



International Conference of Business and Management in Emerging Markets

ICBMEM 2016

SEPTEMBER 09-10TH, 2016-ZANZIBAR, TANZANIA

Conference Proceedings

ICBMEM 2016

**2016 International Conference of Business and Management in
Emerging Markets**

Theme: Managing Business Dynamics in 21st Century

Editors

Dr. Emmanuel Chao
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Conference Organizers

Mzumbe University School of Business (SOB)
Mzumbe University Dar es salaam Campus College (MUDCC)

ISBN: 978-9987-14-059-6

Message from the Minister of Trade, Industries and Marketing of Zanzibar Revolutionary Government



Ms Amina Salum Ali
The Minister of Trade, Industries, and Marketing of
Zanzibar Revolutionary Government

Economic changes that are taking place in Africa and in other emerging markets have led to shift in perspectives from seeing these markets as challenging spots towards seeing them as new frontiers of global advancements.

The changing global business landscape has been witnessed by opening of country borders, technological advancements and growing global interconnections. These changes have opened several new opportunities for both individuals and Enterprises in terms improving standards of living, and efficient ways of doing things. To accommodate such dynamics, the government and non-government institutions in emerging markets have been constantly transforming in terms of structure, policies and priorities.

New theme of Emerging markets of Africa has been a focus towards industrialization and sustainable development. The new Tanzanian government has also set this as a top national agenda. The role of government in economic development for most emerging markets used to be active, but today it is passive (through shaping policies and regulations that enable better business environment). We believe that the changes and dynamics that we witness in emerging markets are an important laboratory for researchers. I believe that scholarly cooperation will yield timely and better insights that will shape corporate and government decisions. The scholarly cooperation will have a multiplier effect than government-to-government cooperation.

The outcome of the research effort that takes into account the contextual elements of emerging markets may not necessarily mimic those in developed economies. This is due the differences in historical and cultural aspects. The ICBMEM 2016 is thus an important platform that gear towards forming international scholarly efforts in addressing and shaping research agenda for emerging markets.

I want to take this opportunity to wish you an enjoyable stay in Zanzibar and hope this is an important door opening for future connections to this beautiful Island.

Message from the Vice Chancellor of Mzumbe University



Prof. Lughano J.M. Kusiluka
Vice Chancellor
Mzumbe University

Business dynamics that are taking place in emerging markets provide new challenges and opportunities for the global business environment. The pace of these dynamics has not received adequate scholarly attention. Changing global business priorities that are currently skewed towards emerging markets have continued to broaden the interest towards understanding business in emerging markets. In spite of varying definitions of what emerging markets are, the common understanding has been inclined towards those markets that are fast growing and attracts Global Foreign Direct Investment (FDI). These markets experience continuous institutional and technological changes. Further, the policy reforms and rapidly changing industry boundaries, have necessitated the need for better understanding the emerging business dynamics. The International conference of business and management in emerging markets (ICBMEM 2016) is one of the important platforms that bring scholars together in building strategic networks/collaborations for innovative managerial/governance solutions. These efforts are of high priority for creating sustainable businesses of the 21st Century.

With growing globalization and interconnections among nations, scholarly cooperation is inevitable. The synergy resulting from such collaborations will have a significant impact on government and private enterprises.

Mzumbe University as the growing and vibrant academic institution with a strong reputation in management-related disciplines is privileged to organize the ICBEM 2016.

Welcome to the Mzumbe University and ICBMEM 2016.

Message from Conference Chair persons



Dr. Hawa Tundui
Dean-School of Business
Mzumbe University



Prof. Ganka Nyamsogoro
Principal-Dar es salaam Campus College
Mzumbe University

Conventional wisdom of management and business related theories is widely built on the context of developed economies. The research around culture has constantly challenged this wisdom by indicating the significant role of contextual specific parameters that shape business practice. Growing global connectedness has necessitated the need for building better understanding of contextual specific dimensions in shaping business and management related theories. Whether it is an issue related to business functions of marketing, finance, human resources and information systems or issues at different levels of management, practitioners need to be well informed on these context specific dimensions so as to make better and rationale decisions.

As the chairs of the ICBMEM 2016 conference, we strongly believe on the need for scholarly collaborations in developing better and innovative solutions for sustainable development. Further, the changes in the global business climate require such collaborations in achieving strategic synergies. ICBMEM is thus an important platform for achieving both knowledge sharing and knowledge co-creation in both formal and informal setting.

With this perspective, Mzumbe University School of Business and Dar Es Salaam Campus College has decided to jointly organize this conference that has invited scholars from different nations and disciplines around business and management to advance the understanding of dynamics of emerging markets and advance the theoretical understanding on various issues in these markets. Keeping with the trends of a changing world, the theme of this conference focuses on creating new management solutions for businesses and other organizations, especially in view of future trends. Welcome to Mzumbe and Welcome to ICBMEM 2016. Karibuni Sana

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Conference Schedule

Friday, September, 09, 2016	
10:00-1430	Registration
11:00-1445	TOUR
1530-1830	Opening Ceremony
	Keynote Speeches <ul style="list-style-type: none"> ▪ Vice Chancellor/Representative- Mzumbe University ▪ Vice Chancellor/Representative- Zanzibar University ▪ Remarks from Corporate Representatives ▪ Minister of Industry, Trade and Marketing-Revolutionary Government of Zanzibar

Saturday 10 th , September, 2016			
09:30-1030	Venue A		
1030-1045	Coffee Break		
1045-1200	Venue A	Venue B	Venue C
1200-1300	Lunch		
1300-1400	Venue A	Venue B	Venue C
1400-1415	Coffee		
1415-1530	Venue A	Venue B	Venue C
1530-1545	Coffee		
1545-1715	ICBMEM Board Meeting, Scholars Projects Networking		
1800-2030	Closing Ceremony		

ICBMEM 2016 SESSIONS

Crosscutting issues on Business and Management in Emerging Markets

Session: A

Value Chains, Marketing and Entrepreneurship

Session: A1 A2, A3

Finance and Corporate Governance

Session: B1, B2, B3

Technology, Innovation and Contemporary Business Management

Session: C1, C2, C3

SPECIAL SESSION SPEAKERS

Prof Prosper Ngowi, Mzumbe University, Tanzania

Prof Douglas Vogel, Harbin Institute of Technology, China

Prof Wolfgang Amann (HEC Paris/Qatar), France

ICBMEM 2016

International Conference of Business and Management in Emerging Markets

Conference Program

Zanzibar, Tanzania

Sept 09th to 10th 2016

Conference Organizers

Mzumbe University School of Business (SOB)

Mzumbe University - Dar es salaam Campus College (MUDCC)

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Professor Andrew Chindanya, Great Zimbabwe University, Zimbabwe



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Prof. Matsomi Ndala Marobela, University of Botswana, Botswana



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Bangalore University, India



Professor Jun Kang, Business
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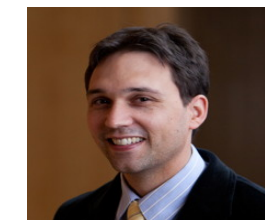
Prof. Dr. Norman
Arruda Filho,
President, ISAE,
Brazil



Professor Solomon
Faakye, University of
Cape Coast, Ghana



Prof. Douglas R. Vogel
(eHealth Research Institute,
Harbin Institute of
Technology, China)



Prof. Michel Prison,
Humanet chair, Fordham
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Prof. Jos van
Hillegersberg,
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Twente,
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Prof Ram Mohan Pisharodi,
Oakland University, USA),
Editor, Alliance Journal of
Business Research



Dr Kemefasu Lfie
(Loughborough University,
Uk)

0930-1045, Saturday, September 10th, 2016

SPECIAL SESSION [A]

Special Session [A] Crosscutting issues on Business
and Management in Emerging markets

Meeting Room A

Special Session A
0930-1045, Saturday 10th, 2016/Meeting Room A
Session Chair: Dr. Hawa Tundui

Doing Business in Challenging Business Climate: Implications to Business Stakeholders

Honest Prosper Ngowi, Mzumbe University, Tanzania

Joshua Mwakujonga, Mzumbe University, Tanzania

Abstract

Businesses across the world are not undertaken in vacuum but in a given environment. In the context of business climate and environment, captains and titans of the industry transact their businesses within given policy, legal and regulatory frameworks. These frameworks do shape business climate and environment of a given country. Across the world including in developed and less developed emerging markets there are diverse, dynamic and ever unfolding business climate and environment issues.

Generally business climate/environment are less perfect, less friendly, less conducive and more constraining and challenging in the developing than in more developed economies. Various studies and reports on business climate and environment have been conducted over years at global and local levels. Among the more notable such studies and reports at the global level include the World Bank's annual Doing Business Reports and its World Economic Forum's (WEF) Doing Business Reports counterpart. At the country level, there are likely to be some country-specific studies on business climate/environment. In Tanzanian case for example, the Business Leaders' Perceptions on Doing Business in Tanzania is among such reports.

All these reports have produced a number of challenging issues for businesses transacted in particular locations. It is argued in this paper that the challenging business climates have various implications for various business stakeholders. The authors select key business stakeholders and discuss the way the challenging business climates imply

different things to each of the selected stakeholders. The selected main stakeholders are governments, business community and the academia.

1. Introduction

Publications on business climate/environment are not short of supply. Among the publications in this area include but are not limited to those of Kaplan (2001)³ on the role of successful execution of strategy in today's business environment; Storey (1994)⁴ on the differences that smaller firms and larger companies face in the business environment, and the extent to which their success or failure depends on the wider economic climate. On their part Steiner and Steiner (2005)⁵ dwelt on measuring performance in a changing business environment while Child and Möllering (2003) focused on the conceptual and empirical understanding of organizational trust in the Chinese business environment. On their part, Ayyagari and Demirgüç-Kunt (2008)⁶ investigated on the role played by business environment in promoting or restraining growth of firms.

More regular and arguably global in coverage, detailed and thorough publications on business climate/environment are those by the World Bank going by the title of Doing Business Report⁷ series since 2004. At a country level, Tanzania has produced some volumes of Business Leaders' Perceptions on Doing Business in Tanzania by BEST AC and TPSF in which the 2015 report was the sixth volume.

There are various ways in which one can make sense out of these very informative reports. In this paper the authors identify and discuss various implications to various business stakeholders of the challenging business climate/environment issue. Although the point of departure selected in this work focuses on governments, business community and the academia, it is argued that similar line of thinking and arguments can be extended to other business stakeholders such as consumers, the media etc.

2. Conceptualizing Business Climate

Conceptually, business environments (also termed as business climate), is the combination of various internal and external factors that influence enterprises' operating situation. Business environment can include a variety of factors. These include

but are not limited to clients and suppliers; their competition and owners; improvements in technology; laws and government activities; and market, social and economic trends. It is the sum total of all positive and negative external and internal factors that influence a business. These sets of factors can influence each other and work together to affect a business positively or negatively.

External factors include but are not limited to political factors which are governmental activities and political conditions that may affect businesses. These include various laws, regulations, tariffs and non tariff barriers, war, conflicts and social unrest. Other external factors include macroeconomic factors which are the factors that affect the entire economy not just one enterprise. They include factors such as lending interest rates, unemployment rates, currency exchange rates, consumer sentiments and confidence, consumer savings rates and economic crisis.

Microeconomic factors that constitute business environment include market size and growth of the same; demand and supply of goods and services; relationships with suppliers, contractors and subcontractors along value chains and their various nodes as well as competitors. Social factors that define business environment are essentially sociological factors related to general society and social relations. They include but are not limited to social movements including environmental movements; and consumer tastes and preferences. Another set of external factors that constitute business environment are technological factors. These are technological innovations that can either benefit or hurt business. They include computer software and automated production systems.

Internal factors that influence business environment include but are not limited to organizational culture. This is the framework of value systems, vision, mission, norms and customs in an enterprise. Business culture affects the way employees interact with each other, its customers, and other business stakeholders including suppliers, contractors and subcontractors.

3. Challenging Business Climate

Various studies and reports have produced a wide range of issues that constitute challenging and constraining business climate in general and in specific countries,

sectors and sub-sectors in particular. When the business climate issues are short of the needed level they are seen as challenging and constraining. They constitute unfriendly, none-conducive, unattractive and none-optimal business climate. They imply a deficit in the desired business environment. Such deficits need to be bridged through various interventions. They constitute issues of concern to business stakeholders.

Among the key issue of concern in the various World Bank's Doing Business Reports include the easiness of doing business in a given country as measured quantitatively and qualitatively by various indicators. These indicators include but are not limited to starting a business. Among the variables that are scrutinized in this category include the level of decentralization of business registration, needs for various inspections such as those done by health, town and land officers as a pre-requisite for a business license and business start-up costs. Another variable of interest is that of dealing with construction permits. Issues that are scrutinized include the easiness of the process of getting construction permit and the price of obtaining a building permit.

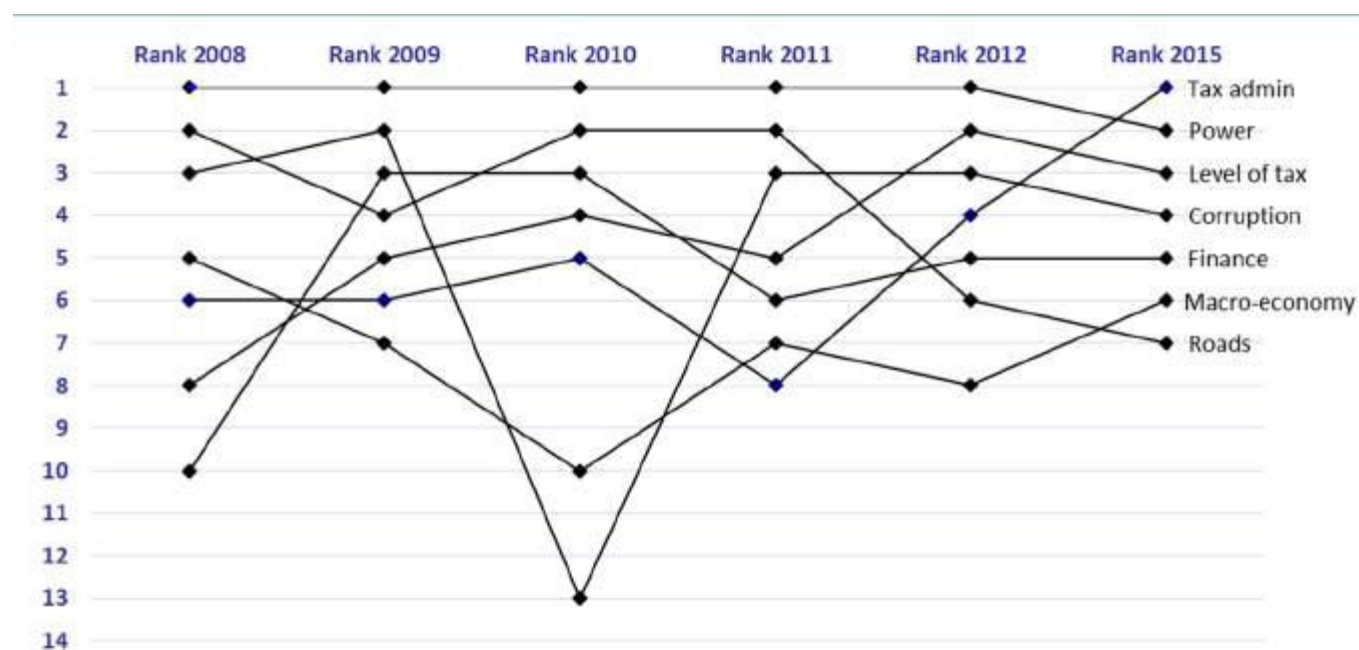
Doing Business reports also look at the easiness of getting electricity including the cost of getting hooked to this important factor of production. The reports also look at the business environment in the context of registering property. Among the measures in this variable include the time it takes for registration of a property and involved costs. Getting credit is yet another important component of business environment. It looks at the easiness of getting credit for various business purposes including starting and expanding businesses. Another important indicator of business environment is protection of investors. Variables in this indicator include disclosure index, director liability index, ease of shareholders suits index and strength of investor protection index.

Payment of various kinds of taxes to the government constitutes indicators of business environment as well. Inter alia, one looks at the number of taxes, tax rates, predictability of fiscal regime, time it takes to pay taxes as well as availability of one stop centre for tax payment purposes. The trading across borders indicator of business environment include streamlining trading in a number of ways including Pre-Arrival Declaration (PAD) system and electronic submission of customs declarations and other measures that reduce time and documentation needed to import goods and services. Other

important indicators of business environment are the easiness of businesses to enforce contracts and resolving insolvency. The World Bank (2016)⁸ (as is the case for other World Bank's Doing Business Reports), address similar business environment issues as those outlined above with different ranking of different countries over time.

At country level with Tanzania as an example, issues constituting challenging business climate/environment have been documented in various works. The main one is arguably the Business Leaders' Perception on Doing Business in Tanzania produced by the Business Environment Strengthening for Tanzania (BEST - AC). Among the indicators for business environment in BEST - AC (2013) and TPSF (2015)⁹ include easiness of doing business in the country as measured by availability of quantity and quality of a number of variables. Specific variables of consideration include telecommunication, security, skilled labour, employment law, environmental law, enforcing contracts, licensing and regulations, roads, ports and airports, ease of registering land, water, macroeconomic policy, access to finance, tax administration, level of taxation, corruption and power. Issues similar to the above have been covered in Ngowi (2015)¹⁰. The figure below from TPSF (2015) shows factors that make business difficult in Tanzania.

Figure 1: Factors making business difficult in rank order



Source: TPSF (2015). Business Leaders' Perception of the Investment Climate in Tanzania - 2015

4. Business Climate Implications to Various Business Stakeholders

The various aspects of business climate outlined in this paper have various implications to diverse business stakeholders. The better the components, the better the business climate and vice versa. The better the business climate on the other hand the better the competitiveness and eventual profitability of enterprises operating in a given jurisdiction. This is why each type of business climate (good or bad) should have many and far-reaching implications to many business stakeholders as partly outlined in what follows.

4.1. Implications to Governments

For market-oriented and private sector-led economies the role of the government is to create and ensure good, attractive, conducive, supportive and friendly business environment/climate. Governments, including those of the emerging markets have the noble role of delivering attractive legal, policy and regulatory frameworks that will constitute good business climate. Governments have vested interest in making sure that they provide attractive legal, policy and regulatory frameworks required for businesses. Among other things, enterprises that will be attracted by good business climate/environment are beneficial for governments. Inter alia these businesses create employment and pay taxes. Employment creation is among the major macroeconomic goals of governments and tax is among the major sources of revenues to fund public goods and services.

Therefore policy and decision makers have to improve business environment. In doing so, they have to start by addressing the business environment/climate deficits reported in various reports such as the World Bank's Doing Business at global level and BEST AC and TPSF's business leaders perception of investment climate in Tanzania. In addressing these business environment/climate deficits, governments need to include improving business environment in their short term, medium term and long term plans and strategies. They also have to include them in their sectoral and cross-cutting policies as well as in their budgets. This is the case for both central and local governments as the case may be.

Governments have to fix and improve what is broken in the business environment

equations. They should recognize that investors can go elsewhere by flagging out to other jurisdictions with better business climate/environment. This is because capital is very fluid and dynamic in search for resources, efficiency and markets.

In Tanzanian context for example, developing and improvement of business climate/environment have to feature in the country's Development Vision 2025, first, second and third Five Years Development Plans (FYDPs), annual plans and budgets. They must also feature at Local Government Authorities (LGAs) levels in general and in the context of local economic development and business climate in particular. Whereas the central governments have to compare and bench mark with better performing countries overall and in specific business environment indicators, local governments have to do the same with fellow local governments.

4.2. Implications to the Businesses Community

Business community is a wide and diverse group. It is made of inter alia investors, business men and women, entrepreneurs and captains and titans of the industry. Business climate/environment of a country implies many and different things to business community. Where there is good and supportive business environment the business community will be attracted to locate their businesses there. They imply that there are opportunities to be seized and therefore they must seize the moment.

Orthodox thinking tends to see bad and negative business climate/environment as a threat and constraint. For enterprising minds amongst members of the business community however, bad business climate/environment imply business opportunity in improving the constraining business environment. Bad infrastructure in the shapes of poor quantity and quality of roads, ports, airports and railways among others, should be seen as business opportunities for all enterprise along various value chains and their nodes related to these infrastructure. Poor quality and quantity of skills and talents amongst the labour force should be seen as business opportunity for training and educational institutions. This is also true for many other business climate/environment deficits in which enterprising minds should see business opportunities in improving them (the deficits).

4.3. Implications to the Academia

As is the case of the business community, the academia as a group is very broad and diverse. It includes but is not limited to various kinds of researchers at various levels, consultants, advisors, teaching professions and many others in this category. Negative business climate/environment components should be seen by this group as an opportunity for providing expert inputs to make improvements. The whole matter of business climate/environment provides among opportunities for research in various issues, training and re—training, consulting and advising, developing case studies etc by the members of the academia.

4.4. Implications to Others

Needless to say, the status of a country's business climate/environment has implications to many other groups than the selected few above. The business climate/environment implies different things to each of these other groups. For politicians including Members of Parliament (MPs) the status of business climate/environment may be a political agenda for lobbying and advocating as well as holding the government accountable in improving the same in various contexts including in making legislations and endorsing budgets. Similarly, the status of business environment may imply a case for lobbying and advocacy for relevant Civil Society Organizations (CSOs) that lobby, advocate and provide various services including those related to business environment directly or indirectly.

For Development Partners (DPs) the status of business environment especially in developing emerging economies such as those of Africa, Asia and Latin America may imply areas for development assistance. These may include the general business environment as has been the case with the DANIDA –funded Business Environment Strengthening for Tanzania (BEST) as well as many infrastructure projects to improve business environment by such DPs as the World Bank, European Union (EU), African Development Bank (AfDB) and Millennium Challenge Compact (MCC) by the USA in Tanzanian context.

5. Conclusions

The paper has focused on the implications of conducting business in challenging

business climate/environment and implications of the same to various business stakeholders. It has been argued and documented by the authors that business environment – good or bad – has various implications for various business stakeholders including governments, business community and the academia as well as many other stakeholders.

6. Recommendations

The paper has shown various general components and indicators of business environment in general and some few specific examples and the way these have different implications to various business stakeholders. It is recommended in this paper that the various stakeholders should recognize the implications of the various general and specific components of business climate/environment to them and act on the same accordingly.

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Humanism in business – a key prerequisite for success also in emerging markets?

Wolfgang Amann (HEC Paris/Qatar), France

Abstract

Traditional management practices and education foster economic thinking. Efficiency and effectiveness must be maximized for the sake of financial targets and shareholder value. Yet, what helped develop many economies might well have gone too far. Signs of unsustainability abound and the question arises whether traditional economic thinking must either be complemented or replaced with a new goal system - one that fosters human dignity and well-being as new ends in themselves. Humanistic management is based on three pillars. Firstly, that we as humans deserve and rightfully expect our dignity to be respected under all circumstances - at work and beyond. Secondly, that ethical consideration must form part of business decisions, and thirdly, that actively embracing corporate responsibilities is contingent upon initiating and maintaining an ongoing dialogue with all stakeholders. As recent research on corporate high-performers has shown, more balanced goal systems are not just conceptually appealing and desirable, but also feasible in practice.

eHealth Opportunities in Emerging Markets

Douglas Vogel, eHealth Research Institute, Harbin Institute of Technology, China

Abstract

Healthcare is in a state of global crisis with no country in the world able to deal with the onslaught of issues using traditional approaches. Fortunately, technology in general, and mobile devices in particular, provide an opportunity for new thinking that extends beyond traditional treatment to embracing wellness. Technology alone, however, cannot solve the problem but can be the catalyst and enabler for innovative approaches to sustainable healthcare systems and services recognizing many eHealth dimensions within the healthcare ecosystem context. As such, there are a myriad of opportunities in emerging markets that will be explored in this talk.

1045-1200/Saturday, September 10th, 2016

SESSION [A1]-[C1]

Session [A1] Value Chains, Marketing and Entrepreneurship Room A

Session [B1] Finance and corporate governance Room B

Session [C1] Technology, Innovation and
Contemporary Business Management Room C

Session A1
1045-1200/ Saturday, September 10th, 2016/Meeting Room: A
Value chains, Marketing and Entrepreneurship
Session Chair: Prof Otto Andersen, Agder University

**Inclusion of Small and Micro Business Value Chains in Public Procurement
Contracts in Tanzania**

Geraldine Arbogast Rasheli, Mzumbe University, Tanzania

Abstract

Aim; Used Transaction Costs Economics Theory to assess attitudes towards inclusion of local small and micro local furniture value chains in Local Government Authorities (LGAs) procurement contracts in Tanzania.

Methodology: Multiple case study design was used. Four District Executive Directors (DEDs) and four local small and micro furniture owners were selected purposively. Therefore qualitative methods for both data collection and analysis were used.

Findings; High transaction costs are experienced by direct actors i.e. both manufactures of furniture and LGAs due to problems associated with furniture manufacturers' characteristics, business capacity, difficulty procedures in public procurement for both pre and post contracting stages. Information search are high among micro manufacturers' than in small furniture value chains. Monitoring costs are mainly on waiting time to be paid after delivering furniture among small and micro manufacturers and those associated with small capacity of manufacturers for the case of clients i.e. LGAs. Upgrading by joining imported furniture value chains and using old fashion furniture are among strategies used to reduce both transaction and production costs.

Originality: Looks at attitudes towards inclusion of local furniture value chains in public procurement contractual process using a transaction costs approach from both potential suppliers and clients.

Limitation: Quantitative approaches could not be adopted because of a small number of local small and micro furniture manufacturers participating in public procurement process.

Introduction

Public procurement system is a function of government that involves using government resources (public funds) to obtain goods, works and services to meet the needs of the government as it carries out its responsibilities to the citizens (PPRA, 2012). The process includes purchasing, hiring, leasing or any other means of involving suppliers, service providers and contractors to provide goods, services and works to the public sector respectively. For the purpose of this paper furniture are in goods category. Goods supplied to the public procuring entities include furniture.

Not many local small and micro enterprises in furniture value chains participate in public procurement contract to post contract stage despite several attempts of the Tanzanian government to include them in the chain. Attempts have been made after a cry of many actors that the imported furniture, mainly from Far East is not durable and hence value or money for such contracts is not achieved. Moreover, it is known that Tanzania has a total of 33.5 million hectares of forests including woodlands (FAO, 1992). The forest sector provides employment of about 730,000 people in a year. The employment is provided through forest industries and self-employment related activities, mainly furniture manufacturing (URT, 1998). Therefore one would also expect furniture value chains to be included in public procurement due to availability of almost all raw materials in the local environment, hence a reduced price of locally made furniture resulting into lower evaluated bid prices in public procurement contracting process. Moreover, it is believed that it is easier to be included in the furniture value chain immediately after graduating from a vocational institution due to low furniture production costs and hence, generate income out of it through public contracts. All these together have not been the case.

Although there are quite a good number of local small enterprises in furniture value chains, an influx of furniture from the Asian Tigers have been evidenced in Tanzania for quite a number of years now. Its market has been expanding to the extent of securing

large public procurement contracts because of the lower price charged than those made from Tanzania. Local SMEs are also participating in tender processes but few get into post-awarding stages of public contracting. In some cases those who qualify to enter into contracts are faced with a number of problems such as problems associated with delivery clauses, quantity and quality. Attempts for public and private organizations such as National Economic Empowerment Commission (NEEC) to facilitate group actions and business formalization issues such as business registration and licensing has not bear much fruits. Such attempts are mainly for those local manufacturers working in Dar as salaam, a business city of Tanzania. The government has directed through its circulars that all public entities should procure furniture from small-scale furniture manufacturers. The move is trying to complement insufficient attention given to voices of SMEs in participating to public contracts through goods procurement with the aim of getting good quality and durable furniture, promote the small scale furniture enterprises (URT, 2002) through a transparent, fair and accountable procurement system.

The Theory

Inclusion and exclusion of small-scale furniture enterprises in public procurement contracts are well explained by theories of the firm specifically Transaction Costs Approach.

A contract is an agreement between parties. In procurement environment it is an agreement between procuring entity i.e. the client and a contractor/bidder as a result of a procurement proceeding (URT, 2013). Contracts can be explained and revolves around New Institutional Economics (NIE), which was developed by Coase (1937) and later expanded by Williamson (1975). Unlike standard neoclassical economics, Coase acknowledges that there are costs of using the price mechanism. These costs include discovering what relevant prices are. They can be minimized but cannot be eliminated by specialists who sell this information. The costs of negotiating and concluding contracts were also discussed by Coase (1937), which lead to emergence of a New Institutional Economics and its theories, including the transaction costs approach. According to North (1990), institutions are formed to reduce uncertainty in human exchange. Institutions matter when it is costly to transact.

NIE differs from mainstream neo classical economics. Neoclassical economic analysis

concentrates on an equilibrium market outcome. There is no consideration of how business relationships arise. Hence, transactions are treated as though they occur in frictionless economic environment, which results into costless transactions (Hobbs, 1996). NIE criticizes Neo classical for neglecting the social institutions that form the framework in which the neoclassical economy functions. There are two main strands of NIE. These are institutional environment and institutional arrangement. Institutional environment involves background constraints or rules of the game that guide individual behavior. It involves formal, explicit rules like constitutional, laws, property rights and informal often implicit (social norms). On the other hand, institutional arrangements are specific guidelines. According to Williamson (1975), these are governance structures designed by trading partners to mediate particular economic relationship, business firms, long-term contracts, public bureaucracies, non-profit organizations and other contractual agreements. This research is based on both institutional environment and institutional arrangement.

Thus, the most appropriate theory is transaction cost (Williamson, 1996), which is about exchange and transactions. Transaction costs are those costs incurred by the firm for searching a buyer or a seller, negotiating terms, monitoring and enforcing contracts. Its origin is uncertainty that North (1990) attributes to the behavior of opportunism (moral hazards). According to William (1981) governance structures that have better transaction costs (lower transaction costs) will eventually displace those that have worse, *ceteris paribus*. Factors that increase problems of transaction costs include bound rationality, that is, cognitive and perceptual limitations on the part of human beings, opportunism which is self-interest seeking behavior and with guile, asymmetrical information, that is, unequal distribution of information among the exchanging parties and a small number of bargains creating oligopoly conditions. Transactions which are specific to the requirements of a particular customer, uncertainty (both internal and external uncertainty), and high frequencies of transactions especially when combined with asset specificity increase both transaction inertia and transaction costs (William, 1975).

Transaction costs involve information, negotiation and monitoring costs. Analyses revolve around market governance structures i.e. markets in the vertical coordination continuum at the point of sale i.e. between vegetable farmers and traders at farm gates

and open markets. Part of the theory proposes that information search; negotiation, monitoring, asset specificity and social capital aspects influence the decision on contractual arrangements. Therefore, forms of transaction cost influence coordination arrangement. Those entering into procurement contracts for our case furniture enterprises will coordinate vertically or choose a different channel if they find that production costs are being affected by transaction costs.

Empirical literature

Participation of SMES in public procurement contracts; Processes and strategies

MacKevitt and Davis (2013) assessed how micro enterprises interact with the public procurement process and the impact of their interactions. A principal component approach was used. They found out that small firms are not homogeneous groups and that they use divergent strategies when competing for procurement contracts. In a study to understand the process and conditions that support different supply arrangements, which maximizes SME, participation it was found out that national policy exerted mixed efforts upon cases. Procurement processes were broadly similar and included cross-functional teams, trade-offs considerations and market research (McKevitt et al., 2014).

Small firm characteristics and ability to secure public contracts

Tempon and Cui (2008) examined the relationship among three main constructs of financial status, e-commerce component and Hispanic small business. A survey was used and the results showed that Hispanic Small Businesses financial status has no impact on HSBs pursuing contracts with the USDA; instead it impacts HSBs ability to secure contracts. Also Loader and Norton (2015) studied the heritage sector to find out experiences of SMEs supplying the public funded UK heritage sector. They found out that heritage sector has distinct characteristics which affect the public procurement of traditional building skills specifically the uncertain nature of the work. They concluded that it is not true that SMEs suppliers are homogeneous in dealing with public sector procurers.

Support mechanisms for participating in public contracts

Fee et al. (2002) examined the support mechanisms, which exist for SMEs in Northern Ireland and how access to government contract can be improved for SMEs. It concluded that even though there are support mechanisms for SMEs at both UK and the European Union level, government-tendering need to be simplified to ensure easier access. Loader (2013) found out that supports to improve chances to succeed in public procurement contracts among SMEs exists in the UK. However, it lacks objectives, priorities and regular and comprehensive supply data.

Although there are number of studies on the role of SMEs in public procurement contracts, there are limited studies specifically on inclusion of sector specific value chains in public procurement contracts using transaction costs approach.

The paper aims at examining attitudes towards inclusion of local small and micro furniture value chains in public procurement contracts from the transaction costs approach viewpoint. It deals with both phases of contracting i.e. pre and post contracting. The paper addresses a question as to why government attempts to include furniture SMEs in public procurement contracting value chains are failing despite its efforts of including them in the public procurement value chains.

The paper addresses SMEs Development policy, which seeks to review government procurement procedures to facilitate SMEs participation. SMEs development policy revitalize the sector to enable it to contribute to the objectives of Tanzania Development Vision 2025 specifically on mobilizing and effective utilization of domestic resources specifically natural resources and for our case the forests. These resources should be utilized to build adaptive capacity for promoting economic activities that enjoy comparative and competitive advantages with a view to minimize external economic shifts and shocks. It also address good governance objective specifically on effective fighting corruption and strongly adhering to and respect rule of the law.

Methodology

Research design and area of study

A case study design specifically multiple case study design was used (Yin, 2014). Clients (representatives of the clients) were selected from four LGAs in four regions namely Kigoma, Pwani, Tanga and Dodoma. Local Government authorities are potential public institutions for furniture contracts because of the growing need for furniture in public schools, dispensaries and health centres. The regions represent four zones of Tanzania. Small and micro furniture business owners were selected from Dar es salaam and Morogoro. These are areas with high concentration of furniture manufacturers.

