approach attempt to lay the groundwork that lead to future studies or to determine if what is being observed might

be explained by a currently existing theory (Gray, 2009). As in this research project, exploratory design provided in-depth information of real life operation of collaborative networks on women enterprise competitiveness. This would help to capture contextual issues and better understanding of the current collaboration network among women enterprises that exist.

Thus, the study used a pragmatic philosophical stance and used mixed research design focusing on the qualitative and quantitative approaches.

3.2. Study Area

The study was conducted in Iringa region of Tanzania. This area has been selected because of the high involvement in women business activities which has resulted into high number of women enterprises. On the other hand, in Iringa there are number of established collaborative networks among women entrepreneurs who are owners of enterprises. Therefore, collecting data from this area helped in providing adequate information to solve the problem by developing stable collaborative network to enhance women enterprises national competitiveness.

3.3. Study Population

The study targeted 230 women who are owners of enterprises in Iringa. Women who are owners of enterprises are selected in this study because they are the ones who are suffering from lack of stable market, the scarcity of resources, short delivery time requirement, frequent emergence of new technologies, demand for wide variety of competencies, and limited availability of up-to-date experts. On the other hand, the targeted population has experienced gender inequality issues in their business at family level and in existing network collaborations, hence they saved as information sources in the current study.

3.4. Sampling Procedure

The study used stratified sampling technique, simple random sampling and purposively sampling at different stages of the research based on the

research approach selected. The study started by using stratification sampling technique. The main objective of starting with stratified sampling was to ensure sample representative from the three districts of Iringa region and enabled easy to administer data collection tools which led to more reliable results. From the total population the sample size of three districts namely Iringa, Kilolo and Mufindi district was identified separately as a stratum.

After stratification of the sample, a simple random sampling was used to select respondents for explanatory research and this enabled each respondent in the three strata to have an equal chance of being selected. On the other hand, in qualitative research purposive sampling was used to select key informative respondents among women enterprise. Hence this approach served the purpose of this study in sampling.

3. 5. Data Collection Techniques

During data collection, interview, questionnaire and documentary review method was used as a data collection technique in this study.

Interview

The use of interview is considered important in this study at the preliminary stage as it is flexible to accommodate additional information and allow the researcher to capture more contextual variables which provide in-depth insight of the natural setting understudy. As it is evidenced by Gray (2009), that interview can generally be used to gather information of greater depth and can be more sensitive to contextual variations in meaning. In this study, interview was conducted at the beginning of the study to better analyze the current practices of collaborative network and explain the existing model in the context of women business in Tanzania.

Structured Questionnaire

On the other hand, a structured questionnaire was used in this study to collect quantitative data suitable for hypothesis testing and model

validation. As argued by Gray (2009), that structured questionnaire is mostly used to capture measurable data for statistical testing of the hypothesis of the study. Within this context, a questionnaire was suitable in quantitative research situations of this study as it offers a standardized system of question to collect measurable and factual data to classify a collaborative network of women enterprise and their circumstances in statistical characterization.

Documentary Review

Documentation was used in providing data interpretation, support and give evidence of field data. As it is evidenced by Gray (2009) that, social scientists use documentary research methods to supplement and confirm on the information collected through social surveys and in-depth interviews. In this study, the documentary review served the same purpose.

3.6. Data Analysis Technique

Thematic data analysis technique was used on qualitative data. Thematic analysis is more appropriate for analyzing data when the researchers' aim is to extract information to determine the relationship between variables and to compare different sets of evidences that pertain to different situations in the same study (Goretti, 2008). In this study, the researcher needed to confirm variables borrowed from the literature review to see if they align with those from the context and establish new variables using sets of evidences pertaining to the verbal responses of the respondents in the interview. Further, thematic analysis was used to provide description of the variables (theme) during discussion. This means that thematic analysis helped to search for themes that emerge as being important to the description of the phenomenon and use verbal responses for theme clarification and elaboration.

In this study, hypothesis testing and examination of the significant effect of predictor variable was done using correlation. As argued by Goretti (2008) that, correlation analysis is a method of statistical evaluation used

to study the strength of a relationship between two, numerically measured, continuous variables. In this study, correlation served in analyzing the strength and direction of relationship.

4. Findings and Discussion

4.1 The Influence of Collaborative Network on Women Enterprises Competitiveness

A Pearson product-moment correlation was run to determine the strength and direction of relationship between collaborative network and women enterprises national competitiveness as described in table 4.1. The item which were used to measure collaborative network and national competitiveness were transformed into one variable as indicated in table 4.1

Table 4. 1 Correlations between collaborative network and women enterprises national competitiveness

		Collaborative Network	National Competitiveness
Collaborative Network	Pearson Correlation	1	.739**
	Sig. (2-tailed)		.000
	N	138	138
National Competitiveness	Pearson Correlation	.739**	1
	Sig. (2-tailed)	.000	
	N	138	138

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

In table 4.1 above, findings indicated a strong, positive correlation between collaborative network and national competition which was statistically significant ($r = .739, n = 138, p = .000$). As argued by Albers (2013) that networks are cooperative entities formed by more than two firms in order to generate competitive advantages for each member. These findings collaborate with Ricciardi (2014) who found and

conclude that collaborative network allows enterprise to take advantage of ideas, competences and external resources which build and increase their competitiveness in dynamic market. Majava, et al. (2013) supported the idea that collaborative network increases the chance of competitive advantages among network members. They explain that enterprise within network tend to increase interaction with various external stakeholders to enhance innovation, opportunities and access to important resources which build their competitiveness. This finding was supported in the interview when one of the women explained that “collaborative network open women’s gaps in technology, finance, human capital, and extension services which all the gaps opened tend to help our enterprise to achieve competitive advantage”. This interview concurs with the argument made by Osarenkhoe (2010) who argued, that collaborative network has a sensitive information that enable individual women enterprises to successfully acquire more profit, expand the market network all over the country, perform better than its rivals in the market and increase its business competitive advantage. These findings imply that the opportunities offered by collaborative network tend to help women enterprise to gain national competitive advantages over its rival.

On the other hand, Albers’ (2013) findings supported the influence of collaborative network on national competitiveness among women enterprise. He further advocates that networks play an eminent role and even engage in competitive practices in many industries, and are therefore relevant to regulators, policy makers, and competition lawyers. This assertion is also found in Tresca (2013) who explain that, collaborative networks make it possible to overcome the limitations of individual enterprise small size, granting access, at a low cost, to the tangible and intangible resources all over the world which increase competitiveness. Moreover, Ou, et al. (2015) supported the findings by advocating that the social capital of collaborative network build network relationships with a firm’s partners emerges as essential in achieving competitive advantage. These imply that collaborative network has fuels

the continued search for a greater understanding of what is needed to manage in complex market constellations. Based on this implication, Osarenkhoe (2010) concluded that the use of network strategy enhances the internal resources and market shares of competing actors. Thus, relationships in the network offer the advantage of a combination of the need to innovate in new areas as a result of competition while accessing new resources as a consequence of cooperation which enhance the value of an organization with well-established and promising business relationships (Ricciardi, 2014).

4.2 The Influence of National Competitiveness on Participation on Industrialization investments

A Pearson product-moment correlation was run to determine the relationship between economic impact and women violence as described in table 4.1 above. The item which were used to measure national competitiveness and industrilization were transformed into one variable as indicated in table 4.2

Table 4.2 Correlations between national competitiveness and industrialization

		National Competitiveness	Industrialization
National Competitiveness	Pearson Correlation	1	.647**
	Sig. (2-tailed)		.000
	N	138	138
Industrialization	Pearson Correlation	.647**	1
	Sig. (2-tailed)	.000	
	N	138	138

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

In table 4.2 above, findings indicated a strong, positive correlation between collaborative network and industrialization which was statistically significant ($r = .647^{**}$, $n = 138$, $p = .000$). The correlation analysis reported in table 4.2 appears to confirm that the degree of competition has some impact on women enterprise participation in industrialization. These results support the view that exposure to international competition promotes productivity growth which in turn induce industrialization. The impact of competition on women participation in industrialization growth is confirmed by a number of other studies, many based on industry or firm level panel data for individual countries. These studies found that high degrees of market concentration and market share have an adverse effect on the level of total factor productivity for industrialization.

The findings from current studies also collaborate with the findings by Culpan (2008) who found that competition induces more innovation, and consequently also raises chance for women participation in industrialization. These support the argument made by Buccirosi, et al. (2011) who advocated that, the degree of competition in a particular country or sector is often considered to be among the most important in industrialization. They further argued that lack of competition reduces the pressure on firms to incorporate better technology, remove organizational slack and reduce investment in production growth. These findings imply that, a lack of competition may put insufficient pressure on management to improve productivity performance and incorporate new technology, and thus contribute to a productivity gap with best practice among women enterprise participation in industrialization. This means that, allowing inefficiencies to persist, weak competition may affect productivity growth and industrialization initiative for women enterprise. These findings imply that the tighter competition has a strongly positive effect on women enterprise level of productivity growth which increases the chance for women investing in industrialization.

5. Implication

Policy implication

While collaborative network was found to be significant in promoting competition among women enterprise, this calls for a special policy which could facilitate smooth collaborative network with strong trust and alignment among members who are women for enhancing women enterprise in national business competitiveness. While competition was found to have positive effect on women enterprise participation in industrialization, it is a strong reason for governments to promote competition as a way of ensuring an efficient economy and boosting productivity. This calls for new competition policy which can accommodate collaborative network mediated by competition for boosting women in industrialized world.

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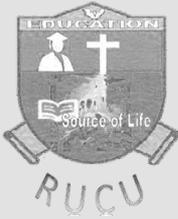
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The Need of Financial Inclusion for Socio-Economic Transformation in Tanzania

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Abstract

The study investigates on the need of financial inclusion for socio-economic transformation. Financial inclusion is the key factor for strong and sustained economic growth which in turn lead into structural economic change characterized by increasingly output, productivity, and individual income which help the households meet social services while on one hand the economy of the country being stabilized.

Using cross sectional descriptive-survey research design; a target population being users of financial services and products, Banking and Non-Banking financial intermediaries as well as central bank; and a sample being derived from C.I = 95%, **est**= 7%, X/n-value= 50%; documentary review and structured phone interview being data collection methods in connection to nominal, ordinal and ratio levels of measurement employed.

Descriptive data analysis tools were used and the following facts were revealed: - credit losses and non-performing loans; ineffective regulation and enforcement of financial sector which has further lead into increasingly informal micro finances which lack oversight; financial services and products provision processes are not innovative and strategically not marketed such as use of retail, agency, mobile and e-banking e.g. use of e-registration if there could a single database system of identifying customers/applicants indeed to rural small scale farmers, processors. All issues highlighted above are the factors that count for financial exclusion though a paved way is there shown *if* those gaps are to be capitalized.

Key Words: *Financial inclusion, Socio-economic transformation*

1. Introduction

Economic transformation policy is not new in Tanzania. It's started in the early 1980 when Tanzania was operating under socialist economy (Wuytz & Kilama,2014). But by 1990 once Tanzania entered in market/liberal economy, in which economic growth rates started to pick up. The economy has been picking up since then with minor drop down in the 2000's. Since 2005, Tanzanian economy has been growing at 6.9% annually, more than the average of sub-Saharan Africa at 4.9%. While the growth rate has been impressive but poverty rate has not declined significantly. It is about 48% of people living in rural areas and 10% those living in urban areas who are still crying of living below food poverty line (BOT,2016). Income poverty is still a problem in rural areas where people live under 1USD (NBS,2013) though minor changes can be revealed currently in which also economy is growing at 7.0% and with an expectation to continue to grow to 9% by 2025 (Mpango,2013).

Agricultural sector contributes to about 24.7% of GDP.A GDP share is 4.3%. A labour force share is 3%. Labour productivity is 68% to70%. Agriculture is mostly carried out at subsistence level (Mwombeki,2017).

Non-or little access of small scale farmers, and livestock keepers to agricultural implements, quality seeds, fertilizers, and agrochemicals. Agricultural activities have been depending over rainfall, irrigation technology is little practiced.

Mining shares contributed is 3.3% (BoT,2016). Minerals extractions are mostly conducted at artisanal level. Blunt tools and technology is used in extraction. Furthermore, industrial construction and quarrying sector contribute to about 22.2% of GDP. Agro-processing to small scale manufacturers underpinned. Power supply is not steady to support agro-processing in which only 2% is accessed by people living in rural areas and 34% by people living in urban areas. The major source of energy and power in rural areas is biomass-94%

A trading is characterized by more imports of consumable goods. Exports is that of raw materials. Trading is associated with great negative net exports and dis-equilibrium in balance of trade and payments.

Majority of laborers are working under temporal basis-causal employment. Unemployment is still a discrepancy to about 850,000 youths completing colleges and universities in each year (NBS,2011). Self-employment jobs are underpracticed.44% to 55% of SMEs are operating in informal sector. About 80% of these SMEs are conducted at micro level and in activities (e.g. service provision) which do not require much capital.

In Malawi, proceedings deposited into commitment savings account (withdrawals allowed on accomplishment of self-specified goal), prompted farmers to spend 13% more money on equipment and grow the value of crop output by 21% consequently earning good margins (Brune *et.al.*,2015).In Niger, social safety net payments done through mobile devices rather than cash basis lessened travel and wait times by 75%.The saved time and costs was comparable to cash that was sufficient to feed

a household house of five individuals for a day in Nigeria (Aker *et al.*,2014).In Kenya when faced with financial shock mobile money users tend to receive remittance than non-users (Jack & Suri,2014).In India, digitization of government transfers minimized bribe demands by 47%, and increased payments received by recipients (Muralidharan *et al.*, 2014).In Ghana farmers that signed for rainfall insurance spent more on harvest overheads in contrast to uninsured farmers, and earned higher revenues (Karlan *et al.*, 2014).In Zambia credit products such as short-term and group loans to farmers have proven to shore up investments, expenditures; consequently increasing agricultural output and revenue by 10% (Fink,*et al.*, 2014).

Moreover, a government has been taking initiatives/strategies to see poverty is eradicated such that of NSGRPI, II for Tanzania mainland and MKUZA for Zanzibar. Tanzania has been implementing the five-year development plans (FYDP I and II) in 2005/2006 – 2010/2011; 2010/2011 – 2015/2016; and currently the government has launched another FYDP phase 2015/2016 – 2020/2021 which go in connection with the SIDP of 2020, TD vision of 2025 of becoming a middle income country of which therefore this study counts a knowledge on how a significant poverty reduction is to be achieved what a topic structural economic transformation underhand propounds.

Socio-economic transformation does not only entails economic growth but strong and sustained one which is attained through fiscal capital accumulation what *Lewis Model* (1954) also detailed. A Lewis model said also on the importance of physical and human capital though this study is not focused to that. In the same line it has revealed that most of financial sectors are operating informally, in which the major providers of financial services and products to small holder's famers, processors, households and majority informal micro-enterprises is family members and friends. Most of financial services and products such as credits, savings, money transfers and insurances are provided in informal

mechanisms and non-banking Institutions such as SACCOS, VICOBA, Insurance and Pension Funds organizations. People living in rural are less accessed to these services as those in urban areas. Reaching these informal businesses, SMEs; collateral, capacity and guarantees are other noted areas of expansion. It is only 17% credit provided to private sector; and it is about 10% of formal credit accessed and only 8.4% of the users/need of credits, services who have bank account (banking behavior). Despite of sharp increase in sales/returns from stock, security/capital market i.e. DSE but still capital mobilization has not reached. The development funding instruments is not there not stable and sound despite of the presence of the TIB development Bank rather much expectation is on the established (TADB) agricultural bank. Stability, sound and efficient financial sector is still not experienced as 71% of Banking Institution provide a short-term finance,61% is provided by informal financial sectors,40% is for systemic intermediation; 26% is provided by Non-Banking sector and 2% by financial sector. Credit risks, losses, non-performing loans lack of capacity building aggregators/facilitators; inflation and sharp rise in interest rates cause accessibility to be not sufficient, adequate and efficient. Innovative technologies over loan transaction and transfer despite of the revolution in electronic means of payments shown with mobile banking, e-banking, use of ATMs still there are dilemmas addressed by this study.

As per weaknesses of Lewis theory given, more over the study by REPOA (2015) assessed on how Innovation with Financial Institution is to be borne to ensure efficient and stable access of financial services by Micro-enterprises, in which this study do not focus only on Innovation, and regulation and the beneficiaries of credits looked at was not only Micro-enterprise but all involvers of supply chain. The study by Baregu (2013) focused on access of finance by agribusiness different from this study in which agriculture was not only sector of which economic transformation entails. Most of the studies such as that of Mpango (2013) of Tanzania becoming a middle income state by 2025 by unlocking

potentials in which he suggested about eight (8) issues or commandments but this study specifically looks on financial inclusion on socio-economic transformation as by allowing push and pull forces then the population in rural areas is sustained even without taking initiatives of controlling birth and death rates rather a migration rate.