Research cases

District executive directors

Four District Council Directors (DEDs) who represented local government authorities of Lushoto, Kigoma, Bagamoyo and Kondoa were purposively selected. The clients' cases were similar in nature that they all manage public procurement contracts for their district councils. Their experiences in managing furniture contracts are almost similar because public procurement is regulated through the Public Procurement Act, (URT, 2011), Public procurement regulations (URT, 2013) and the Local government Tender Board Proceedings (URT, 2014).

Furniture enterprises owners

Four local furniture manufacturers' owners, two from Morogoro and two from Dar es salaam were purposively selected between June and December 2015. On the other hand potential contractors/micro and small furniture manufacturers were different on some aspects. Case one was a micro furniture manufacturer i.e. with employees from one to four employees and had participated in the public procurement contract although it never won, had participated in pre awarding stage of public procurement process. The case is also an active member of local furniture manufacturers.

The remaining three cases had participated and won contracts for one or more times. They were also in small manufacturers' category with five to 49 employees. Moreover, they are inactive members of local furniture manufacturers associations.

The four furniture manufacturers had the same level of education; they had attended training workshops on how to prepare for public bidding documents and other requirements of the public procurement contracts.

Research questions

An interview guide with open-ended questions was used to collect data. Both District Executive Directors (DEDs) and micro and small furniture enterprises owners answered the questions on attitudes towards inclusion specifically on public procurement legal and policy frameworks, pre and post contract processes, actors in furniture value chains, opportunities and challenges for participation, firms characteristics and their relationships on public contracts and support mechanisms for inclusion in public contracts value chains. The role of transaction costs for each question asked was examined.

Analysis

Four main themes of qualitative data collected from the DEDs and local furniture manufacturers emerged. They include public procurement legal framework and guidelines including business registration, tax incentives, training, support from the government, SMEs capacity in terms of delivery times, quality and quantity and local furniture business owners characteristics.

Respondents for interviews were asked to tell whether different transaction cost aspects of including local furniture manufacturers in public procurement contracts were a problem or not. Descriptors of low (not a problem), high (problem) and very high (major problem) were used. This method was adopted from Hobbs (1996).

Findings and discussions

Participation of small and micro furniture manufacturers in public procurement contracts

It was found out that there are a number of actors in furniture value chains. These are direct actors including wood processors in the upstream and local furniture manufacturers and customers including the public sector in the downstream. Indirect

actors include government agencies such as the local government, Tanzanian forest agency and ministry of natural resources. Local furniture manufacturers have been participating in public procurement contracts for many years. However, after trade liberalization, businesses importing furniture mainly from Asian tigers countries is on increase. Case two for example said, "Participation in public procurement contracts can be traced back many years. However, we have many-imported furniture from Asia made of soft wood, which are of low price when compared to locally made furniture. The government has circulated circulars stressing that actors in public entities procure furniture from local manufacturer to enhance SMEs, however, it has not been possible because our prices are quite higher when compared to imported ones". All respondents said that local furniture manufacturers are participating in public procurement contracts and mainly in manufacturing school desks (Table 1) and (Table 2). However, there are still a lot of challenges specifically on price, quality and agency problems. A local furniture manufacture in Dar es salaam said, "We are mainly participating in making school desks. However, the quality is not good. That is why government is procuring desks each year. Some Procuring entities are not ready to buy desks made from hard wood. We sometimes use low quality wood. Almost all local furniture manufacturers are lacking wood technology to improve quality of wood. Also there is a problem of transparency and corruption among public officials therefore the price quoted is sometimes inflated".

Furniture value chains in public procurement process: Pre contracting and post contracting processes

It involves collection and preparation of bidding documents, participating in bid opening and awarding process. Both heads of the sector and the local furniture manufacturers that value of goods from local manufacturer mainly requires buying using shopping methods revealed it. Quotation is the main bidding document on which local furniture manufactures quotes prices, which reflects specification provided by public procuring entity. All respondents showed their concern on bidding document fee of USD 35. Heads of the sector said it was mainly for supporting printing and stationery. A local furniture manufacturer said, "Some of us have very little capital. If the government want to support us it could at least make it free to participate in public contracts." Public procurement principles such as equal opportunity for all prospective bidders,

transparency for example in advertising in most circulating newspapers, encouraging participation among local bidders and the need for efficiency and economy in the whole process of procurement is required (URT, 2011). It was also revealed that bidding documents are mostly in English language, a language, which is not known by most local furniture manufacturers. One of the DEDs complained, "Some bidders submit different documents of the same person/bidder with different business name. Therefore it becomes difficult to be fair during evaluation of bids. Transaction costs associated with inclusion in the process of bidding to contracting also was ranked high (Table 1 and 2). The findings on participation to procurement contract process is not different from those which were found by McKevitt et al., 2014 that procurement processes were broadly similar and included cross functional teams, trade-offs considerations and market research.

Business owners characteristics

All four local furniture manufacturers and DEDs revealed that most of the local furniture manufacturers had low level of education i.e. primary school education. A few have international business experiences For example; Case 2 has visited China several times. He is also included in both local and imported furniture value chains. The study to understand the process and conditions that support different supply arrangements which maximizes SME participation (McKevitt et al., 2014) support this study. Case 2 is using a mix of supply arrangements by participating in both local and imported furniture value chains.

With exception of Case 2 furniture manufacture, others perceived information searching costs, negotiation and monitoring costs to be a problem. For example Case one said, " I know Public Procurement Regulatory Authority advertise bid opportunities, but they use an English newspaper which for my case is not easy to understand. Bidding documents and contracts are all in English language". Wood technology was also a problem for all local manufacturers. Case 3 also had to say, " There a lot of different kinds of wood which needs an advanced technology to improve its quality, however, most of us have not managed to get such knowledge and therefore we are dealing with hard wood which is quite expensive for us to negotiate". The DEDs also supported ideas of local manufacturers that they lack business skills, experience in public sector

procurement, wood technology and generally they have very low education (Table 1). Inclusion of local furniture manufactures in public procurement could be difficult because of the reasons given by both DEDs and local furniture manufacturers. Transaction cost for both buyers and prospective bidders are a problem i.e. high.

Business characteristics and capacity to participate in public procurement contracts

One out of four local furniture manufacturer was operating in an informal environment (Table 1). It should be stressed here that these local furniture manufactures were purposively selected. However, one of the DEDs said, "Most of the local furniture manufacturers are have very small capital and there are operating in an informal environment. Yet they bid for the supply of furniture in our local government authorities. Although the government is emphasizing to include local furniture value chains in public procurement, an informal business cannot be considered. Monitoring costs could be too high to be managed by buyers ". The results here are not different from those which showed that Hispanic Small Businesses financial status had no impact on HSBs pursuing contracts with the USDA, instead it impacts HSBs ability to secure contracts (Tempon and Cui, 2008). Case one is residing in Dar es salaam. He is using an informal business premises i.e. by the roadside. He said," I have not registered my business i.e. have yet to secure business license and the same applies to our business group. However, I managed to get training on how to participate in public procurement. We submitted a bid but it was not successful". This means being informal does not exclude one from pursuing contracts but ability to secure contracts is lowered. All respondents complained of high transaction costs for small and micro business formalization, time to wait to gain experience for contracting with public sector and costs associated with securing capital and associated performance warranties in case of high value contracts.

It was also revealed that most the local furniture manufacturers lack capacity to participate in public sector contracts. Both respondents' i.e. local furniture firms and the DEDs revealed that local furniture firms could mainly participate in small contracts such as supply of school desks. It was also revealed that though they are able to get quality raw materials for furniture manufacturing within the country the finishing part of manufacturing is not good when compared to imported ones. Delivery schedules were

also mentioned by both groups of respondents to be a problem for most local furniture manufacturers. Close supervision hence high monitoring cost is needed during post contract management for the case of buyers, hence high monitoring costs.

On the other hand, waiting time during payments was mentioned as a major problem when participating in public contracts. Both groups of respondents agreed that waiting transaction costs associated with payments waiting time in procurement projects which are fully financed by the government are higher than those associated with donor funded programmes. Ultimately, capital tied up for local manufacturers was obvious when participating in public sector procurement contracts. As a result contracting capacity for local manufacturers are lowered and hence inclusion to public procurement contracts difficulties.

Business support services

Other procurement actors have facilitated training for local furniture manufacturers in participating in public contracts. However, the structure of the training seems to be uncoordinated because it focused on all types of SMEs (Table 2). For example some are SME were dealing with works contracts. Furniture SMEs supply goods whose regulations are different from other sectors such as consultancy, works and non-consultancy categories. For example Case 4 said, "The training was more concentrating on how SMEs could participate in works. Nothing focused on the furniture sector; therefore I only gained on general procedures for participating in public contracts. The fact that all SMEs participated in the same training course, it might have not made a good impact because SMEs are not homogeneous when interacting with government on public procurement contract issues (Loader and Norton, 2015). Moreover, it was revealed that most support focused on business skills and formalization of businesses. This is a critical issue for one to be included in public contract. They are issues which make the bids to be responsive at the first place before though evaluation. However, there are no follow-up mechanisms to find out whether local furniture firms, which got such support, are now included in public contracts after all those initiatives. With exception of one local furniture manufacturer, other respondents accepted that information costs i.e. business formalization costs are generally high for micro manufacturer (Table 2).

Conclusion

Contract price and transaction costs in the upstream alone are not a reason for excluding small and micro enterprises in public procurement contracts. Public procurement procedures are difficult for small and micro enterprises to comply. Both pre and post contracting procedures include documentations mostly in English language which most of the local small and micro enterprises are not conversant with. Simplification of procurement process is important for small and micro enterprises participation in public contracts

Business associations are expected to reduce transaction costs (North, 1990). Indirect actors such as Public Procurement Regulatory Authority and National Economic Empowerment Council associations have facilitated furniture business associations. However, they are partially included in public procurement contracts. Business associations participate in bidding process but contracting rate has not been encouraging. Public procurement transaction costs i.e. information, negotiation and monitoring costs are all hindering the groups to be included in local government procurement contract. Monitoring costs for both small and micro manufacturers and the LGAs are still high specifically on waiting time to be paid and dealing with low capacity of manufacturers respectively.

Upgrading is taking place in local furniture value chains for the purpose of adding value and increasing the chances of contracting with public entities dealing with both local and imported furniture chains. Reverse logistics is also a strategy for some local small and micro enterprises in which old furniture is re-processed using existing technology and hence lowering production costs specifically in terms of wood costs.

There are efforts to include furniture manufacturers to the public procurement furniture value chain. These include training on how to participate in public tenders, bid preparation and all process included in procurement cycle. More efforts on entrepreneurship skills than in wood processing were noted. Support from actors such as Public Procurement Authority, training institutions and large-scale furniture manufacturers cannot be underestimated.

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Table 1: DEDs attitudes towards inclusion of local furniture manufacturers in public procurement contract

Theme	Lushoto Dc	Bagamoyo Dc	Kondoa DC	Kigoma DC
Participation in furniture value chains	Local furniture participate in wood working, good such as tables, cupboards, desk etc	Mainly desks/laboratory furniture	Desks and laboratory furniture	Mainly desks and laboratory furniture
Public procurement process	Difficult process for local furniture manufacturers; maily use quotation /shopping methods; transaction costs high	Difficult process/ a different window for local manufacturer needed; bidding fee USD 35 Transaction costs high	Difficult to be followed by local manufacturers; Bidding fee;Transaction costs high	Difficult although preferences are stipulated in the procurement act; Bidding fee; Transaction costs high
Business characteristics	Mostly informal;	Informal hence high transaction costs in all procurement cycle	Informal, lack capacity high transaction costs	Informal , high transaction costs; information, negotiation and monitoring
Capacity to contract in public procurement environment	Their capacity is small, some cannot meet delivery schedules, difficult to understand public procurement; High prices of furniture; However their quality is good when supervised, high transaction costs for monitoring	Their capacity is small, some cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good when supervised, high transaction costs for monitoring	Their capacity is small, some cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good when supervised, high transaction costs for monitoring	Their capacity is small, most cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good but very high price, high transaction costs for monitoring
Local furniture owners characteristics	Low level of education, lack both business and innovation skills	Low education; high transaction costs	Mostly primary school level	Very low education
Support services	Support services from NGOs on business skills;	Not specific to public procurement contracts;	Support services from private sector; not on public procurement contract; mainly on formalisation of business	Support services from private sector; not on public procurement contracts; mainly business skills and formalisation

Table 2: Micro and small furniture manufacturers' attitudes towards inclusion in public procurement contract

Theme	Case one (Dar es salaam) (Micro)	Case two morogoro (Small)	Case three Dar salaam (Small)	Case four Morogoro (Small)
Participation of local furniture in public contracts	Mainly involved in pre contracting	Mainly desks/laboratory furniture	Desks and laboratory furniture	Mainly desks and laboratory furniture
Public procurement process	Very difficult process; not transparent, fairness manufacturers	Difficult process for small business, high transaction costs, preparing documents, and monitoring	Difficult procedures; agents problems of transparency attitudes towards fairness etc	Difficult although preferences are stipulated in the procurement act
Business characteristics	Mostly informal; no formal business premises, yet to process business licence; High transaction costs to formalise business	Formal; high transaction costs; business registration, taxes etc	Formal, high transaction costs	formal , high transaction costs; information, negotiation and monitoring
Business capacity to contract in public procurement environment	Capacity is very small, cannot meet delivery schedules, difficult to understand public procurement; High prices of furniture due to upstream material costs. Quality is good depending on clients need.	Capacity is small, some cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good when supervised, high transaction costs for monitoring	Capacity is small, some cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good when supervised, high transaction costs for monitoring	Capacity is small, most cannot meet delivery schedules, difficult to understand public procurement guidelines and bidding process; Quality is good but very high price, high transaction costs for monitoring
Local furniture owners characteristics	Primary school education, lack wood technology innovation skills	Primary school, visited china, also trading imported furniture	Primary school level; lack wood technology and innovative ideas to add value in soft wood	Primary education
Support services	Support services from NGOs on business skills; PPRA on public procurement contracting; High transaction costs for business formalisation	Attended specific to public procurement contracts training, business skills; financing business through banks; getting loans from banks; low transaction costs	Support services from private and public sector through a dormant association; not on public procurement contract; low transaction costs for business formalisation	Support services from both public and private sector; not on public procurement contracts; Low transaction costs

Contingency Adaptability: A Comparative Analysis of Distinctive Staged Emerging Markets

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Abstract

Adaptation in inter-firm relationships has been characterized as the central problem in economic organization. By combining transaction cost analysis (TCA) and institutional theory, this paper discuss and compares driving forces of contingency adaptability in two emerging countries that are at different stages of transformation: Poland (the more advanced) and Tanzania (the less advanced). Our results indicate that asset specificity mainly has the same impact in the less and more advanced economies. The uncertainty dimensions have, however, different impact on contingency adaptability in the two economies.

1. Introduction

Contingency adaptability represents the extent to which unanticipated contingencies are accounted for and relevant guidelines for handling these contingencies are included in the contract (Luo, 2002; Schepker et al., 2013). Transaction cost analysis (TCA) suggests that the design of a contract in a buyer-seller relationship will be reflected by the key characteristics (mainly, asset specificity and uncertainty) of the transaction. Most empirical studies applying TCA to predict contractual issues in B2B relationships are based on a single Western country. There may, however, be “hidden assumptions that are often unnoticed when conducting research in mature markets” (Meyer and Peng, 2005, p. 601).

Henisz and Williamson (1999) treats the institutional environment (“rules of the game”) as a set of parameters – property rights, contract law, reputation effects, and uncertainty, and investigates how changes in these parameters will have an impact on

the comparative costs of governance. In addition to these parameters, culture and norms are also likely to have impact on the contractual design (Luo, 2005). Empirical studies suggest that business transactions in emerging economies to a large degree are based on mutual trust and cooperative norms (Li et al., 2008), due to “lack of formal legal and regulatory frameworks – known as institutional voids” (Zhou and Peng, 2010, p 357). It has been suggested that as formal market-supporting institutions develop in these countries, there will be a move from relational exchanges to arm’s length transactions (Peng, 2003; Zhou and Peng, 2010). The need for adding clauses related to contingency adaptability should then be greater in emerging economies with less developed institutional framework, than in emerging economies having a more developed institutional framework.

This paper examines the impact of TCA characteristics on contingency adaptability in two institutional settings of different staged emerging economies, focusing on the buyer side. The two selected economies used in this study – Poland and Tanzania - have comparable features, but also distinctive different institutional environments and stage in development. Poland (denoted as “more advanced”) has a more developed institutional framework than Tanzania (denoted as “less advanced”). In terms of institutions (rules of law, easy of doing business etc.), World Bank (2012) dataset indicates that Poland performs better than Tanzania.

2. Research Hypotheses

Asset specificity. Whether it is a buyer or a supplier that has made specific investments in the relationship, the major concern is how to safeguard these investments. One such mechanism is to establish an adaptability plan to deal with unforeseen contingencies (Poppo and Zenger, 2002; Williamson, 2003). We expect:

H1a: Buyer asset specificity has a positive effect on contingency adaptability in both advanced and less advanced emerging economies.

H1b: Supplier asset specificity has a positive effect on contingency adaptability in both advanced and less advanced emerging economies.

Environmental uncertainty. Technological and volume uncertainty are the common ways of categorizing environmental uncertainty (Geyskens et al., 2006). Such uncertainties create an adaptation problem (Williamson, 1985; Rindfleisch and Heide,

1997), which requires higher contingency coverage in the contract (Luo, 2005). Accordingly, we expect:

H2a: Technological uncertainty has a positive effect on contingency adaptability in both advanced and less advanced emerging economies.

H2b: Volume uncertainty has a positive effect on contingency adaptability in both advanced and less advanced emerging economies.

Relational risk. Most empirical TCA studies conceptualize behavioral uncertainty as an issue of performance ambiguity, that is, an ex post phenomenon. For our purpose the concept of relational risk (Das and Teng, 1996; Nooteboom et al., 1997) is more appropriate to use since it includes ex ante considerations. Relational risk has been described as "the concern that firms may not work toward the mutual interest of the partners, and that they may not co-operate in a manner specified in the alliance arrangement or as expected by their partners" (Das and Teng, 1996, p 831). Delineating procedures for handling various contingencies imply efforts and costs, and cannot preclude opportunism. If relational risk is perceived to be high, this could lead to a sentiment that extensive work for outlining detailed procedures and rules are not worthwhile. Accordingly, we expect:

H3: Relational risk has a negative effect on contingency adaptability in both advanced and less advanced emerging economies.

Buyer and supplier asset specificity. When both buyer and supplier make specific investments, which Williamson (1985) denotes as "mutual hostage taking", this acts as a credible sign of each party's commitment and prevents both parties to behave opportunistically. The need for elaborating contingencies and negotiating procedures and rules to be followed may be reduced, because both parties expect willingness to solve the adaptation problems when they occur. Accordingly, we expect bilateral specific investments to reduce contingency coverage in the contract, compared to unilateral specific investments. Bilateral specific investments may lead to expectations of relationship continuity (Heide and John, 1990) and commitment (Jap and Ganesan, 2000). Demonstration of expected continuity and commitment to the relationship can represent more important safeguarding mechanisms in countries with less developed formal legal and regulatory framework. Accordingly, we expect that the effect of such reciprocal specific investments in reducing contingency adaptability to be greater in less advanced emerging economies, than in more advanced emerging economies. Thus:

H4a: The effect of specific assets on contingency adaptability will decrease with increased supplier asset specificity.

H4b: The effect of asset specificity on contingency adaptability with increased supplier asset specificity will decrease more in less advanced than in more advanced emerging economies.

Asset specificity and technological uncertainty. High level of technological uncertainty may undermine the adjustment process needed when specialized assets are present, due to fear of obsolescence of the investments. Empirical studies indicate a diminished ability of partners to resolve contractual issues when specialized assets and uncertainty are present (Poppo and Zenger, 2002). Accordingly:

H5: The effect of asset specificity on contractual adaptability will decrease with technological uncertainty.

Asset specificity and volume uncertainty. When extensive specific investments are coupled with high volume uncertainty, this will increase the need for coordination and adaptation between the exchange partners. The more integrated a value chain is, the higher will the costs of communication and renegotiation be, which in turn increases the need for including contingency adaptability in the contract. The value chains are supposed to be more integrated in more advanced emerging economies than in less advanced economies, and participation in such integrated value chains involve specific investments (Craig and Douglas, 1997). This leads us to believe that the need for contingency adaptability under the circumstances above will be greater in more advanced economies than in the less advanced:

H6a: The effect of asset specificity on contingency adaptability will increase with volume uncertainty

H6b: The effect of asset specificity on contingency adaptability with increased volume uncertainty will increase more in advanced emerging economies than in less advanced emerging economies

Controls. Large firms may follow different procedures in outlining contracts; therefore we included firm size as a control. Great power imbalance between the exchange partners may impact the contractual relationship (Casciaro and Piskorsky, 2005), we therefore included buyer dependence as a control. The foreignness of supply firm (FC) may also have an impact on degree of contingency adaptability. This variable was measured by a dummy taking a value of 1 when there is a foreign supply partner and 0

for domestic supply partner. Finally, the length of relationship may have an impact on the adaption process between the partners (Luo, 2002).

3. Research Method

3.1 Research context

Comparative research is a research methodology that aims to make comparisons across different social entities, including countries or cultures. The underlying goal of comparative analysis is to search for similarity and variance. We apply TCA to predict contingency adaptability, and we investigate similarities and differences for two different staged emerging economies concerning these predictions. We are using “more advanced” and “less advanced” emerging economies for respectively Poland and Tanzania. This is done solely to indicate differences in the two countries’ development. We emphasize that the results cannot be generalized to other “more advanced” and “less advanced” emerging economies (Cadogan, 2010). The present study is rather of an exploratory nature, testing whether the TCA predictions are the same or different in two emerging economies. We have tried to follow the guidelines provided by Jowell (1998) concerning comparative research methodology. First, we selected countries which we had some knowledge about. In other words, we used a purposive sampling method concerning choice of countries. Secondly, we limited the number to two countries. The two countries belong to different continents, which should ensure different environments. Thirdly, we have explicitly included analyses of contextual variables.

Based on a global competitiveness index, the report from World Economic Forum (2013) categorize Tanzania to belong to Stage 1 (Factor-driven economy) while Poland is classified as transition from Stage 2 (Efficiency-driven economy) to Stage 3 (Innovation-driven economy). Concerning the formal/legal/regulatory framework, the property rights and protection and juridical independence were better in Poland than in Tanzania. The extent of irregular payments/bribes was highest in Tanzania. Concerning the other pillars of competitiveness elaborated by World Economic Forum, considerable differences (Poland more advanced) were found concerning infrastructure, higher education and training, goods market efficiency, technological readiness and market size.

In terms of culture, the dataset from Hofstede (2014) showed similar power distance

in Tanzania (score 70) and Poland (score 68). Individualism is different between Tanzania (score 25) and Poland (score 60), indicating that Poland is more individualistic while Tanzania is a relatively collectivistic country. Masculinity indicated that Poland is a more masculine country (score 64) than Tanzania (score 40). Poland is considered to be a highly uncertainty avoidance country (score 93) compared to the low uncertainty avoidance of Tanzania (score 50). Long-term orientation was quite similar between the two countries, indicating that both were relatively short-term oriented.

This study focuses on the supplier-buyer relations of manufacturing firms in Tanzania and Poland, with data collected from the buying side of the relationships. To increase the variation in the sample, the firms were required to choose one of the three largest suppliers for answering the questions.

3.1 Sample

Due to different institutional environments, we decided to use two different data collection methods for the two countries. In Poland we used SurveyXact. A sample of about 1800 firms in Poland (taken from a 2011 directory of Polish companies) was first contacted by telephone and later an email containing the questionnaire was sent via SurveyXact. 201 firms fully completed the questionnaire, making the response rate about 11%. In Tanzania we used direct personal contact based on our belief of high preference for physical communication in this country. Firms were first contacted by phones and follow-ups were made in person to collect the questionnaires, in order to ensure a higher response rate. The number of companies targeted was 750 (from companies listed in the Tanzania Revenue Authority, 2011). The final number of completed questionnaires received was 240 making a response rate of around 31%. To test the problem of response bias, we used Armstrong & Overton's (1977) procedure, where ANOVA test for subsamples of early and late responses in both countries had no significant difference ($p > 0.05$).

3.2 Measurements

Questionnaire items were measured using a seven-point Likert scale, except the controls firm size which was measured by number of employees, and length of relationship measured by number of years (see Appendix). Most of the measures used were adapted from previous studies with some minor adjustments to fit the context. Our

measurement of relational risk is based on Gellings and Wüllenwebe (2007). This concept was measured by five items reflecting the level of confidence, which were multiplied by -1 and then summarized. A list of the multi-item measures employed in this study is presented in the appendix, which also provides information on loadings, Cronbach's alpha, composite reliability and average variance extracted for both countries. To ensure reliability, an exploratory followed by a confirmatory factor analysis were conducted. For all reflective constructs, Cronbach's alpha satisfied the minimum 0.6. Composite reliability exceeded the threshold value of .6. All factor loadings and construct reliability fulfilled the rule of thumb which requires construct validity and reliability to be greater than 0.50 and 0.70 respectively, indicating convergent validity. We also applied Fornell and Larcker's (1991) rigorous criterion to test for discriminant validity. The average variance extracted were higher than the correlations among the constructs, which indicate discriminant validity.

3.3 Invariance test

In cross-national research, the instruments used to measure the theoretical constructs have to exhibit equivalence. There are four forms of measurement invariance (Steenkamp and Baumgartner, 1998): Configural invariance, metric invariance, scalar invariance, and error variance invariance. We have followed the general succession of tests proposed by Vanderberg and Lance (2000), and used the fit the key results from the indexes suggested by Hu and Bentler (1999) and Steenkamp and Baumgartner (1998). Results from Appendix 2 summarize the invariance tests. The first step we tested whether the proposed two-factor model fits the empirical data from each group (Poland and Tanzania). In each country we obtained two models; the freely estimated and constrained model. The second step is to move from single-group CFA (confirmatory factor analysis) to MGCFA (multigroup confirmatory factor analysis) in order to cross-validate the two-factor model across the two groups (Jöreskog 1993; Cheung and Rensvold, 2002; Steenkamp and Baumgartner, 1998). The results for MGCFA are provided in Appendix 2. Normally, a partial acceptance of the models is regarded to be sufficient for comparing two countries. Accordingly, the results from the invariance test suggest that the two countries can be compared.

4. Results

Three regression models were elaborated for each of the two countries. Model 1 consists of the main effects, Model 2 adds the interaction effect, while Model 3 includes the control variables as well. The incremental R^2_{Adj} of M2-M1 (Poland: $\Delta R^2_{Adj}=0.04$, $p<0.10$; Tanzania: $\Delta R^2_{Adj}=0.01$, $p<0.001$) was significant, but not by adding controls. VIF values were in the range of 1.37-2.4, suggesting no severe multicollinearity problems. To test for differences in regression coefficients between the two countries, we used independent sample t-test (Chow, 1960). The results are shown in Table 1 below. Testing of hypotheses will be based on Model 3 for both countries.

H1a suggested that buyer asset specificity has a positive effect on contingency adaptability in both emerging economies. This hypothesis was supported in Poland ($\beta=0.24$, $t=3.02$, $p<0.01$) and in Tanzania ($\beta=0.14$, $t=2.23$, $p<0.05$). The regression coefficients were not significantly different ($t=0.47$, $p>0.05$). H1b suggested that supplier asset specificity has a positive effect on contingency adaptability in both emerging markets. This hypothesis was supported in Poland ($\beta=0.11$, $t=1.78$, $p<0.05$) but only weakly in Tanzania ($\beta=0.05$, $t=1.52$, $p<0.10$). Further inspection revealed no significant differences between the countries ($t=0.12$, $p>0.05$).

Table4: Regression Results

INDEPENDENT VARIABLES	POLAND						TANZANIA					
	MODEL1		MODEL2		MODEL3		MODEL1		MODEL2		MODEL3	
	β	T	B	t	β	t	β	t	β	T	β	t
<i>Main effects</i>												
BUASP (H1a)	0.14	2.11*	0.21	2.84***	.23	3.06***	0.21	3.02***	0.18	2.62***	0.17	2.37***
SUASP (H1b)	0.10	1.5*	0.09	1.3	0.12	1.70**	0.89	0.374	0.11	1.80**	0.10	1.51*
TECHUNC (H2a,b)	0.31	3.39***	0.19	2.57***	0.18	2.45***	-0.01	-0.20	0.05	0.74	0.05	0.61
VOLUNC (H3a,b)	-0.07	-0.98	-0.02	-0.24	-0.04	-0.54	0.14	1.90**	0.08	1.05	0.14	1.84**
PRISK (H4)	0.34	-5.10***	-0.35	-5.33***	-0.36	-5.36***	-0.21	-2.73***	-0.20	-2.64***	0.18	2.38***
<i>Interactive effects</i>												
BUASPXSUASP (H5a, b)			-0.11	-1.67**	-0.12	-1.88**			-0.32	-5.47***	-0.31	-5.21***
BUASPXTECHUNC (H6a, b)			-0.18	-2.05**	-0.21	-2.35***			-0.05	-0.87	-0.06	-1.05
BUASPXVOLUNC (H7a, b)			0.18	2.19**	0.17	2.16**			0.02	0.28	0.04	-0.68
<i>Controls</i>												
SIZE					0.07	1.07					-0.06	-1.00
LENGH					-0.03	-0.45					-0.05	-0.82
BUDEP					0.08	1.22					0.06	0.92
FC					-0.14	-2.28**					0.16	2.56***
R ²	0.27		0.30		0.33		.022		0.32		0.35	
Adj.R ²	0.25		0.27		0.28		0.21		0.29		0.31	
F-value	13.9***		10.20***		7.51***		13.5***		13.4***		9.97***	
Incremental R ²	-		0.02**		0.01		-		0.08***		0.02**	
F1	-		2.8**		0.91		-		9.00***		0.92	
Maximum VIF	2.4		2.2		2.13		2.0		2.4		2.4	

Note: One.tail t-test: * p<0.10 ** p<0.05 *** p<0.01

In H2a we proposed that technological uncertainty has a positive effect on contingency adaptability in both emerging economies. This hypothesis was supported in Poland ($\beta=0.22$, $t=2.35$, $p<0.01$) but not in Tanzania ($\beta=0.03$, $t=.81$, $p>.05$). The regression coefficients were not significantly different for the two countries ($t=1.12$, $p>.05$). H2b suggested that volume uncertainty has a positive effect on contingency adaptability in both markets. This hypothesis was supported in Tanzania ($\beta=0.07$, $t=1.64$, $p<.05$), but not in Poland ($\beta=-0.04$, $t=-.49$, $p>.05$). No significant differences in regression coefficients were found ($t=-.12$, $p>.05$).

A negative relationship between relational risk and contingency adaptability was anticipated in H3 for both markets. This hypothesis was supported in Poland ($\beta=-.60$, $t=-5.17^{**}$, $p<0.001$) but not in Tanzania, where the effect was positive ($\beta=.23$, $t=2.91$, $p<.01$). The regression coefficients were not, however, significantly different for the two countries ($t=1.0$, $p>.05$).

H4a suggested that the effect of buyer specific assets on contingency adaptability will decrease with supplier asset specificity. This hypothesis was supported both in Poland ($\beta= -.12$, $t=-1.86$, $p<0.05$) and in Tanzania ($\beta= -.19$, $t=-5.13$, $p<0.001$). H4b suggested that this effect would be more negative in less advanced than in an advanced emerging market. This hypothesis was also supported ($t=-2.40$, $p<.01$).

In H5 we proposed that the effect of asset specificity on contingency adaptability will decrease with technological uncertainty. This hypothesis was supported in Poland ($\beta=-.21$, $t=-2.42$, $p<0.01$), but not in Tanzania ($\beta=-.05$, $t=-1.09$, $p>0.10$).

H6a suggested that the effect of asset specificity on contingency adaptability will decrease with volume uncertainty. This hypothesis was supported in Poland ($\beta=.19$, $t=2.2$, $p<0.05$) but not in Tanzania ($\beta=.02$, $t=-.69$, $p>0.05$). H6b suggested that this effect will decrease more in an advanced than in a less advanced emerging market. This hypothesis was not supported ($t=-.61$, $p>.05$).

5. Discussion

When doing research on two different samples, one should expect to find differences which could be of a random or systematic nature. This study indicates that asset specificity mainly has the same impact in the less and more advanced economies (cf. H1a-b; H4a-b). When combining asset specificity with technological and volume

uncertainty, the impact differ between the two economies. One possible explanation could be differences between the countries concerning level of technological development and market conditions. Of particular interest is the opposite impact of relational risk and contingency adaptability in the two countries. This could have some relationship with the great difference in uncertainty avoidance – Poland has a high uncertainty avoidance (score 93) compared to Tanzania (score 50; see Hofstede, 2012). In relatively less advanced emerging markets the existence of relational mechanism (Zhou and Peng, 2010) may reduce the level of perceived risk and hence its influence on firms' response.

While the foreignness of a supply partner increases the contingency adaptability significantly for Poland, is the impact opposite for Tanzania. A possible explanation for these differences can be low uncertainty avoidance in Tanzania compared to Poland, but we have not included such institutional factors in our model to investigate if this can be one source for the differences.

To conclude, asset specificity seems to have about the same impact on contingency adaptability in both less and more advanced markets. The impact of the other TCA dimensions seems, however, to differ. Our study have, however, several limitations. First, we have compared only two countries. Second, our research is based on cross-sectional data. Third, our study did not include the respondents' perceptions of institutional factors, which may have an impact on contingency adaptability. More research is needed on other emerging markets, and this should also include institutional factors.

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CONSTRUCTS	ITEMS	SOURCES	LOADINGS	
			TZ	PL
ADAPTABILITY (ADAPT) $\alpha_{TZ}=0.67, \alpha_{PL}=.89$ $CR_{TZ}=0.79, CR_{PL}=.84$ $AVE_{TZ}=0.55, AVE_{PL}=.65$	Arbitration procedures are well specified in our contract	Luo (2002), Aubert al. (2006) Hendrikse & Windsperger (2010)	.791	.809
	Renegotiation periods were planned before the relationship began		.705	.885
	The contract specifies major principles or guidelines for handling unanticipated contingencies as they arise		.830	.884
BUYER ASSET SPECIFICITY $\alpha_{TZ}=0.68, \alpha_{PL}=0.84$ $CR_{TZ}=0.82, CR_{PL}=0.90$ $AVE_{TZ}=0.61, AVE_{PL}=0.76$	We have made significant investments in equipment dedicated to our relationship with this supplier	Stumpf & Heide (1996)	.793	.869
	We have made adjustments in order to deal with this supplier		.787	.897
	Training our people to deal with this supplier has involved substantial commitments of time and money		.764	.845
SUPPLIER ASSET SPECIFICITY $\alpha_{TZ}=0.88, \alpha_{PL}=.83$ $CR_{TZ}=0.94, CR_{PL}=0.92$ $AVE_{TZ}=0.89, AVE_{PL}=0.85$	Supplier production system has been tailored to produce for our firm		.944	.924
	Supplier has customized the product we purchase from him to meet our specific needs.		.944	.924
TECHNOLOGICAL UNCERTAINTY (TECHUNC) $\alpha_{TZ}=.82, \alpha_{PL}=.78$ $CR_{TZ}=0.91, CR_{PL}=0.89$ $AVE_{TZ}=0.71, AVE_{PL}=0.67$	The technology used in this product changes fast	Buvik & John (2000), Anderson (1985)	.802	.734
	The technology used in manufacturing this product is complex		.902	.872
	There is much R&D involved in the development of this product		.868	.886
VOLUME UNCERTAINTY (VOLUNC) $\alpha_{TZ}=.60, \alpha_{PL}=.82$ $CR_{TZ}=0.79, CR_{PL}=0.92$ $AVE_{TZ}=0.66, AVE_{PL}=0.85$	Demand for this product varies continually	Buvik & John (2000), Anderson (1985)	.866	.916
	The demand conditions for our supplier's product(s) are irregular		.814	.922
RELATIONAL RISK $\alpha_{TZ}=0.80, \alpha_{PL}=0.94$ $CR_{TZ}=0.86, CR_{PL}=0.96$ $AVE_{TZ}=0.55, AVE_{PL}=0.81$	We are confident that the supplier will deliver according to the agreements	Gellings & Wullenweber (2007)	.729	.908
	We are confident that the relationship will not break down		.766	.922
	We are confident that we will not lose our assets in this relationship		.706	.916
	We are confident that the supplier will adapt if circumstances change		.732	.870
	We have confidence that the supplier will meet the standards of our customers		.785	.889
BUYER DEPENDENCE $\alpha_{TZ}=0.75, \alpha_{PL}=.77$ $CR_{TZ}=0.75, CR_{PL}=.87$ $AVE_{TZ}=0.56, AVE_{PL}=.68$	It is relatively easy for this supplier to find another buyer for his products		.867	.809
	Finding another buyer would not affect the price this supplier charge		.904	.834
	If the relationship is terminated, it will not hurt this supplier		.680	.841

Appendix 2: Fit indices for invariance tests

Model	X2	Df	X2/df	RMSEA (90%CI)	TIL	CFI	Decision
Model 1: (Full configural)	621.2	298	2.08	0.052	0.89	0.913	Reject
Model 2: Partial Configural model	386.7	256	1.51	0.036	0.95	0.965	Accept
Model 3: Full Metric Model	455.7	269	1.69	0.042	0.93	0.95	Accept
Model 4: Full scalar model	774.9	271	2.85	0.068	0.809	0.864	Reject
Model 5: Partial scalar model	531.3	243	2.2	0.055	0.88	0.92	Accept
Model 6: Full Factor covariance	768.7	263	2.9	0.069	0.80	0.86	Reject
Model 7: Partial Factor covariance model	342.4	242	1.4	0.32	0.96	0.97	Accept
Model 8: Full Factor variance model	623.3	262	2.4	0.059	0.86	0.902	Reject
Model 9: Partial factor variance model	423.4	263	3.9	0.039	0.94	0.96	Accept
Model 10: Full error variance	623.3	262	2.4	0.059	0.86	0.902	Reject
Model 11: Partial error invariance model	350	251	1.4	0.039	0.96	0.97	Accept

Business Ecosystem in Developing Countries: How SME's Benefits?

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Abstract

Inter-organizational networking is a tendency whereby organizations doing different activities are tied up together and agree on working together. It is said to be one of the most important tendencies of recent time. SMEs are on the advantage side if they join hands on this. There are numerous benefits provided by cooperation of independent SMEs that help them to meet the challenges they encounter on their day-to-day businesses. One among benefits of business ecosystem of SMEs is the motive to cooperate. Therefore, the aim of the paper is to reveal the benefits reaped by SMEs in business ecosystem. In order to reach this aim, desk review was applied as a research method.

Introduction

SMEs' survival depends on their capability to improve their performance and produce products that could meet international standards (Gomez and Simpson, 2007). In some situations, the SMEs survival is dependent to competitiveness of an individual SME, especially when the business environment is dynamic. To be in global competition through adoption of ever changing technology and produce products in varieties with new manufacturing environment, SMEs must be able to sustain product innovation (Laforet, 2007). Internationalization holds much potential for the growth of SMEs (Lu and Beamish, 2006). One very important trend to enable new knowledge creation and transfer in-and-to SME's is the development of collaborative environments and networks to increase their innovation capabilities as a single unit and also the capabilities of the network as a whole (Flores, 2006). SMEs are key actors in the innovation system and the economy of a country (Ale Ebrahim, et al, 2010). Despite their limitations in size, they make a lot of creativity in products and services they provide through experience and R&D. To survive, a small firm needs to adjust to a changing

industry; to endure and grow it needs to adapt the advances in the technology and create new products. Innovation only might not be a blue sky to a small firm, though it's essential. While small firms must innovate to remain competitive, they must also make sure that the costs are minimized.

Networking seems to be one of strategic solutions for SMEs in order to give them a competitive advantage and the ability to tap into the collaboration of other network partners.

The firms are not working in isolations; instead they are providing a physical and social environment for each other. SMEs alike, they're working individually but providing some situations that affect others. Other SMEs, the relations between them and the technological and physical artifacts that they may use in their interactions occupy this environment. This social and physical environment produces signals that can trigger behaviors, which in turn can trigger the behavior of others, perhaps produce or modify some artifacts, and help to change or replicate parts of this social and physical environment (Hodgson & Knudsen, 2004).

SMEs are economic agents of countries as they contribute a lot on development. (Kanter, 2012a) argues that economic agents are less effective when they operate in isolation. SMEs must work in collaboration in order to be effective. Kanter (2012a) postulates that when the foundational institutions that heavily influence economies – such as universities, entrepreneur and investor communities, supply chains, labor markers, etc. – are networked together, more startups can be launched, more jobs can be created, and more companies can innovate better.

LITERATURE REVIEW

The origin of the term ecosystem is from biological studies, which mean the dependability of organisms living together, living in the same environment. Ecosystems are made of interrelated entities that are in constant interactions with one another (Ayele, 2014). The New Shorter Oxford English Dictionary (1993) defines biological ecosystem is “a system of organisms occupying a habitat, together with those aspects of the physical environment with which they interact”.

Various individuals and organizations have produced various definitions; World Resources Institute (2000) defines ecosystems in a quite similar way, just adding that ecosystems do change. World Resources Institute (2001) claims that “ecosystems are not just assemblages of species, they are systems combined of organic and inorganic matter and natural forces that interact and change.” It is also said that ecosystems are “the productive engines of the planet” (WRI 2000). Birth and evolution of an ecosystem is a path-dependent, chaotic process, which means that a small difference in starting values can cause great differences to results (Peltoniemi & Vouri, 2004). The same applies in business ecosystem where by the business organizations are not at easy when they’re in ecosystem. There are maneuvers to make in order to continue their survival and benefiting.

World Resources Institute expresses it in another way by saying that each ecosystem “represents a solution to a particular challenge to life” (WRI 2001). The applicability of ecosystem is almost to all fields. The same view is still visible in Kauffman’s thought that cells, ecosystems and economic systems are also “real equilibrium systems” and thus behave in ways that are their “own shortest descriptions” (Kauffman 1995). This shows that, as living organizations can depend on each other, the same happens to economics field, that organizations cannot live in isolation, they’re dependent to each other in various ways. Here the issue is to see how SMEs in developing countries are depending and benefiting from the collaborations among them. However, the structure of ecosystem is not everything. As evolving systems, “ecosystems are dynamic, constantly remaking themselves, reacting to natural disturbances and to the competition among and between species” (WRI 2000). “Like the organisms and species that make up the global ecosystem, the world’s firms and industries have spontaneously coevolved to form a vast living ecosystem (Rothschild, 1990). And in Rothschild’s ecosystem says that; efficiency is rewarded by survival. Inefficiency, on the other hand, is punished by extinction (Rothschild 1990, 224). Peltoniemi & Vouri, 2010 are viewing economy, as an ecosystem in an application of systems theory. The global economy is seen as a system, in which there is interaction among the participants.

Formation Of SMES Business Ecosystem

Reserve Bank of India defined Micro, Small and Medium Enterprises (MSMEs) as under per MSME Act 2006 as organizations with the following characteristics;

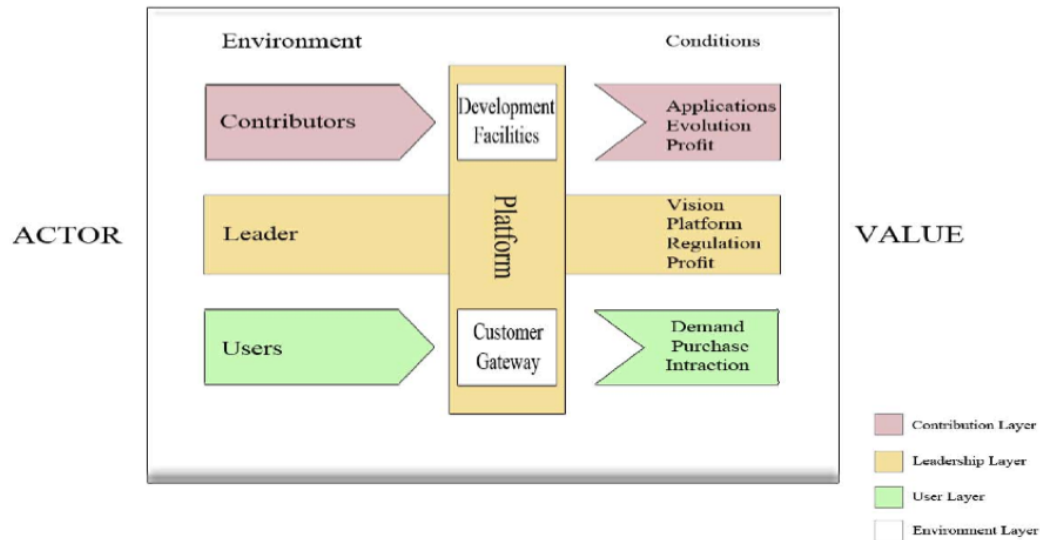
The formation of SME ecosystems have no difference with other business ecosystems, but being operated in more challenging environment, they are given special attention. Despite its importance, business ecosystem is neither understood nor managed well enough (Iansiti & Levien, 2004b). Scholars and researchers have acknowledged that organizations forming a business ecosystem come from many diverse domains and industries and even include competitors, media, universities and regulatory agencies (Iansiti & Levien, 2004b; Moore, 1993, 1996). Having combinations of organizations and individuals from diverse causes the ambiguities in understanding the concept.

For easy understanding of the business ecosystem, (Baghbadorani & Harandi, 2012) came up with a conceptual model with layers and positioning of actors namely; Leader(s), Contributors, Users and Environment.

Table One: MSMEs Definition by Reserve Bank of India (RBI) and Government of India (GOI)

Particulars	Investment in Plant and Machinery for Manufacturing Industries	Investment in Equipment in Service Sectors
Micro Enterprise	<25Lacs	<10Lacs
Small Enterprise	> 25Lacs & <500Lacs	> 10Lacs & <200Lacs
Medium Enterprise	> 500Lacs & <1000Lacs	>200Lacs & <500Lacs
Source: Adopted from RBI & GOI MSMEs Definition, 2006		

Source: Baghbadorani & Henke 1990

Figure One: Business Ecosystem Conceptual Framework

Leaders

Leaders are the central and core performer to the ecosystem and called ecosystem leader(s). The leader, also referred to as "central contributor" (Moore, 1993), acts as a hub (Iansiti & Levien, 2004b), a chokehold without which other ecosystem members cannot continue their business life (Moore, 1993). Ecosystem leader sets the vision for the other members of an ecosystem to follow (Moore, 2006) and while taking a regulatory position, encourages other members to follow its philosophy and standards (Gael Gueguen, 2009; Torrès-Blay, 2010).

Contributors

Leaders cannot work in absence of other players. The contributors of ecosystem exist for survival of the cooperation. Various interdependent organizations are in this category. The organizations are the ones contributing to the evolution of the ecosystem. The range of contributors is depending on the nature of activities conducted by a particular system ranging from design, to production, operations, distribution and delivery of products, solutions and services while all depending on each other to survive and to improve their performance. The range of activities and the level of diversity of ecosystem members at this layer of the model are normally high. These organizations actively work on platforms that the ecosystem leader provides to improve their performance, while extending the capabilities of the platform itself at the same time (Iansiti & Levien, 2004b; Moore, 1993).

Users

The only source of income of an ecosystem is the users. Users can be either individuals or organizations that are the spenders of products or services offered by business ecosystem. Users are a vital component of business ecosystems. Hence, without users, formation of an ecosystem could be meaningless (Zhu & Iansiti, 2007).

Environment

Evolution, performance and survival of business ecosystem are dependent to environment in which activities are taking place. Environment has impact on business and strategies that they adopt according to the environment around. Lawrence and Lorsch (1986) find that an uncertain environment asks for greater differentiation and consequently, more complex business processes. Thus, there is a strong link between organizations, strategies they adopt and the environment outside (Miller & Friesen, 1983). As a result, environment scanning becomes of utmost importance (Kourteli, 2000).

How Do SMES Benefit

There are many advantages and benefits to being a part of a healthy business ecosystem (Baghdadorani & Harandi, 2012). Inter-organizational networking is complex since it requires cooperation of independent organizations having not only mutual but different goals, paradigm, culture, values, attitudes, etc (Kinduris & Jucevicius, 2012). Factors influencing the success of inter-organizational networking have been studied by several scholars like Oprime et al. (2011), Ferrary and Granovetter (2009), Isaksen (2009), Lorentzen (2008), Mu et al. (2008), Jucevičienė (2007), Pesamaa (2007), Morris et al. (2006), Giuliani (2005), Inkpen and Tsang (2005), Bathelt et al. (2004), Ford (2002), Bessant and Tsekouras (2001), Sivadas and Dwyer (2000), Maskell and Malmberg (1999). More interestingly, the level of exclusivity of businesses active in each ecosystem is found to be generally low, in that, even rival ecosystems within a market share a considerable number of common ecosystem members.

One of the very important benefits for development of network relationships are motives revealing firm's are willing to cooperate Oprime et al. (2011) and

Pesamma (2007). Motives affect the way partners are selected and the direction toward which the relationship will develop (Pesamma, 2007). Yet Oprime et al 2011 insists that identifying the interests of each company should be a pre-condition to plan further projects for the network. Therefore, it is important that network actors would have some benefits to seek for in a network.

It's possible and practicable that members of a network to cooperate in resource purchase and exploit economies of scale. They can also agree in sharing resources, as it's not possible for one organization to have it all. Members of network can, in common, share things like laboratories, premises, equipment etc. Member of the organization can use little efforts of searching customers as their reputations will automatically pull them. Having good reputations of members, intermediaries come from all over to these places where they can choose between hundreds of producers. One of the benefits of inter-organizational networking is cost reduction (Porter 2000; Oprime et al., 2011; Altenburg, Meyer-Stamer 1999). Bessant and Tsekouras (2001) state that shared learning also offers benefits such as structured critical reflection from different perspectives, reduction of perceived and actual cost risks in trying new things. Moreover, different perspectives can bring in new concepts (or old concepts which are new to the learner) and shared learning helps explicate the system's principles.

Flexibility is another way used by firms to benefit in business ecosystem. SMEs may have different capacities which will automatically be covered by the fellow SME in case the need be. SME will also benefit through having access to information. By working in an ecosystem, there will be an exchange of information among members from which their decisions will base. According to Porter (2000) in his article exploring clusters, the existence of repeated personal relationships and community ties leads to better or cheaper access to and flow of extensive market, technical, and other specialized information accumulated in the network.

Being in an industry gives a chance of acquiring knowledge and experience. The benefits of business ecosystem to SMEs are through knowledge sharing and learning. Organizations do get knowledge of what they're always doing and learn how to counteract future problems. Contemporary literature comes to

generalization that learning and innovation are the results of interactive processes in which different actors come together to collaborate in solving particular problems (Bathelt et al. 2004). However, the ease of sharing knowledge depends on its peculiarities. As such knowledge resides in people's beliefs, values, experiences, other intangible elements of organization like routines, structures, institutions (Inkpen 1998), it makes complicated to formalize, purchase and share such knowledge. Members of networking organizations can explore each other's working ways, principles, ask questions and learn new things from others.

There is no SMEs development without innovations. Innovations in terms of technology, products, customer cares and relationships among members are the way through which organizations are supposed to pass. (Porter 2000; Oprime et al. 2011; Niu 2010) Organizations enter network relationships are motivated by a wish to innovate. Possibility to innovate being in a network is bigger due to several reasons (Kinduris & Jucevicius, 2012). For example, having relationships with universities and/or other members of the network, firms often can get to know about new materials, services, equipment, opportunities and exploit them faster or more easily (Porter 2000). Besides, firms working in a network may improve the ability to identify market needs (Oprime et al. 2011). Someone realizes a problem and approaches someone else for help and advice. Consequently, a supplier, a customer, a competitor or some other related actor helps to specify the problem and define the ways for its solution (Kinduris & Jucevicius, 2012).

By being in business ecosystem, the possibility of getting recognition by different bodies like government and Non Government Organizations (NGOs) is obvious. The recognition will lead to getting financing from governments (subsidies, infrastructure, etc.) (Solvell et al. 2003). Due to benefits some networks such as clusters provide to state, governments tend to support creation and development of networks by granting financial help or tax exemption (Kinduris & Jucevicius, 2012).

The ability to network is of a paramount importance for small and medium firms (Kinduris & Jucevicius, 2012). As Hanna and Walsh (2002) say, a small firm needs to innovate to remain competitive and also minimize the cost. However, a small

firm with its own product range and scarce resources will rarely be able to update its portfolio without collaboration. It is also unlikely it to purchase such quantities, which would let to get the price the big firms get (Kinduris & Jucevicius, 2012). Kinduris & Jucevicius concludes by saying that, cooperation via networks in purchasing, manufacturing, distribution, marketing, innovation, etc. may be a solution having a significant impact on the ability of small firms to compete in the global marketplace. Oprime et al. (2011), Chung et al. (2006), Barnir and Smith (2000) agree that networking helps small and medium firms to compete with huge firms meanwhile staying small and flexible.

The business ecosystem is not only beneficial to SMEs, which are in cooperation, the States and regions to which these SMEs are operating are also benefiting from the cooperation. One of the reasons that motivate governments to promote development of inter-organizational networks is the fact that such inter-organizational relationships stimulate the growth of economy and welfare of citizens (Morača et al. 2010). For example, clusters are thought to contribute to the growth of economy by generating employment, attracting new enterprises and direct foreign investment, increasing export (Kinduris & Jucevicius, 2012). The governments and regions substantially increased revenue from collected taxes. Therefore, the second reason motivating governments to support development of inter-organizational networking is the ability to collect more revenue from taxes in the future. Finally, successful clusters improve the image of the region and the country and, as a result, attract not only new firms but also talents (Porter 2000).

There is a long list of benefits reaped by SMEs when in business ecosystem, they are much dependent on certain actors of a network. For instance, there are examples of networking municipalities which cooperate in order to share experience, obtain financing, just develop relationship (Kern, 2009), share knowledge, cooperate in search of new solutions and learn from best practices (Keiner, 2007).

Challenges Facing SMES in Business Ecosystem

Different companies go through their own challenges at different times. This applies also to SMEs that are in a business ecosystem. As has been stated above,

along with the many benefits that may be obtained, every mode of cooperation with an external partner involves various (potential) costs as well (Hakansson & Snehota, 1995). Let us take a closer look at this other side of the coin.

Increased Dependency

Cooperation implies that certain specified activities are no longer done by the manufacturer but are carried out by an external partner instead (Hakansson & Snehota, 1995). The weaker partner will yield substantial differences in input and therefore an increased level of dependency accompanies every type of cooperation. The level of dependency and its related economic effects depend on the cooperation mode selected (Hagedoorn 1990).

Increased Costs Of Coordination

Involving a number of external parties in the development of new products requires the people responsible for integration to commit increasing amounts of time to communication and coordination (Hakansson & Snehota, 1995). Progress report, extensive travelling, attending formal and informal meetings, review sessions, negotiation among and between members will always consume time and money. The coordination becomes especially complicated when the partners involved represent different corporate cultures (Riedle 1989). When an organization collaborates with foreign partners the possibilities of additional costs may occur because of the need to translate documents and higher wages of foreigners.

Access To Confidential Information And Proprietary Skills

By being together in an ecosystem of the business, partners do get access to strategic information as well as proprietary skills. After accessing partner's confidential information, others may decide to be rival through using the information to out compete the fellow. For instance, Lyons, Krachenberg and Henke (1990) note that industrial buyers looking for cooperation partners are using increasingly explicit supplier evaluation programmes, thereby gaining access to all aspects of the supplier's operations (including financial information!) (see

also Burt 1989).

Management Of Personnel

Having collaborations with number of other SMEs, the management of SMEs must be aware of the need of having someone who is capable in managing issues. There is long term and complex and strategic projects which will need someone to commit their time and efforts to sustain their life to the project. Also the hiring of new manager and personnel need to focus on emphasis cooperative behavior.

Dominance By The Partner

Having partnership among SMEs may in some cases cause others feel superior over others. Increased dependency may be accompanied by a fear of being dominated by the cooperation partner in question. The risk of dominance and resulting exploitation is always present, but especially in the case of unequal contributions by the partners one should beware of the pursuit of power and control (Hakansson & Snehota, 1995).

Lack Of Commitment

Some SMEs may not be committed to participate in alliance. Lack of commitment will nullify the benefits that would jointly be enjoyed. Top management levels of the SMEs are particularly important to have fully participation of the corporation for projects success.

Loss Of Critical Knowledge And Skills

Being in alliance means spreading specialization. Every member must adhere to a particular doing. In house performances are no longer entertained. There will be loss of knowledge and skills.

The Way Forward

Inherent disadvantages

There are some disadvantages, which are, inherent in cooperation with external partners and the firm just has to learn to live with them (for instance, increased

dependency, increased costs of coordination, and changed management skills).

Easily manageable disadvantages

Joint forces of partners easily solve some of the disadvantages. The corporation may decide to tailor solutions to common problems and hence have long-term problem solving approach. Frequently, effective communication proves to be the key to success (Hakansson & Snehota, 1995). Timely communication and detailed solutions could be the solutions to friction, frustrations, misunderstandings, delays and unnecessary duplication of activities. Carefully drawing of agreements and partners interactions have the solutions to could be problems.

Situational disadvantages

Some situations are prone to cause some particular problems. If possible avoid situations that bring problems.

Conclusions

SMEs could much benefit if could think of being in business ecosystems. The benefits are dependent on the nature of the network, which could help them to be competitive and create individual, and corporation competitive edge.

SMEs are encouraged to join networks in order to enjoy the followings; the ability to reduce costs, increase flexibility, learn and share knowledge, access information and specialized workforce, develop innovations and/or obtain financing from governments or special funds. Networking is especially important for small and medium size enterprises.

Other beneficiaries of inter-organizational networking are the governments and potential investors. SMEs can go international and benefit the government through receiving more revenues from taxes and encourage new talents, and technologies. SMEs are potential to get bigger profit and substantial return on investment.

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SMES Management in Tanzania: Skills And Attitude Towards Financial Records Management

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Abstract

This paper presents a descriptive-analytical study on factors causing deficiencies in financial records management amongst small and medium sized enterprises. In groundwork of the study, researcher performed literature review and a focus group discussion with experts and officials from various organizations concerned with promotion and regulation of SMEs.

Data were analysed and research results are presented on statistical tables and figures. The study presents qualitative analysis to fasten the arguments and conclusions for each research question.

The study found that only 30% of SMEs under study have adequate skills in financial records management. Further to that it was learnt that 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, preparer accounts and other financial reports despite of the fact that they have limited skills in accountancy. Results of survey depict that majority of SMEs entrepreneurs 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.

The study findings therefore provide sufficient evidence that inadequacy of skills and non-utilization of accounting experts in view that they not affordable are the

major causes for deficiencies in financial records management amongst SMEs in Tanzania. The researchers therefore, recommend that government organs, business development institutions and trainers should facilitate training and consultancy services to active SMEs entrepreneurs in financial records management.

Session B1

1045-1200/Saturday, September, 2016/Meeting Room: B

Finance and corporate governance

Session Chair: Dr. Mostomi N. Marobela, Botswana University

Hedging in Frontier Markets: Evidence from African Stock Exchanges

Gabriel, Mzumbe University, Tanzania

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Abstract

We investigate herding in eight African frontier stock markets between January 2002 and July 2015, given the limited evidence on herding in frontier markets. Herding appears significant throughout the 2002-2015 period, being driven mainly by large capitalization stocks, particularly during and after the 2007-2009 global financial crisis. Herding entails no clear asymmetries conditional on market performance, yet appears notably asymmetric when conditioned on a market's volatility, as it is significant (or stronger) mainly during decreasing volatility days. The US and South African markets motivate herding in several African exchanges, while membership in a regional economic initiative produces no effect over a market's herding.

Effects of Boards on Performance of Local and Foreign owned Banks in Tanzania

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Abstract

Purpose: This paper examines the effects of board composition on profitability of banks in Tanzania. We first examine the board and profitability differences between local- and foreign-owned banks, and then we test the contribution of

board composition on banks' profitability.

Design/methodology/approach: The paper utilizes a secondary panel data of information on boards, operations, and financial statements of 35 banks. The data was collected for the period between 2009 and 2013. We tested the stated hypotheses using descriptive and econometric analyses.

Findings: Results show a significant difference in board composition and profitability for local- and foreign-owned banks. Local banks are evidenced to have high income and profit. With their contextual knowledge they are able to attract diverse board directors who contribute positively to bank performance. We also found large boards and those with women on the board to be associated with high profitability.

Originality/value: This study contributes to agency theory by showing that large boards are indeed efficient in monitoring and bringing profits, especially in an emerging economy context where there are multifaceted risks at the country and company levels. These risks require shareholders and investors to have a much better understanding of the banks and that is where a large board plays a key role.

Practical Implications: The paper suggests that in order to maximize profitability, banks should increase the number of directors. Many board members can share skills and knowledge, which can improve performance. Women are underrepresented on boards. With current changes in policy and education in emerging countries, there is a need to increase their representation.

**Access to Bank Credit by Smallholder Farmers in Tanzania: A case of
Smallholder Farmers in Mvomero District of Morogoro, Tanzania.**

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Abstract

Tanzania is one among the developing countries, which depends highly on agriculture in terms of income generation and job creation to her citizens. Due to this recognition, Tanzanian government has introduced various policies and programmes intended to boost the development of this sector. Unfortunately, despite the existence of various programmes, a number of challenges still hinder the productivity and growth of the sector, lack of finance been cited as the leading. As the sector is highly dominated by smallholder farmers, at the same time lack of finance to financial services also highly affect their farming activities and performance. To boost agricultural production and productivity smallholder farmers have to use improved agricultural technologies, however the adoption of these technologies is relatively expensive and small holder farmers cannot afford to self finance it. Therefore, enhanced provision of rural credit would accelerate agricultural production and productivity. Few studies (if any) in Tanzania had addressed on the means to improve access to finance to the agricultural sector. Thus, This study sought to first determine the factors that affect access to bank credit and to establish the obstacles encountered by smallholder farmers in raising bank finance in Tanzania. Simple random sampling technique was employed to select 162 smallholder farmers and 3 banks. The study found that only 8.6% of all smallholder farmers had access to bank credit. Logistic regression analysis was employed to ascertain factors that affect bank credit accessibility to smallholder farmers in Morogoro Tanzania. The results from the logistic regression indicate that, value of assets invested in the farming activities and Education are the major significant factors that affect the smallholder farmers' access to bank credit. The results also show that lack of collaterals, lack of information about how banks do issue loans, distance to a bank, complex lending procedures and high interest rate are major obstacles encountered by smallholder farmers in raising bank finance in

Morogoro Tanzania. Based on the findings it is recommended that Tanzanian government should establish a bank that will be dealing with Agricultural sector and to establish a credit guarantee scheme. Furthermore, banks are recommended to develop new financial products that will cater for the needs of smallholder farmers. Farmer holders are recommended to keep records of the farming activities.

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

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Abstract

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

Lobbying for favourable tax treatment seems to be a normal thing for various tax interest groups in Tanzania. This is done in different ways by different interest groups. The interest groups are by and large sectoral in nature voicing their united voice via their umbrella organizations representing specific interests. They include but are not limited to those in the industrial sector, insurance industry, stock exchange, tourism sector, soft drinks, mobile money transfer, banking industry and politicians among others. Lobbying on tax issues is normally done as part of the private sector entities to improve business environment that is related to the fiscal

issues in the country. Lobbying for better fiscal regime has typically included efforts to have fewer taxes, lower tax rates, more predictable fiscal regime including fiscal policy and its instruments and more participatory approaches in tax reforms among others. The paper documents and discusses selected cases of lobbying for better tax deals as evidenced in the 2016/17 national budget in Tanzania.

1. Introduction and context

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

The lobby groups aim at getting better business environment from the government. This is happening after the major and far-reaching reforms in the management of Tanzanian economy in the mid 1980s. The reforms made a U – turn from the socialist past that existed in the 1967 to mid 1980s Ujamaa epoch to the post mid-1980s era of market and private sector-led economy. In this new era the role of the government has changed from the one of owning and running businesses to one of creating, developing and maintaining good business and investment environment/climate. It is in this context that various lobby groups are lobbying for the government to deliver the desired business environment that the business community desires for its competitiveness and profitability. Various

arguments are given by lobbyists as to why they need what they are lobbying for. This paper builds on the foundation laid by Fjedstad, Rakner and Ngowi (2015)¹. The trio limited their work on the Value Added Tax (VAT) Act 2014. This paper goes further by looking at lobbying in various tax issues including VAT and beyond in the 2016/17 fiscal year budget for Tanzania.

2. Lobbying

The Cambridge Diction of English (undated)² defines lobbying as a process to persuade a politician, the government or an official group that a particular thing should or should not happen or that a law should be changed. Among the examples given that is of relevance to this paper is that of business community lobbying for or against a given tax law. According to the Business Dictionary (undated)³, lobbying is the act of attempting to influence business and government leaders to create legislation or conduct an activity that will help a particular organization. Lobbying is done by lobbyists. For Pass et al (2000)⁴, lobbying is the process of bringing pressure to bear on governments to persuade them to adopt policies or allocate resources in ways that are favourable to special-interest groups. In the context of his paper, these groups include but are not limited to farmers, traders, transporters, tour operators, stock market dealers, members of parliament etc. Among the areas in which the business community in Tanzania has been lobbying is in the area of taxation. This is partly due to many constraints that the fiscal environment presents for businesses in the country. Among others, the tax environment in Tanzania is comprised of many tax types and high rates; unpredictable fiscal regime; complicated, bureaucratic and long tax refund procedures; lack of one stop shop for tax payment purposes; costly tax compliance

¹ Fjedstad, H. O; Rakner, L; and H. P Ngowi (2015). Shaping the tax agenda: Public engagement, lobbying

² Cambridge Diction of English (undated) Online at, <http://dictionary.cambridge.org/dictionary/english/lobby>

³ Business Dictionary (undated), online at <http://www.businessdictionary.com/definition/lobbying.html>

⁴ Pass, C., Lowes, B., and Davies, L. Dictionary of Economics, 3rd Edition, Harper Collins Publishers. Glasgow

in terms of number of days taken to pay tax etc. See among others Ngowi (2016)⁵ and Fjeldstad, Rakner and Ngowi (2015)⁶.

Fjeldstad, Ngowi and Rakner (2016)⁷ inform that private sector lobbying for the concession of tax incentives or exemptions is often poorly regulated in developing countries and operates in a gray area between legal and illegal- formal and informal. There is little documentation on who the drivers are that determine national tax law and what interests are involved. Theoretical contributions focusing on firms have largely neglected to empirically investigate how institutions shape firms lobbying strategies (Govorun et al. 2013). In this institutional context, firms are expected to make strategic choices in order to most effectively influence policy.

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

⁵ Ngowi, H. P (2016). Economic Perspectives of Sh 1.3tr Monthly Tax Revenue Target. In Citizen newspaper, January 2nd 2016, page 24

⁶ Fjeldstad, O. H, Ngowi, H. P and Rakner, L. (2015). Shaping the tax agenda: Public engagement, lobbying and tax reform in Tanzania. CMI Brief, July 2015 Vol 14 No 5

⁷ Fjeldstad, O. H, Ngowi, H. P and Rakner, L. (2016 – forthcoming). Who sets the tax agenda? Political institutions, lobbying and tax reform in Tanzania. Paper for the Conference on Unveiling the Secrecy Veil: Tax Havens, Capital Flows and Developing Countries. Organized by the Christian Michelsen Institute (CMI) and Norwegian School of Economics and Business (NHH), Bergen Norway November 21st – 22nd 2016

In the lobbying process, veto players are very important. These are actors whose consent is necessary to secure policy changes through law making and implementation (Grindle and Thoumi 1993 123-4)⁸. This is partly seen in the lobby cases documented here by way of who the lobbyists are approaching. The lobby efforts are directed to some key veto players including the President, Prime Minister and ministers responsible for a given sector where lobbyists are operating. These key veto players are approached by the lobbyists because of their institutional role. They are perceived by the lobbyists as having the ability and desire to influence fiscal policies in their favour because their assent is necessary to alter existing policies.