2. Methodology

The study employed a cross sectional descriptive-survey research design. Stratification of the form of financial services and financial Institutions into Banking and Non-Banking, formal and informal was considered. Either stratification was also shown basing on the geographical locality say, rural, other urban and Dar es Salaam. The credits beneficiaries were also classified basing on the cash and food crops producers, processors, agribusiness equipped capacity users, micro enterprises (small businesses) and service providers. The sample was derived from a level of confidence= 95%; maximum error of estimate = 7% and the x/n – value was 50%. The levels of measurement used were nominal, cardinal ad ratio. The study also applied both primary and secondary data collection methods in which literatures, books, journals and articles were reviewed. Primary data were gathered through phone-structured interview.

3. Findings

Reliability and validity of research findings/instruments was determined through the use of Cronbach’s alpha and running confirmatory factor analysis respectively in which the results were as follows: -

Table 1: Cronbach’s Alpha Test Results

Construct	Number of sub-constructs	Alpha	Variable type
Credit access and performing loans (<i>CA-PL</i>)	3	0.824	Predictor
Regulation and intervention of financial sectors (<i>FSR</i>)	5	0.841	Predictor
Innovation and practices of financial Institutions (<i>IFS</i>)	6	0.831	Predictor

Note: This means that research findings/instruments were reliable by 0.8 given that the acceptable threshold level is ≥ 0.7

Factor Analysis Results

From the structural equational model $FI=CA-PL +FSR+IFS$ given that FI= Financial inclusion, CA-PL=Credit access and performing loans; FSR = Financial sector regulation, and IFS= Innovation and practices of financial sector, ran from a confirmatory factor analysis(CFA), the incremental fit indices were $CA-PL = 0.9345$; $FSR=0.9120$; and $IFS = 0.9341$ given that the acceptable threshold level is ≥ 0.9 ; ≥ 0.9 and; ≥ 0.9 respectively.

Financial inclusion in Tanzania

Financial inclusion entails accessibility, sound, availability, efficient and stable financial sector in providing financial services/products what is shown in Table 2 below.

Table 2: Discriminant Analysis

Test function	Wilks' Lambda	Chi-square	d.f	p-value
$FI = f(AC, AV, S, AD, SUF)$	0.985	0.989	3	0.804

Source: Field data (2016)

The Table above of wilks' $\lambda=0.985 > 0$ and $p-value = 0.804 > 0.05$ shows that there is a significant association between the concept 'financial inclusion' (FI) and accessibility, affordability, availability, stability, adequacy and sufficiency of financial services and products which is then achieved through formal operation of Microfinance Institutions, effective regulation and enforcement of Financial sector, credit access, diversity and Performing Loans, formal existence of users of financial services equipped with banking behaviour, effective credit transactions caused by use of mobile money services, ATMs, home-banking, internet banking and other electronic financial payments services to both urban and rural

disadvantageous and low income groups or individuals who are small holder farmers, livestock keepers, small scale processors and entrepreneurs. Opposite to what has been narrated above is the perpetuation of the problem financial exclusion the discrepancy this study intends to address.

Financial inclusion is the function of capital mobilizations that lead into increase in productivity from primary economic sector and thus structural change to agro-processing, and development of service sector and employment. To attain this situation then financial sector is to be regulated, enforced and intervened to promote formal operations and access to affordable financial products and services, reducing credit losses and non –performing loans. The needy/users of credits, savings, insurance and money transfer should be appropriately identified by having a single database. Either operations and innovative financial practices should be used to ensure availability and accessibility of financial services eg use of digital systems, e-banking, mobile money services.

Table 3: The trend of financial inclusion

Status of business \ Years	2006	2009	2013	Projection(2020)
Formal	9%	9%	14%	25%
Semi-formal	2%	7%	43%	62%
Informal	35%	29%	16%	5%
Excluded	54%	55%	27%	10%

Source: Field data (2017)

From Table 3 above it shows that semi -formal and informal mechanisms have shown to be a mostly used means of credit transaction. Less than 10% of formal credit are accessed in 2006 to 2009 with little growth to 14% in 2013. This informal mechanism of credit transacting is the major source of financial exclusion = 55% though a paved way has

revealed in 2013 in which it decreases to 27% and indeed with projections shown in each category the same shown in Table 3 below what was also reported by Baregu (2017) his study of Financial Accessibility and growth of Agricultural sector in Tanzania.

Table 4: Financial services and products accessibility

Years Geographical area	Non-Bank product/ service-formal	Bank service and product- formal	Informal mechanism	Exclusion
Rural (2009)	6.1%	5.4%	29.2%	59.3%
(2013)	39.1%	6.6%	20.2%	34.1%
Projections(2020)	59.2%	9.8%	10.1%	13.1%
Other urban (2009)	8.3%	19.3%	27.5%	44.9%
(2013)	51.1%	25.8%	8.6%	14.5%
Projections (2020)	80.3%	35.1%	4.2%	3.2%
Dar es salaam (2009)	7.8%	18.7%	29.2%	44.3%
(2013)	53.3%	31.6%	4.8%	9.8%
Projections (2020)	94.2%	52.1%	1.1%	1.0

Source: Field data (2017)

From the Table 4 above, the non-Banking financial intermediation has revealed to contribute more access than Banking sector. Users in towns, Dar es salaam are easily accessed to financial services and products than those in rural areas. Informal financial businesses are much in rural than in urban areas and that is why financial exclusion is little with financial sector in urban than those in rural locality. Formal system of credit transaction contributes less as it is sensitive to Time Value of Money, Risk-Return as large and long term financing is risky and thus lending-burrowing businesses should be effectively managed. The results in the Table above are similar to little access of financial capital for 83.0% by rural adults, 26.7% by subsistence farmers and 18.7% by agribusiness.

Credit Transaction Mechanisms

Credits financial products are offered by various financial sources being either family and friends, customers, Non –Banking Financial Institutions (e.g. SACCOS, Microfinances-FINCA, VICOBA, Credit Unions,

Insurance, Pension Funds Institutions) as well Banking sector. The users of these financial services are the farmers, livestock keepers, processors, service providers and SMEs as it is shown in the Table 5 below

Table 5: Financial service providers against Users

Providers \ Users	Food crop growers	Cash crop growers	Livestock keepers	Processors	Agrifirms	Service providers
Friends and family	44.9%	55.1%	51.4%	30.5%	48.6%	44.0%
SACCOS	15.7%	16.2%	18.6%	21.5%	16.5%	16.5%
Banks	13.2%	10.7%	13.6%	33.2%	13.1%	14.4%
Microfinances	9.5%	8.9%	13.9%	15.4%	9.9%	9.4%
Customers	8.6%	9.0%	8.6%	4.2%	8.9%	13.5%
Money lender	9.5%	9.4%	4.6%	8.8%	8.7%	6.1%
VICOBA	5.3%	4.5%	8.9%	0.0%	5.1%	1.8%
Savings	6.1%	4.0%	2.8%	4.5%	4.7%	1.4%
UPATU	2.2%	0.7%	5.3%	2.1%	2.6%	11.3%

Source: Field data (2017)

The Table 5 above indicate that the major source of credit/capital is friends and family. This source therefore is a source of limited /small sized credit to be accessed. Capital mobilization cannot be achieved by this source. Non-competitive financial environment is created. Maturity is difficult to attain. Credit, default risks are obvious. Similar results by FSDT (2011) were revealed in which service provision account for 3.9% processing, 1.8%, livestock= 8.3%, cash crops=37.5% and food crop= 48.5% and that is to say processing account to 1.8% due to little agricultural produce caused by less access to financial capital. With this source long term finances cannot be attained to support productivity, manufacturing and productive employment. The source is the agent for increasingly informal financial practices.

Credit Losses and Non-Performing Loans

The formal credits accessed account to only 10%. The causal of this situation of inadequacy and inefficiency or limited size of credit is the acute credit losses and non-performing loans. Credit losses and non-performing loans therefore count for a reason for why only 17% of credits is contributed by formal financial sector to private sector financial services and products needy. Credit losses and non-performing loans is the major cause of financial exclusion in which only 70% credits are provided by Banking sector which are then in a short-term basis. Short-term credits/debts have proved failure over creating capital accumulation and domestic savings which are the key factor for sustained economic growth, productivity and agro- processing. Credit losses has indeed revealed to be caused by most of financial institutions, microfinances are operating informally by 43% in Tanzania Mainland and 63% in Zanzibar. Asymmetric in information flow both by the lenders and borrowers cause lack of access of information over the stability and efficiency of informal Banking and Non-Banking financial sector, the creditworthy, capacity, capability of informal micro-enterprises/small businesses. Moreover, credit losses and non-performing loans is the result of inappropriate identification of applicants, ineffective credit review and administration, and provisioning; weak enforcement over Monetary and Fiscal policies and instability of capital markets. The Tables 6,7 and 8 below entail.

Univariate Analysis

Table 6

Source	Type I sum of Squares	d.f	X ²	F	Sig.
Q1	0.254	1	0.254	0.988	0.164
Q2*Q3	0.011	1	0.011	0.083	0.774

$$R^2 = 0.4561 (R^2 \text{ adj} = 0.0652)$$

Table 7

Source	Type 1 sum of Squares	d.f	X ²	F	Sig.
Q2	0.209	1	0.209	1.637	0.205
Q1*Q3	0.120	1	0.120	0.681	0.561

$$R^2 = 0.510 (R^2_{adj} = 0.0729)$$

Table 8

Source	Type I sum of Squares	d.f	X ²	F	Sig.
Q3	0.209	1	0.209	1.637	0.324
Q1*Q2	0.311	1	0.311	0.990	0.614

$$R^2 = 0.345 (R^2_{adj} = 0.049)$$

Dependent Variable: Credit Losses and Non-Performing Loans

Source: Field data (2017)

For $R^2 = 0.4561$ and level of association = 0.164 for Q1; $R^2 = 0.510$ and level of significance = 0.205 for Q2; and $R^2 = 0.345$ with its *F-value* = 1.637 for Q3 indicate that a credit loss and non-performing loans is a significant function of ineffective credit review and monitoring (Q1), adverse selection (Q2) that occur because of asymmetric information (the user or applicant of credit/loan is not appropriately known/identified) as well as moral hazards (Q3). This also reveals why only 10% of formal credits are accessed and only 17% of loans are provided by Banking sector to private user companies.

Credits Management in relation to financial capital mobilization

Poor credit assessment and management has revealed to be one of the factors for limited size of credit which in turn leads into increasingly financial exclusion. Credit management is a series of processes which start with knowing i) the loan applicant ii) reviewing loan and iii) monitoring/ making follow up and administration described below: -

- i) Application-Knowing the applicants/users of Credits
- Are you known to a borrower/applicant?

- Is it a first time to be known to applicant?
- who are the people in close or friend or relative to the applicant; a Lawyer, Accountant?
- Does the applicant has credit engagement with other financial Institutions? What its performance? or payment ability to the loan obliged to?
- What is the historical background of the applicant with other Banks?
- Does the applicant has family commitment? permanent employment? Is it a renting house or his/her own house?

ii) Loan review

- This help to overcome the problem of adverse selection and moral hazards of committing Type I and Type II error and Non-performing loans, credit losses, default and credit risks. It is from loan review where the capacity, honesty, trustworthy, character; collateral and purpose of why an applicant ask for loan. A right and creditworthy applicant is revealed qualitatively through use of 5Cs, PARSER, COMPARI and/or SWOT tools and quantitatively (reviewing performance statement, Statement of financial position, Statement of cash flow) in which the extent to which the burrower-applicant is solvent, performing (realization), value, financing of business (by equity or debt).
- Under loan review the burrower/ credit applicant require to show up a business plan from which also the management capacity (ability), guarantee and collateral value (margin) is realized and compared with the size of credit offered. And since a business plan has a part of objectives and activities which show the purpose of taking loan and resources part shows the size of guarantee/insurance say stocks, physical

(fixed) assets if deposits are not enough to cover for insurance

- Is the business formally operating? registered? With business license? To overcome the problem of gifting.

iii) Loan monitoring, follow up and administration

- Periodic review
- Emphasize banking business transactions by a borrower (Banking behavior)
- Provide guidelines, covenants, loan repayment periods
- Realize the value or cash flows from the collateral (assets)
- Make follow up over the guidelines to see if they are adhered or not
- Identification, deterrence and detection of early warning signs for non- performance of loans
- Risk management (identification, aggregation, taking corrective measures)

Guarantee promotion through group organization

Efficient organization is fostered through the presence of cooperatives, aggregators, advisors and technology to facilitate money/credit transfer and accessibility. There should be a cohesion a group leader and members. There should be also development partner, off-taker, Banks such as NMB foundation for capacity building to users of credits. Group business is a guarantee in itself. Group organization has been a tool for risk sharing among co-joint members. Group business has revealed to perform more than individual business and most of lenders are confident and become sure with group creation as group members become co- guarantors on time a default, credit risks is committed by the partnership.

Access to Long-term finance

Sufficiency and adequacy of credit to be accessed is attained when users or credit seekers are sure of long term basis financial services and products. Long term credits provision is sustained when credit losses, efficient credit management, enforcement of monetary and fiscal regulations, effective control exchange rate movement and capital markets. Strong capital/security market and formalization of microfinances and other Non-Banking financial sector are the major source of long term finances. But because these Microfinances and Non-Banking financial Institutions are operating not in transparent, formal and competitive manner then it has revealed some of them to make supernormal profit, from which the government does not benefit anything of which could be able to offer unlimited and large size credits even through its public commercial, savings, credits, insurance and development Banks such that TIB development Bank, Tanzania Agricultural Development Bank (TADB), Tanzania Postal Bank (TPB), National Bank of Commerce (NBC).

Stabilized economy through increase in national output, exports of value added goods, employment, controlled and managed inflation, interest rates and exchange movements ensure for access to long-term credits.

Capital markets

- These are financial market from which long term assets(securities) are issued
- Financial products issued include shares, Euro bonds and Notes; Mortgage
- loans; Treasury bonds and Notes, Private company bonds
- Thus capital markets ensure for long term finances
- But its efficiency and stability is eroded by: -

Inflation	→ Credit loss
Exchange rate movements	→ Floatation → Change in demand and supply → Interest rates fluctuation
Economic recession	→ decrease in National output and unemployment

Monetary Policy

-Open market-during inflation –sell government securities and in deflation purchase government securities

- Bank rate
- Minimum reserve requirement- $1/r$ (deposit multiplier) and $1-r/r$ (credit multiplier)
- Credit provision control
- Special credit
- Special deposits

Fiscal Policy

- A government should reduce pressure of much burrowing from these private financial sectors to release these Institutions to have that ability of lending large sized credits
- Much burrowing also leads into credit inflation indeed with foreign borrowings
- Unproductive government expenditures management

- Management over indirect and direct taxes
- Export promotion
- Import substitution

Financial Sector Regulations and Intervention

It has revealed that despite Tanzania allowing for entry of financial businesses (both domestic and foreign) and more microfinances services being metallurgical spread but enforcement capacity is limited. Most of these savings and credit associations are limited in oversight and since majority of them are operating not only in informal manner but also they are profit oriented and not stability and efficiency in provision of financial services/products. Intervention of financial sector will not only ensure stability but also sustainability for long term credit hence creating unlimited access of credits.

Operations and Innovative financial practices and financial inclusion

Innovation in provision of financial services/products increases access and availability. Use of electronic means of payment and disbursements, TISS,e-banking, mobile banking has revealed to be innovative techniques to be embarked to. Mobile banking has been used in savings and money transfer but little employed in loan payments. Following invention in the years 2012's onward in which money are transferred from a mobile to a bank account and the opposite despite of safety issue being in dilemma unless otherwise mobile companies work jointly with banking companies what it is with CRDB Bank and Tigo, M-Pesa and Airtel Money indeed to be used the same over credits/loans transaction. and more by NBC through introduction of ATMs that accept deposits and being used in payments in which for credit/burrowers who have banking behavior are now able to settle their obligations and withdraw

credits from ATMs machine even without face to face visiting of bank clerks. The discrepancy that has revealed is the lack of infrastructure to facilitate electronic credit transaction between a small holder farmers, processors and small enterprises in remote rural area for instance where the mobile banking is still not accessed and most of these Financial Institutions are localized in towns and that is why the major sources of credits, in rural areas are informal mechanisms which have proved failure to provide large sized capital and this prove why agriculture has continued to be carried out at subsistence level for more than 50 years of political independence now.