3. On business environment

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

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

Taking the 2016/17 Tanzanian national budget as an example, this piece documents and discusses issues raised by various lobbyists in their bid to get (more) favourable tax treatment from the government through the Ministry of Finance and Economic Affairs. The lobbying is seen as part of efforts of the business community to demand better business and investment climate in the context of tax in particular. The various lobbying based on the 2016/17 budget are documented in the matrix that follows. Then a discussion of emerging issues is done.

⁸ Tsebelis define veto players as actors whose agreement is needed to change status quo (2001: 17-19).

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

S/ n	Lobbyist	Issues raised by lobbyists	Remarks
1	CTI ⁹	<p>Issue: Cutting VAT from 18% to 16%</p> <p>Arguments:</p> <p>Lower VAT is part of the very needed conducive business environment for CTI's 430 members if they are to become competitive.</p> <p>Conducive economic (fiscal) environment is necessary for the industrial sector to operate effectively and prosper thereby contributing to national wealth and development.</p> <p>Lower VAT is also good for reducing cost of doing business and hence improvement of competitiveness of CTI members in the domestic, regional and international markets.</p> <p>VAT on deemed capital goods is bad because it adversely affect manufacturers by increasing their production costs and reducing their competitiveness. This is because they cannot claim back the VAT collected on processing inputs for the final products that they produce because these are VAT exempt.</p> <p>For producers of agricultural products such</p>	The lobbying by CTI was not successful as VAT remained 18% in the 2016/17 national budget

⁹ Hussein Kamote, Director of Policy and Advocacy at the Confederation of Tanzania Industries which is umbrella organization for actors in the industrial sector in Tanzania. It is the voice of industry in the country.

		<p>as milk, fertilizers, poultry feeds, and pharmaceuticals VAT has been a cost of production that cannot be claimed on the final products.</p> <p>Source: http://ippmedia.com/business/cti-advocates-cut-vat-16pc, The Guardian, Tuesday 31st May 2016</p>	
2	<p>Dar Es Salaam Stock Exchange (DSE) ¹⁰ ; Members of Parliament (MPs) ¹¹ ; Tanzania Stock Exchange Brokers Association (TSEBA)¹²</p>	<p>Issue: Removal of VAT exemption on Dar Es Salaam Stock Exchange (DSE)</p> <p>Arguments:</p> <p>The DSE was of the opinion that removal of tax exemption on non-investment assets will slow down Tanzania's desire to have a vibrant capital market and retard the country's industrialization dream. Tax exemptions/incentives were introduced to promote stocks. When exemptions were introduced at the Nairobi Securities Exchange (NSE), it could not work. Such tax can lead to loss of stock market investors. It can therefore lead to rapid slow down of market activities and liquidity. The tax can lead to investors exiting the stock market opting for other portfolio investments destinations elsewhere in the region. Given the fact that DSE is still in its infancy stage of development compared to, say NSE, there is a need to tax incentives to attract</p>	<p>The objection to the removal of the tax incentive at the DSE follows government's decision to reform its tax structure by removing exemption on non-investment assets (shares) which the government thinks would broaden the tax base.</p> <p>It would be interesting to follow up the performance of DSE after the removal of this tax exemption</p>

¹⁰ DSE Chief Executive Officer Mr. Moremi Marwa

¹¹ Including Mr. Hussein Bashe, Nzega MP

¹² Including TSEBA Chairman George Fumbuka and its secretary Raphael Masumbuko who travelled from Dar Es Salaam to Dodoma to seek special audience with finance minister in order to lobby for their case

		<p>investors in this market.</p> <p>Kenya has abolished the capital gain tax on stock market after realizing that the tax negatively affects stock market in terms of interest from foreign investors as it acts as a disincentive and sends jitters through the market. Removal of tax incentive at the DSE can mean that the country may not realize the goals of establishing the market which include creation of efficient financial system that will facilitate investment and financing of businesses and government project.</p> <p>MPs argued that introduction of this tax would curtail the development and growth of the bourse and make Kenya more competitive in this area. On its part, Tanzania Stock Exchange Brokers Association (TSEBA) argued that introduction of the VAT on stock market would have severe consequences on the market thereby inflicting heavy blow on Tanzania's economy. The tax is seen the TSEBA as among factors leading to uncompetitive investment climate in this specific market. Tax incentives in DSE were introduced to attract investments in the market and these are still needed.</p> <p>Source: The Guardian, 17th June 2016 (page 25).</p>	
3	Experts (Financial Sector Deepening	<p>Issue: Introduction of 10% excise duty on mobile money transfer</p> <p>Arguments: In Deloitte's budget breakfast on 14th June</p>	These were reactions against the government's imposition of 10% excise duty on sending and

	Trust – FSDT – Deloitte senior manager)	2016, participants argued that the move by the government to introduce tax on mobile money transfers was bad. The tax was seen as affecting low income earners. The negative impacts of the tax include reducing the pace of digital money transactions; hesitation for the use of digital cashing thereby retarding financial inclusion and deepening efforts and encourage cash than digital economy. Source: The Guardian, June 15 th 2016 (page 14)	receiving money via mobile phones.
4	Tourism stakeholder s ¹³ ; MPs ¹⁴ ;	Issue: Introduction of VAT on tourism services Arguments: Tanzania is among very expensive tourism destinations in Africa, it does not have many direct flights from abroad and it has poor infrastructure. The VAT can negatively affect employment of up to 36,500 people ¹⁵ . For every one tourist there are about three tour guides. Therefore if the tax will lead to reduced number of tourists, there will be three direct employment lost from tour guiding only. The sector has over 40 different taxes, therefore adding this one	The government should have consulted stakeholders accordingly. The Ministry of Natural Resources and Tourism (MNRT) was planning to meet members of the Tanzania Association of Tour Operators (TATO) to discuss the matter and see how they can protect the sector from being negatively hit by the move.

¹³ Including European Travel Agents' and Tour Operators' Associations (ECTAA)

¹⁴ Including Mbiga Urban MP, Sixtus Mapunda; Jackline Msongozi (special seats CCM); Hussein Bashe (Nzega); Norman Sigala (Makete);

¹⁵ According to Emmanuel Molles Secretary General of Tanzania Tourists Guides Association and his deputy Khalifa Msangi

		<p>will make it more uncompetitive and companies will not be able to pay well porters¹⁶.</p> <p>Tourism is the sector leading foreign exchange earner but it is heading for serious downfall. The tax will make it very costly.</p> <p>Kenya made the mistake of introducing this tax but learnt from the mistake and removed it although it is more competitive than Tanzania in many nodes of the tourism value chain.</p> <p>Source: The Guardian, 22nd June 2016 (page 4)</p> <p>European Travel Agents' and Tour Operators' Associations – ECTAA ¹⁷ - (through their French counterparts) requested the government of Tanzania¹⁸ to reconsider its decision and put off the implementation of the 18% VAT on tourism services for the 2016/16 season. Its arguments include the following:</p> <p>It had not received advance announcement from the government over the new tax¹⁹;</p>	<p>It is to be noted that in a truly participatory and consultative tax reform, this kind of consultation should have been done well before the decision to introduce the tax, not after introducing it.</p>
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¹⁶ According to Loshiye Mollel, Deputy Chair Tanzania Porters Organization (TPO)

¹⁷ It is based in Belgium (Brussels) and is an umbrella organization bringing together national associations of travel agents and tour operators of 30 European countries, representing some 70,000 enterprises in the continent.

¹⁸ In a letter to the Minister for Finance and Planning, Dr Phillip Mpango, copied to the Minister for Natural Resources and Tourism, Prof Jumanne Maghembe and signed by its Secretary General Michel de Blust

¹⁹ Were notified by Tanzanian tour operators

		<p>the VAT could adversely impact on tourists who had earlier planned to visit Tanzania; Its members have expressed grave concern about the sudden introduction of VAT on tourism services. This will substantially increase the cost of travelling to Tanzania. According to ECTAA, European travel organizers are subject to stringent EU consumer protection legislation (Package Travel Directive) which requires them to indicate the price and applicable taxes. The prices provided in the brochures are binding on the travel organizer and can only be changed if they have been communicated to the customer prior to the conclusion of the contract.</p> <p>The VAT will inflate tourism products by 25% above similar products offered in the region. According to TATO, before introduction of VAT, Tanzania was considered 7% more expensive compared to Kenya, Botswana, South Africa and Angola.</p> <p>Source: http://ippmedia.com/news/eu-travel-agents-balk-vat-short-notice; The Guardian 9th July 2016 (pages 1 – 2); Citizen on Saturday 9th July 2016 (page 4)</p>	
5	Soft drinks companies ²⁰	Issue: Hiking of import duty on industrial sugar by 5% ²¹	This was a reaction on the government's plan to

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

		<p>Arguments:</p> <p>Prices of sodas, juice and other soft drinks and the industry's operating costs were likely to significantly shoot up.</p> <p>Tax hike is counter-productive and would undermine the growth of local manufacturing capacity. There is no way that Tanzania's sugar producers could start manufacturing industrial sugar locally in less than 5 years to meet demand of soft drinks industries. They can't even meet demand of domestic sugar.</p> <p>The tax will also hit producers other beverages, confectionery and dairy products. The infant industry protection argument by the government is unjustified as no local manufacturer can currently produce industrial sugar.</p> <p>The import duty increase will negatively affect production since refined industrial sugar is one of the major and most costly raw materials in production. Increasing import duty by 5% every year will not slow businesses and threaten future investments, become a burden to the industry and consumers. Also the ability of local sugar producers to meet demand for</p>	<p>raise import duty on industrial sugar by 5% in 2016/17 to 15% from the 10% that was applicable until 2015/16 and hike it further to 20% in 2017/18 and 25% 2018/19</p> <p>The move to increase import duties on industrial sugar was made jointly by EAC finance ministers. The other countries opted to deliberately delay implementation of the move until they build local production capacity and allow stakeholders to discuss the matter further. Tanzania chose to prematurely go it alone.</p> <p>Source: http://ippmedia.com/news/soft-drinks-giants-raise-alarm-over-sugar-</p>
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²¹ Representatives of soft drinks companies in Tanzania were seeking audience with the Prime Minister, Kassim Majaliwa, and Finance Minister Mpango to explain the adverse effects the move would have on their business. It is seen in this case that the lobbying includes not only the Minister for Finance as is the case for the lobbying on exemptions in Dar Es Salaam Stock Exchange but also the Prime Minister himself

		<p>industrial sugar was questioned in the context of the duty increase on imported industrial sugar. Also, it is not seen to be fair to hike taxes on a key raw material because manufacturers are still required to pay multiple taxes such as excise duty, value added tax (VAT) and corporate tax. When production costs are too high due to the tax, manufacturers will be forced to reduce the number of workers.</p> <p>Source: http://ippmedia.com/news/soft-drinks-giants-raise-alarm-over-sugar-tax-hike; and The Guardian, June 14th 2016 (Pages 1 - 2)</p>	<p>tax-hike; and The Guardian, June 14th 2016 (Pages 1 - 2)</p>
6	Members of Parliament	<p>Issue: Opposition of introduction of VAT on MPs gratuity</p> <p>Arguments:</p> <p>Some ruling party (CCM) MPs²² argued that the gratuity is the only source of income they depend on after the end of their five years tenure. They also argued that they are highly depended upon financially in their constituencies and that their monthly salaries are already taxed. Therefore the gratuity should not be taxed.</p> <p>Opposition MPs²³ supported the tax and proposed it to be applicable not only to the MPs but also to all political leaders including the President, Vice President, Deputy Vice President; Prime Minister,</p>	<p>Following government introduction of VAT on MPs gratuity. This was extended to all political leaders who were enjoying tax exemptions on their gratuities when their tenures of office come to the end. They include the President, Vice President, Deputy Vice President; Prime Minister, Regional and District Commissioners. This shows that it is not only the business</p>

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

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

		Regional and District Commissioners. Source: Mwananchi newspaper, Thursday June 16 th 2016 (Page 33)	community that lobbies for better tax deals but also the politicians. Since the MPs lost in the lobby, it shows that even lawmakers who are key players and decision makers in shaping and re-shaping tax matters can lose out against the government in their lobbying.
7	Tanzania Association of Transporters (TAT) ²⁴	Issue: Resolution ²⁵ to meet the Prime Mister (PM) to reverse the decision on introduction of VAT on ancillary services for goods in transit Arguments: Most transporters have been failing to repay bank loans on time due to decline in business as a result of reduced cargo at the port of Dar Es Salaam as which is a result of introduction of the 18% VAT on ancillary services for goods in transit There is link between the cargo decline at the Dar es Salaam Port and the VAT	Tanzania Revenue Authority (TRA) has been insisting that the VAT imposition was not responsible for cargo decrease at the port. The Parliamentary Committee responsible for trade and investment under its chairman Dr. Dalali Peter Kafumu had a visit at the Port and argued among others

²⁴ Through its Chief Operations Officer, Mr Hussein Wandwi

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

		<p>imposition on ancillary services for goods in transit.</p> <p>Importers from landlocked countries have been avoiding the Dar es Salaam Port because the VAT had been harming them. VAT on ancillary services associated with goods in transit has harmed their business. The business of hauling goods in transit has deteriorated to the extent that revenues have fallen abysmally.</p> <p>Transport business on transit goods is reeling.</p> <p>Source: Citizen, Wednesday 31st August 2016:12, online at http://www.thecitizen.co.tz/News/Business/Transporters-to-seek-PM-help-on-tax/1840414-3363900-lvry1pz/index.html</p>	<p>that the parties (TRA and business community/transporters) should meet to resolve the dispute and advice the President frankly.</p>
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5. Discussion

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

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

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

Whereas some of the cases are drawn from lobbying done before the national budget was presented in the parliament on the 8th June 2016, others are for lobbying done after the budget was presented. Furthermore, lobbying was also done after the budget was endorsed in the parliament and even when the 2016/17 fiscal year had begun on 1st July 2016.

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

Contrary to expectations and orthodox thinking, lobbying has been done not only by Tanzanian entities but also by foreign ones thereby widening the scope of Tanzania tax stakeholders to include, arguably, hitherto unthought-of foreign Tanzanian tax stakeholders. In what follows, some cases of lobbying for better tax deals by various groups of lobbyists are presented.

6. Conclusions

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

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Session C1

**1045-1200/ Saturday, September 10th, 2016/Meeting Room: C
Technology, Innovation and contemporary Business Management
Session Chair: Dr.Joshua Kuboja, Arusha University**

**The Role Of Knowledge Management And Integrated Information And
Communication Technologies (Iicts) For Sustainable Development
Community: An Empirical Study**

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Abstract

In today's "knowledge economy" knowledge is becoming the primary asset and the distinguishing factor that secure the value proposition of nations in their struggle to win the combinatorial realm of economical, environmental and social sustainable development knowledge can be considered as critical foundation for sustainable development innovation.

Sustainability now acquires its meaning in the midst of a knowledge-centered world view that remains intrinsic in what we term as the socio-scientific order. Our understanding of ethics and morality emanates from these roots of knowledge. The analytical model of knowledge-induced sustainability enables the explanation and pervasiveness of ethical and moral values across systems.

In sustainable development, as in many other knowledge intensive fields, it is becoming increasingly difficult to mobilize knowledge without Integrated Information and Communication Technologies (IICTs), especially with the new wave of the recent convergence capabilities becoming available at a reasonable cost.

Hence, countries with no such capabilities will be disadvantaged as in the case of low teledensity and other IICTs. United Nations Development Programme (UNDP,

2001) states that the exponential increase in IICTS value due to network externalities promotes productivity total growth.

Based on previous experience supported by a wide range of literature review and work of various United Nations (UN) organizations, four major factors are projected to have critical role in achieving healthier sustainable development.

These factors are

- 1 Knowledge Management (KM)
- 2 IICTs Infrastructure
- 3 ICT Capacity Building and
- 4 ICT Policy

Objectives

- The key element of this research is to understand how the four critical elements contribute to the body of Knowledge within the context of sustainable development in the developing countries.
- It calls for the survey of subjects within the international developing communities that are versed in both IICTs and KM roles in sustainable development.
- It also focuses on investigation of the potential contribution of KM to sustainable development.

Methodology

The study depends on a survey and interviews with questions designed to reflect the "degree" of beliefs and reality of the respondents. The analysis and Interpretation is carried out with the belief that answers are subjected to the effect of such "degree" and not be based on the bivalent logic of Yes and No. The degree of belief described in two formats for various processes.

1. 2=Strongly Agree, 1=Agree, 0= Neither Agree nor disagree, -1= Disagree, -2=strongly disagree, N=I don't know; and
2. 1=Most Important, 2=Very Important, 3=Important, 4=Least Important.

Total 98 responses were collected out of 215, five of them were found unusable for numerous missing values; and 93 responses subjected to statistical analysis. Validity is approached through correlating the degree to which given measure can

predict other variables to which it should be related. Reliability measured by assessing cross-sectional reliability, i.e asking the respondent the same question in different formats, or by assessing longitudinal reliability, i.e measuring the consistency of the results when the respondent asked the same question in different sections of the survey.

The collected data are coded into an external SAS data file, which is named within the SAS Program using the "infile" statement. The survey variables are considered categorical variables. Frequency, general linear methods (GLM) and UNIVARIATE procedures are used for the analysis. This research is carried out under two main hypotheses tested using F-Value and Chi-Square in different sizes of contingency Tables.

Results and discussions

The Results show that IICTs are most important, while KM is very important. When their importance combined, it is within the range of very important to important. This is obvious from the fact that 51 percent of respondents strongly agree on the importance of IICTs and KM. However, 84 percent of those who agree that KM is important, strongly agree that IICTs is important for knowledge in sustainable development. Since both factors are critical, this inference will be useful only when it comes to prioritization because of resources limitations. It is note worthy, that there is no single respondent who disagreed with the fact that the amount of information in sustainable development is radically affected by the advancements in IICTs.

Conclusion

This research can be extremely valuable in case of resources prioritization, considering the proportionality of deployment in specific environments. The KISN framework has been developed to assist practitioners to take decisions in a quest to lessen the technology negative impacts, and to keep the delicate balance between IICTs, km sustainable development. The framework demonstrates not only the phases of the knowledge life cycle, but also neither human nor technology can autonomously leverage the delivery of knowledge for sustainability benefits.

These are specific steps in which humans outmaneuver the IICTs and vice versa. KISN would be helpful, not only to envision the relevant knowledge life cycle within the organisation, but it also assists the KM team to choose the right KM technology and to deploy it in a suitable manner.

Innovation and Technology Management: The Role of Higher Education Institutions (HEIs) in Tanzania

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Abstract

Innovation is a key driver of economic growth in the world. It is important because it helps country's industries, universities, and research institutes to develop the next generation of technologies and increase the number of high-growth of country start-ups. HEIs are traditionally seen as producers of skills, new knowledge, new technology and quality graduates. Currently, HEIs are more and more supposed to be platforms of co-created innovations and improvements in community. The creation of technological, economical and social innovation requires new types of actions and collaboration from institutions of HE as well as from their management, teachers, researchers and students. Any successful country the driving force for improvements came from gains in knowledge and technologies, and the transformation of value systems through education. It is widely recognized that education plays a vital role in socio-economic development, but needs to find the type of education that can bring about the changes needed for sustainable development. This paper aimed to determine the role of HEIs for cultivating an environment conducive for innovations and technological management and advancements in the context of knowledge and skills driven economy. The study adopted survey research design where stakeholders in HE sector were surveyed. Interviews were used to collect the primary data and documentary review from past literatures was used to obtain the secondary data. The findings shows that HEIs are responsible for research and identifying ways of achieving sustainable production and consumption, including the necessary knowledge, skills and norms

of behaviour. Researchers of the view that by cultivating the spirit of innovation and entrepreneurship among the academic institutions of excellence through appropriate mechanisms such as science and technology entrepreneurs' park, and technology business incubator, it could be possible to speed up the process of innovation and subsequent commercialization. Therefore, making the research and development output of these institutions are more useful to the society. The important thing is the quality of education and it is necessary for students to learn what truly matters. In order to steer society towards sustainable development, we must ensure that the knowledge, values and skills required for sustainability are integrated into the various levels of education. Researchers concluded that, a good exploitation of knowledge for innovation requires knowledge and skill circulation both within organisations and between organisations. It also requires adjustment of knowledge to the earlier knowledge structure and functions of the organisation. Therefore the capability to learn and absorb new knowledge is a key issue in long-term partnerships. Therefore, only this ensures that market insight can be created and maintained. Further concluded that, the collaboration skills are essential because networks are dynamic and trust creation is needed. It also requires culture and competencies for sharing the knowledge between partners.

1. Introduction

Innovation is a key driver of economic growth in any country. Innovation is important because it helps country's industries, universities, and research institutes to develop the next generation of technology and increase the number of high-growth of country start-ups. Higher Education Institutions (HEIs) are traditionally seen as producers of skills, new knowledge, new technology and quality graduates (Rauhala, 2008). Currently, HEIs are more and more supposed to be platforms of co-created innovations and improvement in community. The creation of technological, economical and social innovation requires new types of actions and collaboration from institutions of HE as well as from their management, teachers, researchers and students.

Kandiri (2014) stated that developing countries could not ignore technology if they were to remain competitive and relevant within the globalization trend. In the

recent years, all over the world, a shift towards the knowledge economy is being experienced. Innovations and technological changes are positioning themselves in the driving seat in the era of globalisation and the knowledge driven economy. Universities, the HEIs and the research and development (R&D) organisations are considered to be the seedbeds of new ideas in technologies and innovations. Further, these institutions are the reservoir of knowledge and generate high quality trained scientists, technologists and managers required by the various sectors of the economy such as industry, research and development, education and finance.

Considering the experiences of several developed countries in the world such as USA, UK, Germany, France, Japan etc and the newly industrialized countries such as Korea, Singapore, Taiwan, and China shows that the HEIs besides their conventional role of the development of trained professionals and undertaking research and development activities of academic interest, have also started playing significant role in contributing towards the national economic growth through their proactive role (Kandiri, 2014). Their new role of cultivating the spirit of entrepreneurship and creating the environment conducive for innovation and technological developments is being recognized and appreciated widely. More so, these institutions have started functioning in entrepreneurial style and utilizing their hitherto untapped resources, which includes expertise, knowhow and facilities to the maximum potential.

Any successful country the driving force for improvements came from gains in knowledge and technologies, and the transformation of value systems through education. It is widely recognized that education plays a vital role in socio-economic development, but needs to find the type of education that can bring about the changes needed for sustainable development. The important thing is the quality of education, and it is necessary for students to learn what truly matters. In order to steer society towards sustainable development, we must ensure that the values and skills required for sustainability are integrated into the various levels of education. For these reasons, the roles and responsibility of higher education institutions cannot be overestimated.

Researchers are of the view that, though many developing countries endowed with a large number of academic institutions of excellence, such a culture is either missing or not prevailing largely. The academic institutions are still engaged primarily in the task of developing trained manpower required by various sectors of economy and undertaking R&D activities that are purely academic in nature rather than being applied or what is required by the industry. Whereby, the culture of entrepreneurship is lacking among institutions in the country. As a result, HEIs are not utilizing their expertise, know-how and good infrastructure to their full potential (Kandiri, 2014). This requires immediate attention at various levels.

Kandiri (2014) contended that HEIs' main goal is to produce skills through provision of education. A university, for example, builds a good reputation and becomes popular due to the quality of education it provides. It is natural that when discussing ICTs and HEI, the focus should be on supporting this main goal (Kandiri, 2014). Therefore, HEIs are responsible for research and identifying ways of achieving sustainable production and consumption, including the necessary knowledge, skills and norms of behaviour. High-quality education depends on qualified teachers, and HE incorporates institutions that train those teachers. On the other hand, HEIs produces the leaders and elites of society, who direct and manage businesses, political parties, government, and private industries. If HEIs fails to educate students for sustainability, our future leaders will not be qualified agents for sustainable development. This paper, therefore aimed to determine the role of HEIs for cultivating an environment conducive for innovations and technological management and advancements in the context of knowledge and skills driven economy. This paper further discussed the contribution of HEIs to sustainable development goals and the way HEIs can be reformed in order to meet the needs of participatory and sustainable development.

2.0 Findings and Discussions 2.1 Innovation and Technology Management in HEIs

Over the past few years, the rising importance of technology has lead to the demand for an integral consideration of technology and innovation. Based on the integrated management theory, the 'Integrated Technology and Innovation

Management' concept was developed (Luggen, 2004). A distinct focus on technology management reflects, on the one side, the increasing dominance of technology and innovation in determining a company's real business viability. On the other side, it compensates for the severely underestimated impact of technological change on a company's competitiveness as described in current management literature. Therefore, linking technology and innovation management seems to be reasonable because most innovations involve the deployment of technology, and technology management focuses clearly on technology and its deployment.

Conversely, innovation management extends beyond the scope of technology deployment in products and processes; for example, it comprises social innovations which may involve new structures, processes and management approaches (Luggen, 2004). Innovation management covers all primary activities, including innovations which facilitate new ways of directly increasing product value. It also extends over all indirect value creating activities, including technological as well as social or business innovations. The link between technology and innovation management involves the fact that, in the majority of cases, innovations involve technology deployment, and technology deployment simultaneously involves, to a large extent, innovative creations.

In addition, innovation, and the real-world application of that innovation, is all around us. From breakthroughs in medicine and genetics to clean technologies, social media, or education technologies, innovation is becoming a more critical part of all of the products and services available today. And as global competition continues to grow, it is critical that the HEIs should drive innovation improve their ability to develop products and services with market relevance and economic value. Furthermore, stakeholders are of the view that many universities and colleges across the country are trying to create entrepreneurship programs with the short-term objectives of creating educational value for their students and the long-term objectives of driving economic growth in their communities through locally-developed enterprises, but facing fund challenges to implement the introduced programs.

Among the university leaders in the country that participated in the discussion emphasized the importance of the government, stakeholders and the university community working together to maximize innovation commercialization. In short, universities and the government are key partners in research, development, and innovation. Furthermore, researchers argued that, leaders of universities and business organizations should share a common desire to increase collaboration and bring innovative ideas and research to the market to create real-world solutions and high-growth start-ups.

2.2 HEIs, Innovation and Technology for Economic Development

Higher education is essential for country's development. For example, East Asia and India have shown that HEIs with good governance and sound infrastructures have been critical to their economic success (Colleges, 2008). Further, Colleges (2008) stated that, there is a potential impact of higher education (HE) in the strengthening of institutions, governance, social development, scientific innovation and technological advancement is clearly indicated. Innovation and technological change have always been considered engines of growth (Vertova, 2014). The knowledge-based economy provoked the emergence of innovation systems as a dynamic model for organising and analysing the components, processes, and outcomes of sustainable development (Jowi et al., n.d.).

Scientific discoveries are the one leading to industrial innovations, particularly through academic spin-offs, provide a classic image of universities contributing to economic development. Hatakenaka argued that, many research institutions in the world struggle to reproduce this; universities may not have the culture or capability to do so. Yet some universities surround themselves with a local industrial community that can absorb and make use of scientific discoveries to accrue economic benefits but they are not doing so. Some respondents argued that, for spin-offs to be successful, the university must reside within a supportive ecosystem with technology awareness, financial investors, managerial capacity, and other professional resources.

Other way universities can support economic development by providing updated technical knowledge and skills in the workforce which required by labour markets.

Researchers commented that, universities can play this important role at all levels. Not only does a small number of R&D scientists need their knowledge and skills to be updated but also a large number of midlevel technical professionals and even larger numbers of technical workers. There is a complementary role in which academics could undertake joint research, consultancy, or contract work with industry to help address various technological problems.

This interaction with industry allows academics to learn about industrial needs, but the relationships inform them equally about what is relevant. Universities can play a less direct yet important economic role by setting forth the social, cultural, and intellectual tone of a local area. Cultural events surrounding universities can make a place more attractive to educated professionals and their employers. Other roles relevant to economic development include contributing to government and industrial decision making by participating in key committees and advisory boards and expanding local economic activities.

If innovation and technology are managed well in HEIs will results to high economic benefits through facilitating employment, increases salaries and savings, improves working conditions and mobility for the individual, and brings about greater productivity, national development, increased consumption and transformation of low skills industry to knowledge based economies for the public. It is a critical element of competitiveness and prosperity in an increasingly knowledge based on global economy. HE exercises a direct influence on national productivity, which largely determines levels of living and a country's ability to compete in a global economy.

On the other hand, HEIs plays a key role in social benefits for improving quality life for self and family, better decision making, increased personal status and opportunity for the individual and developed leadership, social mobility, and greater cohesion and reduced crime rates. HEIs enhances the political context by contributing to building civil society, enlightened citizenship, self-reliance, equal opportunity and skills and values of argumentative dialogue and reasoning, tolerance and respect (Kandiri, 2014).

Also, HEIs facilitates national development by promoting democratic ideals, as well

as intellectual and industrial competitiveness by promoting greater social cohesion, peace, trusts in social institutions, democratic participation, and appreciation of diversity in gender, ethnicity, religion and social class (Kandiri, 2014). Furthermore, HEIs improves the accountability of governments and generates independent research and analysis that supports the vibrant debate that can greatly improve the effectiveness of government policy and other services. All these benefits requires knowledge and skills together with technology, hence HEIs is only the place can provide it to the community.

2.3 Important Role of Teachers and Students in Promoting Innovation and Technology

In many countries, HEIs are or aspire to be focused on academic research with little practical orientation. There is also a strong tendency for academic and research drift. Institutions with a practical orientation often become more academic, and teaching-focused institutions become more research oriented. One reason for these changes has been the dominant interpretation of “scientific autonomy,” which was often interpreted to encourage isolation from external stakeholders. The high quality education depends on qualified teachers, and HE required incorporating institutions that train those teachers. HEIs produce the leaders and elites of society, who direct and manage businesses, political parties, government, and private industries. If HEIs fails to educate students with high knowledge, skills and innovation for sustainability, future leaders will not be qualified as agents for sustainable development.

Teachers and students have an important role in organising R&D in universities. Universities are the one activate and execute the projects through R&D process. The incubator for student entrepreneurs is integrated into the education process. Rauhala (2008) states that research commercialisation and entrepreneurship are integrated as main elements in the work of faculties and they are not separate functions handled by staff in dedicated units. R&D projects are a part of the teachers’ work and a part of studies for the students for developing knowledge, skills and innovation. HE sector stakeholders commented that, the developed curriculum in HEIs should be more flexible and reviewed in several times. Through

that will make it potential to integrate R&D projects, innovation and entrepreneurship, and innovation and technology for measuring students' creativity and identifying their work for contributing country's economic growth.

Teaching and R&D have therefore a strong interaction. Researchers stated that basically organisational structure of R&D projects in universities is low or not functioning any more. This is because the majority of universities and colleges are lacking funds to run projects with their teachers and students. Rauhala (2008) states that mostly actions are organised as projects and project organisation are created for all projects. Some of the projects have also led to organisational innovations where regional actors and the university collaborate in new ways. As we know that most of projects have steering groups with customers and stakeholders to control content, results, schedule and budget. Hence, the internal funding mechanisms in universities are mainly required for testing the feasibility of ideas of project. If the ideas are feasible, the external funding will be sought from customers or from public sources.

Stakeholders states that teachers and students are essential actors in the co-creation for promoting innovations and technology in universities. The creation of knowledge and innovating begins with the identifying of the existing and future needs of industrial partners and their customers. HEIs help in searching and creating new innovations in collaboration for partner firms and organisations. All these require supportive culture, structures and training. HE sector stakeholders argued that, there are many benefits in connecting to innovation processes and networks like new knowledge and technology from partners, weak signals detected by networks and partners that help to focus research and education. The researchers, however, are on the view that the creation of innovations is a key issue for the success of different societies. By quickly building human resources with key knowledge and skill, universities can help develop responsiveness in the labor market. US Department of Commerce - Office of Innovation & Entrepreneurship (2013) stated that over the last two decades, the majority of job creation in the world has occurred in young, start-up companies. Typical academics in such institutions may not be known for cutting-edge science or major publications, but understand the direction of scientific progress and can update

their education programs to meet emerging industrial needs.

Different stakeholders stated that HEIs should know that the basic prerequisites of any business growth are technological and business competencies. Alongside technological innovation there should be the development of social innovations as well to ensure the sustainable and equal development of society. Knowledge and skills are considered to be the most important factors for success of any developed country. Rauhala (2008) stated that funding of innovations, infrastructure, education and research must be of a high quality and under constant development. In general, the circumstances for innovation must be favourable. Respondents however are of the view that the science and technology commission should continue to work closely with all teachers and students for developing important efforts on fostering the total functionality of the innovation system, strengthening the knowledge and skills base, improving the quality of scientific research and the allocation of research, increase the utilisation of research and commercialisation, and ensure financial resources.

2.4 Innovation Builds on Science and Technology

The „innovation system“ is seen as one of the four pillars of the knowledge economy (Kayal, 2008). An innovation system is defined as „all the important economic, social, political, organizational, and other factors that influence the development, diffusion, and use of innovations“ (Edquist, 2001, 2). The idea of „innovations systems“ emerged and gained increasing prominence within science, technology, and entrepreneurship studies (Godin, 2007), however, it did not command significant global influence within development policy and development economics until the publication of the seminal OECD report National Innovation Systems (Vertova, 2014). The innovation systems approach has had a widespread and tremendous impact in diverse areas, such as science, development policy, technology, macroeconomics, and scientific research (Godin, 2007).

The core focus of any HEIs is to ensure that a sufficient supply of new knowledge, skills and new technologies are created and diffused in the country. But the strategy for innovation which builds on science and technology goes beyond that. Stakeholders commented that the HEIs strategy for innovation should seek to

change the ways in which the country society do things, and to support and promote the attainment of the country objectives and which are also aligned with the millennium goals. Researchers state that as a developing country, Tanzania need to emphasis of the innovation strategy to promote the role that technology could play to accelerate economic growth.

Also, the government is required to provide fund incentives to stimulate innovation, and is based upon the utilization of a competitive bidding process and evaluated in different terms of criteria like competitiveness, quality of life and environmental sustainability. Therefore, the objectives of the national, innovation system should be included in but not limited to, creating a knowledge base in key technology and economic sectors; facilitating the exploitation and commercialization of research and development; investing in technological innovations that will benefit the country; and supporting historical disadvantaged individuals. Furthermore, the HEIs are required to demonstrate leadership especially in the country, utilization and management of technology across the spectrum of the sciences and link its activities to the current and future needs of the government, communities, and commerce and industry.

Some stakeholders are of the view that, with regards to research and innovation specifically, the HEIs mainly should focus on applied research, solving problems of society and the practical implementation thereof. This implies that the HEIs are suppose to primarily participate in downstream R&D activities such as patenting, licensing, commercialization and marketing of intellectual property and R&D results in the form of products, processes or services (Rauhala, 2008). Technology has numerous benefits to offer in the learning process for all society in the country (Kandiri, 2014).

Apart from enhancing technology literacy and familiarity, computer-based learning could help the students who actively participate in it to achieve enhanced levels of motivation and increased zeal in tackling challenging questions, with more understanding of concepts (Ale & Chib, 2011). In Tanzania many HEIs experience difficulty with incorporating information and communication technologies (ICTs) into their education system. Jayson W. Richardson (2014) contended that in many

countries lack a solid national infrastructure of electricity, internet availability, human capital, and cell phone coverage. With core elements of a technological infrastructure not fully developed, school systems in this country experience dire challenges incorporating ICTs into the formal learning environment.

3.0 Conclusion

Researchers concluded that, a good exploitation of knowledge for innovation requires knowledge circulation both within organisations and between organisations. It also requires adjustment of knowledge to the earlier knowledge structure and functions of the organisation. Therefore the capability to learn and absorb new knowledge is a key issue in long-term partnerships. Only this ensures that market insight can be created and maintained. Further concluded that, collaboration skills are essential because networks are dynamic and trust creation is needed.

Furthermore, the new forms of networks and partnerships are needed to fulfil the new knowledge and technological needs. Stronger connection to basic research and ability to adapt more research knowledge is also needed. It also requires culture and competencies for sharing the knowledge between partners. This ensures effective utilisation of created knowledge. With respect to the current knowledge-based policy paradigm anchored on Science, Technology and Innovation, the study demonstrates that there has been a significant and sustained government focus on providing an integrated institutional and policy framework for building a knowledge-based economic dispensation. For the developing economies like Tanzania, with the changing paradigms of education and business, a change in the traditional mindset of the institutions is a dire need. HEIs should reorient their activities so as to focus more on applied and market driven R&D, and make optimal use of their resources. It is the ripe time for the HEIs to act as entrepreneurs themselves and develop suitable mechanisms to foster institute-industry interactions.

Entrepreneurial actions and the connection to innovation networks are important for HEIs because they have a wide impact, enhance learning and create new signals for research and funding. Through this will make education system to be more

attractive for new students as well. Complexity, various environments and contexts require different approaches and system thinking. HEIs have a role in being a laboratory for innovation, not alone but in collaboration with everyone in the country. There are many benefits, like the new knowledge and technology from partners, weak signals detected by network partners that help focus research and education when summed with other weak signals, and the new knowledge transferred to education and research. The means to transfer created knowledge into education are publications, seminars, workshops, internal reporting, project meetings between students and personnel, thesis and practising periods of the students. Also the continuous personal development programs and short courses are a part of this transfer. These are important because they assure the quality of education and research and increase the management of innovation and technology to the people.

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Understanding Innovation Adoption: The Case ICT Adoption among Tourism SMEs in Tanzania

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Abstract

The advent and adoption of e-mail and web technologies present a new era in business environment among the SMEs in developing countries. Traditionally, it was believed that the information technology adoption was limited to either large firms or developed countries only. This was particularly because of the capital investment required in the adoption of such information technology in business. Recently, we have witnessed a rapid response from SMEs in developing countries investing heavily in information technology adoption. The investment efforts are fuelled by the increasing business environment complexity which is characterised by global markets, the need for higher efficiency and international market

Increased e-mail and web technologies adoption (EWA) and usage intensity (EWU) among the SMEs have enhanced the firm's ability to gain competitive advantage not only locally but also in the international markets. In the recent years, we have witnessed significant EWA development among developing countries SMEs. While many of the previous studies have researched much on the adoption of information technology among large firms very few of them have examined the determinants of information technology adoption among SMEs basing on the adoption levels and usage intensity.

There are limited studies that provide empirical evidence in explaining why SMEs choose to adopt ICT innovation in their business. Much of the explanation from previous studies on ICT adoption revolve around the knowledge transferred based on the SMEs experiences from developed countries in utilizing the potentialities of ICT innovations in business processes.

This study simultaneously examines the effects of innovation characteristics on EWA levels and EWU among tourism SMEs in Tanzania.

The study adopts structural equation modelling technique (SEM) to analyse the

empirical data based on the theories of diffusion of innovation and adoption stage. In this regard, 295 tourism SMEs duly filled the questionnaire and returned them to the research team.

The study findings indicate significant positive relationship between compatibility characteristics and EWA levels on one hand. On the other hand, the study reveals that there have been varying effects regarding the relative advantage, compatibility, and complexity characteristics on the e-mail and web technologies usage intensity (EWU) across different EWA levels.

The importance of this paper centers on examining the innovation characteristics influence on e-mail and web technologies adoption among SMEs in Tanzania. The innovation characteristics studied in this paper include relative advantage, compatibility, complexity and perceived social influence. The paper also provides additional empirical evidences on the continuing discussion on ICT innovation adoption/diffusion among SMEs in developing countries context. This research domain is underrepresented in the existing research literature. The adoption of multi-levels measurement in this paper extends the commonly used binary measure of ICT adoption (adopted/not adopted). The paper also combines the EWA levels and EWU in an integrated model explaining ICT adoption among SMEs. Finally, the paper discusses the study implications on the researchers, SMEs owners, and policy makers in Tanzania

Is the WTO a necessary evil to emerging economies?

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Masoud Mohamed Zanzibar University, Zanzibar-Tanzania

Abstract

Abstract: International business is being strictly moderated by the World Trade Organisation (WTO), which is perceived very negatively by emerging economies. There are accusations that the WTO favours the rich developed countries and that it is insensitive to the plight of the poor developing countries. Moreover, the macro-economic reforms under globalisation are described as a mere reflection of the post-war capitalist system and its destructive evolution intended to regulate the process of capitalist accumulation at the world level and that liberalisation of

economies as advocated by the WTO does not represent a free market system but is the continuation of a new interventionist framework following the debt crisis of the early 1980s, mainly geared at dismantling state institutions, tearing down economic borders and impoverishing millions of people in the search for profit. The opponents of globalisation go to the extent of viewing it as another form of domination, which is equated to colonialism accusing the rich Western nations of wanting to take advantage of globalisation in order to benefit from the resources and markets of developing economies. In spite of the concerns raised above, this paper wants to take a different direction by exploring the opportunities through which the WTO can still be instrumental in creating mutual benefits to both developing and developed economies.

1300-1400/ Saturday, September 10th, 2016

SESSION [A2]-[C2]

Session [A2] Value Chains, Marketing and Entrepreneurship Room A

Session [B2] Finance and corporate governance Room B

Session [C2] Technology, Innovation and
contemporary Business Management Room C

Session A2

1300-1400/ Saturday, September 10th, 2016/Meeting Room: A

Value Chains, Marketing and Entrepreneurship

Session Chair: Dr. Anna Elísabet Ólafsdóttir, Bifröst University

Cotton Contract Farming and Possibilities of Upgrading of Farmers and Ginnery in Bunda District

Paul Nsimbila, Mzumbe University, Tanzania

Marianne Nylandsted Larsen, University of Copenhagen, Denmark

Abstract

This paper is focused on cotton contract farming analysis and possibilities of upgrading of smallholder cotton farmers in Tanzania, the case of Bunda district, Mara region. The main emphasis was to look on how contractual obligations were fulfilled by contracting parties during implementation of contract farming and if there were any possibilities of smallholder cotton farmers to upgrade from one node in the value chain to another. The study sampled 34 key informants for a qualitative investigation.

Findings from the study show that contract farming implementation did not meet key stakeholder expectations. Both ginnery and farmers did not fulfil their contractual obligations as agreed in the contract. While ginnery did not supply the required inputs on time for high quality and quantity production of seed cotton, farmers sold their produce to non contract buyers and did not repay their input credit to their respective ginnery. None fulfilment of contractual obligations was caused first by absence of contract farming policy and legislation that could have governed the proper implementation of the system. Secondly, there was a lack of contract ownership by farmers and ginnery who are the major stakeholders in contract farming. These were not involved at the initial stage of the contract design process, as the task was given to a consulting firm called TechnoServe. To a limited extent, farmers and ginnery were involved in the contract design during the annual cotton stakeholders meeting where a draft contract was submitted for discussion in the Any Other Business (AOB) item of the agenda. Peripheral involvement of

major stakeholders in the contract design process resulted in the non inclusion of essential contract attributes that would have helped to coordinate production, motivate farmers to work harder and would have minimized transaction costs. Detailed analysis of findings show that both farmers and ginners failed to achieve integrated profit due to the fact that the contract used was incomplete. It had neither proper instructions that could coordinate the production of high quality cotton nor price signals that could be used to motivate farmers to produce large quantities of seed cotton per acre at a minimum transaction cost. Poor implementation of contract farming in Bunda District and Tanzania in general ended on limited upgrading of smallholder cotton farmers and total rejection of the system in the 2012/2013 farming season.

Therefore, it is recommended that contract farming policy and legislation should be formulated immediately. Also, since the contract used in CF was formulated by little involvement of farmers and ginners and it does not contain all necessary attributes as suggested by Bogetoft and Olesen (2004) which has resulted in rejection of contract farming system by farmers and ginners. The government through the Ministry of Agriculture, Food Security and Cooperatives should work closely with TCB and stakeholders in the on-going contract review process so that all key attributes and variables suggested by ginners and farmers are included in the contract for proper implementation. Also, the reviewed contract should state categorically the exact time or time interval for distribution and delivery of inputs to farmers and action that will be taken against ginners who will delay or not deliver inputs in the time interval stated in the contract.

Women Entrepreneurs in Rural Tanzania: How to Release their Potential?

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Abstract

Background: Although women contribute significantly to economic growth, their opportunities for personal development and professional progress are still adversely affected by a series of gender- based obstacles and challenges. The aim of this study was to explore obstacles and challenges faced by women in a rural

area in northern Tanzania in relation to self-employment, entrepreneurship and business establishment, and to try to find out how these obstacles and challenges could be overcome in order to release women's potential.

Method: The methods applied consisted of quantitative and qualitative research embedded with observations. Participating women answered a questionnaire and a subset of them participated in a focus group discussion. Furthermore, one focus group discussion was organized among male individuals in order to establish their perception to the research questions.

Results: From a young age, women in this rural area have in practice the overall responsibility for their associated households, which often are quite large. This takes up most of their time and thus keeps them from participating in the labour market. In the society in which this research took place, women are not only less respected than men but they also suffer from a lack of self-confidence and have limited opportunities to be creative and innovative.

Discussion: Women are willing and eager to put an effort into escaping the restraint created by their culture and social environment. But actions taken by women are not enough. Changes will not be achieved unless their male companions accept to share with women the power which they were given at birth, just because they are boys, and to share with women the responsibilities of their associated households.

Conclusion: In order to release women's potential and thus to speed up poverty alleviation, a cultural change is required. Such a change is probably inevitable in the end, as a cultural system where half of the population is quasi-suppressed based on gender is probably not sustainable. As the required cultural change is both just and economically sensible, one could expect governments, both on a community and national level, to be willing to accelerate the change by appropriate governmental policies.

Contributions of Graduate Interns In Enterprises Development: Insights From Mzumbe – UNIDO Internship Project

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Abstract

The paper dwells on enterprises development through the use of graduate interns' skills. The basis of the paper is the generally low skills levels in Tanzanian enterprises in general and Micro, Small and Medium enterprise (MSMEs) in particular. This paper is informed by both secondary and primary data and analysis of the same. The authors document that MSMEs in Tanzania have low skills in various areas thereby constraining their development, growth and competitiveness. There is therefore a need to enhance the skills levels of the MSMEs if they are to develop, grow and become competitive. They further document from the internship project that was undertaken by Mzumbe University Dar Es Salaam Campus College (MUDCC) and the United Nations Industrial Development Organization (UNIDO) that graduate interns can contribute substantially in MSMEs' development.

Based on the internship findings, the authors document that graduate interns have used their various skill to develop MSMEs including improving their marketing, human resources and accounting practices. They have also contributed in developing strategic plans. Generally they have used their theoretical training to improve practical aspects in the MSMEs they were placed in for three months.

**Contributions of Graduate Interns In Enterprises Development:
Insights From Mzumbe – UNIDO Internship Project²⁶**

1. Introduction

Enterprises development is necessary for the ever-changing and dynamic business environment. Enterprises of all types, size and any location need to develop and grow over time in order to be and remain competitive. Development, growth and competitiveness of enterprises is a function of many and more often than not closely interlinked and self-reinforcing factors. By and large development, growth and competitiveness of enterprises is a function of resources availability. These include financial, human and physical resources. Of all resources however, human resource is seen to be the most important one. For enterprises to develop, grow and become competitive therefore, they need adequate quantity and quality of human resources among others.

2. Traditionally enterprises do acquire their human resources from the labour market through employment. They can recruit and hire on permanent or short term basis. Apart from this mode of acquiring human resources, enterprises can also acquire human resources in many other modes including through apprenticeship and internship.
3. In this paper the authors show that enterprises in general and Micro, Small and Medium Enterprises (MSMEs) in particular can be develop, grow and become competitive through the use of skills of graduate interns. This paper draws from a specific internship project in which the authors have participated. This is the internship project that was undertaken by Mzumbe

²⁶ This paper is based on the internship project that was implemented by Mzumbe University Dar Es Salaam Campus College (MUDCC) as a subcontractor of the United Nations Industrial Development Organization (UNIDO) for the period of March to May 2016.

University Dar Es Salaam Campus College (MUDCC) and the United Nations Industrial Development Organization (UNIDO) from March to May 2016.

4. In this context, internship involves placing graduates in work place for a given period of time. Once placed in the place of work a graduate performs specific jobs based on prior developed job descriptions (JDs). An intern is normally supervised by a supervisor from the host institution. The main purpose of internship is for the intern to put in practice what he/she learned in school. It also aims at letting the interns learn from the world of work. It gives the intern exposure to the world of work where he/she practices and learns both technical and soft skills. At the end of the day, the main purpose is to enhance the graduate's employability. This happens in various ways including through getting the practical knowledge, getting connections and networks from the world of work including getting reference from the place of work where one was placed.

5. The MUDCC - UNIDO internship approach

The UNIDO – MUDCC internship was implemented the United Nations Joint Programme on Youth Employment (JPYE). The aim of the internship programme was to increase the employability of young graduates from Higher Learning Institutions (HLIs) in Tanzania. Those graduates were placed in a demand-driven manner in manufacturing or agro-processing MSMEs in Dar Es Salaam, Arusha, Kilimanjaro, Mbeya and Mwanza regions. The graduates received an opportunity to test their skills, apply their higher knowledge sets and gain experience from working in industry to increase their employability. MSMEs in turn got an opportunity to assign graduates with higher education to a concrete task to make an immediate positive impact on enterprise performance and productivity growth. A win-win situation is the result.

Selected Facts about MUDCC – UNIDO Internship

For better understanding of the MUDCC – UNIDO Internship, select facts are summarized in what follows.

5.1.1. Gender and geographical distribution of interns

A total of 409 graduates applied for the internship project. Out of these, 163 (39.9%) were female and 246 (60.1%) male showing a majority of male graduates. The majority of applicants (78.5%) came from Dar Es Salaam followed by Arusha (8.3%), Mwanza (6.4%), Mbeya (4.6%) and Zanzibar (2.2%). This may imply that most graduates move to Dar Es Salaam to look for jobs.

5.1.2. Major courses of study and learning institutions

Applicants' academic backgrounds are 77 different courses of study. The top seven courses and percentages of applicants who studied them are as follows: procurement and logistics (9.8%), accounting (7.6%), economics (7.3%), computer science and engineering (5.6%), business management (5.1%), banking and finance (4.4%) and public administration (3.2%). Percentage share of the other 70 courses ranges from 0.2% to 2.2% showing a huge diversity.

Applicants came from 61 different HLIs both local and foreign. The majority graduated from: Institute of Finance Management (14.2%), Mzumbe University (13.7%), University of Dar Es Salaam (10.3%), Saint Augustine University (7.6%), University of Dodoma (7.3%), Sokoine University of Agriculture (5.6%) and College of Business Education (3.7). Percentage share of the applicants from the other 54 HLIs ranges from 0.2% to 2.9% and thus showing huge diversity.

5.1.3. Education levels of applicants

Majority of applicants 80.9% hold bachelor degrees followed by diplomas (10%), masters (5.3%) and advanced diploma (3.7%). This partly shows that even with a masters degree (a total of 21 applicants) internships are considered important.

5.1.4. MSMEs' locations and demanded skills

The majority of MSMEs interested in interns are located in Dar Es Salaam (35.6%) followed by Mbeya (29.8%), Mwanza (17.1%), Arusha (14.1%) and Zanzibar (3.4). The MSMEs demanded in total 53 various kinds of skills. The main skills demanded are marketing (27.3%), accounting (8.8%), machine operators (4.2%), Information and Communication Technology (3.9%) and design (3.25). Percentage share of the other skills range from 0.2% to 3.2%. The skills above partly show areas where SMEs need more support. HLIs and Business Development Services Providers may opt to have SMEs-tailored trainings on these courses.

5.1.5. Placements

The table below shows the number of interns placed in SMEs for a given region and month in the whole internship period.

Table 1: Summary of Interns and MSMEs From March to May 2016

SN	REGION	March Interns	March SMEs	April Interns	April SMEs	May Interns	May SMEs	Intern Dropout
1	Mwanza	22	11	15	11	15	11	6
2	Arusha	31	12	15	9	15	9	16
3	Mbeya	13	6	6	6	6	6	7
4	Dar Es Salaam	158	55	83	34	83	34	76
TOTAL		224	86	119	70	119	70	105

The table shows that, a total of 224 interns were placed into 86 companies. 105 (46.9%) of total placed interns dropped out of the programme for various reasons such as obtaining employment elsewhere(57%), could not afford transport and food expenses during internship (27%) and 16% left without giving any reasons.

6. Challenges Faced by MSMEs

Basically the interns were placed in the MSMEs in order to address specific challenges faced by these enterprises. It is the MSMEs' owner-managers with the support of mentors that identified the challenges that were turned into specific job descriptions to be undertaken by the interns. In what follows a review of literature is done to give an overview of challenges that typical MSMEs including the ones covered in the internship face. These are the challenges that can be solved by the human resources – including interns in the context of this paper - in these enterprises.

MSMEs face a number of challenges that hinder their growth. MSMEs growth, as is the case for other enterprises such as large ones, can be measured by a number of indicators. These include change in: the quantity and quality of assets they possess, size of invested capital, premises, sales volume, profit, number of customers,

number of business branches, diversification of business activities etc (See Ngowi, 2015)²⁷.

Among the common challenges that constrain MSMEs' growth include availability and access to capital, unfriendly business environment including fiscal regime, unfair competition, bureaucracy, corruption as well as inadequate skills. See URT (2003)²⁸, Olomi (2003)²⁹. Although MSMEs are making a vital contribution to the economy, there is a widespread mistrust of the individual entrepreneur, particularly those operating in the small business sector economy. Most governments tend to control small business activity rather than to create an enabling environment for its growth (Forster et al 2003). Major obstacles instituted by governments include high tax burdens, excessive regulation and difficulties in accessing credits.

MSMEs are also faced with the problem of access credits (Kuzilwa and Mushi 1997, Keasey and Wetson 1993, Ngirwa, 1987). Other issues important for entrepreneurs include the complicated and unstable regulations pertaining to business activities. These regulations often impose a number of very high charges and unnecessary bureaucracy on the entrepreneurs (Magheke 2000).

Olomi and Allan (2003) revealed factors that limit access of credits by SMEs to include lack of good business records, limited managerial capacity, lack of credit history, lack of collateral demanded by bank regulations and the culture of non repayment of the loans from the banks. TATEDO (2007) found that finance was a key constraint affecting development of energy MSMEs in Tanzania. Most of such

²⁷ Ngowi, H. P. (2015). Theories of Entrepreneurship and Enterprise Development – teaching handouts

²⁸ URT (2002). Small and Medium Enterprises Policy

²⁹ Olomi, D. R. (2003). *Entrepreneurship and Small Business Development. A Tanzanian Perspective*: University of Dar Es Salaam Entrepreneurship Centre (UDEEC)

MSMEs were perceived as risk-prone and there was little information to show performance levels on loan repayments performance.

According to CTI (1999), MSMEs suffer from lack of enough working capital, raw material, marketing problems, poor working tools, numerous and high taxes, lack of qualified personnel, competition from imported goods, high power tariffs and interruptions, lack of business premises, low demand due to low purchasing power, cumbersome bank procedures for loans, high transport charges and interest charges, competition from unregistered producers, license fee and other levies, harassment from government officials and health issues.

In its study, the Financial Sector Deepening Trust – FSDT – (2010)³⁰ had the following key findings that reflect issues related to low capacity and therefore challenges that MSMEs in Tanzania face.

- i) Only 43% of studied enterprises keep records. The records are mostly basic and patchy
- ii) Only 4% are formally registered by BRELA) and only 5% have Tax Identification Numbers (TIN).
- iii) 68% are single employee (including the owner) businesses
- iv) On education of the owners, 74% completed primary and only 7% have secondary or higher education.
- v) On skills to run the business, 72% had no formal training and only 21% and 7% had business and technical training respectively
- vi) On access to finance, only 20% have formal access to finance and 69% are excluded
- vii) 91% of owners did not take a loan to start their businesses
- viii) 65% of the businesses save in a secret hiding place
- ix) Only 19% have a formal rental agreement for their business premises
- x) A mere 0.4% have insurance
- xi) On reasons to run business, 72% are doing it for survival reasons and 20% run business part time

³⁰ FSDT (2010). National Baseline Survey Report: Micro Small & Medium Enterprises in Tanzania

- xii) Barriers to access finance include financial illiteracy, lack of collateral, lack of record keeping, informality, banks taking long time to process loans, strict regulations and lack of proper products for small businesses

7. Needs for and role of skills for MSMEs

The World Bank (2013)³¹, informs that for informal sector where most MSMEs belong home to, improvement of productivity and earnings is a priority. To achieve this, education and skills development have extremely huge role. Different means of skills development can be used to shape productivity and earnings in the sector. These means include formal education, technical and vocational education and training, apprenticeships and learning on the job. The World Bank (ibid) documents further that education and skills development plays big role in increasing productivity, profitability and earnings in the nonfarm informal sector.

8. Sample of Jobs Done by the Graduate Interns

The graduate interns performed various activities as stipulated in the Job Descriptions (JDs) given by the enterprises they were placed in. A total of xxx JDs were developed by the enterprises. In what follows a sample of such JDs is presented for few selected enterprises. The purpose is to show the typical activities (JDs) undertaken by the graduate interns as part of their contributions in the development, growth and competitiveness of the enterprises.

³¹ World Bank (2013). Improving Skills Development in the Informal Sector Strategies for Sub-Saharan Africa

Table 2: Interns Job Descriptions (JDs) As Proxies for Interns Contribution in Enterprises Development

S/n	Company	Region	Job description
1	Rehema Food Processing	Mwanza	Assess the current and future marketing needs of the enterprise Develop marketing materials such as flyers, catalogue Prepare forthcoming enterprise booth for exhibition in Kenya, Niawasha Identify new markets and marketing channels for existing products
2	Umoja Leather Company	Mwanza	Assess the current and future marketing needs of the enterprise Develop marketing materials such as flyers, catalogue Prepare forthcoming enterprise booth for exhibition in Kenya, Niawasha Identify new markets and marketing channels for existing products
3	Monas Beverages	Mwanza	Assessing the present accounting procedures of the enterprise Develop computer-based accounting system at enterprise (including guidelines and computer software) Train the Supervisor in computer-based accounting software and manage the system Door-to-Door marketing with a focus on companies and offices Customer care of existing customers (door-to-door visits)
4	Chobo Investments (Meat processing and packaging)	Mwanza	Setting up the enterprise's stock level Setting up stock record Supply chain management Stock evaluation Maintain existing customer relations Regular customer data collection (based on sales) and assessment Assess current packaging and labelling patterns and suggest improvements
5	Dar es Salaam Corridor Group Company Limited	Dar es Salaam	<ul style="list-style-type: none"> • Learn how to run administration department • Learn how to ethically engage with other staff in delivering their day to day work assignments • Deliver all administrative works as assigned by the project manager • Assist project manager and other senior DCG officials in carrying of day to day administrative works • Follow up and track on all administrative schedules for updates and completion
			<ul style="list-style-type: none"> • Assist in implementing of HR Policy • Support the project manager on tracking, follow ups and handling of HR issues • Deliver all HR works as assigned by the project manager • Assist project manager and other senior DCG officials in carrying of day to day HR works
6	GAA HOLDINGS	Dar es Salaam	<ul style="list-style-type: none"> • Prepare database for the company • Learn and support marketing plans for the company

	(T) LTD		<ul style="list-style-type: none"> Assist senior company officials in carrying of day to day office works through information technology support Follow up and track on all company database updates for ensuring of effective use of technology to support sales Prepare finance and administration reports for the company Learn and support budget plans for the company Assist company officials in carrying of day to day office works through finance and accounting support Follow up and track on all company's finance updates for ensuring of effective use of finance reports in improving operations of the company
7	L&L RUTUBA PRODUCTS	Dar Salaam	Es <ul style="list-style-type: none"> Prepare database for the company Learn and support marketing plans for the company Assist senior company officials in carrying of day to day office works through information technology support Follow up and track on all company database updates for ensuring of effective use of technology to support sales
8	UPAMI GROUP COMPANY LIMITED	Dar Salaam	Es <ul style="list-style-type: none"> Assist in implementing of HR Policy Support the project Supervisor on tracking, follow ups and handling of HR issues Deliver all HR works as assigned by the senior managers Assist projects manager and other senior company officials in carrying of day to day HR works
9	Gongali Model Co.Ltd	Arusha	<p>Sales of water filters (Nano filter)</p> <p>Creating and maintaining social media (Online platforms) for the company.</p> <p>Online marketing of water filter</p> <p>Create database for water station Report</p> <p>General IT activities for Gongali Model Co.Ltd</p> <p>Establishment of water stations</p> <p>Marketing of Nano filter</p> <p>Marketing Survey</p>
10	Prestige Industries Ltd	Arusha	<p>Marketing of Prestige products</p> <p>Sales of Prestige products</p> <p>Plan and conduct direct marketing activities</p> <p>Prepare Marketing action plans and strategies</p> <p>Carry out market research and surveys</p>
11	International Dairy Products (T) Ltd	Arusha	<p>Prepare financial Statements related to the accounting department</p> <p>Make the Journal entries into respective journals and ledgers from time to time perfectly.</p> <p>To prepare final accounts like balance sheets</p> <p>Look in inventory to ensure the match of purchase orders and receipts</p> <p>Keep track of all financial dealings of the company on daily basis</p> <p>Any other duty as may be assigned by supervisor</p>
12	Prepare financial statements related to the accounting department		

			<p>Make entries into respective journals and ledgers from time to time perfectly</p> <p>Prepare final accounts like balance sheets</p> <p>Look in inventory to ensure the match of purchase orders and receipts</p> <p>Keep track of all financial dealings of the company on a daily basis</p> <p>Any other duty as may be assigned by supervisor</p>
13	Bella View Fresh Fruits Processing Industries Ltd	Kilimanjaro	<p>Generating new product ideas</p> <p>Ensuring that stringent hygiene food safety standards are met</p> <p>Monitoring the use of additives</p> <p>Identifying and choosing products from suppliers</p> <p>Testing and examining samples</p> <p>Audit the accounting and Financial data of various departments within the company to ensure accuracy and compliance with the company guidelines.</p> <p>Identify improper accounting or documentation and makes recommendations to improve policies or procedures accordingly</p> <p>Review the suitability of internal control design</p> <p>Verbally communicate findings to senior management and draft comprehensive and complete report of audit area.</p>

Source: Extracted from selected Job Descriptions (JDs) in the MUDCC – UNIDO internship

From the list of the selected JDs above, it is seen that the graduate interns have contributed substantially in the development, growth and competitiveness of the enterprises they were placed in. The JDs were developed in a demand-driven way by the MSMEs based on their need for specific contribution of the graduates to address a specific issue in the enterprises.

9. Contribution of Interns in Solving MSMEs' Challenges

The experience and findings from the MUDCC and UNIDO internship shows that graduate interns have what it takes to partly solve the above challenges faced by MSMEs. They have positively contributed in solving the challenges in the MSMEs they have been placed in. They are among the key and very successful factors of skills development for MSMEs. Due to their high level of education, graduate interns have been able to use their skills in the MSMEs they have been placed in.

The MSMEs have testified that they have gained from the skills of the interns. Graduate interns can therefore contribute substantially in solving the challenges faced by MSMEs thereby increasing the MSMEs' development, competitiveness and chances to contribute more in economic development.

The MUDCC and UNIDO internship has established that that graduate interns are willing and able to take employment in MSMEs thereby contributing in their development, competitiveness and growth. This (graduates taking employment in MSMEs as opposed to taking the same in large companies) is contrary to the orthodox and mainstream school of thought that assumes that graduates will not seek employment in MSMEs but in large and established enterprises. It has also been seen that contrary to mainstream thinking, MSMEs are willing and able to employ graduates. Orthodox thinking has it that MSMEs would shy away from employing graduates due to a number of negative perception. These perceptions include MSMEs seeing graduates as too educated, sophisticated and demanding too large payments for MSMEs to afford.

After the three months experience of hosting graduate interns, MSMEs have come to the conclusion that it is possible, fruitful and worth-while not only to engage

graduate interns but also to employ them upon successful accomplishment of internship. Interns on their side see that they can be engaged not only as interns in MSMEs but also as employees upon successful accomplishment of internship.

10. Selected pieces of evidence on interns contribution to MSMEs

The potential and actual contribution of the interns to MSMEs' development, competitiveness and growth was seen even at the time of regional outreach meetings to inform stakeholders about the internship as partly captured below:

“There is a very huge demand for graduates in the MSMEs sector. We only do not know how to get them. This graduate internship is a very good initiative that is relevant for us”. – An MSME participant in Dar Es Salaam outreach meeting on 29th January 2016.

“This is very relevant project in many ways. My company needs interns to learn our business (agro-processing) and become our contract farmers (yellow maize, vegetables etc)”. – An MSME participant in Dar Es Salaam outreach meeting on 29th January 2016

“This is a relevant, unique and good idea both for the graduate interns and MSMEs. We expect them to use their graduate level education to improve our performance”. – An MSME participant in Dar Es Salaam outreach meeting on 29th January 2016

“It is very good that the project is here. It is something new, good and relevant. MSMEs have many problems including production, branding, technology etc. They should make use of graduate interns for them to grow, to get knowledge, new thinking, fresh brains and ideas to take the enterprises to higher lever” - TCCIA32 Mwanza Chair.

Based on the very open conversations during the Technical Working Group Meeting (TWGM) on 28th April 2016, for MSMEs, there is great appreciation of what graduate interns did during the internship. They applied the knowledge they got from school in practice thereby contributing in development of the MSEMs as partly testified in what follows.

³² Tanzania Chamber of Commerce Industry and Agriculture

“ATE is keen to encourage employers (including MSMEs) to take graduate interns because it is a relevant intervention both for the interns’ employability and host organizations’ development”. - Kabeho Solo from the Association of Tanzania Employers (ATE)

“I was able to find a solution to repair a broken furnace. I participated in building two billboards. I am really excited to put my theoretical knowledge into practice in this enterprise and I am very confident about my future. One day I might even start my own company” – Joseph Ford, Mechanical engineer intern at Mawani Sign at SIDO estate in Dar Es Salaam.

“It is better that I retain these young graduates after internship because they are doing great job, they now know the company, we are comfortable with each other and believe they can take this company to a higher level than employing someone who has not been here” - Mr. Laurent, enterprise owner – manager manufacturing cosmetics at SIDO33 Vingunguti estate in Dar Es Salaam

“The colleagues I met here have no university education but understand how to operate the machines although they do not know why the machine is working the way it does. For me, I understand why the machine is operating the way it does” - Mr. Francis Mwangosi who was engineering intern at Manish Products in SIDO Vingunguti Dar Es Salaam s

The extracts from internship field monitoring report below give some more testimonies.

MSME overwhelmingly do consider an internship as learning exercise for interns in combination with the delivery of concrete outputs. MSMEs provide an astonishing feedback of why they seek graduate interns. The reason is that these graduate interns are quicker in understanding systems, processes and tasks. Also they are eager to learn and adapt to new circumstances and challenges. All these are beneficial for the MSMEs.

³³ Small Industries Development Organization (SIDO)

11. Selected case studies

In what follow a few selected case studies of contribution of selected interns in selected enterprises are summarized.

11.1. Rehema Food Processing Company.

An intern conducted a market survey for this flower and spice processing enterprise. The interns identified opportunities that are available for the company. These include large market size for spices and the associated need to produce different kinds of spices such as beef, chicken and tea masala. The survey also identified weaknesses of the enterprise including having only one type of spice while the market is looking for diverse types of spices. The survey found out time delivery of its products to customers is among the enterprise's strengths and that its main competitor was spices from Kenya that have more attractive packaging, better marketing, diversified products and better taste. The survey by the intern recommended that the enterprise undertakes substantial changes that would take into account the above findings that were produced during the internship by interns cost free.

11.2. Access Engineering

A quantity surveyor (Mary Lengai) was placed at a metal fabrication enterprise named Access Engineering at SIDO Vingunguti in Dar Es Salaam. The company is a subcontractor of many big companies. It has no permanent quantity surveyor expert but uses services of a part time one. The intern did all the quantity survey works in tendering for various projects. She was shifted by the company from SIDO Vingunguti to the Julius Nyerere International Airport (JNIA) where the company had a site. By the end of the internship there was a very huge possibility that she would be employed by the company thereby continuing supplying it with her skills.