Table 9: Hypothesis Testing

Wald tests

Null hypothesis: SSECO = CA-PL; SSECO=FSR;SSECO=IFS

Statistics Test		Value	d.f	Pearson correlation coefficient
T-test	CA-PL	5.0483	(2,98)	0.42
	FSR	6.8601	(2,98)	0.35
	IFS	3.8235	(2,98)	0.51

Source: Field data (2017)

With *CA-PL* which represent credit access and performing loans = 5.0483, t-test value shows a strong significance level .This has also shown with *FSR* in which a t-test result was 6.8601.A regulated and intervened financial sector create favorable banking business environment, monetary policy enforcement, taking control over capital market operations which are catalyst for efficient, sound and stable financial transactions.3.8235 for operations and innovative financial practices, *IFS* shows less significance level in relation to strong and sustained economic growth creation though association is still better than if a t-test value could be <1

Table 10: General Log-Linear Analysis

Socio-economic transformation	Value	d.f	Sig.
Likelihood ratio	4.2014	1	0.146
Pearson χ^2	3.675	1	0.096

Model: Multinomial

Design: $\alpha_0 + \alpha_1 Qq + \alpha_2 Q + \alpha_3 So + \alpha_4 Y + \alpha_5 Ss + \alpha_6 Sa + \alpha_7 C$

α_1 = Marginal output

α_2 = Quality output

α_3 = Increase in sales/revenues

α_4 = Increase in individual income and poverty reduction

α_5 = Improvement in social services

α_6 = domestic Savings

α_7 = Individual consumption

Source: Field data (2017)

From Table 10 above for likelihood ratio = 4.2 > 0, p-value = 0.146 > 0.05 and Pearson Chi-square test = 3.7 > 0 and p-value = 0.17 > 0.05 this shows socio-economic transformation as a function of increase in output to its marginal value, quality output, increase in sales/revenue, increase in individual income and poverty reduction, improvement in social services, savings, and individual consumption fit the model to be brought about by *strong, sustained and inclusive economic growth (SSECO)* shown in Table 10 brought about by *financial inclusion* shown in Table 2.

5. Conclusion & Recommendations

Financial inclusion has revealed to be a driving force for structural socio-economic transformation. An economic transformation is sustained by strong and sustained economic growth. A strong economic growth is a function of capital accumulation brought about by its accessibility, affordability, stability, sufficiency and efficiency given that

physical/natural resources and human capital are steady. The accessible, affordable, efficient, adequate and stable financial services and product provision is propounded by presence of effective regulatory and enforcement system of Banking and Non-Banking financial sectors. Appropriate identification of the needy groups or individuals, their capacity, capability, condition, guarantee and collaterals ensures for financial inclusion. Efficient control of financial markets and enforcement of monetary and fiscal policy ensures for long term credits. Credit losses and non- performing loans prove for only 10% of formal credits provided by formal financial sector, a little size of finance unexpected. The major cause of credit losses is the informal mechanisms of operation of these financial sectors by 43% to 63% counting to 61% of credit transactions done outside formal financial system. Innovation, invention over mobile banking and other electronic means of credit transacting increase for financial inclusion. It is from this reality where this study recommends the following for action: -

- i) Informal financial sectors should be formalized to operate in transparent and competitive manner
- ii) Efficient regulation and enforcement over financial sector
- iii) Raising domestic and external savings
- iv) Proper credit assessment and management
- v) Proper management of financial markets, inflation and exchange rate movement
- vi) Emphasizing banking behavior practice by the customers so that all transactions, receipts, disbursements, payments, sales are done through bank account in order to be ensured with performance of the customer business. This will also help to avoid the 61% of the cash transactions conducted outside the formal financial and Banking system.

- vii) A trade-off between the insurance (guarantee) and credits
- viii) Promotion over public- private partnership
- ix) Creating a good business environment for banking
- x) Use of digital systems such as TASAF
- xi) Electronic credit applicant registration
- xii) Use of agency, retail, or equity banking as establishing a new branch may be costly
- xiii) Use of virtual banking systems, mobile, e-banking, EPOS
- xiv) Use of single database system for ease access of information about the loan applicant or users
- xv) Mentoring users of financial services and products in appropriate use of the services and significance of transacting with banks-banking behavior

Recommendations for further Studies

Furthermore, this study recommends for more other areas that can be researched apart from this one underhand:

- i) A general economic transformation as a virtuous cycle.
- ii) The enforcement of socio-economic transformation as a key for unlocking potentials in Tanzania.
- iii) The role of Banking and Non-Banking Financial Sector towards graduating a Medium income State
- iv) Promotion of Virtual Banking Businesses and financial inclusion in Tanzania.

- v) Contribution of Financial sector in mentoring users of Financial services and products on its economical use
- vi) Regulation and enforcement of Liberal market of Financial Sector in Tanzania and Financial Inclusion

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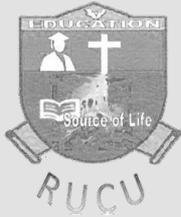
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The Economic Impacts of Violence against Women on Women's Participation Towards Industrialized Economy in Tanzania

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Abstract

Violence against women and girls is one of the most pervasive human rights violations occurring in the world. It happens in every country, not only in situations of conflicts or crisis, but context,

others call them peacefully and in both public and private spaces. It destroys the potentials of girls and women in developing countries and prevents them from pulling themselves out of poverty.

Addressing violence against women and girls is a central development goal in its own right, and key to achieving other development outcomes for individual women, their families, communities and nations. This article intends to investigate the impacts of violence against women on women's participation towards an industrialized economy in Tanzania. Data were collected in Tarime Tanzania using questionnaire of a sample size of 143 drawn from women using simple random sampling.

Findings using correlation indicate that violence against women has a negative influence on women's participation on industrialized economy in Tanzania. It indicated that, violence against women lowers women's productivity which consequently lowers national GDP. Violence also deprives access of girls to formal education hence makes them to lack skills, competences and innovative ideals to participate towards an industrialized economy due to early marriages and parenthood. The impacts extend far beyond these victims, as it threatens the stability, security, and social welfare of families and their status in the community. In addition, violence against women undermines the human rights of a woman and her family and affects the exercise of her civil rights. This study recommends that, a policy and an intervention program have to be designed to reduce violence against women. So much so that women who compose more than 50% of the population of Tanzania can be able to participate towards an industrialized economy.

Key Words: Economic Impact, Violence, Women's Participation, Industrialize Economy

1.0 Introduction

Violence against women has been recognized as an important social and human rights issue that affects women of all cultures and societies to participate towards on industrialized economy (Lenze and Klasen, 2017). This has been indicated in Rashada and Sharaf (2016) that, more than one out of every three women worldwide has experienced either physical and/or sexual violence in their lifetime and that this violence against women is present in both highly developed and less developed countries. These statistics indicate that, violence against women is impacting majority of women all over the world. Similarly, Hossain (2016) advocate that, women violence is significantly lowering the quality of life in terms of social relationships, economic participation and psychological health. They also argue that, violence against women has significant economic costs in terms of lost income for women and their

families, decreased productivity, and negative impact on future human capital formation.

In addition to that, Kumar (2012) advocates that, domestic violence is a worldwide problem and can affect any women at any point. He further adds that, it can take place in any form like physical abuse, psychological bullying, harassment, abandonment, teasing, financial exploitation and emotional abuse. Hence, women violence is tabled as among the barriers towards women participation in industrialization economy.

In recognition of the fact that violence affects women's economic well-being, the government of the United Republic of Tanzania has taken various measures to eradicate this situation so much so that gender equality and gender equity is realized. For example, the constitution which is the supreme legal document of the country recognizes equality among all people and that all people are born free, therefore, no one has a right to own another person as a property. In additional to that, the Law of Marriage Act, provide and declare that no person has any right to inflict corporal punishment on his or her spouse (Magoti, 2016).

Yet, violence against women exists and is evidenced in a number of literatures. For example, Rashada and Sharaf (2016) found and concluded that females of all ages suffer from violence and are victims of violence because of their sex and their unequal status in society. Given this situation, this study intended to analyze the "Economic Impacts of Violence against Women on Women's Participation towards an Industrialized Economy in Tanzania".

2.0 Literature Review

2.1 Conceptualization of Terms

2.1.1 Women Violence

In this study, violence against women was termed as any act of brutality which affects and harms a woman; psychologically, physically, sexually, economically as well as cause emotional suffering to women (Scriver, Duvvury, Ashe, Raghavendra and O'Donovan, 2015).

2.1.2 Industrializations

Industrializations are engines of economic growth and development which creates job opportunities at higher skill levels, facilitates denser links across the services and agricultural sectors, between rural and urban economies and between consumer, intermediate and capital goods industries (Felix, 2006).

2.2 Theoretical Literature Review

Lewin's Force-Field Theory

Lewin's Force-Field Theory state that, there are two forces affecting behavioral change in a social situation at the same time (Lewin, 1943). He adds that, these two forces provide a framework for looking at the factors that influence a situation and factors restraining to behavioral change toward social situation. In the context of the current study, the field force theory helped to provide the economic factors pushing women out of participating in industrialization due to violence against women. In this study, analysis of the field force theory helped to provide the economic factors pushing women out of participating in industrialization due to violence against women.

2.3 Empirical Literature Review

Ayodapo (2013) conducted a study on socio-cultural factors influencing gender-based violence on agricultural livelihood activities of rural households in Ogun State, Nigeria. Findings using correlation coefficient analysis shows that there was a negative correlation between the effect of domestic violence and women participation in agricultural activities. On the other hand, Heflin, et al. (2005) in their study of food insufficiency and women's mental health, found that, household food insufficiency is a potential serious consequence for low-income women's mental health resulted from violence. Similarly, Kavita (2014) in his study of long-term physical and mental health effects of domestic violence indicated that,

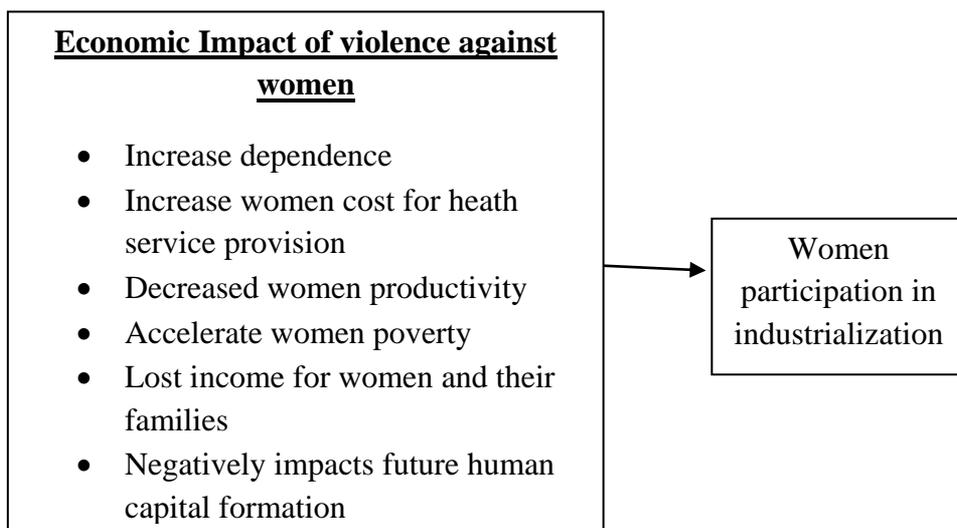
violence has a long-term impact on women's health, well-being and women participation in productivity.

These findings posit hypothesis which state that: There is a positive significant relationship between Economic impacts of violence against women and women's participation towards industrialization.

2.4 Conceptual Framework

Base on the literature review, Increase dependence, Increase women cost for heath service provision, decreased women productivity, accelerate women poverty, lost income for women and Negatively impacts future human capital are conceptualized as Economic Impact of violence against women participation in industrialization.

Figure 2.1 Conceptual Model



Source: Researcher Construct (2018)

3.0 Methodology

3.1 Research approach

The research used qualitative and quantitative research approaches. A qualitative approach attempts to lay the groundwork that leads to future studies or to determine if what is being observed might be explained by a currently existing theory (Greener,2008). In this research, qualitative approach was used to provide in-depth information of real life situation of women violence. This helped to capture contextual issues and better understanding of the current impact of violence against women in Tanzania. More details of the existing situation were profiled and presented in descriptive manner. On the other hand, quantitative approach was also used to test the nature of relationship between economic impact of women violence and women participation in industrialized economy. Thus, the study used a pragmatic philosophical stance and used mixed research design focusing on the qualitative and quantitative approach.

3.2 Study Area

The study was conducted in Mara region of Tanzania specifically in Tarime. The area was selected because of higher statistics of occurrence of women abuse and violence and many governmental and private sector initiatives have been directed to reduce violence against women. Therefore, collecting data from this area helped to provide adequate information to solve the problem.

3.3 Study Population

The study targeted to 630 women more particularly those who have been facing abuse and violence. This population was selected because these women's are the ones who are suffering and impact the economy through violence. On the other hand, the targeted population has experienced gender inequalities at family level and at community level, hence they served as information sources in the current research.

3.4 Sampling Procedure

A simple random sampling was used to pick respondents for quantitative research and this enabled each respondent to have an equal chance of being selected. On the other hand, purposely sampling was used to select key informative respondents among women who suffered from violence. Hence this approach served the purpose of this study in sampling.

3.5 Data Collection Techniques

During data collection, interview, questionnaire and documentary review method was used as data collection techniques in this study.

Interview

Interview was used in qualitative research. The use of interview is considered important in this study at the preliminary stage as it is flexible to accommodate additional information and allow the researcher to capture more contextual variables which provide in-depth insight of the natural setting under study. As it is evidenced in the literature, that interview can generally be used to gather information of greater depth and can be more sensitive to contextual variations in meaning. In this research, interview was conducted at the beginning of the study to better analyze the current practices of women violence and explain the existing model in the context.

Structured Questionnaire

On the other hand, a structured questionnaire was used in this study to collect quantitative data for hypothesis testing and model validation. As argued in literature, that structured questionnaire is mostly used to capture measurable data suitable for statistical testing of the hypothesis of the study. Within this context, a questionnaire was suitable in quantitative research situations of this study as it offers a standardized system of question to collect measurable and factual data to classify a women violence and their circumstances in statistical characterization.

Documentary Review

Documentation was used to increase the level of in-depth insight by capturing data that will be used to provide evidences of what was been collected from the interview. Further, documentation was used in providing data interpretation, support and give evidence of field data. As it is evidenced that, social scientists use documentary research methods to supplement and confirm on the information collected through social surveys and in-depth interviews. In this study, the documentary review served the same purpose.

3.6 Data Analysis Technique

In quantitative approach, Correlation analysis is a method of statistical evaluation used to study the strength of a relationship between two, numerically measured, continuous variables. In this study, correlation analysis was used as a bivariate analysis that measures the strength of association between two variables and the direction of the relationship.

In this study, thematic analysis was used to provide description of the variables (theme) during discussion. This means that thematic analysis helped to search for themes that emerge as being important to the description of the phenomenon and use verbal responses for theme clarification and elaboration.

4.0 Findings

Table 4.1 presents the results of the study based on the indicator variables on economic impact of violence of women against their participation toward industrialized economy.

Table 4.1 Descriptive Statistics

Economic impact of violence	N	Minimum	Maximum	Mean
Decrease women productivity	383	1	5	4.12
Increase dependence	383	1	5	4.08
Accelerate women poverty	383	1	5	4.04
Increase cost for health service provision	383	1	5	3.93
Negatively impacts future human capital	383	1	5	3.90
Lost income for women and their families	383	1	5	3.89
Valid N (listwise)	383			

Table 4.1 above, the findings indicated that decrease women productivity, Increase dependence, accelerate women poverty, increase cost for health service provision, negatively impacts future human capital and Lost income for women and their families in their order have significant economic impact of violence of women against their participation towards industrialized economy. This mean that decrease women productivity yields a high mean value of 4.12 compared to lost income for women which yield a mean value of 3.89. The greater the mean the high the impact or the more the mean value close to five the more the impact. These findings have in line with findings from interview. For example, one of the respondent said that “my husband does not want me to do any business. He only wants me to stay at home”. This was also explained by another respondent who said that “my husband bitted me hardly because he wanted me to give him money which I collected from the business. It took me a number of days to recover my health situation”. This finding collaborated with those of Saito, et al. (2013) who found and concluded that violence against women results to women

poor health status which isolate women from participating in industrialization activities in Thailand. The finding also collaborates with, Kavita (2014) who found that women suffer from more long-term health problems caused by domestic violence which tend to hinder their participation in social economic activities due to poor health. Similarly, these findings concur with, Rashada and Sharaf (2016) who found that, violence against women is consistently linked to poor health and adverse social outcomes which is determined as a strongly evidence to why women are not participating in industrialized economic in India.

They add that, education level, husband's employment status, living in rural areas and type of religion influence the likelihood of experiencing violence that reduce the income ability of women to participate in industrialization. The above findings have aligned with the argument made by Hossain (2016) that, the effect of violence on physical and mental integrity of women is to deprive them of an equal enjoyment and knowledge of human right and fundamental freedom. He further adds that, the traditional attitudes by which women are regarded as subordinate to men involving violence, such as family violence and abuse, forced marriage, dowry death, acid attack and female circumcision.

On the other hand, Kandusi and Waiganjo (2015) found that, men do not want women to compete in leadership and women ideas are not accepted by most men. They concluded that Maasai women' participation in decision making is limited by social cultural factors like social identity, social acceptance, social roles and limiting cultural practices.

Robert, et al (1998) indicated that, doubly abused women had significantly greater risk of current harmful alcohol consumption and lifetime drug dependence than women who reported adult abuse only. On the other hand, Delara (2016), further attempts to establish the psychological impact of physical violence on female victims needs to

take into account the whole spectrum of physical symptoms and the organism functioning from physiologic to cognitive and mental alterations which affect women capital formation. The argument is that the mental consequences reported in literature review, may be due to so much physical violence but also due to accompanying psychological aggression. Given to that situation, psychologically abused women may not necessarily experience physical violence but this may affect their activeness in the industrialized economy.