11.3. Manish Plastic

Another evidence is from Manish Plastic at SIDO Vingunguti where an electro-mechanics intern (Francis Mwangosi) was placed. Among other things, he serviced, inspected and maintained machines as well as installed computer systems to update the machines. All these have added much value to the enterprise.

12. Conclusion and recommendations

It is concluded in the paper that graduate interns can play a very important role in development of enterprises in general and MSMEs in particular. They are able to use their graduate level skills to contribute in the development, growth and competitiveness of MSMEs they are placed in. They are able to solve specific problems and challenges in the MSMEs including those related to marketing, business plans, accounting, human resources, sales, procurement, computing, engineering and much more. It is therefore recommended that graduate internships should be highly promoted and supported as among strategies to contribute in enterprise development, growth and competitiveness. This should be done by all key stakeholders including the government, private sector, training institutions, parents as well as graduates themselves.

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**Constraints and Challenges in Beekeeping Commercialization in Tanzania:
Evidence from Mvomero District, Morogoro**

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Abstract

Beekeeping has been carried out across many generations in Tanzania, providing a critical role in rural communities' livelihood to include: income; medicinal value; supporting agricultural activities; forests and nature conservation; industrial raw material; and healthy linkages between biodiversity towards sustainable livelihoods. Despite of all the benefits, the activity has remained primitive, traditional and unprofessional, viewed as a secondary economic activity for poor rural women and old people. To change the situation in order to tap the great

potential in beekeeping, several initiatives, projects, strategies and programs has been designed and implemented. But the success remained minimal.

Thus, this study was conducted in and around Mvomero district of Morogoro region with an objective of assessing the constraints, challenges and future prospects of beekeeping and beekeepers in Tanzania. The study was an action research design, which included ten producer groups which were selected purposively. Data were collected from both producer groups members and direct actors in the beekeeping value chain. Data collection were through f interview, focus group discussion, and field visit observation. Results were validated through validation workshop where potential actors in beekeeping value chain were invited.

The results of this study indicated that beekeeping is one of the most important income generating activities besides other agricultural activities. Despite of the fact that Mvomero has untapped potential for bee keeping development, the following was observed to be major constraints towards beekeeping commercialization: poor infrastructure to beekeeping areas; corruption and bureaucracy; policy, legal and procedures; long distance to apiaries; and pesticides and chemicals in farming (agro-chemical poisoning). Similarly, low quality of beehives; competition of bee forage with herders; pests and predators; occupancy and absconding; beekeeping tools and facilities; bush burning; young, weak and unorganized producer groups, poorly informed producers, limited access to assured markets, limited access to finance; low participation and involvement of women; are key challenges affecting the honey subsector in Mvomero.

However, the future of beekeeping sector relies on the observed opportunities in the national and local environment, which beekeepers can be leveraged on. For example, there are business models for beehives financing and technical support, existence of technology in beehives and honey processing, knowledge to add value and process high quality honey and wax, availability of niche or premium markets and honey exposit; existence of flowering plants and ample source of water; availability of honey bee colonies and materials; and increased efforts in nature

reserves and environmental conservation are among the major opportunities of beekeeping in Mvomero.

In order to avoid failure and come up to the success in bee keeping activities, strong measures and efforts should be made and taken to lessen the main constraints and challenges that held up commercialization of bee keeping in Tanzania. Therefore, there is a great need of attentions in policy and by-laws in beekeeping and its produces, proper landscaping in villages, conservation of existing vegetation, integrating bee keeping with other sectors like agro-forestry and crop production and improving technology in tools and facilities, and combating corruption and bureaucracy.

Session B2**1300-1400/Saturday, September, 2016/Meeting Room: B****Finance and corporate governance****Session Chair: Dr. Neema Mori, University of Dar es salaam**

CEOs' origin and their influence on microfinance performance and risk

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Abstract

This study examines the influence of inside CEOs on performance and risk-taking in a sample of 353 MFIs from 76 countries during 1996-2011 time periods. Our empirical evidence suggests that MFIs in which the CEO is also an insider have a positive association with return on assets and negative associations with operational costs. On the risk profile, results indicate that MFIs in which the CEO is also an insider have a negative association with a standard deviation of return on assets, and operational costs, suggesting a less risk profile.

Background of the study

Chief executive officers (CEOs) can be promoted from within a company or they can be recruited from outside - from other companies or organizations. The impact of CEO origin on commercial banks and non-financial firms is quite extensively analyzed in the management literature (Ma, Seidl, & Guerard, 2015) and the main question of interest is whether an association between CEO origin and (succeeding) performance can be documented. Thus far, existing empirical evidence examine the CEO origin and firm performance in commercial banks and public traded firms (Bornemann, Kick, Pfungsten, & Schertler, 2015; Ma et al., 2015). In this study, we turn to the microfinance industry to investigate the relation between internal versus external recruitment of CEOs and financial performance.

The literature examining such CEO origin and its effects on microfinance institutions (MFIs) performance is, to the best of our knowledge, non-existent. The little attention to the role of CEO origin on MFIs performance is unfortunate; some studies argue that there is an urgent need for efficiency improvements and scale economies within the microfinance sector, see discussion in, e.g., Mersland and Strøm (2010), and a major concern has been whether microfinance truly reduces poverty (Duvendack et al., 2011). Therefore, possible CEO origin effects on performance are potentially of considerable importance. Adopting the theoretical framework proposed by Adams, Almeida, and Ferreira (2005), and Galema, Lensink, and Mersland (2012), we argue that managers in microfinance have substantial managerial discretion, and the importance of CEO origin influence on performance is reinforced by the tremendous growth of the microfinance sector over the past years (Reed, 2014). Regardless of such a growth, there is still untapped market potential of several billion poor customers who do not have access to financial services (Demirguc-Kunt & Klapper, 2012).

Several unique aspects of the microfinance industry make the relation between performance and CEO characteristics a consequential research question, and thus far, studies have focused on, e.g., CEOs' founder status (e.g., Randøy, Strøm, & Mersland, 2015), gender status (e.g., D'espallier, Guerin, & Mersland, 2013; Périlleux & Szafarz, 2015), and CEO- chair duality status (e.g., Galema et al., 2012). One particularly interesting aspect of microfinance is the lack of strong governance structures (Galema et al., 2012) – an aspect that potentially makes the CEOs of MFIs more influential than other CEOs. Moreover, according to Randøy et al. (2015), CEOs in microfinance fit the characteristics of motivated agents (Besley & Ghatak, 2005) and such mission driven agents are less driven by monetary incentives than other CEOs. If management behaviour is harder to influence in MFIs than in other firms and organizations, the recruitment process becomes relatively more important for MFIs than for others.

Research design

Using sample of 353 MFIs from 76 countries during 1996-2011 time periods, we start out with an explorative bi-variate investigation of differences between MFIs

based on CEO origin. Several differences based on whether the CEO has been recruited internally or externally are presented and discussed. The analysis proceeds with a multivariate research design and a specific focus on how performance level and variability (i.e., risk) relate to CEO origin.

Results and conclusions

Using return on assets and operational costs as performance metrics, we document a significant higher performance level for inside than outside CEOs. Moreover, the internally recruited CEOs appear to be associated with a lower level of performance variability. We believe the results are important and have clear policy implications, in particular in an industry with such a thin labour market (Mersland & Strøm, 2009) and lack of managerial capacity (CSFI, 2011, 2014). Our results are consistent with the view that internally recruited CEOs have firm-specific skills, experience, and network resources which cause a positive association with MFIs performance (Ma et al., 2015).

Determinants of Financial Sustainability of MFIs at Growth Stage: Evidence from Rural MFIs in Tanzania

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Abstract

Financial sustainability of microfinance institutions is crucial if at all their benefits are to be enjoyed in long run. Previous studies have indicated determinants of financial sustainability of MFIs using indicators of sustainability at maturity stage. However, not all MFIs have managed to grow to maturity and as a result, the findings might be misrepresenting conditions of the MFIs. Using panel regression models and four-year survey data from 84 rural MFI in Tanzania this study attempts to fill this knowledge gap. We find that most factors influencing financial sustainability at maturity stage are equally important in influencing sustainability at growth stage

The Level of Employee Engagement among Road Transportation and Logistics Companies in Dar Es Salaam

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Abstract

Increasingly, the transportation and logistics sector has made its mark upon different sectors of economies and stands out as one of key aspects for any economic prosperity. In emerging markets, effective and efficient transport systems are of paramount importance due to the fact that such markets are characterized by rapid expansion of trade and other economic activities. This study was carried to assess the impact of transport and logistics challenges on sustainable business development in emerging markets. The study focused on East Africa, particularly looking at current and future prospects in Tanzania. It should be noted that, of late Tanzania has been seen to have a potential of taking the leading role in the East African regional economic growth as an emerging market country. Therefore, the objectives of the study included; to assess the extent to which available transport and logistics expertise influences business development activities in Tanzania; to explore the extent of technology adoption in transport system in Tanzania for ease of conducting businesses; and to determine the relationship between transport costs and the rate of trade volume in Tanzania. The study adopted survey research design where key stakeholder institutions were surveyed. These institutions are Surface and Marine Transport Authority (SUMATRA), Tanzania Port Authority (TPA), and National Institute of Transport (NIT). Data were collected using secondary sources as well as interviews with key personnel. Descriptive and content analysis techniques were employed for data analysis. Key findings indicate that expertise in transport and logistics is critical for trade and other economic activities. According to data obtained, these expertises are critical for managing cargo, clearing, forwarding, and for creating competitive transport systems. Further, results show that Tanzania is still facing a challenge of lack of sufficient expertise to make the country competitive enough in the region. This especially is a case particularly with the current and expected rapid increase

in trade volumes and emerging businesses. On the other hand, the extent of technology adoption in the transport sector of the country was found to be low. Findings indicate that issues of technological context in terms of having characteristics of technologies available and perceived useful in transport and logistics systems were some of major problems. Thus, quite a number of processes and processing of documents are still done manually, as a result efficiency decreases. Furthermore, transport and logistics cost was found to significantly hamper the transportation of goods and services in the region. The trade volumes in the country were found to be highly affected by transport costs. It is no wonder that the World Bank report of 2013 argues that a 10% reduction in transport costs could increase trade volumes by as much as 25% in East Africa. It was concluded that, sustainable business development in Tanzania is a function of efficient and effective transport and logistics systems. Lack of such sound systems will greatly discourage investments and eventually challenge the “emerging market” status of the country.

The study recommends that strategies be devised to increase enrollment of individuals who wish to pursue courses in transport and logistics studies. Furthermore, new technologies in transport and logistics be devised to make logistics activities faster and cost-effective. More technological characteristics that support transport systems need to be established to increase efficiency. In addition, diversification in transport systems should be encouraged. This means that all means of transport should be made available and accessible as per one’s choice.

Working conditions for employees in banking sector (With Reference To SBI & Axis Banks at Guntur, Andhra Pradesh, India)

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Indian banking industry, the backbone of the country's economy, has always played a key role in prevention of the economic destruction. Working conditions is getting more and more consideration now a-days, particularly in the financial sectors. There is no such thing like conditions less job. Everyone is exposed to pressure in their work and anxiety as they get through the duties assigned to them. Banking industry is not an exceptional one. The job nature of banking employees is very impatience as it involves long working hours, inappropriate reward system, and lack of job independence, insufficient facilities and role of ambiguity. Working Conditions refers to various attributes of an individual's perspective.

Objective of the Study:

The aim of study is to analyze the effect of working conditions on employee's performance in Banking industry with reference to State Bank of India and AXIS banks at Guntur District, Andhra Pradesh.

To understand various factors which play crucial role for bringing employee performance among the employees in private and public banks.

This study shows a guideline for necessary working conditions to improve employee performance in the banking sector.

Method of the Study:

As people are the most important resource and greatest expense of any service organizations. In terms of Indian context, the concern over working conditions is gradually becoming a common talk. However, about 85% of performance problems reside in the work environment of the organizations. It is an empirical method based on both primary and secondary data. A random sampling technique was adopted to select the sample respondents. Respondents for the study are selected from State Bank of India and Axis Bank companies. Among 700 employees nearly

30% of the employees working in the Banking companies are selected as per random method. Accordingly 200 employees were selected from both the banking companies.

Banking industry is selected and designed questionnaire based on analysis of various literatures reviews. Questionnaire was used to collect data. The researcher had developed the five point rating scale consisted a few variables under the factors pertaining to working conditions. Questionnaires were distributed among 200 respondents who were working in various branches at Guntur district. A convenience sampling technique was used to collect data from payroll employees in both public and private banks selected under study.

This research work will help the public and private sectors for better understand the expectations of employees for their survival and success in providing better working conditions. This research work also helps in different industries at managing and improving their functioning by providing good working conditions in the work place.

Results of the Study:

Statistical tools can be applied to identify relationship among employees performance considering working conditions. Statistical tools like correlation coefficient and co-variance among employee's opinions of banks in selected units are analyzed. Data is analyzed through SPSS software. Motivating work Environment (46%), Adequate Physical Working Conditions (43%), Standard Deviation result value is 0.78 i.e., it inferred as low deviation of opinions among respondents, mean value is 3.70 i.e., to Greater Extent working conditions are there in selected bank units under study. Most of the employees are not satisfied to his/her job because noise level was high which can be affecting the employee's performance. Poor working conditions can also pose tremendous burden and contradictions of purpose. Issues like lack of motivation, less salary and consequent strike actions, work-overload, job burnout, family problems, etc. can cause serious pressures and strain on the employees. This may resultantly constitute stress on employee and lack of work performance.

Conclusion:

The aim of the present study is to investigate the Standardization of working conditions among employees of banking sector. To conclude with recommendations public, economic, social and health policies and interventions required to implement, efforts to reduce social inequalities among employees of banking system need to standardize in banking sector. It is not a single factor which determines the job performance in banking employees'. Working conditions have become leading feature of modern life. It has wide-ranging effects on employees' behavior and adjustments as well as off the job. A substantial portion of organization research involves the study of working conditions among employees. A large number of problems related to employee satisfaction, declining levels of performance and competence is related lack of work environment. Maximizing Job Performance in the future would be a part of company policy and be seen as an imperative strategy to target better employee satisfaction. Canteen Facility is not provided by bank management in selected units which also effects employee performance in time management system majority of the respondents are opined that they have not satisfied for resting time in between working hours which results to stress among employees.

Session C2

1300-1400/ Saturday, September 10th, 2016/Meeting Room: C
Technology, Innovation and contemporary Business Management
Session Chair: Dr. Nagaraju Battu, Acharya Nagarjuna University

Factors Influencing Adoption of Mobile Phone Payment Systems (M-Payment)

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Abstract

This study aimed at assessing the key factors influencing adoption of mobile phones payment systems in Tanzania context. In order to fulfil that objective a number of hypotheses were formulated based on the comprehensive theoretical and empirical literature review carried out. The conceptual framework (model) suggested in this study highlights the factors that influence adoption of mobile phone payment systems in Tanzania. Those factors were divided into four main categories namely: the technological factors, trust and security factors, social and economic factors. These key sub categories included further eleven sub factors.

This study adopted mainly quantitative research methodology. The study was carried out at Vodacom Mwanza Region. A total of 200 respondents were consulted, however only 180 responded to the questionnaire. Out of 180 responded participants, 170 participants were M-pesa users, 04 participants from Vodacom management and 06 participants were Vodacom agents. The data collected from respondent were analyzed step wise using predictive analysis software (PASW).

The results findings suggest that Nonrepudiation, Latency, cost, and security statement influences adoption of mobile phones payment systems. On other hand variables like reliability, customer base, monetary convert ability, anonymity, privacy and transaction procedures were insignificant hence rejected. The findings

indicated that Technological acceptance modal have been partially supported by the study, because, when measured Technological factors two sub variables were significantly supported mobile phone payment systems adoption.

The study recommended that the government and telecommunication companies specifically Vodacom should take in to consideration non repudiation, latency, cost, and security statement to increase adoption. However future research should study on reliability, customer base, monetary convert ability, anonymity, privacy and transaction procedures on their influence in adoption of mobile payment systems. Also the other study should identify other factors that could influence adoption of mobile payment systems.

The Role of Zanzibar Technology and Business Incubator in Assisting Start-ups Youth/Women in Entrepreneurship

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Abstract

The purpose of this paper is to present a role of Zanzibar Technology and business incubator in assisting start-ups youth/women in Entrepreneurship. The Zanzibar Technology and Business Incubator program was set up by the Ministry of Labour, Empowerment, Elders, Youth Women and Children (MLEEYWC) in 2015 to encourage the women and youth of Zanzibar to launch their own businesses in ICT, Agribusiness and Tourism. This study uses a qualitative research methodology to study the role of ZTBI in creation and growing of start-ups in Zanzibar. The study reveals that the ZTBI program targets aspiring individuals, youth/women and giving them the entrepreneurial knowledge, Business development support, and network to become successful entrepreneurs. The ZTBI results depend on the ZTBI Management and the Business Development Support and the networking platforms and support provided by ZTBI to its incubates. ZTBI have a special role on supporting start-ups creation and growth and to have sustainable business especially in Agribusiness through its unique Business Incubator Model. Based on

this, ZTBI has a plan to replicate this model in Pemba. These remarks provide clues to develop public policies suitable to entrepreneurial ecosystems through developing Business Incubator not only in Zanzibar but in entire Africa.

Managing Public Service Change: Challenges of Implementing the Balanced Scorecard in Botswana

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Abstract

In view of persistent complaints about lower productivity and poor rankings by the global competitiveness report, the government of Botswana adopted new management and working practices to address the situation. The adoption of Balanced Scorecard (BSC) is part of the wide ranging new public management reforms introduced under the performance management category. The balance scorecard is intended to bring focus and alignment to strategic planning, to close the gap between strategy formulation and implementation and to close the measurement gaps. Because change by nature is not always a smooth sailing process, the study therefore set out to assess the challenges experienced by the public entities in implementing the Balanced Scorecard. The study was carried out at two government semi-autonomous institution. The research adopted a qualitative comparative methodology, supported by the critical realist philosophy. The data was collected using interviews and document analysis. The results of the study shows that some of the challenges affecting the BSC implementation include lack of awareness of the BSC by junior officers as well as the lower commitment on the managers, we conclude that this general discontent could be attributed to poor motivation and reform fatigue since the country has introduced a multiplicity of reforms within a shorter time span.

Introduction

The government of Botswana has long embraced modern management working practices in running the public service. This followed a public outcry that services

provided by government ministries and departments are very poor (Republic of Botswana, 2002). However part of the reason to implement new reforms was a result of global institutional pressures from both the World Bank and IMF. As a curative measure the government introduced a plethora of reforms to improve performance in the public service. Some of the notable previous management interventions include, among others; work improvement teams and performance management system (Marobela and Mawere, 2011). Nevertheless overall the management and quality of productivity remains a challenge. This is supported by the results of a customer satisfaction survey conducted in 2005 which indicated that the overall customer satisfaction level was at 25%, implying that service delivery in Botswana was unsatisfactory (Mpabanga, 2011:6).

More recently, the government introduced the Balanced Scorecard to enhance the translation of strategy into operational terms and link strategy to budget and performance-based monitoring and reporting (Commonwealth Secretariat, 2009:17). The introduction of the Balanced Scorecard in Botswana started with the training of the Executive level, being Permanent Secretaries across the ministries, and then followed by the BSC training for Performance Improvement Coordinators. Thereafter the Performance Improvement Coordinators were sent for a standardized training on BSC at the Balanced Scorecard Training Institute in Washington USA. This training has been continuous process since 2005, to improve its adoption in the public service.

Literature Review

Early evidence of adoption of balanced performance measurement in public sector seems to be coming from USA, starting from the Hoover Commission of 1949, proposing Performance Budgeting (Kureshi, 2011:4). According to Niven (2003:2), in a not for profit organization, the mission moves to the top of the Balanced Scorecard. However since financial success is not the primary objective for non-profit and government organizations (NPGOs) many re-arrange the scorecard to place customers or constituents at the top of the hierarchy (Kaplan and Norton, 2001: 98).

According to Niven (2003:4) even though public organizations are not set up for

profit making, these organizations cannot operate and meet customer requirements without financial resources, as such no BSC is complete without the financial perspective. The same applies to the internal processes as well learning & growth perspective. Niven (2003:4) further suggests that the key to balanced scorecard success lies in selecting, and measuring, just those processes which lead to improved outcomes for customers and ultimately allowing you to work towards your mission such that the processes will normally flow directly from the objectives and measures chosen in the customer perspective. Additionally Niven (2003:4) points out that in order to build successful balanced scorecards, organizations should consider that 'motivated employees with the right mix of skills and tools operating in an organizational climate designed for sustaining improvements are the key ingredients in driving process improvements, working within financial limitations, and ultimately driving customer and mission success'.

Balanced Scorecard Model for Public and Non- Profit Organizations

Most of the management reforms adopted by governments follow a generic model of new public management (NPM). Typically these management techniques are structured around the business model with focus on objectives defined in terms of the vision and mission statements and the customer value at the centre stage. Similarly, Botswana public service reforms have been shaped by the same business orientation. Although the public service is clearly different from the private sector, no distinctive differential is normally made to appreciate the environmental differentials and unique challenges confronting managers of public services. Hence the one best way and one fits all model. We therefore welcome the public and non-profit organisation model to recognize what might be great for the private sector may not work in the public service. This not to argue for specificity at all costs because sometimes there are core overlaps which are useful in managing both entities. For examples, the costs are a critical imperative applicable to both profit and non profit organisations. But value might differ markedly because the social and economic values are two different things. This organisational complexity is fundamental not just for analysis sake but more significant for organisational practice.

Public Sector Reform in Africa

The Public Sector reforms were introduced in developing countries in the past two decades as part of the Structural Adjust Programs (SAPs). According to Mhone (2003:12), 'the call for comprehensive public sector reform was first articulated in the World Bank's 1981 report entitled Accelerated Development in Sub-Saharan Africa (also known as the Berg Report)'

However, the philosophy accompanying the introduction of public sector reforms in Africa has been of much interest to many researchers studying public sector reforms. In their article, Fatile and Adejuwon (2008:152) proclaim that although justifications have been made for the

Figure 1



Figure 2 - 1. Balanced Scorecard for the Public and Nonprofit Sectors

Source: Niven P. R, "Adapting the Balanced Scorecard to fit the Public and Non-profit Sectors, (April 2003:2)

current reform efforts around the world, they are of the view that in Africa, public sector reform was not designed to tackle the malfunctioning of the public sector, it was not meant to evolve the blueprint for the infrastructural development of African States and it was not meant to develop the abundant human resources in the continent. Rather, according to them, it was an accidental policy by the World Bank and United Nations Development Program to protect their loans and credit facilities granted to African countries for development programmes (Fatile and Adejuwon, 2008:152).

In his paper Omoyefa (2008:16) argues that international donor agencies wanted African states to embark on PSR for the following reasons;

- 'PSR would enable African countries to generate enough funds to service the debts they owed to international financial institutions,
- PSR helped in privatization of state- owned enterprises, corporations and companies in the interest of core investors,
- PSR is another subtle way for the developed countries to make incursions into armed forces and national security for their selfish economic needs,
- Through PSR, the concept of downsizing and rightsizing crept into the public sector'.

Generally in Africa such pressures for public service reforms became more pronounced and appealing with the advent of new public management (Marobela, 2008). It is indisputable that some of the above observations have long been validated. Privatisation of the public sector has been a contentious issue in Africa, with serious consequences for the welfare and quality of life for the majority of people who depend on government for basic services such as water and electricity. The service delivery protests in South Africa are one case which shows people's anger at privatisation. In Botswana the IMF annual consultative mission styled Article V1 (See, www.imf.org/external/pubs/cat/longres.aspx?sk=41749.0, accessed 30.03.2015) has consistently maintained pressure on government to reform and reduce the public. Managing Change - Why Public Sector Reforms Fail Most of the public sector reforms have not met their intended objectives leading to the introduction of several reforms to remedy the situation. According to Schacter

(2000:7) the major factor contributing to the failure of most public sector reform efforts, has been the “technocratic” approach taken by donors. He continues to state that for a long time, donors treated the public sector reform as an “engineering” problem- a phenomenon to be addressed through “blueprint” or “textbook” solutions. This was due to the assumption that the public sector reform challenges and their solutions could be fully specified in advanced and that projects could be fully defined at the outset and implemented on a predictable timetable, over a fixed period (Schacter, 2000:7). Failure of public sector reforms in Africa has also been attributed to the view that the public service in contemporary Africa is faced with difficult challenges. According to Dzimbiri (2008:3), public service in Africa operates in a turbulent economic and political environment. Therefore, public administrators can only succeed to execute their responsibilities as expected if they have a proper understanding of the political environment in which they operate and the political resources at their disposal.

In their study of Why Change Fails, Washington and Hacker (2005:402) outline that there are eight reasons why change efforts fail. They suggest that the first four reasons deal with not having a well crafted and communication vision. The other four are concerned with not having a convincing reason to change, not having the right structure in place, not having a coalition and not having the right culture (Washington and Hacker, 2005:402). However, Attaran in Washington and Hacker (2005:402) argues that change efforts fail due to lack of proper training and failure to cope with the people’s resistance to change. On the other hand Marobela and Mawere (2011) have found that the way change is introduced and implemented breeds resistance and unintended consequences like gaming. That implies that the managerial function plays a critical role which determines the success or failure of any transformation. In this respect some of the following managerial factors are important to consider before bring a change intervention.

Leadership

Washington and Hacker (2004:402), mention that the leadership styles within government contribute immensely to the success of the change management programme. Thus ownership and active involvement of the executive team is the

single most important condition for success of change programmes. Kaplan and Norton (2001:5) concur with this by highlighting that in order for organizations to implement their strategies in the BSC, they require continual focus on the change initiatives and on the performance against targeted outcomes. Hence, if those at the top are not energetic leaders of the process, change does not occur, strategy is not implemented, and the opportunity for breakthrough performance is lost. (Kaplan and Norton, 2001:5).

Despite the BSC framework not addressing leadership, motivation and trust, Kaplan and Norton (2001:7) acknowledge that the most important driver of success in strategy implementation is the top management leadership style, and not the tool itself. The authors argue that the leadership style has a larger effect than the analytical and structural strength of the tool. They further motivate this by referring to experiences of leaders that have managed a successful BSC implementation emphasize and communication as the largest challenge Kaplan and Norton (2001:7).

Culture

Fatile and Adejowon (2010:154) suggest that in order for reforms to be successfully carried out in Africa, reformers should take into consideration the behavioural pattern, the social context as well as the culture of the people whom the reform is meant for. They further suggest that donor agencies must depart from the situation whereby consideration is never given to would be recipient of the outcome of the reform (Fatile and Adejowon, 2010:154).

Besides, various scholars have contributed immensely to the importance of culture in managing change. One such scholar is Dzimbiri (2008:16) who argues that 'unless the cultural infrastructure of African societies transform to match those from where successful models originate then our reforms shall amount to what he termed a leopard dressed in a goat's skin'. Omoyefa (2008:26) concurred with him by stating that failure to consider ethical and shared values and peculiar situations in various African countries have created challenges to the reform agenda, as it is difficult to change people overnight from their ways of doing things as well as their cultural beliefs. As such, Owusu (2005:8) argues that public sector reforms cannot

yield the much-desired results if an intensive effort is not made to understand how organizational culture is created, sustained, changed and transmitted as well as its effects on performance of the public sector entities.

Employees

Popovich (1998) in Mothusi (2008:83) is of the view that change within organizations cannot take place if employees are not put at the center of the process. Thus he argues that employees should be empowered “to apply their skills, creativity, ability to adapt to change, and capacity to be continuous learners to achieve the organization’s mission” Washington and Hacker (2005:402) corroborated this by mentioning that if employees are provided with quality information concerning the change, they are most likely to have a positive attitude towards the planned change. Through their study, they found that respondents who understood change were less likely to resist organizational change, were excited about change and less likely to think that change will fail. (Washington and Hacker, 2005:408).

Knowledge Management

It is important that organizations know how to manage knowledge in order to effectively implement their strategies. Zaim (2008:3) argues that the effectiveness of knowledge management depends on how the generation of new knowledge is organized and how existing knowledge is transferred throughout the organization. He posits that organizations often waste their resources and lose a significant amount of money by repeating the same mistakes, duplicating projects and being unaware of each others’ knowledge due to the lack of knowledge transfer and sharing throughout the organization (Zaim, 2008:4). Riege (2007) cited in Zaim (2008:4) proposes that organizations can gain significant learning benefits through transferring knowledge between units and people. Effective transfer of knowledge within an organization depends on culture, technology and the structure of an organization.

The role and importance of information and communication technologies in

knowledge transfer have been emphasized by many scholars. Technological advances bring a vast number of new opportunities to transfer and share knowledge and expertise throughout the organization within departments, plants, countries and across national borders (Zaim, 2008:4). Linking information and communications systems, in an organization, can help eliminate barriers to communication which occur in the organisation. As technology keeps on evolving, organizations need to invest in a broad technological infrastructure to support different types of knowledge and enhance communication (Gold, Malhotra and Segars, 2001:187).

Moreover, another scholar, Holowetzki (2002:53) states that the organizational culture drives an organization's formal and informal expectations of individuals, defines the types of people who will fit into the organization, and affects how people interact with others both inside and outside the organization. Hence building an effective culture within which people operate in an organization is a crucial requirement for effective knowledge management.

Research Design and Methodology

Research Philosophy

A research philosophy is an assumption about the nature of reality. That reality is defined in terms of the author's ontological and epistemological disposition. This research therefore will adopt the critical realist approach following (Fleetwood and Ackroyd, 2004; Marobela 2006) study of Critical Realism in Management Studies. This is in recognition that studying public sector reforms using positivist hypothesis with two variables created a shallow outlook as it seeks to identify causality instead of explaining what is behind the cause and effect. Critical realist perspective offers an insightful illumination in studying complex process, mechanisms and relations involved in mediating contemporary public sector transformation.

Methodology

The nature of the study is exploratory. Robson cited in Saunders, Lewis and Thornhill (2009:139) posits that exploratory studies are meant to find out 'what is happening in order to seek new insights, to ask questions and to assess phenomenon in a new light'. This is guided by the researcher's objectives on the subject matter. The research strategy employed for this research is the case study. Case studies, in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships (Zainal, 2007:2). To collect data for the research study, the researcher used interviews and document reviews / analysis methods. The qualitative data was analyzed using the narrative and thematic analysis (Frost, 2011)

Discussions and Findings Officers Knowledge of the Balanced Scorecard/Awareness

One of the major things that I wanted to establish in the department is whether the officers had the knowledge about the BSC in order to implement it. From the interview conducted, the junior members of the staff indicated that they have knowledge about the BSC.

Even though most people indicated that they knew about the Balanced Scorecard, during the interviews the officers indicated that they were not aware that the department was implementing the BSC. Among those interviewed, some junior officers (operational staff) were adamant that they had no clue what BSC entails as they had never been trained on it.

Consequently senior managers interviewed agreed that most officers not aware about the BSC implementation, as such it have been a challenge to implement this performance management tool. They cited that even though officers received BSC training, the nature of the service provided by the OAG makes it difficult to implement some of the reforms. As a result they indicated that they are still encountering challenges in their attempts to develop BSC objectives, measures and targets as the mandate of the office is 'qualitative'.

In addition, they highlighted that the lack of awareness about the implementation of the BSC on the officers part could be attributed to that the public officers were not inquisitive, that is they do not seek knowledge of changes happening in the department to gain some understanding. The managers are of the view that this could be due to that most officers appear not to be enthusiastic about government work.

BSC Knowledge sharing

The officers' interviewed mentioned that at the Office of the Auditor General, knowledge was created by top management and then passed on to the rest of the office. They indicated that normally knowledge within the department was shared through memorandums, email, and intranet or through posters on the walls. However, they stipulated that they only got to know about the BSC when they were sent for training. They mentioned that most of them were sent for a one day BSC training. Niven (2003) highlighted that it is important to train employees on BSC before implementing it. Besides they indicated that the knowledge that they got was not sufficient enough to grant them the know how to implement BSC as they did not understand their role in it.

The interview respondents further stated that they did not receive any Balanced Scorecard information through their emails or memorandums. Moreover, the respondents indicated that it seemed that information on performance improvement initiatives were best known by management and as such management choose what to communicate to the rest of the employees. They mentioned that most of the information they got from management is mostly official directives, death notices and or other important official announcements. During the interviews, the respondents were of the view that management could use official gatherings such as divisional meetings and Wednesday prayers to communicate BSC information so that many people will get to know about it.

Consequently senior managers interviewed agreed that most officers lacked knowledge about the BSC, as such it has been a challenge to implement this performance management tool. However, they argued that the officers do not use information technology to inform themselves about performance management

initiatives hence they claim to have knowledge at all. Thus they believe that both management and officers have a role to play in searching for knowledge about the BSC. Scholars such as Washington and Hacker (2005:402) mention that if employees are provided with quality information concerning the change, they are most likely to have a positive attitude towards the planned change

According to those interviewed it is evident that the office has not been successful in cascading the BSC and as such this creates challenges in implementation for both management and staff. This is despite that the BSC is supposed to be a communication tool which enhances learning and growth within the organization. Kaplan and Norton (2001:3) suggest that for the Balanced Scorecard to be effective, organizations need to communicate its strategy and scorecard holistically. That is, instead of cascading objectives through the chain of command, they communicate the complete strategy down to the individual employees (Kaplan and Norton, 2001:3).

Management Commitment

With regard to their view of whether senior management were committed to the BSC implementation, the interviewed officers held that they did not think management is committed to the implementation of the scorecard. They cited that if management was committed they would make it their priority to cascade the scorecard across the organization such that every officer is aware of his/her contribution on the BSC implementation. They also pointed out that the management's commitment to the BSC implementation could also be reflected if they addressed BSC issues in divisional meetings even in Wednesday prayer meetings, but that was never the case. To them as long as the management is not enthusiastic about the BSC implementation, they do not think this performance management tool will achieve its intended objectives. The respondents acknowledged that even though the management is committed to driving the office mandate it is not clear how it intends to use these public sector reforms to fulfil the performance management of the office.

Management interviewed also acknowledged that it is still a challenge for most senior managers to implement the BSC especially formulating measures and

targets for the scorecard. They also stated that they are not satisfied with the senior management commitment towards improving performance since most of them want to be coerced to produce performance reports for their different division or sections. They cited that lack of commitment from senior managers could be attributed to the way the office was established, that is through the constitution, as such this affects the way they conduct their duties and limits innovation.

In addition, senior managers interviewed pointed out that the lack of commitment from management could also be caused by that when BSC was introduced; the executive leadership was not taken on board about the reporting structure of the BSC. The analysis of the management commitment reveals that the office was experiencing hurdles in BSC implementation. Scholars such as Washington and Hacker (2004:402) however, argue that the leadership styles within government contribute immensely to the success of the change management programme. Thus ownership and active involvement of the executive team is the single most important condition for success of change programmes.

Other Implementation Issues

During the research, other pertinent issues regarding the implementation of the BSC in the government were brought to light by senior managers at the OAG. The senior managers interviewed revealed that during the implementation they were other challenges which hindered the success of the public sector reforms including the Balanced Scorecard.

The inability to change public officers' mindset

The senior managers indicated that one of the major challenges of implementation was the difficulty to change the mindset of people and as it needs time and resources to do so. Those interviewed were of the view that it takes time for people to accept change. As such within the department they have observed that new employees seem to adapt to change faster than those who have been in the office for a longer time. They cited that the frequency at which the public sector reforms' were introduced in Botswana does not give ministries or departments

adequate time to address issues of mindset change among government officials as the people tasked with institutionalising reforms were not patient. This matches findings from a study of PMS in Botswana, in which Dzimbiri (2008:55) noted that as a result of donor agency expectations, Botswana was faced by the multiplicity of reforms which took place simultaneously or at times in quick succession. He found out that public servants end up being confused and not being committed to implementation of such reforms leading to reform fatigue (Dzimbiri, 2008:55).

This was further confirmed by senior managers who highlighted that even though there officers were not resisting the BSC implementation; they were rather conservative and not curious about it either. They believed that in order for the reforms to be a success, the government needs 'inspirational leadership'. However, some scholars such as Omoyefa (2008:26). have demonstrated that most African leaders fail to realise that Public Sector Reforms has a long gestation period before it could have meaningful impact on the economy.

Lack of customer feedback

The senior managers interviewed noted that the BSC implementation in the department was affected by lack of customer feedback. Even though the department provides auditing services to various government ministries, departments and some parastatals, the senior managers stated that there is no established forum to get feedback from those audited entities. As such they mentioned that it seems they are reporting towards an 'input level but not output level'. Therefore they portray that it creates challenges to measure the impact of the audit reports and assess the level of satisfaction from their customers as there is no available data to check whether their operations are efficient.

Exclusion of the Botswana National Productivity Centre in the adoption of the Balanced Scorecard

The senior government officials revealed that when the Balanced Scorecard was introduced the government engaged external consultants, Palladium Group instead of Botswana National Productivity Centre. They mentioned that this has created challenges during the implementation of the scorecard as departments who

experience bottlenecks with the implementation have nowhere to ask for assistance as the consultants went back to their countries. They are of the view that the government could have used the BNPC as it would be easier to access the consultants whenever they need help regarding the balanced scorecard implementation challenges. This is supported by Schacter (2000:7) who highlighted that it is common for public sector reform to be treated as an “engineering” problem- a phenomenon to be addressed through “blueprint” or “textbook” solutions. In his study he put forward that donor agencies assume that the public sector reform challenges and their solutions could be fully specified in advanced and that projects could be fully defined at the outset and implemented on a predictable timetable, over a fixed period. (Schacter, 2000:7). As such governments end up experiencing challenges as mentioned and this could lead to cost overruns during the implementation of such reforms.

Absence of reform evaluation

In addition the managers interviewed stated that among other things the Government of Botswana has a tendency of discarding reforms in favour of the new ones even before they conducted an evaluation to determine whether the reform is failing or not. They mentioned that the government had not evaluated the balanced scorecard framework and of late the department is embarking on systems thinking which is different from the BSC. However, Fatile and Adejowon (2010:155) suggest that African leaders should desist from accepting wholesomely PSR presentation by donor agencies; instead they should consider how that public sector reform would work in their countries. This could help these countries to determine which reforms to accept in order to improve the performance of their operations instead of adopting such reforms only to discard them for newer ones. Also this tendency of discarding reforms before they are critically evaluated could erase the impact that those reforms intend to bring in most countries.

Challenges in implementing the Balanced Scorecard · Officers Knowledge of the Balanced Scorecard/Awareness

Interviews conducted revealed that officers at operational level indicated that they had no knowledge of the BSC. They however admitted that they have heard about

the BSC from other officers. All of the operational staff officers interviewed mentioned that they have not been trained on the Balanced Scorecard, and are not even aware that their department is implementing it.

However, officers in the lower management indicated that they have been trained on the BSC, but they were not aware that the department was implementing BSC as there have been other PSRs which include PMS, and PBRs which were introduced in the department some few years back. They also indicated that even though they were trained on BSC they did not have sufficient knowledge of this management tool as they were only trained for a day. Nevertheless, Islam and Kellermanns (2006:188), put forward that a strong knowledge base can provide enthusiasm and confidence which could translate into higher perception of ease of use.

BSC Knowledge Sharing

The officers' pointed out that they were not well vested about the processes involved in the implementation of the BSC. The officers' interviewed also stated that, to them it seemed that the BSC information was available to managers the rest of the department. They cited that senior managers within the department chose what to communicate to them as such this has impacted on the BSC knowledge sharing in their department. This is despite Riege (2007) cited in Zaim (2008:4) arguing that organizations can gain significant learning benefits through transferring knowledge between units and people. Moreover, the officers were of the view that senior managers had the opportunity to be trained on the reforms but chose to keep the information to themselves. They pointed out that there was no consultation before the BSC was introduced as they were only informed about it when it was already adopted by the department.

As such the officers' believed that the senior managers have not been able to cascade the BSC across the organization. Moreover, with regard to the use of IT to share BSC information, the respondents cited that they did not have access to computer use as such they did not know whether the department used IT to disseminate BSC information across the organization. While other respondents indicated that the department did not use its IT infrastructure to communicate BSC information.

They cited that the IT infrastructure within the department was mainly for emails. In addition the officers' interviewed revealed that the office uses notice boards to communicate important information to the officers but they were adamant that they had never seen any BSC information on the notice boards. Rather they rendered that the information that is normally posted on the boards includes, performance standards, the mission, vision and values of the department and other official memorandums. An observation of the notice boards by the researcher also confirmed this.

In response to the questions posed the senior managers interviewed acknowledged that their department was experiencing challenges regarding the implementation of PSRs including the BSC. They stated that even though officers have been trained on BSC, the one day that was allocated did not guarantee sufficient knowledge about the BSC. Furthermore they mentioned that the office has had a challenge of formulating a strategic plan, as they had problems of retaining PICs as such different PICs that once worked with the department had differing views regarding the proposed strategic plan. This then affected the cascading of the BSC across the organization. They cited that they could not pass information to the officers' which they as managers were not confident about. Thus this has affected the BSC implementation in their department.

However, the senior managers were of the view that officers should also take upon themselves to seek knowledge. They cited that the department has a resource centre which officers could use to educate themselves about current reforms rather than waiting for management to provide information all the time.

Management's Commitment

Regarding the commitment of senior managers to drive the BSC implementation, the respondents stated that in their view senior managers in the department are not committed to the BSC implementation. They said this was because if managers were committed, they as junior staff will be well informed about the BSC and its implementation in the department. They highlighted that since the introduction of the BSC was first known to managers, their expectation was that senior managers would have shown their commitment by cascading it throughout the department

as it was supposed to.

The officers were of the view that the senior managers were not enthusiastic about the BSC as they were with the PMS which they concurred to have sufficient knowledge on. They also cited that since the senior managers seemed not eager to spread the BSC information throughout the whole organization, they depicted that there was no way this reform could achieve its intended objectives. They felt that as it was important for senior managers to drive the department's mandate, their commitment to the performance reforms such as BSC could help their organizations meet its objectives.

In response to the questions posed, senior managers interviewed revealed that it might appear that they were not committed to the BSC implementation, but they cited that the major challenge they faced was that their office was not able to retain Performance Improvement Coordinators (PICs). They were of the view that since Public Sector Reforms were coordinated by PICs, the change of PICs in their department has disturbed the continuity of the implementation of reforms including the BSC.

The senior managers further mentioned that due to the absence of an approved strategic plan, the department was carrying out its operations on ad hoc basis, as the only tool that was comprehensive was the electoral process. The electoral process comprised of the activities that were to be carried out in a five year period that is pre- electoral, electoral and post electoral activities. They therefore indicated that it was difficult for the managers to devise objectives, targets and measures for their scoreboard without a strategic plan in place. The senior managers interviewed noted that the absence of a strategic plan could be attributed to that the department has had differing views on the proposed strategic plan from the PICs who were engaged with the department past. They however stated that with the coming of their new director who has vast experience with the reforms they were hopeful that things will change for the better.

Moreover, the managers stated that the other reason why it might seem they were not committed to driving the PSRs implementation such as the BSC was that it was difficult for them to concentrate on a particular reform to achieves its intended

objectives since the government introduced reforms frequently. This frequent introduction of reforms they stated resulted in old reforms being discarded for new ones which are normally said to be better.

The senior managers further stated that the government did not consult with the various departments prior to introducing change rather they were normally informed when the governments had already taken a decision to adopt certain performance reforms. The senior managers were of the view that the government was losing a lot of funds by introducing different reforms which did not benefit the public service. They also stated that it could be better for the government to conduct a needs analysis for different departments before introducing change since in most cases different departments had unique challenges which could be better addressed differently. As such they were against the government implementing reforms holistically. This was supported by finding from a study by Omoyefa(2008:25) who revealed that not all developing countries require to reform their public sectors.

Comparison of the two Departments

Since the two departments studied were analyzed individually, the results from the two institutions will therefore be compared to get an overall view of the perceptions of the public officers' with regard to the BSC implementation. This will be done with a view that the perceptions of the officers were mainly influenced by the organizational factors.

An analysis of the data collected shows that in both departments (OAG and IEC), the officers surveyed were conversant with the vision, mission and values of their department. Respondents at the OAG had the knowledge about the BSC but were aware whether their department was implementing it, while a significant number of respondents at IEC were uncertain of whether they had the knowledge of the scorecard or whether their department was implementing the BSC. For both departments, during interviews, junior officers (operational level) disclosed that they had no knowledge about the BSC as they had never been trained on it. At IEC, those who received BSC training indicated that they did not have sufficient knowledge on the tool as the training was for day.

With regard to BSC information sharing, interview respondents at OAG stated that their department they did not receive any BSC information through emails or memorandum. They mentioned that even though, it is a practice in the department to share information using memorandums, emails, intranet or posters, that was not the case with the BSC information as they only got to learn about BSC when they attended training. Officers at IEC seemed to agree with their counterparts by declaring that, senior managers in their department have not been able to cascade the BSC across the organisation. The respondents cited that though their managers had the opportunity to be trained on BSC, they chose to keep the information to themselves.

Hence, operational level staff pointed out that they were not aware of the usage of IT infrastructure to communicate BSC information because they did not have access to computers, while those in lower management confirmed that their department did not use its IT infrastructure to share BSC information.

Senior managers in all the departments acknowledged that there were challenges regarding the BSC implementation. At OAG, senior managers agreed that most officers were not well conversant with the BSC. However, they argued that lack of knowledge of the tool by the officers could also be attributed to the officers' not using the IT infrastructure to learn about the performance management initiatives adopted by the government. They believed that both management and officers had a role to play in searching for information.

On the contrary, senior managers at IEC stated that the officers' lack of knowledge about the BSC could be due to a number of challenges. They pointed that for a long time the department has had a challenge of formulating the strategic plan. They argued that the absence of an approved strategic plan meant that as an organisation they carried out their operations on an ad hoc basis as the only comprehensive tool to direct their mandate was the electoral process. They therefore, indicated that it was difficult for managers to devise objectives, targets and measures for their scorecard without strategic plan in place. Furthermore, the managers stated that a one day BSC training conducted for officers was not sufficient to guarantee adequate knowledge of the BSC.

Moreover, in both departments, the respondents doubted their managers' commitment to the implementation of the BSC. They pointed out that the BSC was unlikely to achieve its intended objectives since senior managers were not enthusiastic about the implementation. At IEC, the respondents went on to support this argument by mentioning that with the implementation of the BSC, senior managers did not display the enthusiasm which they did during the implementation of the PMS.

The respondents at OAG, however, maintained that if managers were determined to cascade the BSC, they could use platforms such as the Wednesday prayer meetings or divisional meetings. On the contrary, OAG's senior managers declared that they were still experiencing challenges in BSC implementation as some senior managers do not have an understanding of how to formulate measures and targets for the scorecard. They also mentioned that some managers were reluctant to drive the BSC implementation since they wanted to be coerced to produce performance reports. Additionally, the senior managers at OAG attributed the lack of enthusiasm on their part to the way the BSC was introduced; that is the executive leadership was not taken on board about the reporting structure of the BSC.

Besides, senior managers at IEC revealed that their major challenge in implementing the BSC was their inability to retain the Performance Improvement Coordinators (PICs). They were of the view that since PSRs were coordinated by the PICs, the change of PICs in their department has affected the continuity of the BSC implementation. Furthermore, the IEC management blamed the frequency at which the government introduces reforms for the failure of most reforms in Botswana.

Conclusion

The analysis of the data collected shows that officers in both departments had differing views with regard to the implementation of the Balanced Scorecard. The study revealed that there were still some challenges which affected the implementation of public Sector reforms in Botswana. It was shown that various factors such as information sharing, managers' commitment and support as well as

the frequency of introducing reforms in our country had an impact on how the respondents perceived the BSC implementation.

Even though some of the respondents perceived that BSC was important in improving performance, it was revealed that those officers however, were not in a position to determine whether the tool has had an impact on their department's performance. Lack of strategy in IEC has therefore crippled the department's ability to implement the BSC. This coupled with lack of reform evaluation, creates a major hiccup in the improvement of service delivery in the country. The lack of consultation with the officers prior to the implementation of reforms has also proved to be one of the factors which hampered the success of the BSC implementation.

It is also evident from the study results that despite the government having supported the use of IT in public entities, the two departments under investigation did not utilise such infrastructure to disseminate BSC information in their organisations. The results also showed that there was management buy-in as in OAG, since some senior managers wanted to be coerced into producing performance reports for their divisions. The findings of the study therefore, confirm that there was still more to be done in order for public sector reforms to have a positive impact in our public service delivery.

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Strategies and Institutional Support for Farming Systems in Tanzania

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Abstract

Farming system (FS) is a population of individual farm systems that have broadly similar resource bases, enterprise patterns, household livelihoods and constraints, and for which similar development strategies and interventions would be appropriate. There are factors that influencing farming system in Tanzania and their future development such as Natural Resources and Climate, Science and Technology Globalisation and Market Development, Policies, Institutions and Public Goods, Information and Human Resources. This study was conducted to assess the available strategies and institutional support for farming systems in Tanzania using the intensive document review and case studies. The study analyzed Policies, Institutions support for FS in Tanzania and found that there are quite a number of strategies on agricultural development based on the National Agricultural policy of 2013 which support the role of farming system and its institutional support in the country, The National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA), Agriculture First (Kilimo Kwanza), The Agricultural Sector Development Strategy (ASDS), The Tanzania CAADP Compact by which through their implementation provide significant institutional/policy support for FS. However with the availability of these supports yet the agriculture sector in Tanzania is not booming significantly as it was supposed to be. The study recommended that despite various strategies, plans and programs close monitoring and harmonizing some of the strategies which seem to be similar has to be done so as to bring clear focus and efficiency in FS and eventually contribute significantly to the national's economy and improve the welfare of the farmers.

1415-1515/ Saturday, September 10th, 2016

SESSION [A3]-[C3]

Session [A3] Value Chains, Marketing and Entrepreneurship Room A

Session [B3] Finance and corporate governance Room B

Session [C3] Technology, Innovation and
contemporary Business Management Room C

Session A3
1415-1515/ Saturday, September 10th, 2016/Meeting Room: A
Value chains, Marketing and Entrepreneurship
Session Chair: Prof Joseph Kuzilwa, Mzumbe University

**Farmers' Response to Buyer Requirements in Developing Country Context:
Evidence from Smallholder tobacco Producers in Urambo, Tanzania**

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Abstract

In this globalization era, global lead firms constitute an important source of capability enhancement to host region producers in developing countries. While previous research has found significant positive results in the ability to upgrade among firms from Asia, South America and Eastern Europe, the same cannot be taken for granted across all industries and all developing countries. In fact, development patterns may vary even across sectors within a country depending on the expertise and absorptive capacity within the sector. Using the Global Value Chain theoretical groundwork, the current study examined how smallholder tobacco farmers in Tanzania were able (or not able) to upgrade with regard to requirements posed by global tobacco companies. A survey of 228 households divided into urban and rural farmers who were also members of primary cooperative societies (PCSs) was conducted between September and October 2015. The sample size was obtained through (i) a multistage stratified random sampling, and (ii) a systematic random sampling approaches. In general terms, results indicate that tobacco farmers in Urambo have not been able to upgrade in the quality and productivity. By using t-tests and Chi Square tests, neither location of farmers nor buying companies provided for statistically significant differences in most variables used. For example, while productivity and quality indicated no statistically significant differences between urban and rural farmers, land allocation for tobacco was found to be significantly different. These results might

be a result of low literacy rate among farmers. The policy implication is that the government initiative for free education up to secondary school might help to inculcate necessary skills to farmers in order to make them compatible with global requirements.

Introduction

Firms can upgrade through working with other companies by sharing knowledge. The global value chain literature has been skewed towards large manufacturing firms and thus upgrading possibilities are thought to be available to firms but not individuals. Less is known about individuals such as farmers, if any, on whether upgrading potentials are at their disposal that may resemble that of companies in the manufacturing industry. When individuals are brought in the discussion, they take the position of employees to various companies (Barrientos, 2011).

Given the on-going efforts by the government to attract more Foreign Direct Investments (FDIs) in order to realise industrialization targets, studies conducted in different countries such as Argentina, India, Indonesia and Italy suggest that even if firms collaborate with global lead firms, only those with innovative capability benefit from their collaborations (Marin and Bell, 2010). After takeoff in operations, MNCs are linked up with local firms, mainly as suppliers. Industries that heavily depending on agriculture produce as their sole raw materials (such as apparel and cigarette) are forced to integrate with producers, most of whom are smallholder farmers in poor countries. Most literature in the GVC tradition has been pre-occupied with manufacturing firms across industries. Even when individuals are looked upon, it is in the perspective of employees (Barrientos, 2011). Farmers' response to buyers' needs and how this may affect their standard of living remain under-researched. According to Tokatli (2013) buyers will provide avenues for upgrading possibilities to their suppliers in the areas where they have an interest in order to enhance their competitiveness.

Literature review

In an attempt to understand the various processes within globalisation and its consequences on different economic actors across parts of the world, the GVC framework has been instrumental to contemporary development research (Werner, et al., 2014; Gereffi, 2014; Fold, 2014). Not only does it portray the spatial concentration and dispersion of production activities but also the way value tends to be created and captured within them (Gereffi, 2014). A value chain is defined as a sequence of relative value of activities required to bring a product or service from conception through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use (Humphrey and Schmitz, 2002).

Self-contained local development in the contemporary world is almost impossible (Coe and Hess, 2011). The globalisation processes compel lead firms, normally from developed world, to relocate their production facilities across borders. They do this for several reasons such as low cost of production, huge potential growing markets or low industrial competition which may pave a way for first movers advantages in setting up standards or entry barriers for new entrants. The buyers' needs become strategic needs, which ultimately should be compatible with the locally available resources. These requirements therefore tend to influence corporate decisions regarding procurement activities and thus defining the position held by sellers along the chain. Local assets such as specific knowledge, skills and expertise should be instrumental to local development especially when they match the requirements of lead firms (MacKinnon, 2012). But, meeting these requirements has not been easy especially to small and less efficient producers (Barrientos, et al., 2011).

Territorial embeddedness of global business networks has been well acknowledged in the literature (Coe and Hess, 2011; MacKinnon, 2013). In places where respective chains 'touch down,' there is a need for a thick institutional environment required to constantly mediate and shape the ever changing value chain governance structures (Neilson and Pritchard, 2009). It has been maintained that the mere incorporation of different actors in the value chain does not

guarantee a positive development outcome. This may partly be attributed to inherent asymmetrical relations that may prevail between lead firms and other actors and also partly due to a mismatch between global business demands and local endowments. In this regard local institutions have to constantly ensure prevalence of appropriate relations that make it possible for the creation, enhancement, capture and ultimate distribution of value in the local region.

Kadarusman and Nadvi (2012) claim that in Indonesia leading export sectors such as garments and electronics are well integrated in the respective GVCs to the extent that local producers have become globally competitive. They however admit that growing by 'climbing' on GVCs is neither free nor smooth for local producers since they have to qualify in terms of prices, on-time delivery, product quality and quantity, as well as social, environmental and labour standards. The possibility to achieve these parameters is highly dependent on the kind of relationships that they forge with industrial lead firms. However, the same qualifiers become entry barriers to GVCs for some local firms and producers who cannot meet them and consequently are excluded from the market (Nadvi, 2008; Nadvi and Waltring, 2004). In the end, the ability to upgrade depends on how best local producers are able to comply with set standards, which in turn may also depend on the absorptive capacity they have, which is always path-dependent (Yeung, 2015).

In the apparel industry, which has been extensively studied, Gereffi (1999) affirms that firms from the Newly Industrialized Economies (NIEs) in Asia (mainly Hong Kong, Taiwan and South Korea) managed to upgrade and sustain their competitive advantage following industrial restructuring in the region. This success is attributed to a strong and deliberate emphasis on the shift from a strong focus on export processing zones to complete and sophisticated manufacturing of industrial products required in the developed world. The kind of upgrading that was evident included, for example, moving from cheap to expensive products, small to large orders, from standardized mass production to differentiated merchandise as well as from simple assembly of imported inputs to more integrated forms of Original Equipment Manufacturing (OEM) and Original Brand Manufacturing (OBM) (p.52). These upgrading opportunities enabled Asian

suppliers to become full-package suppliers and most competing manufacturers globally.

Going through the above literature, therefore, it is neither clear on how individual farmers (not firms) in agriculture have opportunities to upgrade in the way they respond to buyers' requirements nor is it evident that the matching process between buyers' requirements and local assets is uniform globally or even sectorial. Yet, the literature is also silent on how corporate strategies to engage farmers are influenced by the ability or inability of both farmers and their local institutions to act on these needs in order to realize local development.

Materials and methods

Phase one of data collection will seek to obtain information on household characteristics, assets, incomes and expenditures from households. A multistage stratified random sampling is deemed appropriate. There are only two dominant tobacco buying companies in Urambo namely Tanzania Leaf Tobacco Company (TLTC) and Alliance One Limited Tanzania Company (AOLTC) with the third new entrant, Japan Tobacco International (JTI) which has just recently (2013/2014 season) entered the market. The three buying companies provide a base for stratification into different strata. Farmers are organised through primary cooperative societies all over 16 wards making up the district. There are 41 primary cooperative societies (PCSs) in total.

In order to obtain the desired sample size, a list of all PCSs will be obtained and a classification into 'urban and rural' categories will be made. For the purpose of this study, and as a rule of thumb, a distance of up to 10 kilometres away from Urambo town will be considered urban while beyond this distance will fall under rural category. The urban-rural dichotomy is important since as one moves away from a major urban centre (in this case Urambo town) one is likely to encounter less accessibility to information, poor infrastructure, poor access to extension services, among others. These differences are also likely to reflect relative levels of development some localities have achieved. Therefore, at this stage two strata of urban and rural cooperative societies will be obtained. The second stage will entail

listing all PCSs under both rural and urban categories while the third stage will involve obtaining PCSs in rural and urban strata according to buying companies. This stage will make it clear how many PCSs from both rural and urban categories are engaged by which companies. Knowledge of buying companies is important in this study since companies differ in their operations as they struggle to maintain their portfolio, which in turn could make differences when aspects of development are assessed. The sample size is thus estimated to be 13 PCSs, with a ratio of 8:3:2 for TLTC, AOLTC and JTI respectively. Since the unit of analysis in this phase is heads of households who are members of PCSs, a full list of registered farmers in each PCS will be sought from which systematic random sampling will be conducted to obtain 20 heads of households. This will make a total sample size of 260 households to be used in the analysis. A survey of 228 households who are both tobacco farmers and members of primary cooperative societies (PCSs) was conducted between September and October 2015. The sample size was obtained through (i) a multistage stratified random sampling, and (ii) a systematic random sampling approaches. Data were analysed by using t-tests and Chi Square tests.

Findings

4.1 Descriptive statistics

The demographic characteristics of the respondents were as follows:

Table 1.0. Characteristics of respondents

Sex of household head	Location of the household residence		
	Urban	Rural	Total
Male	73	139	212
Female	08	08	16
Total	81	147	228

When computations were made it was depicted that the average number of household members was seven in the urban and eight in the rural. It was also noted that the average number of children in the urban category was one child while their counterparts in the rural had two children. With to investment in education, the data indicate that 187 households had at least one child in primary school, 72 households had at least one child in secondary school, 10 households reported that at least one child was in college

education while only 5 households had at least one child attending university education. Table 2.0 presents the general literacy rate among the surveyed households.

Table 2.0. Literacy trends among respondents

Level of education achieved	Location of residence of the household head	
	Urban	Rural
Primary	None = 11	None = 13
	At least one = 70	At least one = 134
Secondary	None = 54	None = 118
	At least one = 27	At least one = 29
College	None = 80	None = 143
	At least one = 01	At least one = 04
University	None = 80	None = 147
	At least one = 01	At least one = 00

On land ownership, about 90 per cent of the respondents owned land between one and two hundred acres, with an average land size of 16.72, 18.43 and 20.38 for the 2012/13, 2013/14 and 2014/15 seasons respectively. However, the average land allocated for tobacco production is 2.5 acres (approximately one hectare). Table 3.0 summarizes the average land size allocated by individual primary cooperative society across the three selected seasons.

Table 3.0. Mean land allocation for selected PCSs

PCS name	2014/15 season	2013/14 season	2012/13 season
Nsanjo	4.32	4.05	3.59
Nyota ya Muungano	2.69	2.44	2.06
Imala Makoye	3.22	2.92	2.67
Upendo	3.00	2.75	2.50
Mean for urban	3.32	3.06	2.73
Kasela	2.16	1.80	1.63
Amani	2.05	2.21	1.93
Katuma	2.36	2.52	2.29
Kalembela	1.62	2.21	1.76
Isunda uduki	2.00	2.66	2.61
Chapa jembe	3.55	3.36	3.05
Maendeleo	2.93	2.57	2.45
Mean land for rural	2.42	2.48	2.24

Table 4.0. A paired t-test

	Paired Differences			t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Pair 1 Acres of tobacco grown in the 2014/15 season - Acres of tobacco grown in the 2012/13 season	2.363	1.962	.130	18.186	227	.000

International Retail Divestment in Africa: Evidence from Tanzania

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Abstract

The divestment of international retail operation is dominated with researches from developed countries. With the rise of international supermarkets in Africa and failure of some of firms makes understanding strategic divestment an interesting topic. The paper discusses three African supermarkets (Uchumi, Shoprite and Pick N Pay) where international market withdrawal has been a feature of international activity.

A cross-case analysis is used to identify factors for the divestment of international retailers in Tanzania. The paper demonstrate that divestment can be a response to the failure, however, support is also provided for the assertion that divestment can be a strategic decisions protect home market.

The themes presented in this study are developed from interview with employees, competitors and suppliers. The validity of the theme should be examined further through in-depth qualitative study with top officials at the headquarters and CEOs and major stakeholders in their home countries. This paper adds to existing knowledge by examining the role of government within the process of divestment.

The Impact of Impression Management Tactics on Resource Acquisition In Social Entrepreneurial Ventures

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Structured Abstract

Social entrepreneurial ventures (SEVs) rely on inter-organizational collaborations to acquire important resources that are far beyond their reach (Miller and Wesley II, 2010). The use impression management tactics by SEVs may help them to establish a positive impression and subsequently enhances their chances to acquire resources from benefactors (Parhankangas and Ehrlich, 2014; Wayne and Kacmar, 1991). Surprisingly, little research has examined the relationship between the use of impression management tactics and acquisition of benefactors' resources in social entrepreneurial ventures.

This study examines the impact of impression management tactics on the ability of SEVs to acquire resources from benefactors. Moreover, we integrate the social entrepreneur's political skill in our investigation to understand why a few social entrepreneurs execute the impression management tactics more effectively than others. We include political skill because it represents an important social effectiveness construct that theoretically explains the conditions under which an individual can execute social influence tactics or behaviors effectively (Ferris et al., 2005). Besides, the social influence theory also suggests that individual characteristics of the influencer such as political skill may have an important effect on the efficiency of the impression management tactics (Harris, Kacmar, Zivnuska, and Shaw, 2007). It is likely that social entrepreneurs who are higher in political skill will attain more positive images when managing impressions of their ventures compared to their counterparts who possess lower political skill.

Social entrepreneurs mostly execute assertive impression management tactics when requesting resources from benefactors rather than defensive tactics. The key assertive impression management tactics include exemplification, ingratiation, organizational promotion, and supplication. The theoretical development of this

paper provides a detailed conceptual understanding of these tactics and their influence on resource acquisition. Moreover, this theoretical knowledge have been leveraged to develop the hypotheses of the study.

The study used a survey design with cross-sectional data collected from 281 social entrepreneur- benefactors dyads. All respondents were surveyed in Tanzania over a four-month period. The social entrepreneur respondents operate SEVs in different sectors in Tanzania while benefactors are independent individuals or institutions supporting SEVs on discretionary basis. We obtained the measures of our variables from prior studies. The impression management tactics were measured by scaled developed and validated from the study of Bolino and Tunley (1999) while the social entrepreneurs' political skill was assessed using the scale from Ferris et al's (2005) study. Resource acquisition ability was measured using a three-item scale modified from the study of Witt, Schroener, & Mers (2008). Before examining the main relationships, discriminant and convergent validity of the construct was assessed through a confirmatory factor analysis (CFA). The model's goodness of fit in the CFA analysis was assessed using the overall model's chi-square, the comparative fit index (CFI), the Tucker-Lewis index (TLI), and the root mean square error of approximation (RMSEA). Also, descriptive statistics (mean, SD and zero-order correlations) were examined to get an initial insight of the relationship pattern.

The impact of impression management tactics and interaction terms on resource acquisition was examined through regression analysis. The results show that not all assertive impression management tactics have a significant impact on the resource acquisition ability of SEVs. Three impression management tactics (ingratiation, supplication, exemplification) predicted acquisition of external resources in social entrepreneurial ventures significantly. Ingratiation tactic had the strongest influence ($\beta=0.41$, $p\leq 0.01$), followed by supplication ($\beta=0.37$, $p\leq 0.001$), and lastly, exemplification ($\beta=0.15$, $p\leq 0.05$). In contrast, organization promotion was not related to resource acquisition significantly ($r=0.06$, $p=0.36$). Similarly, the interaction between political skill and each of the three impression management tactics (ingratiation, supplication, and exemplification) was significantly related to the resource acquisition ability of SEVs. The regression

coefficients were $\beta=0.36$, $\beta=0.24$, and $\beta=0.2$ $p\leq 0.01$ respectively. In contrast, the interaction between organizational promotion and political skill was not significantly related to resource acquisition ability ($\beta= 0.03$).

Our findings contribute to the resource acquisition research in the third sector by providing a comprehensive view of the role that impression management techniques can play in the resource acquisition process of social entrepreneurial ventures. Besides they also extend the understanding of the roles that political skill plays in helping an individual to perform a particular behavior. Moreover, the study used the sample from a developing country to test the applicability of political skill and social influence/impression management theories. These theories were developed predominantly using western-based samples (Bolino and Turnley, 1999; Ferris et al., 2005). Testing the applicability of a theory in different contexts helps to achieve its generalizability that is important for advancing a scientific field. Apart from theoretical contribution, these findings also have important implications for social entrepreneurs, benefactors, and other practitioners, particularly in the third sector.

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Evaluation of Quality Beef Supply Chain Efficiency in Tanzanian' Emerging Markets. A Case of Arusha and Dar-es-Salam cities.

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Abstract

Efficiency in supplying meat to the emerging markets is of paramount importance to beef chain actors. This is because the actors have to supply the beef with accepted standards, without compromising profit. However, in doing so maintaining of beef standards involves extra costs which brings dilemma as yet the market for beef has to be exhausted. The study used cost efficiency ratios and returns on investment to analyze efficiency of producing, processing and distributing Quality Beef (QB) in, Tanzania's emerging markets. Primary data were collected using structured interview from two cattle fattening companies, three auction markets, , six beef processors, 11 supermarkets, 34 tourist hotels and one beef importing company. The study found that the cost of processing QB was highest (2,075Tsh/kg) compared to the cost of producing and distributing the beef that stood at 233Tsh/kg and 1,487Tsh/kg respectively. Electricity bills formed the major component of costs incurred at processing and distribution nodes that stood at 84% and 73% respectively. The study recommended that stakeholders in the

beef industry need to invest in local QB supply as it is profitable; and invest in low cost alternative energy sources such as biogas and solar power to reduce processing cost to make the venture more profitable. Moreover, linkages of major importers of QB with local QB producers should be made with proper taxation of imported beef to make locally produced QB more competitive.

Session B3
1415-1515/Saturday, September, 2016/Meeting Room: B
Finance and Corporate Governance
Session Chair: Dr. Neema Mori, University of Dar es Salaam

**Is good governance country specific? A lesson from the outcome of
Tanzania's privatization**

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Abstract

Abstract: It is believed that ethical behaviour by business practitioners brings about good governance that is a prerequisite of successful leadership and productivity. This ideology has emerged from the developed economies and is strictly adhered to over there. Surprisingly, the same multinationals that are very obedient when operating in the first world countries mess up greatly when operating in poor developing countries like Tanzania. That being the case, should we take to it that good governance suffers from hypocrisy, and that, it is not an ideology that is spiritually adhered to regardless of the practicing environment? The paper will try to show how, in the course of privatization in Tanzania, foreign investors have taken the advantage of irresponsible leadership to exploit the country and go further to suggest a control mechanism to remedy the situation for surveillance to ensure that developing economies benefit from foreign direct investment.