5.0 Conclusion

Based on the study findings and discussion, it was concluded that, violence against women has a low impact on women participation toward industrialized economy. It is further concluded that violence against women tends to decrease women productivity, increase dependence, accelerate women poverty, increase cost for health service provision, negatively impacts future human capital and lost income for women and their families. In addition, violence against women undermines the human rights of a woman and her family and affects the exercise of her civil rights.

6.0 Recommendation

- Policies that reduce income inequality would help in reducing the level of violence against women.
- There is still there is a need to implement women empowerment stringently and violators should be punished strictly.
- Women with histories of abuse may continue to need support and mental health intervention to deal with the longer term effects that could help to rehabilitate their economic focus and improve their health situation toward economic participation.
- It is recommended that civic education and appropriate programs should be designed and implemented to raise the level of

knowledge and understanding of women rights and potentials in leadership and decision making.

- Continuous and effective sensitization of men and women on changing of their mindsets to accept the ability of women and their leadership potentials is paramount in influencing men's decision making to accept women in leadership and decision making organs.
- Improve spousal relationship to reduce domestic violence and this will facilitate smooth women participation in industrialization.
- To promote human rights and prevent domestic violence, the conscious people must undertake effective steps to ensure gender equality. Government as well as citizens must be more conscious and sensitive to provide access to immediate means of redress to the victims of violence.
- For a democratic country like Tanzania, the government ought to maintain the policy of zero tolerance in bringing the perpetrators of domestic violence to justice. In fact, to make a good nation in industrialization, violence against women should be not only lessened but also stopped.

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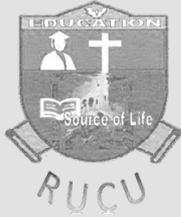
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The Influence of Electronic Bank Services Quality On Bank Customers Satisfaction

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Abstract

The purpose of this research was to understand the influence of electronic banking services quality on customer satisfaction in Tanzania. The study was conducted in Iringa where a simple random sampling was used to draw a simple of 183 respondents. Questionnaire was used to collect data for hypothesis testing form National Microfinance Bank customers.

Results using multiple regression indicated that, electronic service quality is significant influencing bank customer satisfaction. In addition, security and tangible are only dimensions of electronic bank service quality which was found to be significant while empathy and responsiveness was found to be insignificant. It concludes that there is a relation between customer satisfaction and electronic banking service quality. The study further concluded that electronic bank security and tangibility when combined tend to increase the level of customer satisfaction in banking industry. The study recommended that, for bank to satisfy their customers who are using electronic banking services, the

bank should increase the level of electronic security and tangibility of electronic device. The bank further should develop strong security policies that address all customers need in relation to electronic services.

Key Word: Electronic Services Quality, Bank Customers Satisfaction, Services Quality Model

1.0 Introduction

In today business where the business environment is dynamic and competitive market is complex, no organization can be successful without regard to the needs and demands of its customers' satisfaction. The quality of products and services offered by the company enables organizations to distinguish themselves from other competitors. Due to the growth of technology and information technology, Ganjina, et al. (2013) has argued that banking has done significant activities associated with investment in electronics to meet customer needs and creation of satisfaction and loyalty in them. Aliyu and Tasmin (2012) also revealed that ICT development has a significant effect on development of more flexible and user friendly banking services to enhance customers satisfaction. Hence an electronic banking service is considered as variable tools for both developed and developing countries banking in improving service quality for customers' satisfactions.

Realizing the potential of electronic banking in Tanzania and the current competition in the banking sector , the government of Tanzania has put more effort to support electronic banking system policy implementation and guideline to enhance smooth adoption of electronic banking, For instance the government have enacted the National ICT policy of 2003 to encouraging beneficial ICT activities in all sectors through providing a conducive framework for investments in capacity building and in promoting multi-layered cooperation and knowledge sharing locally as well as globally(URT,2003). Further, the Bank of Tanzania has regulated the use of electronic banking in banking sectors and has enacted a

Electronic Payment Schemes Guidelines of 2007 to apply to all banks and financial institutions and to any other service providing institution or company that offers direct or indirect electronic payment schemes services (BOT, 2007). The central focus of this growth is on liberalisation of the telecommunications sector and Banking sector on which electronic practices and M-banking given priority by the Tanzanian government as one of the country's most competitive economic sector (Ally, 2014).

Despite of the initiative of the government of Tanzania on electronic banking and the contribution of electronic banking toward customers satisfaction in the banking sector Mobarek (2007) advocate that delivery channels of banking are lacking in meeting the demands of the customer by not making them aware of e-banking and using obsolete or not too up-to-date technology. This has also been found in a study done in Tanzania by Kevin, et al. (2013) who advocate that despite of the contribution of electronic banking, yet customers are not aware of the services and they further recommend that there is a need for bankers in Tanzania to educate public in the use of online banking products. Given this situation it is not clear whether bank customers are satisfied or not with the use of electronic banking. Following these findings this study fills the gap by assessing the influence of electronic bank services quality on customers' satisfaction.

1.1 Research Objective

To assess the influence of electronic bank services quality on bank customers satisfaction in Tanzania.

2. Literature Review

2.1. Review of the Relevant Theory

In this study the SERVQUAL instrument was used to study the electronic bank services quality and customers satisfaction. Parasuraman et al. (1990), relates to the customer's perceived measurement of service quality, where perceived service quality is defined as the degree and

direction of the discrepancy between a customer's perceptions and their expectations. The SERVQUAL model is based on measures of the Performance–Expectation (P–E) gap across the following 5 dimensions. The following dimensions of services quality that tend to influence customer satisfaction.

- 1 Tangibles: How physical facilities, equipment, personnel, and communication materials appear
- 2 Reliability: The extent to which the promised service can be performed accurately and reliably
- 3 Responsiveness: Willingness to provide a prompt and helpful service to customers
- 4 Assurance: Employees' knowledge, courtesy and ability to convey trust and confidence
- 5 Empathy: A company's caring, individualized attention to its customers

The suitability of using SERVQUAL model in studying the electronic banking services quality on customers satisfaction has been evidenced on the studies For example Sanjuq(2014) found and conclude that services quality has significant influence on customer satisfaction. On the other hand Ganjinia, et al.(2013) adopted the service quality mode to study the influence of online service quality on customer satisfaction in public banks of Guilan. Six factors including reliability, responsiveness, competence, ease of use, security and Product portfolio are identified as dimensions of online services quality. Given the suitability of service quality model in banking sector, in this study the service quality model was used to inform the researcher on the influence of service quality dimensions on bank customers satisfactions.

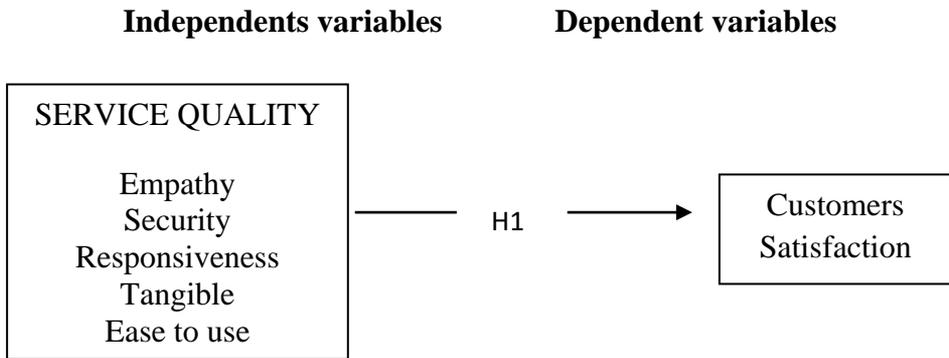
2.2 Empirical Literature Review

Ganjinia, et al. (2013) investigated the impact of online service quality on customer satisfaction in banks of Guilan using multiple and linear regression analysis, findings revealed reliability, responsiveness, competence, ease of use, security and Product portfolio are identified dimensions of online services quality and had effect on customer satisfaction of public banks of Guilan. On the other hand, Mohammadi and Taleghani (2015) on their study of the evaluation of electronic service quality's impact on customer satisfaction among 171 customers of Saderat Bank in Rasht City, Iran, result obtained through questionnaires was analyzed linear regression model indicate that five subsidiary hypotheses, which are based on independent variables including efficiency, reliability, responsiveness, fulfillment and privacy are influential on customer satisfaction. These findings mean that, general dimensions of electronic quality service influences customer satisfaction. In related perspective, Hanzaee and Sadeghi (2010) on their study of measuring banks' automated service quality in re-examination and extension in an Islamic country, results found that factors on the following dimensions: convenience, accessibility, accuracy, security, usefulness, bank image and web site design in which these dimensions are determinants of customer 's quality perception in e-banking services. This finding has posit a hypothesis which state that: *Electronic Banking Quality Services has a significant influence on customer satisfaction.*

2.3 Conceptual framework

This conceptual framework depicts the relationship between services quality and customer satisfaction. The services quality is a independent variables with indicator variables empathy, security, responsiveness, tangible and ease to use while customer satisfaction is dependent variables.

Figure 2 The Influence of Service quality on bank customers satisfaction



Source: Research Developed by Researcher based on literature review (2018)

3.Methodology

3.1 Research approach

Quantitative approach was used. As argued by that quantitative approach most often uses deductive logic, in which researchers start with hypotheses and then collect data which can be used to determine whether empirical evidence to support that hypothesis exists. As in this study quantitative approach was used to analyze the hypothesis on the influence of service quality on customer satisfaction in banking sector. This idea is supported by who advocate that quantitative approach is based on the assumption that the researchers produce knowledge and understand realities through theory and empirical testing.

3.2 Study Area

The study was conducted in Iringa region of Tanzania specifically in Municipal. The area was selected because of higher statistics of banking services and the needs of customer satisfaction due to high competition in banking sector. NMB bank was selected due to the fact that the bank has been in operation for long time serving customer from rural area to urban and customers from private sector and public sector. Therefore, collecting data from this area helped to provide adequate information to better understand the influence of service quality on customer satisfaction in banking sector.

3.3 Study Population

The study targeted bank customers more particularly those who have been receiving banking services from NMB bank. This population was selected because these customers are the ones who are affected by service quality offered by bank. On the other hand, the targeted population has experienced attractive package from other banks, hence they served as information sources in the current research.

3.4 Sampling Procedure

To ensure that researcher has picked reliable sample, a simple random sampling was used to pick respondents for quantitative research. In this regard each respondent had an equal chance of been selected during data collection. Hence this approach served the purpose of this study in sampling.

3.5 Data Collection Techniques

During data collection questionnaire and documentary review method was used as data collection techniques in this study.

Questionnaire was used to help to collect measurable data for hypothesis testing. As argued in literature, that questionnaire is mostly used to capture measurable data suitable for statistical analysis of the hypothesis

of the study. This means that a questionnaire was suitable as it offers a standardized system of question to collect measurable and factual data to analyze the influence of service quality on customer satisfaction in statistical characterization.

On the other hand, documentation was used in providing data interpretation, support and give evidence of field data. As it is evidenced that, social scientists use documentary research methods to supplement and confirm on the information collected through social surveys and in-depth interviews. In this study, the documentary review served the same purpose.

3.6 Data Analysis Technique

In this study, multiple regression analysis was used to provide an analysis of the hypothesis. Multiple regression analysis is a method of statistical used to test significant relationship between dependent variable and two or more independent variables. In this study, regression analysis was used as analysis that measures the relationship between service quality and customer satisfaction in banking sector.

4. Findings

The significant relationship between electronic services quality and bank customer satisfaction was analyzed using multiple regression are presented below on three tables

Table 4. 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.525	.515	.689

a. Predictors: (Constant), easy to use, Tangibles, Responsiveness, Security, Empathy

The results provided in table 4.1 above showed that dependent variable “customer satisfaction” is explained well by independent variable service quality which has four indicators “easy to use, Tangibles, Responsiveness, Security and Empathy” to an extent as demonstrated by R2 of 52%. Further analysis of the relationship between services quality and customer satisfaction is presented in table 4.2 below.

Table 4.2 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	118.264	5	23.653	49.778	.000 ^b
Residual	106.913	225	.475		
Total	225.177	230			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), easy to use, Tangibles, Responsiveness , Security, Empathy

The results provided in table 4.2 ANOVA^a above showed that overall, the model applied in this study statistically significantly predict the outcome variable of relationship between dependent variable” customer satisfaction” and independent variable ” service quality” to a large extent as demonstrated by p-value less than 0.05 in a ANOVA table above. This indicate that the overall hypothesis which state that service quality is significant influencing customer satisfaction in banking sector is accepted. Further analysis of the individual indicators on predicting relationship between services quality and customer satisfaction is described in the table 4.3 below:

Table 4.3 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.962	.263		3.658	.000
1 Security	.642	.070	.599	9.173	.000
Tangibles	.142	.071	.127	1.996	.047
Empathy	.040	.076	.035	.526	.599
Responsiveness	.011	.016	.032	.679	.498
easy to use	-.030	.016	-.085	-1.830	.069

a. Dependent Variable: customer satisfaction

The results provided in table 4.3 Coefficients above showed that out of five indicators only two indicator known as security and tangibles were accepted as a significant to a large extent as demonstrated by p-value (Sig) less than 0.05 in a table 4.3 above .

5. Discussion of the findings

From the findings it is well evidence that service quality has significant influence on customers' satisfaction in banking sector. These findings are supporting SERVQUAL model which arset the significant influence of service quality and customers satisfactions. On the other hand the findings are in line with Getnet and Nano(2018) who found a strong and significant relationship between Service quality and customer satisfaction of a banking sector in Ethiopia. The possible explanation of the significant of this relationship was explained by three service quality dimensions: reliability, assurance, and empathy influenced customer satisfaction at the bank positively and significantly. The study findings also collaborate with the findings of Asadpoorand Abolfazli(2017) who found and concluded that Electronic Service Quality has positive and direct effect on customer satisfaction. This relationship was due to the significant level of the service quality; Availability, Security, Reliability and Fulfillment are direct impact on customer satisfaction in Urmiaand

Salmas cities of west Azerbaijan. These findings imply that despite of the context different exist but service quality is still potential to be considered in explaining customers satisfaction in banking sectors. Furthermore the finding implies that contextual issue still matters when explaining service quality in banking sector .For example Asadpoorand Abolfazli (2017) found service quality dimension such as Availability, Security, Reliability and Fulfillment are direct impact on customer satisfaction in Urmiaand Salmas cities of west Azerbaijan while Getnet and Nano(2018) found service quality dimensions: reliability, assurance, and empathy influenced customer satisfaction at the bank sector in Ethiopia. In the current study the influence of service quality was explained by security and tangibles on influencing customers satisfaction in banking sector.

6. Conclusion

From the statistical analysis and discussion, it can be concluded that service quality has significant influence on customers satisfaction in banking sector. Furthermore, this study conclude that security and tangibles are the main dimension of service quality which are used to explain the relationship between service quality and customer satisfactions. These findings are supporting SERVQUAL model which my help to conclude that the SERVQUAL model is also applicable in studying the link of customer satisfaction and electronic banking services quality in Banking sector in Tanzania.

7 Recommendations for the Study

In the light of the major findings of this study and the above conclusion, the following rrecommendations for improving bank e-service quality are as follows:

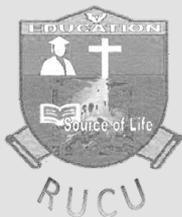
- Banks should make sure about the security of technical infrastructure of banking services
- Maintain e-services' variety and e- advertise on organizational potentials in task accomplishment of tangibles services
- Employ competent experts in research groups and take research findings on organizational performance seriously.

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SMEs Management in Tanzania: Skills and Attitudes Towards Financial Records Management

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Abstract

This study focused on analysis of deficiencies in financial records management among small and medium enterprises in Tanzania. The researchers performed literature review and a focus group discussion with experts and officials from various organizations concerned with promotion and regulation of SMEs.

The study found that only 30% of SMEs under study have adequate skills in financial records management. Furthermore 70% of SMEs entrepreneurs perceive that they cannot afford services of accounting experts, and actually do not use accounting experts rather they do manage their own financial records, prepare accounts and other financial reports despite the fact that they have limited skills in account. Results of survey depict that the majority of SMEs entrepreneurs have positive attitude towards financial records keeping discipline, though they might not be following financial reporting standards or formats. The study also found out that more than 80% of respondent always or often keeps records for key elements of business financial reporting like revenues, expenses, assets and liabilities.

The study findings therefore provide sufficient evidence that inadequacy of skills and non-utilization of accounting experts in view that they not affordable and is a major cause for deficiencies in financial records management amongst SMEs in Tanzania. The researchers therefore, recommends that government organs, business development institutions and trainers should facilitate training and consultancy services to active SMEs entrepreneurs in financial records management.

Key Words: *SMEs Financial Management, Financial Record, Skills and Attitude*

1. Introduction

The importance of SMEs needs not to be overemphasized, given that Tanzania is a developing nation and has not yet developed heavy industries and large corporations. The economy is dominated by small and medium enterprises who are majority in production sectors. SMEs therefore, is a fair ground to prepare for heavy industrialization and large corporations as the economy is gaining momentum (Sewere & Lyatuu, 2007).

SMEs promote industrial and economic development through the utilization of local resources; production of intermediate goods and the transformation of rural technology. In fact, SMEs are generally regarded as the engine driving the growth of economies and provide the best opportunity for job creation and rural development (Sewere and Lyatuu, 2007). Furthermore, SMEs development brings a multi-sector improvement in productivity and creation of mass employments. SMEs are also link-up and multiply economic value generated by large firms operating in agriculture, mining and manufacturing, construction and commerce sectors. SMEs also bridge supply chain of exports and imports of goods and services. (Trade Policy, 2003).

Nevertheless, SMEs need to win stiff competition from domestic and foreign large corporations and imports; this will in turn enable SMEs to win confidence of their stakeholders (Trade Policy, 2003). Additionally, confidence on SMEs is built when the market and other stakeholders receive relevant and timely information on production, marketing and finances (Agyris et al, 1990). Furthermore, financial reporting is the main way for transmitting financial information regarding financial health, performance and business plans of SMEs (Olomi, 2006).

Various stakeholders including investors, financiers, revenue authority, creditors and customers demands financial reports (accounts) for assessment of a business enterprise. However, some of SMEs either fails to produce financial accounts while others produce un-reliable accounts. Reliable financial reports can only be produced when there is sound management of financial records, of which a good number of SMEs misses (Agyris et al, 1990).

Absence of reliable financial records deprives the entrepreneurs not only support from financiers but also limits them to plan, analyse and decide appropriately on marketing, pricing, production, purchasing and borrowing in their businesses. It is also not possible to do tax planning or avoid penalties in absence of financial records. For example, in Tanzania business entity is supposed to maintain full set of accounts to for declaration of taxable income as per Section 80 of Income Tax Act (United Republic of Tanzania, 2004) . Also businesses registered for Value Added Tax are supposed to produce returns on monthly basis in line with provisions of Section 24 and 25 of VAT Act (United Republic of Tanzania, 2007) The study strives to answer two research questions which deal with SMEmanagement which are attitudes towards financial records and adequacy of SMEs skills towards managing financial records.

2. Background of the Study

By mid 1990s Tanzania had shifted from centrally planned to market driven economy. Since then, the nation has been phasing out state owned monopolies paralleled with intention of replacing them with vibrant private enterprises. Transformations were geared towards improvement in all sectors of economy including extractive industries, manufacturing, construction, trade, commercial services and professional services (Kristiansen and Ryen 2002 & Temu and Due 2000).

Tanzania embarked into radical change in policies and programs to step up economic production effective from mid 1990s. In the same basket of change in economic policies, liberalization of trade and deregulation of exchange controls were introduced. This paradigm shift opened wide door for importation of inputs, intermediate and finished goods. In early 1990s, import trade was predominated by consumables ranging from clothing and foodstuff to utility vehicles. This culminated into imbalanced coupled with sharp drop in production in agriculture which is the masterpiece of Tanzanian economy. The economic slump and imbalanced trade had strong negative impact to employment and standards of living to majority. There were rampant layoffs without immediate alternatives (Kristiansen and Ryen 2002, Temu & Due 2000).

Pursuant to challenges experienced in the first phase of structural reforms, a second generation of policy reforms came about aiming at promoting economic growth and employment. It included Sustainable Industrial Development Policy (SIDP 1996-2020), Poverty Reduction Strategy Policy (MKUKUTA), Development Vision 2025, Trade Policy, 2003 and Small and Medium sized Enterprises Development Policy, 2003 among the key policies embarked by the Government of Tanzania to address economic slump experienced in the past (United Republic Tanzania, SMEDP, 2003)

3. Literature Review

3.1 Conceptual definitions for SMEs

The definition of SMEs is not universal; there is contradicting literature about that stratum of business enterprises. Developed economies have different economic settings which make some enterprises considered large companies in Tanzania to be categorized as small or medium depending on criteria used. In that respect, the International Accounting Standard Board (IASB) defines SMEs as follows “*SMEs are entities without public accountability or unquoted companies that are not financial institutions*” (IASB,2008). This definition could include entities ranging from very large unlisted companies down to micro-sized enterprises.

However, the definitions given by accountants are indicative but deficient of size benchmarks in categorizing enterprises. They fail to show specific limits in terms of wealth, scale of operations like sales turnover and number of employees in business, rather they are based on accountability and reporting framework of enterprises which is the focus of accountancy profession. The National SMEs Development Policy (2003), which is benchmark reference, categorizes enterprises based on number of employees and capital investment. The policy specifically provides a range of number of employees and capital investment in determination of size of an enterprise divided into four classes of enterprises which are micro, small, medium and large enterprises. Classification of SMEs mainly refers to size of “non-farm economic activities including businesses in manufacturing, mining, commerce and services (Table 1).

Management of SMEs is normally different from large enterprises in several respects because of social structures, relationships and amount of resources within those enterprises. Level of formalizations in enterprises is normally reflected in the way the finances and records are managed.

Moreover, The SMEDP 2003 rules out that if an enterprise falls in more than one category then capital investment should be the determinant factor (Tanzania, United Republic, 2003)

Table 1: Categorization of business sizes in Tanzania

Category	Employees	Capital (Tshs)
Micro enterprise	1-4	Up to 5 mil
Small enterprise	5-49	Above 5mil to 200mil
Medium enterprise	50-99	200mil to 800mil
Large enterprise	100+	Above 800mil

Source: Small and Medium Enterprise Development Policy

However, defining SMEs based on number of employees may not be realistic in Tanzania where many enterprises engages family members, temporary employees, day-wage workers whose services are not in the payroll and not involved in formal schemes of employment and benefits. Considering the population structure and size of industrial reserve army, a large portion of business enterprises cannot be identified with either of the classes. Some of graduate’s businesses are made of few skilled, say less than four or one self-employed person with virtually no capital but great skills. There are also some enterprises especially in general services like janitorial works, may be established with many personnel who are directly paid by clients and so are not mobilized under the basis of capital stock (Shilundu, 2000)

The other critical shortcoming in the national policy definition is exclusion of agriculture activities from small and medium enterprises definition. The fact that there is growth in numbers of commercial farmers in the economy suggests that the policy is deficient in that respect and needs to be amended.

The other challenge on applicability of policy in defining SMEs in monetized capital investment in Tanzanian Shillings, the value of

currency is not such stable and for that matter over a period of time where the prices for capital goods needed in business investment will change significantly and renders the definition obsolete. If the test of capital investment was to be valid and sustainable ingredient for defining size of enterprises then it was supposed to provide for adjustment of amount of capital investment with appropriate inflationary capital goods indices prevailing over a time (Randa, 1999).

3.2 Conceptual definition for financial records

Records constitute the entire memory with implication to financial position of an organization. This involves a broad range of documents categories such as business correspondences, accounting records, and personnel records, legal documents like contracts, property titles and insurance policies. Others include commercial invoices, payment vouchers, receipt vouchers, bank statements and cash books. However, the list cannot be exhaustive; it always depends on type of business, and requirement of user of business information. Not all of the records maintained in the business are equally needed or important, and so the entrepreneurs need prioritize and identify different uses of financial records. Financial records are defined as “any written data or documentation made for future economic use (Chopra, 2005).

There is proportional and positive relationship between size of business and level of credit business application. Large businesses are normally operating on credit and utilize bank facilities while micro businesses operate on cash basis with less or without using bank facilities. Majority of formal small and medium sized business are also done on credit basis. Credit business transactions naturally demands more records than cash transactions. In the same process of correspondence, parties involved get closer through communication, documentation references and so many details of counterparty are taken into record before a single deal is closed. The typical credit business may follow the following

documentation in simple regular business transactions. (Turyahebwa Et al, 2013).

Saleemi and Ajowi, identifies the minimum records that should be maintained by on business ran on credit should be receipt and payment in both cash and cheque records, Credit Sales and purchases records, wages records, and Inventory records. Thus financial recording system whether it is in physical books or a computer program, should be able to keep and retrieve information from various transactions.

Saleemi further describes records management as a range of activities designed to control records from its creation to its ultimate disposition. The activities involved in records management mainly follow the pattern of records lifecycle. Some of records are temporary and so created for short life while others are created as permanent with intention of indefinite life. Management of records therefore is driven with purpose and expected lifespan of document.

Chopra (2005), describes the stages in records lifecycle as development, utilization, storage, retrieval, disposition and destruction. Management of records involves various stages of its lifecycle that is designing, development, utilization, storage, disposal and destruction. This implies that the process of records management observes key principles of records management including Verification, Justification, Classification, Information, Elasticity and Reasonable cost

Table 3: Records life cycle vs. management activities

s/n	Stage	Management activities
1	Design and development	Design of appropriate formats, methods of entering data and their control. It also refers to determination of the period of the time for which the documents (records) should be stored before destruction.

2	Utilization	It refers to the development of efficient procedure in order that the desired records may be retrieved and delivered at the desired location and the desired time. It involves development of efficient procedure through which records move.
3	Storage	Involves preserving valuable documents, using filing equipment and the space to provide an accessible location and protection of records against disaster or unauthorized access. Storing records, records must be stored in such a way that they are both efficiently accessible and are safeguarded against environmental damage.
4	Retrieval stage	Involves rapidly locating the desired records .It also involves significantly out documents withdrawn from files and tracing documents not returned to the files within reasonable.
5	Transfer of records	Moving records from active to inactive files and from there to the storage area. It may be periodic or specific intervals or continuously
6	Disposition and Destruction	Micro-recording, resizing, schedule of destruction un-required records through burning, shredding, and recycling of papers

Source: Chopra, 2005

3.3 Retention of Records

Not all documents are expected to be kept permanently, when records become inactive, they should either be destroyed or transferred to reserve storage. Unnecessary records should be destroyed or transferred to

achieve. Every care should be taken to ensure that records which are needed are not destroyed.

Once approved, the records must be disposed of with care to avoid inadvertent disclosure of information to unauthorized parties. The process to dispose of records needs to be well documented, starting considering retention schedule. Records should not be discarded as any other refuse because by so doing some business secrets may be exposed to competitors or divulge customers information. Records may be destroyed through paper shredding or incineration.

3.4 Significance of Managing Financial Records

Studies have shown that many small businesses fail due to liquidity problems than not being profitable. Capital budgeting and cash flows planning are critical to SMEs, due the fact that majority of SMEs do not have access to capital from public (Njau, 2004) then the emphasis of the entrepreneurs to have a good management of cash float and relations with financial institutions like bank.

Records facilitate analyzing good customers and creditors. The records also assist the entrepreneur to be fast tracked for an overdraft or loan in a bank when needed. Access to overdraft facilities makes the business able to stretch its working capital and earn adequate profit without defaulting or fire selling assets (Turyahebwa Et al., 2013)

Accurate and complete records enable entrepreneur to identify all business assets, liabilities, income and expenses. When an enterprise details are compared to appropriate industry averages, helps to pinpoint both the strong and weak areas of business operations. The past records are just like tools in the hands of a technician. records enable the management to do thorough study and decision for the business (Ngalube & Chachage, 2006)

Large and medium-size companies have internal accounting personnel and sophisticated records and systems to guide management. On the other hand, the owner of a small business usually relies primarily on an owner manager or assistant bookkeeper and an outside accounting firm to maintain the company's records and provide guidance. Therefore, the small business owner should keep good records to ease the task of external accountant and be charged less fees (Turyahebwa, A et al, 2013)

Organized financial records are essential for preparation of ledgers and final accounts such as trial balance, balance sheet, the income statement (profit and loss), and cash-flow projection. These statements, in turn, are critical for maintaining good relations with bankers. They also present a complete picture of your total business operation. Deficiency in financial records management is a state of disability or breakdown in any of the functions in financial records management. Fair management of financial records for regular business transactions and compiled financial reports assist the entrepreneur to get comfort that he will pass the tests of compliance to laws of the land (Turyahebwa Et al., 2013)

Thus, financial records for this study is referred to as all physical or electronic documents produced or acquired by an enterprise for current and future use in order to describe an event, transaction and value thereof. At the same time, financial records management refers to a combination of functions, which involves identification, creation, classification, preservation, retrieving, utilization, transferring and disposition of financial records in line with the theory of records life cycle and continuum (Ngalube & Chachage, 2006)

The main financial laws of Tanzania including banking, insurance, social security schemes, tax, contract and company laws which assigns high value to financial and accounting records as discussed in the table 5 below.

Table 2: Legal requirements for basic financial records

Legal requirement	Specification of law
Preservation of accounts for at least 6 years	Companies Act, Section 151
Companies to write up books of account in GAAP's in standards stipulated by NBAA (that is IFRS)	Companies Act, Section 54
Consistency between records maintained and Financial statements.	Sec 163 of Companies Act
Preservation of accounts, Sales and Purchases Tax invoices for at least 5 years	VAT Act, Section 24,25&29
Maintenance of documents for Income Tax purposes for at least 5 years	Income Tax Act, Section 80

Source: Various financial laws of United Republic of Tanzania

Further to that tax computations and assessment for un-incorporated business mainly depends on records maintained by business person or presumptive tax formulas. The presumptive tax formula as shown in table 6 below, favors the enterprise that maintain basic records than who do not. However, given the costs of records management, the benefit of tax savings obtained by small business person whose tax is computed under presumptive tax are dismal and might not be adequate motivation by themselves.

The major impetus for small and medium tax payers to keep financial records is to avoid penalties and confiscation of business license as a result of failure to file tax returns and annual accounts to registrar. Presumptive taxation is not applicable for business with turnover above twenty million shillings. The businesses with turnover equal or above twenty million shilling per annum has to maintain full set of accounts and submit returns for income tax as per requirement of Section 91 of ITA. All tax returns are basically filed based on financial records and so SMEs

alike large enterprises are supposed to comply (United Republic of Tanzania, 2004)

3.5 SMEs Attitude towards Financial Records

Entrepreneur's attitude towards financial records management is a general feeling or a drive within an entrepreneur towards financial records discipline. Majority of SMEs entrepreneurs have positive attitude to management records even though they are constrained in skills and so might not be following financial reporting standard or formats. The shortcomings in financial management of SMEs can mainly be attributed to the perception that SMEs cannot afford financial experts, where about 70% look for unproven alternative assistance (Kambi M, 2007).

In the same spirit of managing the business with back-up of financial records, more than 80% of SMES entrepreneurs maintain records for key business elements of revenues, expenses, assets and liabilities at least in rudimentary form. Some business cycles like sales and debtors are given more weight than others considering their risks and significance to internal and external reporting

3.6 Challenges facing SMEs in financial records management

ICT and electronic records requirements is a key challenge to most SMEs in developing world. Electronic records go hand in hand with revolution in information technology and information systems, they have additional features, advantages and risks. Advantages of electronic records includes but not limited to the following, easy and fast to transfer, easy and quick to access/search and share by many other people, they can be fast replicated and duplicated by electric equipments. The other great achievement with electronic records is the possibility of being altered and stored in relatively very small objects like flash disk, MP3-Disk or computer saver which can handle hundreds of thousands documents would take hundreds or thousands of square meters in pallets and shelves in hard copies.

However, majority of SMEs entrepreneurs have no skills and infrastructure to handle electronic records. Electronic records demands computers equipment and programs on top of reliable power supply which is a great challenge which faces even large enterprises in Tanzania. Capital layout needed before realization of cash inflows is the main barrier for SMEs to advance in electronic records management.

Critical threats or difficulties associated with electronic records of all types includes but not limited to the following, it requires information technology and infrastructure which is more expensive to develop and inaccessible to majority of businesses in developing nations like Tanzania, high pace of technology change can hardly be coped with SMEs which are normally have no the capacity to accommodate the changes. The other challenge on electronic records is requirement for soft-technical security and preservation to be deployed to deter vandals such as viruses and worm attackers to access and disrupt enterprises records.

3.7 Theoretical Framework

This study is driven by Self Determination Theory. A theory was propounded by Ryan and Deci (2000). It is a theory which suggests that people tend to be driven by a need to grow and gain fulfillment. Assumption of this theory is that people are activity directed towards growth, mastery over challenges and taking new experiences which are essential for self-development. Moreover, Self Determination theory states that while people are often motivated to act by external rewards including money, prizes and acclaim, self-determination theory focuses primary on internal sources of motivation including need for gaining knowledge or independence (Ryan &Deci 2000)

This theory is taken for this study because SMEs are motivated to keep financial record for their enterprises for intrinsic motivation of growing their business. While this goal is attained the entrepreneurs will gain self-

fulfillment as their business ventures will experience financial independence, will create employment for their fellow citizens, earn higher income, contributing to the community welfare and greater opportunity for personal development (Carter et al., 2003).

4. Research Methodology

The study was comprehensive which involved desk and field research in a form of descriptive and analytical study. In terms of desk research, previous empirical studies and other authority literature were consulted and mainly presented in chapter two. Various published and edited manuals in academics and business management on financial records, particularly those relating to SMEs were reviewed and synthesized.

Field research involved data collection from various small and medium sized entrepreneurs in Dar-es-Salaam especially those but not limited to entrepreneurs of Small Industries.

Thus the data was collected through various means which involved physical eye observation, interviews and administration of questionnaires.

5. Findings

The study involved a survey to capture attitude and skills of entrepreneurs in various aspects. The results of study survey are presented hereunder. Figures and tables data explicate the various habits that SMEs possess while managing their enterprises

Table: Habit of keeping records for purchases

Choices	Response	Frequency	Percent
1	Always	29	58.0
2	Often	10	20.0
3	Sometimes	6	12.0
4	Rarely	4	8.0
5	Never	1	2.0
Total		50	100.0

Source: Field Data

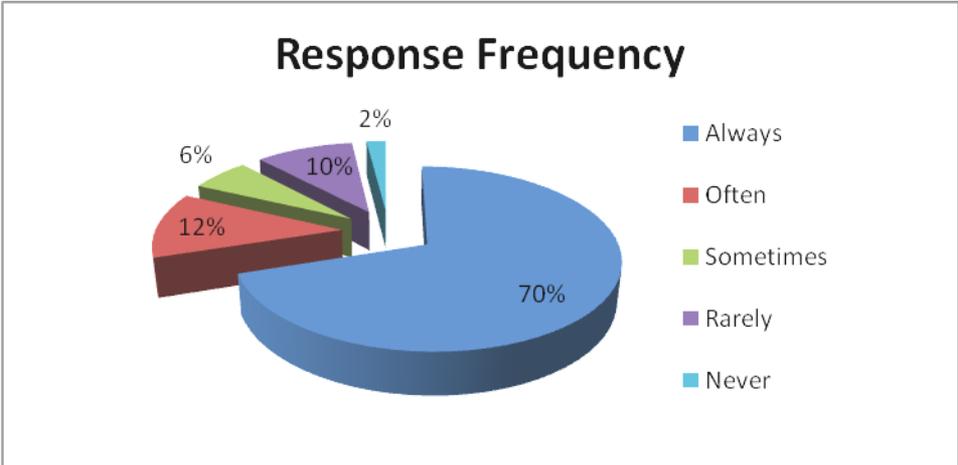
Interpretation of results on habit of keeping records for purchases

Above table depict that 78% of fifty respondent entrepreneurs, always or often keep purchases records, which indicate that, Majority of entrepreneurs keeps sufficient records for purchases while the rest, 22% do not. Purchases records are very important for financial reporting especially manufacturing, handcraft and construction enterprises which needs to determine whether they can at least cover out of selling price, materials and materials conversion cost before deciding to produce.

Habit of keeping records for business expenses

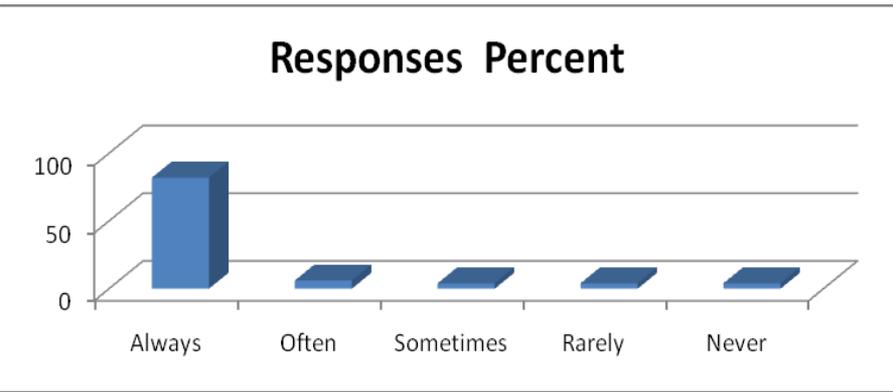
Many of business enterprise especially incur some expenses to generate revenues. These expenses have to be matched to respective revenues. Table 16 below depict that 82% of entrepreneurs either always or often keep records for business expenses while 18% do not keep reliably records. Though we cannot have absolute assurance of adequacy of records kept by entrepreneurs because majority has no accounting or financial reporting orientation, responses suggest that, third party can make them generally understandable form.

Habit of keeping records for outstanding and receivables



Majority of matured and developed businesses are done on credit basis and so documentation and records of unsettled bills (outstanding) and receivables from debtors are very critical. Table below depict that 88% of the entrepreneurs keep either always or often the outstanding bills and receivables, while 12% do not keep reliable records.

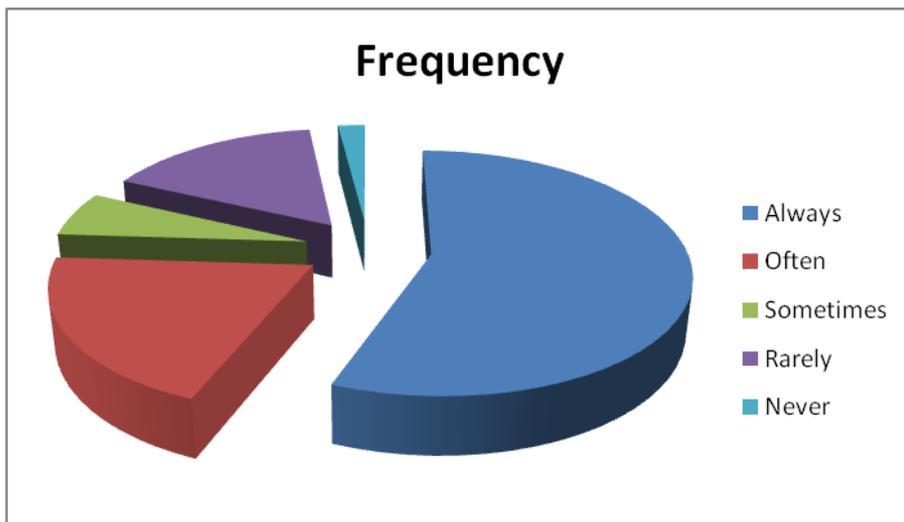
Habit of keeping records of out standings and receivables



Habit of keeping records for inventories

Records of inventories are going hand in hand with other records of purchases, issuance of materials and finished goods or damage of materials. The inventory records demands separate and well laid out scheme of inventory management and records because it involves many details. Table below, presents that 76% of entrepreneurs either keep records always or often while 24% do not.

Habit of keeping Records for inventories



Habit of keeping records for business assets

The business assets represent the investment or capital outlay in the business. It includes tangible, monetary and intangible assets. The tangible assets like property, plant, equipments, inventory requires detail listing and schedules of assets costs while monetary assets and intangible assets like goodwill, patents and rights have to be properly recorded to reflect realizable values than cost. Patents and copy rights are very critical for artist and designers than normal manufacturers. Table below shows that 78% of entrepreneurs either always or often keep assets records while 22% do not.

Habit of keeping records for assets

Choice	Responses	Frequency	Percent
1	Always	29	58.0
2	Often	10	20.0
3	Sometimes	5	10.0
4	Rarely	4	8.0
5	Never	2	4.0
	Total	50	100.0

Source: Field Data

Habit of keeping bank statements and cashbooks records

Cash is like water to life of human being, it's a constant factor for success of business. More organizations fail for illiquidity than profitability. The entrepreneurs need sound records of cash in hand and that at bank and that is why memorandum records have to be prepared and agreed for money kept by bank for an enterprise. Weakness in records of cash can shortly bring death to an enterprise. The table below shows that 88% of entrepreneurs keep records of bank statements and cashbooks while 12% do not. This depicts that majority keep records though does not indicate that entrepreneurs go further to deploy controls like cash on hand verification and bank at bank reconciliations.

Habit of keeping bank statements and cash books

Choices	Responses	Frequency	Percent
1	Always	29	58.0
2	Often	15	30.0
3	Sometimes	2	4.0
4	Rarely	2	4.0
5	Never	2	4.0
	Total	50	100.0

Source: Field survey data

Discussion of the Findings

From results of survey we found that at least 70% of SMEs entrepreneurs keeps records for each element of financial reporting and have positive attitude towards financial records management. We also learnt that at least 50% of SMEs entrepreneurs prepare their own accounts despite that they have inadequate skills in accounting and financial records management. Only 30% of SMEs uses the services of accounting experts, majority perceive that accounting expert and modern equipment are expensive, they cannot afford.

Further, entrepreneurs perceive that there is motivation for maintenance and proper management of financial records because there is better treatment or consideration in taxation and financial assistance when they maintain financial records than not.

The study found that there is inadequacy of skills and non-utilization of accounting and financial experts in view that they are expensive and therefore are not affordable and this has been the major cause for deficiencies in financial records management amongst SMEs in Tanzania.

6. Conclusion and Recommendations

Despite that SMEs have vast difference in sizes, in whatever size of business, there is no justification for not maintaining financial records. The difference can only be made on formats and volumes of reports demanded from the enterprises. SMEs might not afford to employ full time accounting experts but can hire either on contract or part time basis. Accounting experts can assist SMEs to develop systems that facilitate financial records management and compilation of accounts. Well negotiated part time service or contract service from expert may concurrently lower costs and ensure quality in financial records management.

Medium enterprises should use financial consultants' advisory services and accountants to deploy robust accounting systems which are easily operable. Moreover, the services of accounting experts are affordable and necessary for medium sized enterprises. The options available is either to use few full-timers or use more accounting consultants who will assist the firm meet internal reporting, special purpose reporting and International Financial reporting standards. Moreover, the responsibility to acquire necessary skills for financial records and basic accounting squarely lies on shoulders of entrepreneurs who at the end is compelled to file tax return and file annual accounts to registrar of companies.

7. Contribution of the Study in the Body of Knowledge

The study has contributed to the body of knowledge by showing that when entrepreneurs are equipped with positive attitude and right financial skills there will be smooth management of SMEs in the developing world in the area of financial records. This will in turn bring about intrinsic motivation to entrepreneurs when their business ventures grow and thereby experience financial independence, create employment for their fellow citizens, earn higher income, contributing to the community welfare and greater opportunity for their personal development

There is inadequacy of skills in financial records management where only 30% of SMEs keep their financial records properly in the developing world especially in Tanzania. Moreover 70% of SMEs entrepreneurs perceive that they cannot afford services of accounting experts, and actually do not use accounting experts rather they do manage their own financial records, prepare accounts and other financial reports despite of the fact that they have limited skills in accountancy. Main reason for non-utilization of accounting experts in view that they not affordable. This is the major cause for deficiencies in financial records management amongst SMEs in developing world especially in Tanzania. The results of deficiencies in financial records management

amongst SMEs has been ill performance and slow growth among many SMEs.

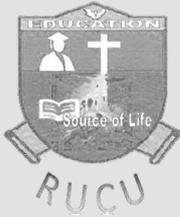
Additionally, SMEs entrepreneurs seem to have positive attitude towards financial records keeping discipline, though they might not be following financial reporting standard or formats. The study also found out that more than 80% of respondent always or often keeps records for key elements of business financial reporting like revenues, expenses, assets and liabilities.

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Strategic Management in the Process of Globalization

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Abstract

This study focused on establishing the strategic management effect in the process of globalization among companies in Tanzania. This study adopted a case study where primary data was collected using interview guide. The data obtained from the interview guide was analyzed using content analysis a technique used to make inferences.

The study found out that globalization had brought about many changes in strategic management, this has push to remain competitive and meet market demand, hence led to a move towards integration and standardization of global business operations. Also, the study found that globalization affected level of completion, adoption of technology, sensitivity in economic factors like inflation.

The study concludes that globalization affected strategic management of the firms. Because of globalization, the companies had to open offices in different parts of the world in order to meet the needs of their customers who were expanding to other parts of the world other than their home

country. The study further concludes that globalization affected strategic management as it determined the expansion strategy that was to be adopted by the firm as it extended its services to other regions. This study recommends that a thorough environmental scanning should always be conducted whenever the firm plans to enter into a new territory. Additionally, the study recommends that the firm invests in innovations and inventions so as to come up with new innovative ways of serving their customers.

Key words: *Globalization, International Business, Strategic Management, Strategic Process.*

1. Introduction

The concept of the strategic management practices covers organization-wide issues in the context of a whole range of its operational influences. According to Pearce and Robinson (2003) strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. In practicing strategic management practices, organizations seek to reposition themselves in order to create new competences and capacities to exploit and deal with new situations of globalization. As argued by Thompson and Strickland (1993) that globalization is the integration of economies throughout the world by means of trade, financial and technological flows, the exchange of technology and information and the movement of people, goods and services. This means that globalization, by itself, is not enough as such companies need globally coherent strategies, global networks, global processes and ability to maximize profit on a global basis.

Companies across the world face a continuously shifting and increasingly exposed competitive environment. In the 1980s, many companies focused on their national markets, but served a variety of different industry segments. In the new era, such domestic focus has become rare

as continental integration and globalization have changed the nature of competition. On the global stage, competitive advantages are gained by creating, transferring and exploiting competences across operations and locations internationally. Businesses thus face enhanced opportunities for international growth, while the benefits of expanding into other industries domestically have diminished.

In result, corporations are redesigning their strategies to focus on narrowly defined core industries with a global scope. Thus, they simultaneously accelerate their internationalization while reducing their product diversification. DE diversification and internationalization thus complement each other in a process of global focusing (Meyer, 2006). This process is driven by shifts in the relative transferability of resources and capabilities across industries and countries due to the globalization of markets, resources, supply chains and business models.

These changes in corporate strategies create new challenges for business leaders and policy makers. Business leaders not only have to manage international competition, but to pursue strategies that create and exploit complementarities and linkages in the global net of their operations. This requires changes of corporate strategies that involve new capabilities and may be risky to implement. Policy makers face businesses that are operating at supra-national levels, and thus less likely to react to national policies. Yet, national resource endowments, especially human capital, continue to attract business operations and thus national competitiveness. This study filled the gap by establishing the effects of globalization on strategic management for Tanzanian firms.

2. Literature Review

2.1 Concept of Globalization

Globalization, in its literal sense, is the process of transformation of local or regional phenomena into global ones. It can be described as a process by which the people of the world are unified into a single society and

function together. This process is a combination of economic, technological, socio-cultural and political forces (Sheila, 2004). *Globalization is often used to refer to economic globalization, that is, integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology* (Bhagwati, 2004).

The process of globalization creates new challenges and opportunities for firms. The opportunities include access to new markets that were previously closed due to cost, regulation, or indirect barriers, the ability to tap resources such as labor, capital, and knowledge on a worldwide basis, and the opportunity to participate in global production networks that are becoming prevalent in many industries such as automotive, electronics, toys and textiles. Challenges come from foreign competitors entering firms' domestic markets, and from domestic competitors reducing their costs through global sourcing, moving production offshore or gaining economies of scale by expanding into new markets. Globalization challenges firms to become more streamlined and efficient while simultaneously extending the geographic reach of their operations.

Globalization involves a strategy of viewing international markets holistically and fusing operations into a single worldwide strategic entity. Globalization concerns developing linkages between geographically dispersed units of a function and regulating business activities to align them with the expectations set in targets. This assures centralized control over key resources and operations that are strategic in the value chain and that all major decisions are made from a global perspective.

2.2 Strategic Management

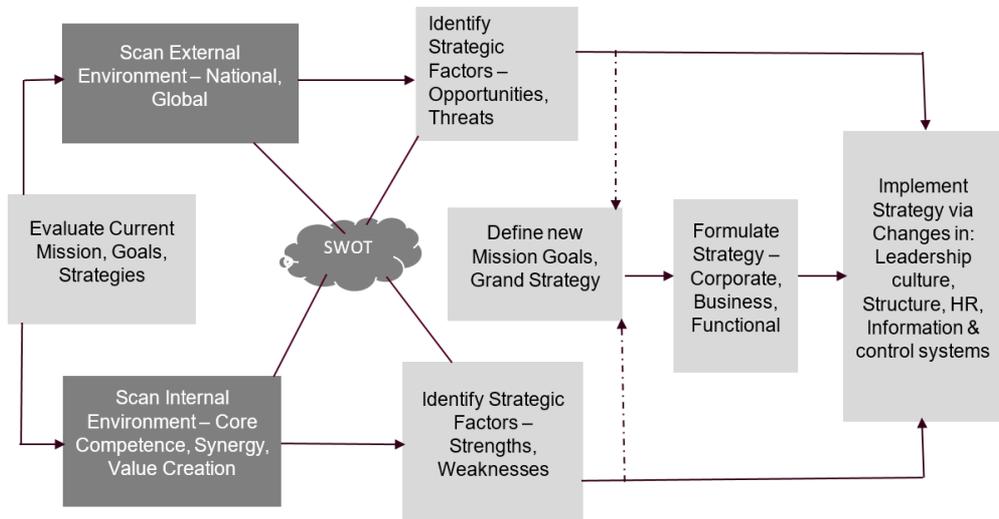
Ansoff and McDonnell (1999) define strategic management as a systematic approach of managing strategic change which consists of positioning of the firm through strategy and capability planning, real-time strategic response through issue management and systematic management of resistance during strategic implementation. Johnson and Scholes (2003) look at strategic management as to include strategic analysis, strategic choice and strategy implementation.

The strategic management framework is based on the firm's vision and mission. Vision and mission also help in the formulation of long-term organizational goals (Aaltonen and Ikavalo, 2001). Strategic management articulates the aspirations of the organization and the reason for its success. However, there is no consensus on the 'one' right way of strategic management. It depends to a great degree on the size of the firm, management style and complexity of the environment (Pearce and Robinson, 2000). This has led to a distinction between what is planned or intended by an organization and what is actually realized.

2.3 Strategic Management Process

Strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. It is the highest level of managerial activity, usually performed by the company's Chief Executive Officer (CEO) and executive team. It provides overall direction to the whole enterprise. An organization's strategy must be appropriate for its resources, circumstances, and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently.

Strategic management process



2.4 Effects of Globalization on Strategic Management

Globalization is creating numerous opportunities for sharing knowledge, technology, social values, and behavioral norms and promoting development at different levels including individuals, organizations, communities, and societies across different countries and cultures. Survival and success of an organization occurs when the organization creates and maintains a match between its strategy and the environment and also between its internal capability and its strategy. Responses to globalization require organizations to change their strategy to match the environment and also to redesign their internal capability to match this strategy. If an organization's strategy is not matched to its environment, then a strategy gap arises.

Firms in dynamic industries respond to environmental changes and competitive forces in different ways. Some improve current products, diversify and divest, while others employ techniques that ensure

operational effectiveness. In order to achieve a competitive advantage, strategy needs to focus on unique activities. Operational effectiveness is necessary but not sufficient for achieving a sustainable competitive advantage (Porter, 1985). Changes in environmental conditions shape a firm's opportunities and challenges.

A new environment necessitates the formulation of new strategy best suited to cope with change. According to Ansoff, (1988) turbulent environments are characterized by unfamiliar rapid and unpredictable events. Globalization has brought with it effects that have made companies to devise means of staying competitive not only in the global market but also in the local market. Companies have been forced to diversify their product portfolio to cope with competition, maintain market share, enter into new markets and seal off any unexplored market segments that foreign competitors may come to exploit. Globalization is creating numerous opportunities for sharing knowledge, technology, social values, and behavioral norms and promoting development at different levels including individuals, organizations, communities, and societies across different countries and cultures.

Globalization requires companies not only to be multinational and multilingual, but also to be multicultural corporations. Hence, many multinationals must accept, adopt and blend multicultural aspects in their business processes. The delayering of cultural strata must be a prerequisite before a multinational signs any memorandum of understanding with a host country. There is an emerging global culture that is changing human expectations and understanding.

3. Research Methodology

3.1 Research Design Strategy

A case study research design strategy was with the aim of creating a profile about a phenomenon. As argued by Yin (1994) that case study design should be considered when you want to cover contextual

conditions because you believe they are relevant to the phenomenon under study or when the boundaries are not clear between the phenomenon and context. As in this study the researcher wanted to capture contextual conditions to explain the effect of globalization among firms in Tanzania.

3.2 Data Collection

The study made use of primary and secondary data. Primary data was collected through face to face interviews conducted by the researcher while secondary data was collected through review of the contents of various relevant publications and reports. An interview guide was modeled on the effects of globalization on strategic management at the firms.

3.3 Population

The target population of this study comprised of six senior managers who were selected based on the role they play in strategy implementation in their companies. The study targeted a total of 6 senior managers from 6 companies in Arusha town out of which, 5 managers responded by scheduling an interview with me thus giving a response rate of 83%. This helped to obtain data required to capture the issue of strategic management and globalization.

3.4 Data Analysis

The data obtained from the interview guide was analyzed using content analysis, a technique used to make inferences through systematic and objective identification of specified characteristics of messages. Kothari (2004) explains content analysis as the analysis of the contents of documentary and verbal material, and describes it as a qualitative analysis concerning the general import of messages of the existing documents and measure pervasiveness. The researcher analyzed the information provided by the interviewees against known globalization effects on strategy implementation in organizations to describe and

determine how globalization has affected strategy implementation in their organization.

4. Findings

Finding from the interview on effects of globalization on strategic management system respondents indicated that globalization had brought about a number of changes in strategic management at their companies. The findings from interview further indicated that this had been necessitated by the need to remain competitive and to meet market demand. This has therefore seen a move towards integration and standardization of global business operations.

The managers indicated that following increased globalization, many of the customers served by their firm were expanding their businesses across country borders. For example, one of the respondents indicated that majority of their customers were expanding across the East African Community Countries like Kenya, Southern Sudan, Rwanda, and Uganda and that in order for them to service them adequately and satisfactorily, they needed to re-strategize. One of the strategies that they adopted was exporting strategy.

In order to satisfy customers in these diversified markets, the firm saw the need for integration and standardization of global business operations. This ensured that the services offered were uniform across all its branch networks and subsidiaries. By doing this, the firm improved its financial performance and customer satisfaction.

Furthermore, the respondents from interview indicated that globalization had also affected the level of competition. The competition ranged from scramble for human resources to business. As more and more firms globalize their operations, they require more human capital to oversee the smooth running of their operations. The interviewees indicated that this led to high competition for better qualified staff to deliver quality services to the customers.

5. Discussion of findings

On the effects of globalization on strategic management system, the study established that globalization had brought about a number of changes in strategic management at firm. Many of the customers served by this companies were expanding their businesses across country borders. According to Reich (1998) the process of globalization creates new challenges and opportunities for firms. The opportunities include access to new markets that were previously closed due to cost, regulation, or indirect barriers, the ability to tap resources such as labor, capital, and knowledge on a worldwide basis, and the opportunity to participate in global production networks.

The study established that strategic management team had to work in anticipation of changes in the operating environment. The environment in which they were operating had become very volatile warranting for high levels of intelligence to ensure that they kept pace with the changes in their operating environment. The study further established that globalization had also affected the level of competition. According to Porter, (1985) competition ranged from scramble for human resources to scramble for customers. In order to achieve a competitive advantage, strategy needs to focus on unique activities. Operational effectiveness is necessary but not sufficient for achieving a sustainable competitive advantage.

The study further established that strategic management process was affected by several factors including: government policies, economic factors like inflation; adoption of technology, regulatory environment, market which involved types of clients, their needs, competition, and internal operations. Governments created the rules and frameworks within which businesses are required to operate.

6. Conclusion

The study has established that globalization had gr effects on the strategic performance of firms. From the study findings above, the study concludes that globalization affected strategic management to a great extent at the firm. Because of globalization, the firms had to open offices in different parts of the world in order to meet the need of their customers who were expanding to other parts of the world other than their home country. This necessitated the need to develop strategies that would see the firms expand to different regions.

The study further concluded that globalization affected strategic management as it determined the expansion strategy that was to be adopted by the firms in expanding its services to other regions. Through globalization, the study established that the firm used several strategies including export strategy to reach into other countries.

The study further concluded that, in order for the strategic management team to overcome the challenges of globalization, they had to consider changes in the operating environment and develop scenario plans which helped in countering the effects of globalization. Additionally, following globalization, customer expectations had increased as the levels of competition intensified. This forced companies to standardize its operations with strict observation of their corporate values so as to ensure delivery of standardized services to its clientele.

However, companies faced several challenges following increased globalization, whereby, the firm experienced poor internet connections in some countries, in which case the firm resorted to sourcing of own/alternative internet services via satellite VSATs to make sure that its online operating system was available at all times in their operational centres. There was also financial inadequacy which threatened to crumble some of the firms operations. Country specific policies also posed a major challenge in which cash, firm had to comply with specific regulations which then made it difficult to comply with global policies on some issues.

Lastly the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation; early involvement of firm members in the strategy process helped employees understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation, puts all members at the same platform, and helps the employees to own the process thus ensuring better results.

7. Recommendations

The study found out that globalization affected the expansion strategies adopted by companies. Depending on the location targeted for expansion as warranted by growing customers' demands, the firm had to weigh the various strategies to employ in order to be successful in that market. This study therefore recommends that a thorough environmental scanning is necessary whenever a company plans to enter into a new territory. This allows for smooth operations of the company and standardized service delivery.

The study established that globalization affected the level of competition as customer expectations also increased. To help improve customer service, the study recommends that the company maintains its quality service delivery and corporate values which guide its operations so as to protect its integrity and credibility of its work. This would be one way of maintaining and / or even expanding the market share of a given company as the current customers remain content and willing to pay more for added value and may even refer more customers to the firm.

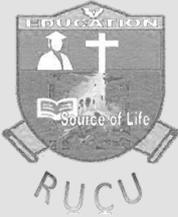
The study also established that the firms faced several challenges in its operations as a result of globalization. These ranged from increased competition, inadequate finances for strategic management to changing customer needs. In this case, a company needs to invest in innovations and inventions so as to come up with new innovative ways of serving their customers. This may in turn lower the operational costs due to effectiveness and efficiency with which a company's resources are employed.

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The Role of Universities in Influencing Service Behaviour in Tourism in Tanzania

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Abstract

This concept paper addresses the role of universities in influencing service behaviour in tourism in the southern region in Tanzania. Specific attention is focused on what universities can do to assist service providers in ensuring customer satisfaction. The paper explores some of service behaviour expected in the tourism sector and the possible ways of influencing appropriate service behaviour. The role of universities in influencing service behaviour includes training, consultancies and research. In doing so it explores programmes in tourism focusing on service behaviour, expectations of tourists, and expected standards of professionalism and levels of customer satisfaction.

Keywords

University Role, Service Behaviour, Tourism, Customer Satisfaction

Why I Love Tanzania

“I love Tanzania because of the light, colours and life in almost every scene, especially at dawn, when the rising sun floods the grasslands with gold, schoolchildren walk along the roadsides and vendors set out their wares. Nature surrounds you with all its exuberance: the largest animals mingle with the most minute; bird calls fill the air; trees blossom with flowers; hills roll into the horizon; and fishing dhows set sail in coastal waters. Mostly, though, the highlight is Tanzanians themselves, with their equanimity, charm, dignity and warm welcome.” **By Mary Fitzpatrick, Writer.**

1. Introduction

Each nation has its culture and natural resources which people from other nations are interested in. In Tanzania, various tribes have different cultures e.g. dress code, naming, initiation, marriage and death rites, in addition, there are natural resources that are unique to the country and attract people from other countries e.g. Mt. Kilimanjaro, the Serengeti, Zanzibar Island among others.

Visitors coming to the country as tourists expect to be received warmly and to be served professionally to their satisfaction. This includes booking for air travel, hotels, safaris, tour guides who are familiar with the history of places of importance in the country and who can speak and communicate well. This requires proper training and preparation for those working in the tourism sector, the facilities such as hotels and vehicles are to be of acceptable standard for visitors to feel comfortable and enjoy their stay.

In the past few years there have been improvements in the tourism sector. Three, four and five star hotels have been built in different parts of the country, roads have been constructed, air travel within the country improved and the number of tourists coming to the country has also increased. Despite that, there are areas that still need improvement such

as service behaviour for better satisfaction of tourists and visitors. Universities would be useful in conducting programs that will help those who will work in the tourism sector especially in influencing service behaviour. Universities can also be involved in consultancies and research in order to improve air travel bookings, hotel, car rental and safari services and general service delivery in all areas of the tourism sector. This paper addresses the role of universities in influencing service behaviour in tourism in the southern region of Tanzania. It will define tourism and service behaviour, explore service behaviour expected in the tourism sector, the importance of tourism in Tanzania, challenges in tourism investment and the role of universities in influencing service behaviour.

2. Service Behaviour in Tourism

Definitions

2.1 Tourism

The Concept of Tourism has been derived from the Latin word “TOMOS” & Tourism in reality is Hebrew word “TORAH” not an industry but an activity. It is defined as an activity that takes place when people move to some other place for leisure or for business and stay at least for 24 hours (Tanweer et al, 2010).

Tourism is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours (Oxford Dictionary, 2015). Tourism may be international, or within the traveler’s country. The World Tourism Organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes" (WTO, 2010).

Tourism can be domestic or international, and international tourism has both incoming and outgoing implications on a country's balance of payments. Today, tourism is a major source of income for many countries, and affects the economy of both the source and host countries, in some cases being of vital importance (Bonham et al, 2017).

2.2 Service Behaviour

We will define the two words separately then formulate a comprehensive definition for service behaviour. According to Merriam-Webster dictionary (2010) a service is work done by one person or group that benefits another. It is the action of helping or doing work for someone. A service can also mean a system of supplying a public need such as transport, communications, or utilities such as electricity and water. In the context of tourism, service will include the work done for tourists in order for them to enjoy their stay in Tanzania. The same dictionary defines behaviour as the way someone conducts oneself. For example, “we were grateful for the gracious behaviour of our hostess”. Good behaviour makes one a better person and showing it to others improves communication leading to requested or expected service from service providers. Behaviors can be applied at the service and operation levels. Therefore, we can combine service and behaviour to come up with “the way someone conducts oneself as they work to benefit others”. In the context of tourism, service behaviour is the way employees behave as they offer service to tourists and visitors who come to Tanzania. This is the attitude employees have towards their job and those they serve.

3. Importance of Tourism

Nearly all World Tourism Organization members emphasize the importance of tourism, especially in terms of its contribution to employment and generating foreign exchange. Typically, one of the most dynamic economic sectors, tourism-related services are labour-intensive, with numerous links to other major segments of the economy. Tourism -

Marketing of the enjoyable and other features of a travel destination, and provision of facilities and services for the pleasure travelers (tourists).

The tourism industry has great potential to increase its indirect contributions to economic growth and poverty reduction because significant opportunities exist for strengthen and increasing tourism backward links in the agriculture, manufacturing and service sectors. Backward links can be increased both in volume and through inclusion of additional industries. Many of the tourism sectors suppliers are small, often informal operators with limited capacity of knowledge and skills, technical knowhow, limited to access to loans and expertise. Tanzania Diagnostic Trade integration study (World Bank 2005f) identified a number of detailed and specific recommendations aimed at increasing the economic contribution of tourism by strengthening links.

3.1 Perspectives

Four different perspectives of tourism can be identified (Kartik, 2014):

- i) The tourist seeks various psychic and physical experience and satisfactions. The nature of these will largely determine the destinations chosen and the activities enjoyed.
- ii) The business providing tourist goods and services: Business people see tourism as an opportunity to make a profit by supplying the goods and services that the tourist markets demand.
- iii) The government of the host community or area: politicians view tourism as a wealth factor in the economy of their jurisdiction. Their perspective is related to the income their citizens can earn from this business. They also consider the foreign exchange receipts from international tourism as well as the tax receipts collected from tourist expenditures, either directly or indirectly. The government can lay an important role in tourism policy, development, promotion and implementation.

- iv) The host community: Local people usually see tourism as a cultural and employment factor. Of importance to this group, for example, is the effect of the interaction between large numbers of international visitors and residents. This effect may be beneficial or harmful, or both.

3.2 Making Country Known

Tourism is important to Tanzania for a number of reasons. First, visitors make the country known as they tour parts of the country and learn to appreciate it and its culture. Second, it is a source of income to the country especially foreign currency, and third, it fosters diplomatic relations. According to UNData (2014), Tanzania is a country with many tourist attractions which attract many visitors. Travel and tourism contributed 17.5 percent of Tanzania's gross domestic product in 2016 and employed 11.0 percent of the country's labor force (1,189,300 jobs) in 2013. The sector is growing rapidly, rising from US \$1.74 billion in 2004 to US \$4.48 billion in 2013. In 2016, 1,284,279 tourists arrived at Tanzania's borders compared to 590,000 in 2005 (NBS, 2017). Tourism brings both economic and non-economic benefits.

The benefits and Costs of tourism: the benefits to host communities include:

- a) Provides employment opportunities, both skilled and unskilled, because it is labor-intensive industry.
- b) Generates a supply of needed foreign exchange
- c) Increase income
- d) Creates increased gross national product
- e) Reinforces preservation of heritage and tradition
- f) Develops an infrastructure that will also help stimulate local commerce and industry
- g) Can be develop with local product and resources
- h) Spreads development

The costs of tourism include:

- a) Develop excess demand for resources
- b) Create social problems
- c) Degrades the natural physical environment and create pollution.
- d) Degrades the cultural environment
- e) Increase the incidence of crime, prostitution and gambling
- f) Commercialize culture, religion and the arts
- g) Creates conflict in the host community
- h) Contributes to disease, economic fluctuation and transportation problems

3.3 National Parks

Tanzania covers 945,234 sq. km made up 942,832 sq. km of mainland Tanzania (formerly Tanganyika) and 2,400 sq.km of Zanzibar (consisting of the Islands of Unguja and Pemba). It is the largest country in East Africa. Tanzania is the only country in the World, which has allocated more than 25 per cent of its total area for Wildlife National Parks and protected areas. There are 16 National Parks, 28 Game Reserves, 44 Game controlled areas, 1 conservation area and 2 Marine Parks. Tanzania's Wildlife Resources are considered among the finest in the world and have been widely known for many years. They include the Serengeti plains, the spectacular Ngorongoro Crater, Lake Manyara, and Africa's highest Mountain Kilimanjaro – in the North, Mikumi, Ruaha National Parks and the Selous Game Reserve in the South (Wade et al, 2001).

3.4 Infrastructure

Although Tanzania is a less developed nation than its East African neighbours it seeks to offer a low-density, high-quality, and high-priced tourism experience. Numerous deficiencies, however, are present in its tourism product. A lack of infrastructure, trained staff, and legal and regulatory framework offer severe challenges for the delivery of world-class service quality. In addition to a lack of marketing and promotion,

the tourism industry has failed to diversify into areas beyond wildlife, such as culture and beach tourism. Consequently, most visitors treat Tanzania as an add-on to their Kenyan safari. Tanzania however, is moving towards developing the infrastructure necessary to occupy its market niche. With careful planning and management, Tanzania has the tremendous potential to develop a diverse and sustainable tourism industry (tanzaniainvest website, 2017).

Some of the benefits of tourism are infrastructure development, improvement of facilities in National Parks, creation of economic activities and business people (entrepreneurs) opportunity to make profit. While for the government/politicians creates increased gross national product; viewed as wealth factor (performing assets), create diplomatic relations, for citizens' opportunity for cultural tourism.

4. Challenges in Tourism Investment

Investments in the Tanzanian Tourism Sector; The Tanzanian Government is engaged with developing and promoting sustainable growth on the travel and tourism sector in Tanzania, in order to preserve its natural and cultural resources. The Government, therefore, is focused in attracting high-income tourists whom are less likely to spoil the culture and the natural environment. The Tanzanian Government has recently announced that an increase in the tourism sector's budget was undertaken in 2016 to create new products and attract up to 3m international visitors by 2018. Revenues from Tanzania's tourism sector increased by 7.13% in 2018 compared to 2017 thanks to the increase in arrivals from foreign visitors, the government disclosed (tanzaniainvest website, 2019; <https://www.tanzaniainvest.com/tourism> and follow us on www.twitter.com/tanzaniainvest).

Some of the challenges in tourism investment include:

- a) Developing excess demand for resources
- b) Creating social problems

- c) Degrading the natural physical environment and create pollution.
- d) Degrading the cultural environment
- e) Increasing the incidence of crime, prostitution and gambling
- f) Commercializing culture, religion and the arts
- g) Creating conflict in the host community
- h) Contributing to disease, economic fluctuation and transportation problems

5. Service Behaviour Expected in the Tourism Sector

The number of tourists and visitors in Tanzania will increase when visitors find out that they receive services and are treated according to international standards of behaviour. Customers require good service and this may include:

- Wearing a neat and tidy uniform (behaviour) creates a congenial atmosphere (advantage)
- Greeting people warmly with a smile (behaviour) creates an atmosphere of concern for the customer (advantage)
- Solving customers' problems promptly (behaviour) creates an atmosphere of concern for the customer (advantage)
- A congenial atmosphere (aggregated behaviour) makes work pleasant (advantage)
- Wearing a neat and tidy uniform (behaviour) requires me spending time washing and ironing my uniform (disadvantage).

To be sure that the system works, manager of the tourism sector may also consider his/her people in the relevant positions to:

- Give feedback, coach and counsel.
- Write standards.
- Understand the standard.
- Complete appraisals.

The service provider needs to know the expectations of the tourists from various parts of the world because different cultures have varying needs e.g. food, accommodation, mode of domestic travel etc. For example, in Malindi, Kenya, different hotels cater for people from specific countries; UK, Germany, France, Israel, Italy etc Services include reception, dressing, listening, speaking their language, prompt action, time conscious, fairness, honesty in pricing, trust, security from theft, availability of services and accessibility of services (Kartik, 2014).

5.1 Customer Value

In every buying decision, a consumer asks the same question: 'is what I am going to receive worth what I have to give up in order to get it?' The gain the consumer receives for the benefit is weighed against the cost the consumer must pay to acquire the benefit. The value the individual consumer places on a product or service becomes the customer value for that offering.

Benefits – Costs = Customer Value

This customer value is weighed against the customer values assigned for similar products and services that would provide a similar benefit. Consumers will typically purchase the item with the highest customer value among all offerings in the marketplace.

Every consumer has a unique set of needs and resources, so no two consumers will place the same customer value on the same product or service. The highest-quality product or service does not always provide the highest customer value, since the benefit of each item is measured against the cost. Some consumers are willing to pay a high price for a quality product or a high level of service, but others will make the decision that the same benefits are not worth the price (Kothari, 2017).

5.2 How Is Customer Value delivered to the Tourist?

There are three ways a tourism company can establish customer value to its customer base:

5.2.1 Provide the Tourist with the best cost

Tourism companies can choose to focus their efforts on providing a reliable product at a reasonable price. The low price helps to increase the value of their offering to the tourists even if it is weighted against a low benefit.

5.2.2 Provide the Tourist with the best product

Tourism companies that offer top-quality products, increase the customer value of their offerings to their tourists by providing a high benefit, which exceeds the high cost.

5.2.3 Provide the Tourist with the best service.

Tourism companies that provide a high level of service to their tourists, increase their customer value of their services by providing a high benefit, which exceeds the cost for many tourists. Tourists who get services from these companies are willing to pay more to be treated with exceptional service.

Tourism companies must know who purchases their goods and services, and why these tourists view their offerings as having the highest customer value to them. Here are five steps that can be taken:

Step 1: Understand what drives value for your customers

Step 2: Understand your value proposition.

Step 3: Identify the customers and segments where are you can create more value relative to competitors.

Step 4: Create a win-win price

Step 5: Focus investments on your most valuable customers.

(https://en.wikipedia.org/wiki/tourism_in_tanzania#cite_note-1)

6. Possible Ways of Influencing Appropriate Service Behaviour

6.1 What is Service Delivery?

Services provide intangible commodities to customers. *Service delivery provides the principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of services.* (www.trendwatching.com).

Effective service delivery enables providers of services to offer a consistent service experience across a variety of user communities and business contexts at a sustainable and successful rate. In the tourism industry, services are delivered by tourism employees, who are trained to deliver services starting from reception, preparing accommodation, hotel keeping, catering, entertainment to bidding tourists goodbye.

There are possible ways to tourism employees can improve appropriate service behaviour in their service delivery. First, they need to understand the tourists, i.e. what does the tourist expect to get from the visit to Tanzania? What added value will he/she have when she leaves? Employees need to know your customers in order to add the relevant definition of value to improve their tourism journey and experience. Employees should always look to add value because if they are not, all they are really doing is talking about themselves. For example, even the most loyal and valuable customers, especially in tourism, they do not want to hear you talking about yourself. They want to hear about themselves and all the great stuff they can have, do or get involved in (ibid).

6.2 Service and Consumption Experience

Research on consumption experiences describes a continuum of consuming experiences (Carù and Cova, 2007). At one extreme are those experiences that are mainly constructed by consumers and which may involve company-provided products or services. Here, consumers are

usually responsible for giving real value (cultural, symbolic, and functional) to ordinary objects such as a piece of furniture like a sofa. In the middle range, we find experiences that have been co-developed by companies and consumers. Tourism, adventure packages, and entertainment are part of this approach. At the other extreme, we find experiences that companies have largely developed and in which consumers are immersed in a context that is frequently hyper-real. Sport and fashion brands have, for example, developed complex programs in which the consumer is integrated as co-producer, user, target, etc. On the whole, consumption is considered an immersion in an experiential context (Firat and Dholakia, 1998).

An increase in the perception of service value has also been assessed in terms of customer-customer interactions. The more positive interactions there are between customers, the greater the perceived value of the service as expressed in terms of satisfaction, positive word-of-mouth, etc. (Moore et al., 2005; Rosenbaum and Massiah, 2007). This implies that when consumers are involved in a service production at the collective level by improving the degree of customer-to-customer interaction, this enhances the customer-company collaboration effect. Such effects have been tested in the field of consumer as well as industrial and financial services. In sum, customers' active role in the service encounter provides value for both them and the service provider. As evidenced by Manolis et al. (2001), such interaction can lead to consumer integration through participation. Consumers (as individuals and as a group of interacting subjects) become partial employees and employees become partial consumers.

6.3 Feedback

Feedback from tourists regarding the service behaviour of tourism employees will help them improve not only the services but also their behaviour. This could be the uniform they wear, the catering services, reception services etc. At the end of each visit, the tourist should be

given an opportunity to make an evaluation of their experience and services offered. Reactions from consumers of services should always be welcomed (Ozanne and Murray, 1995; Penalzoza and Price, 1993; Roux, 2007).

7. Contribution of the Southern Region

The southern highlands of Tanzania have contributed to the tourism industry in Tanzania. First, there are the tourism attractions: National Parks - Ruaha National Park and Mikumi National Park.; Historic Site - Igeleke Rock Art; Museum - Iringa Boma; Top Choice Arts Centre- Neema Crafts; Historic Site - Isimila Stone Age Site; Wildlife Reserve - Selous-Niassa Wildlife Corridor; and many more. Tourists each year bring foreign income to the region and country at large. In addition, there is improvement of facilities in the national parks including the infrastructure.

Tourism in the southern zone contributes to the community through employment in the hotels, tour safaris, etc., providing income to families. Despite the contributions, there are challenges that the tourism industry in the zone face. There is the challenge of infrastructure such as roads that need paving, airports that need renovation and enlargement, hotels that need to be upgraded and employees that need training in tourism services. Another challenge is pricing of the services offered, both accommodation and transport facilities. Prices should be competitive otherwise tourists will go to neighbouring countries. Most importantly is the challenge of the expectations of tourists. If their expectations are not met, then they will discourage others from touring Tanzania. Therefore, there is need to meet these challenges and we think that universities have the role to influence service behaviour in the tourism industry.

8. Role of Universities in Influencing Service Behaviour

Universities have various roles but most important imparting useful knowledge to students. Through training and learning of skills programs

can be prepared to meet needs of sectors. Research can also be done to make sure that what is taught is relevant for various sectors. The existing problems can be solved through proper investigation. Thirdly, consultancy services can be used to create awareness through shared experiences of the tourism industry.

8.1 The changing role of universities in Transforming Tourism

The traditional functions of universities are teaching and research. In their teaching activities, universities provide the professional training for high-level jobs, as well as the education necessary for the development of the personality. In research, University increases the body of theoretical knowledge as well as its application to practical problems. Another activity is Consultancies which enabling the universities to share experiences with communities.

Universities play increasingly important roles in modern society. In the last two decades, higher education worldwide has moved from the periphery to the center of governmental agendas. Universities are now seen as crucial national assets in addressing many policy priorities, and as sources of new knowledge and innovative thinking; providers of skilled personnel and credible credentials; contributors to innovation; attractors of international talent and business investment; agents of social justice and mobility; contributors to social and cultural vitality; and determinants of health and well-being. Notwithstanding their diversity of functions, governments focus on the presumed direct economic role of universities. The University's concern is 'useful knowledge', but not merely with the immediately applicable - a university is a resource for an unknown future. The assessment of the university's role can be dealt in two separate scenes as Traditional model and modern models.

8.2 The Traditional Model

Under this model teaching and training focused on individual courses. Subjects were taught in isolation with less emphasis of linkages. For

example: History and other Arts subjects were not considered in Science subjects like Engineering where such subjects, though, in real terms were core (like Development studies) students and lectures could treat as a subsidiary. Its impact had a long reach as the majority of the students had no time to read and even educate others just after the graduations. The primary functions of universities i.e Teaching, Research, and Consultancy were isolated. The Consultancy part, for example, specifically focused on specific issue brought by the government and/ individuals. Such design attracted a vacuum between the university and the public at large; then a need for modern model.

8.3 The Modern Model

The introduction of Entrepreneurship and community services in the University as courses and changing functional role respectively have changed the university roles and its dimensions in great terms. In entrepreneurship for example the major issues combine the gained knowledge with real life. The knowledge acquired is tested by being applied by individuals rather than being employed (entrepreneur). The approach is participatory the courses taught are linked with the real life of the graduates. Interlinkage in courses for example, political science and the development of Tourism, Economic policy vs growth in tourism vs economic growth, history vs Tourism, Marketing vs Tourism are few examples well reflect in the modern model through community services. This approach enriched the scope of knowledge application and sharing in real terms the university role emerged in new paradigm. Whereas people in higher education might be sensitive to these diverse functions, the reality is that in policy making circles the discourse about universities tends to be dominated by analyses of how they can best fulfil a direct economic function. Universities are important parts of the modern innovation process, but not as its drivers.

The government of Tanzania is encouraging universities and colleges to design programmes in tourism such as tourism management, hotel and

tourism administration, service delivery and sustainable tourism, etc. Sustainable tourism would be one of the programmes taught because "Sustainable tourism is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems" (World Tourism Organization). Sustainable development implies "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987).

Sustainable tourism can be seen as having regard to ecological and social-cultural carrying capacities and includes involving the community of the destination in tourism development planning. It also involves integrating tourism to match current economic and growth policies so as to mitigate some of the negative economic and social impacts of 'mass tourism'. Murphy (1985) advocates the use of an 'ecological approach', to consider both 'plants' and 'people' when implementing the sustainable tourism development process. This is in contrast to the 'boosterism' and 'economic' approaches to tourism planning, neither of which consider the detrimental ecological or sociological impacts of tourism development to a destination. Suggested approaches for sustainable Tourism include;

- (i) Better trained employee would strengthen sector to sector to link
- (ii) Development of innovative tourism packages and niche products
- (iii) Investment in supporting infrastructure (transportation infrastructure, telecommunication and electricity, health service)
- (iv) Investment in human resources
- (v) To increase formalization process
 - it will increase tax collection
 - Easy to implement policies and effectiveness of government programs

- From the perspective of business operators, formalization of their business will increase the trustworthiness for the consumers like tourists
- It will enhance the entrepreneurs' capacity and ability access loans to improve their working capital

8.4 Change Behaviour

In the training programmes or in service programmes to tourism employees behaviour change could be emphasized especially in areas that need it. Changing people's behaviour is hard work. Organisations which attempt to change people's behaviour usually do not achieve as much change as they would like. One of the reasons is that the process used does not enable change at a personal level. Organizations typically rely on something like a vision statement and a charismatic leader and a "change management program" to change people's behaviour. Any change management program is a linear project plan of events. It may include some process redesign, standards, key performance indicators and some training.

Whilst many of the components that are necessary to change people's behaviour are included, many are not. This is because the program focuses on changing business outcomes without taking into account how people's behaviour is changed. A very useful behavioural change framework is provided by the "Theory of Planned Behaviour" developed by Ajzen (1985). According to Ajzen, intention, as the precursor of human behaviour, is guided by three considerations: behavioural beliefs, normative beliefs and control beliefs. In their respective aggregates, behavioural beliefs produce a favourable or unfavourable attitude toward the behaviour; normative beliefs result in subjective norms; and control beliefs gives rise to perceived behavioural controls. Actual control and intention form the basis of actual behaviour.

Measuring the beliefs and attitudes of individuals is a three-part process. First, a qualitative study determines the advantageous and disadvantageous outcomes of particular behaviours. In our customer service example it may include:

- Wearing a neat and tidy uniform (behaviour) creates a congenial atmosphere (advantage)
- Greeting people warmly with a smile (behaviour) creates an atmosphere of concern for the customer (advantage)
- Solving customers' problems promptly (behaviour) creates an atmosphere of concern for the customer (advantage)
- A congenial atmosphere (aggregated behaviour) makes work pleasant (advantage)
- Wearing a neat and tidy uniform (behaviour) requires me spending time washing and ironing my uniform (disadvantage).

The success of most activities with a high intangible component such as delivering superior customer service are at least in part driven by beliefs and attitudes. Measuring those beliefs and attitudes is a first step to designing plans to actually change people's behaviour.

9. Conclusion

In conclusion, Burkart and Medlik (1981) noted a geographical unit visited by a tourist which may be a village, town, or city a district or a region, an island, a country or a continent.

The major components of tourism destination

- (i) Accessibility, which is a function of distance from tourist markets, and external transport and communications, which enable a product to be reached.
- (ii) Amenities, (eg catering, entertainment, internal transport and communication which enable the tourist to move around during his or her stay.

- (iii) Accommodation
- (iv) Attractions, which may be site attractions (eg scenic, historical, natural wonders,) or event attractions (eg exhibitions, sporting events congresses)
- (v) Activities (eg outdoor and indoor recreation activities)

The best quality of attractions, accommodation, transportation, amenities and activities will not attract tourists if tourists feel unwelcomed by the host population or if the service quality is poor.

Research shows that the tourism and hospitality industry relies very heavily on the development of positive perception of people providing services to tourists. Pearce (1982) illustrated the role of many people associated with the travel and hospitality industry such as restaurateurs, sales people, hoteliers, and other in contribution to tourists' overall perceptions of services. Sutton (1967) reported that competency in providing services is an important element influencing positive tourists perceptions of services. Pearce (1982) indicates variables that create tourists negative perception of service such as the service providers impoliteness or professional incompetence.

In order to influence service behaviour in the tourism industry universities should maintain their role of training in customer care and service programmes. The training should also include service providers such as travel agencies. There is need to ensure customer satisfaction, retention, international publicity and advertisement. Consultancies in areas concerned with tourism will help share experiences and improve areas that need improvement. Finally, research as an aspect of finding out the attractions of the country, how to market them, the interests and expectations of tourist from different countries of the world will be done. Solutions to challenges will be sort through investigation. What

universities need is resources to implement their role in influencing service behaviour in the tourism industry.

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