The Role of Higher Education Institutions (HEIs) in Tanzania in Managing Business and Organizations in Emerging Markets

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Abstract

Emerging market countries are those countries with sure characteristics that lead investors to perceive growing economic strength in the country and the possibility of high return on investment. Before a country to be labeled as an emerging market, it must have a certain amount of measured development. Although development has many aspects, higher education plays a major role and this role has been perceived and described by many leaders and scholars from both developed and underdeveloped countries. Globalization reflects the pressure to establish free markets, skills and knowledge industries, reduce barriers to the movement of human or financial capital, and embrace interdependence. The provision of higher education (HE) in managing business organizations is a big business in achieving a more equitable global economy and opening the doors of globalized opportunities. The purpose of this paper, therefore, is to determine the role of HEIs in managing business and organizations in emerging markets. The paper has employed both primary and secondary data. Interview guide was used to collect the primary data and documentary review from past literatures was used to obtain the secondary data. The findings show that the quality teaching in higher education matters for student learning outcomes. HEIs required providing hands-on skills to students and mere knowledge. While regular student assessment provides useful information that can be used to judge progress made and on the basis of the feedback, the learner and the teacher can take remedial measures to improve performance.

Researchers concluded that, without HE it is difficult to imagine a country reaching the conditions necessary for emerging markets. Hence, education has been taken as a factor in the success of any fastest growing country economies in the world.

The concept of partnering business organizations, government and HEIs are finding to be a good way to grow revenue and increase productivity by helping to raise levels of student and workforce achievement. Poorly educated populations are a barrier to success for companies, which depend on a literate populace as a source of both an employable workforce and customers able and willing to buy products and services.

1.0 Introduction

Emerging market countries are those countries with sure characteristics that lead investors to perceive growing economic strength in the country and the possibility of high return on investment. Such characteristics include a growing educational system, stable to educate workforce and able to be educated workers, low employment costs, rising gross domestic product (GDP) or gross national product (GNP) per capita, growing industrialization, growing sophistication of goods and services including industrialized products, strengthening infrastructure, open economy with access to capital markets, well regulated and viable banking system, stable political climate that supports entrepreneurs, market-based economic growth and relatively open society. Before a country to be labeled as an emerging market, it must have a certain amount of measured development. Although development has many aspects, higher education institutions (HEIs) plays a major role and this role has been perceived and described by many leaders and scholars from both developed and underdeveloped countries.

An emerging market represents huge challenge and a great opportunity facing the global community. The inevitability of globalization, internationalization, massification, commoditization, and interconnectivity of systems and societies stretches not just to economies or free markets, but reaches far into institutions long felt to be the domain of domestic influence (Clark 2011). Within the context of HEIs, public, private, governmental and transnational, the businesses are finding the global landscape changed with new priorities and escalating urgencies driving both policy and practice. Altbach & Knight, (2007) states that, portraying the international activities of higher education institutions (HEIs) as having dramatically expanded in volume, scope, and complexity. Therefore, there is a distinction between the internationalization of higher education (HE) and

globalization. HE in Tanzania includes post secondary training, colleges and universities education and training, for more qualified manpower. Hence, it is important to understand the distinction and forces to push societies toward greater interconnectivity.

Globalization reflects the pressure to establish free markets, skills and knowledge industries, reduce barriers to the movement of human or financial capital, and embrace interdependence. On the other hand, Internationalization represents the activities undertaken by countries, systems or institutions to respond global pressures (Dixon 2006). In the case of HEIs, this internationalization takes the form of study overseas programs, cross cultural learning, enhanced foreign language programs, academic mobility, and as the focus of this review. The commercialization of international HE, especially the growing influence of the for profit, private HE sector (Altbach and Knight 2007). The global crisis in education is intimidating social stability and economic progress. Perennial challenge for HE is to keep pace with knowledge change and skills (Gumport 2000).

The interconnectedness of the global community has produced economic, political, and social results ranging from the truly transformational to the inquisitively unexplainable. The presence of global community results of collapsing barriers which earlier inhibited the efficient and effective movement of people, capital, goods, technology, knowledge, skills, and opportunities, countries which were previously impassable due to organic limitations or those of human construction are now open to prospects of growth. Partnerships have emerged throughout the world, placing into cooperative context parties that bystanders may consider strange, but in reality accomplish far more than either alone could have deemed feasible (Clark 2011). In demonstrating consistently in all developing and developed countries alike,

the shift toward privatization has transformed the paradigm in many sectors. The transformation has opened to suppliers and consumers new canals of fulfillment to be considered and potentially engaged, bringing new challenges, concerns, and outcomes that demand careful review (Clark 2011).

Viewed by Multinational Enterprises (MNEs) as the further step toward achieving a more equitable global economy and opening the doors of globalized opportunity

to more of the world's underrepresented groups, the provision of HE in managing business and organizations is a big business and is increasingly the focus of inquiry on all sides of the discussion. Despite the significance of quality education, several researchers have observed that the gold standards of excellence that were explicitly sought by the early elitist universities have gradually been compromised. There are symptoms of downward trend in performance (In, Eastern, and Region 1997). These are reflected in declining performance in university examinations by students, admission of poorer quality students and staff, declining research and publications output, complaints by employers of poor preparation of university graduates for employment and inability to take a leading role in resolving various problems within their areas of expertise. The purpose of this paper, therefore, is to determine the role of HEIs in managing business and organizations in emerging markets. The researchers have taken HEIs a far more active role by partnering with business organizations and governments to improve educational outcomes directly.

2.0 Findings and Discussions

2.1 Quality Teaching and Learning in HEIs

Quality teaching and learning can be defined as a process whereby knowledge and skills are imparted to students across centres of a university. Quality has become a dynamic concept that has constantly to adapt to a world whose societies are undergoing profound social and economic transformation. Encouragement for future-oriented thinking and anticipation is gaining importance (Akdağ 2011). There are different important factors in promoting quality teaching and learning as responded by stakeholders, these are but not limited to: time for preparation, teaching, advising and learning; participation in the intellectual life of the department; variety of teaching strategies; and regular students' assessment and feedback. The quality teaching and learning should be supported by the effectiveness of teachers in promoting learning to students. This will prepare learners to think, transfer knowledge in new situations, reflect or even change their view reality.

In recent years almost every education system has experienced substantial growth of student numbers and the student profile has become more diverse (Hénard and Roseveare 2012). At the same time, HE faces greater from students, government, parents, employers and taxpayers to account for their performance and demonstrate their teaching quality to meet the demands of the markets. The HEIs required providing hands-on skills to students and mere knowledge. This hence, results to overcome challenge the mode of imparting knowledge and skills to students, and the quality of education needed by the employers both local and international business companies. When probed about the highly demanded knowledge and skills by the employers, the HE is required to provide strong knowledge and skills to the students which contain innovation, creativity, technical and general skills to secure good employment or have the skills for self-employment.

The quality teaching in HEIs matters for student learning outcomes. But fostering quality teaching presents HEIs with a range of challenges at a time when the HE sector is coming under pressure from many different directions. Majority of stakeholders responded that the most critical challenges faced by HE sector includes: academic environment, quality of infrastructure, teaching or learning materials and equipment, quality of programmes, quality of staff, organizational culture and effective management. But the institutions need to ensure that offered education meets the expectations of students and the requirements of employers, both today and for the future in managing businesses and organizations. Hence, reforms in HE should be done to support and strengthen students' professional development in order to meet the qualifications required by employers for managing business and organizations in emerging markets. Also, the institution-wide vision and strategy needs to be well-aligned with bottom-up practices and innovations in teaching and learning.

Researchers are on the view that quality teaching and learning is supported by quality teachers. Most likely way to improve student performance is to improve the quality of teachers. The majority of respondents argued that failure of quality teaching and learning is simply caused by insufficient attention paid to quality teachers. Many countries, the quality of teachers are the key element to improving student performance. Specifically, the concern is identifying good and bad teachers

on the basis of their performance in obtaining gains in student achievement. Respondents further argued that in particular, highly motivated parents search out schools that they think are good, and they attempt to place their children in classrooms where they think the teacher is particularly able. Teaching ability is not closely related to training or experience. But the research evidence also shows that many of the policies that have been pursued in the country have not been very productive. Specifically, the chosen policies of individual countries may have led to changes in measured aspects of teachers such as degrees or teacher qualifications, but they have not tended to improve the quality of teachers at least when quality is identified by student performance.

2.2 Educating Human Skills and Talent

HEIs are essential in creating and educating citizens. In many cases, HE prepares those who will teach the young and pass on the knowledge and skills needed in the business and organizations. In fact, teachers education have a special place among the professions in economic development of the country and sees them as the most important instrument of development because of its role as a facilitator of learning, developer of a broad knowledge and skills base, and source of new attitudes and values (McMullen, Mauch, and Donnorummo 2000). The researchers are, however, of the view that every country needs a body of persons who not only have professional training and provide leadership and government service, but are also capable of higher intellectual development. Therefore, if HE did not provide this; the country's economic growth sectors like industrial, financial, educational, medical, scientific, and governmental systems could not operate at a satisfactory level of effectiveness and efficiency. The presence of a substantial body of knowledgeable and of educated persons in a country is important to economic and social growth, to the growth of literacy and to the availability of skills, upon which an emerging market economy is increasingly dependent. In this quickly changing environment, this is increasingly based within the context of a global, knowledge-based economy. HE should attempt to adapt purposes, structures, and programs, and new organizations are emerging in response (Hanna 1998).

The prevailing image of knowledge and skill change in HE tended to be either inertia or expansion. Those who have made their professional lives within HE, they

understand the threat, if not the reality, of selective consolidation and program elimination, particularly for those academic areas that are deemed of insufficient centrality, quality, or cost-effectiveness (Gumport 1993). No doubt this is a difficult time for those who manage HEIs, in the fact that, there is a high demand of knowledgeable, skilled and talent graduates required by major businesses and organizations in emerging markets. Stakeholders in education sector argued that, HE has a function of providing facilities and opportunities for the highest intellectual inquiry to challenge students to develop their thinking and to enable staff to do original research as well as to promote intelligent discussion on issues of human concern.

The HEI's role is the search for truth and advancement of knowledge and skills (In, Eastern, and Region 1997). Therefore, university's role is the search for truth and advancement of knowledge and skills. Researchers are, however, of the view that the pursuit, promotion and dissemination of knowledge and skills are important so as to raise the level of intellectual development of the individual who is both the agent and object of development. On the other hand, HE plays the role of developing the most important resources: educating intellectual talent. Both talent and effort seen to be relevant to skill development and eventual level of performance, and should not assume that talent is necessarily less malleable than effort.

The most modern and rapidly growing emerging market economies like China, Korea, and Singapore are characterized by lacking natural resources like oil, gas, and minerals, but they are economically are growing because they have concentrated on intellectual resources. The researchers states that the poorest countries in the world are filled with natural resource-rich and an under educated and poverty-stricken population. Talent is there but it has not been developed. Human capital is one of the most important variables and the development of the intellectual ability, knowledge, values and skills of the people who make up the country create this capital. Therefore, such development is the one of the role of HE, as well as of other societal institutions. The successful development of human talent may be viewed as the difference between under developed and emerging market economies.

2.3 Managerial Infrastructure and Professional Education

HEIs prepare people for the future work force. It does this in many ways; economically, socially, politically and culturally. Many countries have an expectation that a graduate of HE will contribute to social-economic development, and that HE will provide technically and professionally trained persons in the hope that economic development will follow. This expectation has caused countries like Tanzania to invest heavily in HE sector and in some cases from very limited resources. All countries in the world the universities are expected to provide professional training for future teachers, lawyers, entrepreneurs, engineers, managers, scientists, public administrators etc. Frequently this training can be provided by no other institutions. In Tanzania, universities, institutes and colleges that have an important part of the training responsibility as well as professional organizations. The university brings a variety of relevant disciplines to such training and includes not only professional practice concerns, but also research, service and ethical concerns.

HEIs are also expected to be the principal provider of skilled professionals for the managerial or administrative infrastructures needed to operate the country and large private and country related enterprises. Educating civil servants is a most important task because in many developing and emerging market countries the government is the largest employer of

university educated persons, and the civil service has become the major supplier of technical and scientific knowledge and management. Also the civil service can be an important factor in development and is one of the few professional bodies designed primarily to serve the public and therefore is of paramount importance to the country and the emerging market economy.

2.4 Production and Dissemination of New Knowledge

Knowledge is a critical for developing emerging market economies (McMullen, Mauch, and Donnorummo 2000). Today's most technologically advanced countries economies are based on knowledge. They generate new prosperity from their innovations; they create millions of knowledge to the related jobs in many disciplines like managers, engineers, doctors, and coordinators. A higher level of education in the population means that more people can learn to use better

technology in economic growth of the country. Researchers are, however, of the view that education has been taken as a factor in the success of any fastest growing country economies in the world like China, Korea etc. Moreover, education without openness to innovation and knowledge will not lead to economic development and emerging market economies. Hence, failure of HE results from the great restrictions on openness, foreign direct investment (FDI), foreign collaboration and innovation.

In any society HE is not just a creator of knowledge, the trainer of young minds, but also a major agent of economic growth. HE has become a knowledge factory, a powerful engine of growth for emerging market economies. In such society the ideas and ability to manipulate them counted for far more than the traditional factors of production. Therefore, HE appears to be an increasingly critical asset in any developed and under developed countries. McMullen, et al.(2000) stated that, the intellectual and university have become important instruments of any country purpose. Knowledge is universal and its creators generally prefer freedom. These words become prophetic: "knowledge has certainly never in history been so central to the conduct of an entire society to serve as the focal point for country growth, and the university is at the center of the knowledge process" (McMullen, et al.2000).

2.5 Science and Technology Development

HE investments are considered important for economic growth of any developed and under developed countries. They increase personal and aggregate productivity and income. They also produce significant collateral benefits not captured by such analysis, such as the long- term returns to basic research and to technological development and transfer. As countries strive towards development there is often an attempt to move the HE curriculum in the direction of science and technology. The policy makers should agree that economic development is mainly result of technological progress, which itself flows from progress in HE. The country which has a larger number of people who must be able to manage and manipulate the technology apparatus tends to grow.

The population cannot be sustained without a large and constant stream of technically competent persons being trained in each generation. Stakeholders

argued that governments should continue to emphasize science and technology programs because of the need for graduates from secondary schools to fill teaching position in science, agriculture, natural resources, minerals and other industrial needs as well as in various research establishments. Researchers observed that developing countries like Tanzania need a sufficient domestic scientific capacity in order to interpret and absorb foreign technology and that any country without this capacity will suffer.

Researchers states that people who are illiterate or scientifically ignorant of the wider world, remain underdeveloped and unable to contribute fully to future development. Furthermore, growth is increasingly knowledge intensive, and thus the more successful countries are those that have invested in educating and training their people. It is also becoming clear that the illiterate or those who do not have access to adequate education are becoming the new marginal. Investing in education and training, while always necessary is then becoming a requirement for progress of nations and individuals in a globalized world.

2.6 Important of Quality Education in Economic growth

The economic well-being of society is deeply influenced by economic growth. Economic growth determines how much improvement will occur in the overall standard of living of society. Economists argued that differences in growth rates that appear to be small have huge differences for society if they are maintained over a period of time. The economic position of any country is largely the result of its strong and steady economic growth. Many factors enter into determining growth. For example, the existence of a strong system of property rights, the ability to develop binding contracts, and the maintenance of relatively free labor and product markets all have been seen to establish the basis for a healthy and growing economy. With these conditions, however, the knowledge and skills of the population have a very powerful impact on national growth rates.

Universities and HE are increasingly in Tanzania seen as critical for economic growth and development for developing knowledge and skills of the population. The tendency to regard academic institutions as important carriers of knowledge and social stability is not a new phenomenon, but it is particularly after the turn of this 21st century that universities are being considered an indispensable vehicle

for economic and social progress. Human capital is a powerful force driving economic growth. The human capital of the population, which is enhanced by a strong education system, enters directly and indirectly into economic growth.

Education has the possibility of making both the individual receiving it and others better off. Specifically, a more educated society may lead to higher rates of invention, may make everybody more productive through the ability of firms to introduce new and better production methods, and may lead to more rapid introduction of new technologies. These “externalities” influences on others of individual education outcomes and provide extra reason for being concerned about the quality of schooling. The research supporting growth analyses has emphasized school attainment differences across countries and finds it highly related to economic growth rates. Quantity of schooling is a very crude measure of the knowledge and skills of people. School and education quality had a remarkable impact on differences in economic growth.

3.0 Conclusion and Recommendations

Any developed countries in the world always have used HE as a source of skilled personnel and the driving force towards achieving sustainable economic development. As reservoirs of knowledge, HEIs have been seen as crucial centres for the search for truth and new knowledge developer. The challenge faced by HE sector is to convince governments and populations that their contribution to the development that supports emerging markets

economies lies in their ability to demonstrate that the process of development requires the kind of trained minds and thinking society that HE is uniquely equipped to promote. The human resources not capital, nor income, nor material resources contribute the ultimate basis for the wealth of countries. Capital and natural resources are passive factors of production, human beings are the active agents who accumulate capital, exploit natural resources, build economic, social, political and cultural organizations and carry forward country development.

Clearly, a country which is unable to develop the skills and knowledge of its citizens and to utilize them effectively in the country economy will be unable to develop anything else in economy. These valuable human resources often taught in HEIs are the most important ingredients in achieving the level necessary to

succeed as an emerging economic market. Without HEIs it is difficult to imagine a country reaching the conditions necessary for emerging markets. Hence, education has been taken as a factor in the success of any fastest growing country economies in the world. Poorly educated populations are a barrier to success for companies, which depend on a literate populace as a source of both an employable workforce and customers able and willing to buy products and services.

Researchers recommended that, HEIs should develop a culture of reviewing curricula in order to ensure and sustain the quality of education. HEIs required introducing in service staff development training programmes and establishing teaching improvement centre in order to help the staff improve their skills. These programmes should take advantage of the facilities provided by the new information and communication technologies. HEIs should set up effective quality evaluation systems in order to promote quality enhancement and quality assurance of training and research. It was recognized that research can play an important role in improving the relevance of HE and that the bulk of research results produced in the universities.

Further researchers recommended that, the concept of collaborating business organizations, government and HEIs are finding to be a good way to grow revenue and increase productivity by helping to raise levels of student and workforce achievement. There is need to review the missions and to redefine the functions of the universities in order to address effectively the new challenges and the rapidly changing needs in the country. HEIs should also set up adequate academic staff development programmes in order to help the staff to reorient their knowledge and skills towards new challenges and to become more innovative and creative.

Although fundamental research is important in order to advance the knowledge and skills frontiers, it also recommended that HEIs in the country should primarily focus on consultancy which is relevant to the socioeconomic development. HEIs should also set up adequate mechanisms to market their training, research and consultancy capacity and results and to protect their inventions. In order to respond more effectively to the challenges of the managing business and organizations in emerging markets, HEIs should promote transdisciplinary and multidisciplinary research to their students. Furthermore, there is need for HEIs to have internal bodies responsible for coordination and regulation of HE activities

and among of its function should involve in quality assessment and quality control of training, research and consultancy.

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Assessment of the effect of Quality Management System Implementation on Performance of Tanzania Bureau of Standards

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Abstract

Empirical research has shown that effective Quality Management Systems enhances the organizations performance through provision of products/services that meet customers' needs and expectations. Many organizations either have no official Quality Management System (QMS) or have not re-certified their QMS to the new revision of ISO 9001 Standard. The ISO 9001 standard can be of great value if its requirements, including customer-focus, process-approach, and management commitment, are effectively implemented. However, such requirements presented challenges on implementation when incorporating basic total quality management principles with the process-approach concept as required in ISO 9001.

This research aimed at determining the effectiveness of quality management system (QMS) on performance of Tanzania Bureau of Standards. A target sample size 50 respondents were randomly selected from sampled departments, which were used to build the basis of this research. Questionnaires, interviews and observations were used to gather the required information. A descriptive analysis was done with the help of a statistical tool. Therefore the results of this study shows evidently that Quality Management System has a great positive impact on the performance outcomes of an organization outcomes focusing on improving service quality, financial performance, operation performance and services delivery. Hence the study recommends that other public organizations to implement Quality Management System so as to achieve customer satisfaction and international and global competitive market. The Implementation of QMS need to be applied broadly throughout the organization, whereas planning included the products/services and processes; supplier's activities, employees' engagement and customers are reflected in the whole quality programmes.

**The Impact of Transport and Logistics challenges on Sustainable Business
Development in Emerging Markets: Current and Future Prospects in
Tanzania**

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Abstract

Increasingly, the transportation and logistics sector has made its mark upon different sectors of economies and stands out as one of key aspects for any economic prosperity. In emerging markets, effective and efficient transport systems are of paramount importance due to the fact that such markets are characterized by rapid expansion of trade and other economic activities. This study was carried to assess the impact of transport and logistics challenges on sustainable business development in emerging markets. The study focused on East Africa, particularly looking at current and future prospects in Tanzania. It should be noted that, of late Tanzania has been seen to have a potential of taking the leading role in the East African regional economic growth as an emerging market country. Therefore, the objectives of the study included; to assess the extent to which available transport and logistics expertise influences business development activities in Tanzania; to explore the extent of technology adoption in transport system in Tanzania for ease of conducting businesses; and to determine the relationship between transport costs and the rate of trade volume in Tanzania. The study adopted survey research design where key stakeholder institutions were surveyed. These institutions are Surface and Marine Transport Authority (SUMATRA), Tanzania Port Authority (TPA), and National Institute of Transport (NIT). Data were collected using secondary sources as well as interviews with key personnel. Descriptive and content analysis techniques were employed for data analysis. Key findings indicate that expertise in transport and logistics is critical for trade and other economic activities. According to data obtained, these expertises are critical for managing cargo, clearing, forwarding, and for creating competitive transport systems. Further, results show that Tanzania is still facing a challenge of lack of sufficient expertise to make the country competitive enough in the region.

This especially is a case particularly with the current and expected rapid increase in trade volumes and emerging businesses. On the other hand, the extent of technology adoption in the transport sector of the country was found to be low. Findings indicate that issues of technological context in terms of having characteristics of technologies available and perceived useful in transport and logistics systems were some of major problems. Thus, quite a number of processes and processing of documents are still done manually, as a result efficiency decreases. Furthermore, transport and logistics cost was found to significantly hamper the transportation of goods and services in the region. The trade volumes in the country were found to be highly affected by transport costs. It is no wonder that the World Bank report of 2013 argues that a 10% reduction in transport costs could increase trade volumes by as much as 25% in East Africa. It was concluded that, sustainable business development in Tanzania is a function of efficient and effective transport and logistics systems. Lack of such sound systems will greatly discourage investments and eventually challenge the “emerging market” status of the country. The study recommends that strategies be devised to increase enrollment of individuals who wish to pursue courses in transport and logistics studies. Furthermore, new technologies in transport and logistics be devised to make logistics activities faster and cost-effective. More technological characteristics that support transport systems need to be established to increase efficiency. In addition, diversification in transport systems should be encouraged. This means that all means of transport should be made available and accessible as per one’s choice.

1.0 Introduction

Various development literatures indicate that transport and logistics play a critical role in economic prosperity of any country (Bigstein & Dan ielsson, 1999). The inclusivity nature of the transport sector (in terms of other economic activities depending heavily on transport) cannot be under estimated. Tseng, Yue, and Taylor (2005) in their study on the role of transportation in logistics chain argue that “transporting is required in the whole production procedures, from manufacturing to delivery to the final consumers and returns. Only a good

coordination between each component would bring the benefits to a maximum” (p.1657). Furthermore, it is argued that effective transport and logistics systems tend to be among key factors when an investor is evaluating a country or region for investing. It emerges therefore that success of any economy is significantly dependent of transport and logistics. Rapid economic growth is usually associated with strong and effective transport and logistics systems. Therefore, for any country, ensuring reliable and cost effective transport systems is essential for sustainable business development.

East Africa is one of the regions in Africa with great potential for economic growth in absolute terms. In the recent past, it has been indicated that, East Africa is ahead of West Africa in terms of promising business and trade growth (TMA 2015). This has contributed to the region to become among the emerging markets in Africa. According to Clark (2011), emerging market countries are those countries with sure characteristics that lead investors to perceive growing economic strength in the country and the possibility of high return on investments. Such characteristics include but not limited to, a growing educational system, a stable workforce of educated workers, low employment costs, rising gross national product (GNP) per capita, growing industrialization, growing sophistication of goods and services including industrialized products, strengthening infrastructure, open economy with access to capital markets, well-regulated and viable banking system, stable political climate that supports entrepreneurs, market-based economic growth and relatively open society.

According to IMF and World bank reports of 2015, Sub-Saharan Africa (where East Africa is found) has remained to be one of the fastest growing regions in the World despite suffering negative impacts from dropping commodity prices and less favourable global financial conditions (European Parliamentary Research Services, 2016). This therefore contributes to attracting more investors as they perceive the region to be an emerging market.

Recently, Tanzania has been seen to take a pivotal role in this potential regional growth as an emerging market country (The Guardian, May 23, 2016). It has been named in McKinsey 7 Company’s report of 2016 as the fastest growing economy in

East African and takes the fifth rank in the whole Africa in terms of fast economic growth. With its vast fertile land, mining activities, relative political stability, and the ongoing discoveries of oil and gas, Tanzania can position herself to take a leading role in economic prosperity and become economic powerhouse in the East African region. In addition, the volume of trading activities particularly at ports has been on the rise, which is a clear indication of the upsurge in economic activities and business development in the country (TPA, 2014).

With this current prospect of economic growth and increase in trading activities, the question of effective and efficient transport systems is inevitable to be discussed. It should be noted that any country or region with ineffective transport and logistics system is likely to make investors hesitant to put their investments in such countries. This is because ineffective logistics systems lead to high freight costs and too much transit time (TPA, 2014). Some of the factors that hinder effectiveness in transport systems in East Africa have been pointed out as technological challenges, inadequate expertise in logistics, and transportation costs. These factors are believed to significantly influence traders in their choice of mode(s) of transporting goods and also how much to transport. This therefore has a profound impact on volume of trading and business development.

A number of studies in Tanzania have been conducted in areas of transport and logistics, and their influence on economies. For example, the transport review report of 2013 by the African Development Bank indicates that there is a need for more investment in the transport sector in Tanzania to reduce transit times. In addition, evidence from the Economic and Social Research Foundation (ESRF, 2012) reveals that the transport sector in Tanzania has not been adequately developed to address the much needed optimal impact on the economy as a whole. From most of the reviewed literature, little is known on the specific issues such as to what extent expertise, technological issues, and costs in transport and logistics affect business development in Tanzania particularly in the context of emerging market. This study therefore attempts to contribute in filling the gap.

1.1 Objectives of the study
1.1.1 General objective To determine the influence of transport and logistics challenges on business development in Tanzania

1.1.2 Specific objectives

- To assess the extent to which available transport and logistics expertise influences business development activities in Tanzania
- To explore the extent of technology adoption in transport systems in Tanzania for ease of conducting businesses
- To determine the relationship between transport costs and the rate of trade volume in Tanzania

2.0 Literature Review

The term “logistics” comes from Greek word “logistikos”, meaning ‘skilled in calculating’. (BTRE, 2001). The main background of its development is the recession of America in the 1950s which caused the industrial to place importance on goods circulations. It was initially developed in the context of military activities in the late 18th and early 19th centuries and it was also applied in World War II by various countries involved particularly in transporting troops from one point of to another economically (Tseng, Yue, and Taylor, 2005).

Further, literature indicates that business logistics on the other hand was not an academic subject until the 1960s. A key element of logistics, the trade-off between transport and inventory costs, was formally recognized in economics at least as early as the mid- 1880s. The commonality of the recent definitions is that logistics is a process of moving and handling goods and materials, from the beginning to the end of the production, sale process and waste disposal, to satisfy customers and add business competitiveness. Similarly, Tilanus (1997) defines logistics as the process of anticipating customer needs and wants; acquiring the capital, materials, people, technologies, and information necessary to meet those needs and wants; optimising the goods- or service-producing network to fulfil customer requests; and utilizing the network to fulfil customer requests in a timely way’ (Samwelsson & Tilanus, 1997). The author concludes by stating that logistics is simply a ‘customer-oriented operation management’.

Logistics enables efficient management of the supply chain by ensuring that goods or services are available where and when they are needed in a good condition and at competitive prices. Therefore, transport management should aim at providing quality and cost-effective services to get passengers and freight from one place to another. To make this take place effectively, substantial investment in infrastructure is inevitable. Such investment has to range from building strong transport networks and employing quality professionals to adopting relevant technology to the industry for efficient logistics.

While logistics is a process of planning, implementing, and controlling the efficient flow of products, information, and funds to conform to the client's requirements, transport is a central ingredient in the time and spatial economic utility of products and services. Transport is a core component of logistics, moving goods between different points in the supply chain. Logistics encompasses the storage of raw materials, work-in-process parts, and finished products, as well as a variety of value-added services (AfDB, 2015).

2.1 Components of Logistics Systems

Tseng, Yue, and Taylor (2005) indicate that logistics services, information systems and infrastructure/resources are the three components of this system and closely linked. The interaction of the three main components in the logistics system can be described as follows: Logistics services support the movement of materials and products from inputs through production to consumers, as well as associated waste disposal and reverse flows. They include activities undertaken in-house by the users of the services (for example storage or inventory control at a manufacturer's plant) and the operations of external service providers.

Logistics services comprise physical activities (e.g. transport, storage) as well as non-physical activities (for example supply chain design, selection of contractors, freightage negotiations). Most activities of logistics services are bi-direction. Information systems include modelling and management of decision making, and more important issues are tracking and tracing. It provides essential data and consultation in each step of the interaction among logistics services and the target stations. Infrastructure comprises human resources, financial resources, packaging

materials, warehouses, transport and communications. Most fixed capital is for building those infrastructures.

2.3 The East African Business, Transport, and Logistics Scenario

Recent researches have indicated that East Africa has some of the highest freight and transport costs in the World (BRN, 2015/2016). Freight logistics costs in East Africa per Km are more than 50% higher than the USA and Europe. High costs seriously erode the competitiveness of goods exported by East African countries. For landlocked countries transport costs can be as high as 75% of the value of exports. In the end, it is the producer, a farmer or a consumer that suffers the loss of business development and trade opportunities, leave alone higher cost of living (Transport costs in East Africa). The World Bank, in its report of the year 2013 indicated that freight logistics costs in East Africa are more than 50% higher than the USA and Europe. The report further argues that a 10% reduction in transport costs could increase trade volumes by as much as 25%.

It should be noted that trade is growing up to 8% per annum across the East Africa region and economic growth is picking up. Without the transport and logistics sector becoming more efficient, growth will be severely constrained (Trade Mark East Africa, 2016). Moreover, transit times are high in East Africa; it argued for example that the 1,600 Km journey from Mombasa to Kigali takes on average 422 hours (approximately 17.6 days). Trucks on this route stop at two border posts and are likely to encounter 45 road blocks which involve delays and costs. Reducing cost and time of transport and logistics would increase trade, reduce cost of living, contribute to higher exports and faster growth and create jobs (Transport costs in East Africa, 2016).

Aviation sector in Tanzania on the other hand looks promising. Stakeholders have been urged to come up with more courses for pilots, aeronautical engineering among other related courses. According to the acting director general at Tanzania Airport Authority (TAA), currently, there are more than 30 foreign airlines landing in Dar es Salaam while 100 private companies land at Arusha-based airport operated by foreign pilots (Tanzania Airport Authority, 2016). The acting director general, Dar es Salaam will soon become the busiest airport; therefore it is better

to construct more colleges in regions like Tanga, Mbeya and Moshi. The acting director further argues that by 2020, the number of airlines landing in the country will double predicted; it will not be easy to manage day time and night shifts.

Technical expertise is found to have significant influence on efficiency and effectiveness of transport and logistics activities hence promote business development.

3.0 Methodology

The study adopted exploratory design where key stakeholder institutions were surveyed to explore matters related to the stated objectives. These institutions are Surface and Marine Transport Authority (SUMATRA), Tanzania Port Authority (TPA), and National Institute of Transport. The institutions were purposively picked because they deal in regulations, management, and trainings in the transport sector. Secondary data were mainly collected from various reports of the mentioned institutions while primary data were gathered through interviews with key personnel in the institutions. Secondary data were supplemented by other relevant reports from Big Results Now (BRN) initiative. Descriptive statistics and content analyses were conducted to analyze the collected data.

4.0 Findings

4.1 The extent to which available transport and logistics expertise influences business development activities in Tanzania

As noted in literature expertise in transport and logistics is critical for trade and other economic activities. Having individuals with ability to understand and manage logistics well is of paramount importance to facilitate business growth and attract investment (AfDB, 2012). According to data obtained, these expertise are critical for managing cargo, clearing, forwarding, and for creating competitive transport systems. Results however show that although Tanzania is investing in developing experts in transport and logistics industry, it is still facing a challenge of lack of sufficient expertise to make the country competitive enough in the region. As per the interviews conducted, knowledge in cargo handling at ports,

international transport insurance practices, and international legal issues in businesses were among key expertise lacking among practitioners in the industry. According to stakeholders' opinions, this was affecting business development in Tanzania because such gaps tend to make some of big business dealers reluctant to invest in the country.

On the same note, during the interviews, informants were of the opinion that, the current state of the airline industry in the country has been contributed (among other factors) by lack of sufficient and competent professionals in the industry. It is no wonder that the Indonesian Ambassador to Tanzania on 8 commented that for Tanzania to industrialize, it needs to build capacities through its education systems to produce competent and skilled work force in various fields. This especially is the case particularly with the current and expected rapid increase in trade volumes and emerging businesses. The current fifth phase government of the United Republic of Tanzania has echoed similar concerns particularly on decline of quality of services and number of aircrafts by the National carrier, Tanzania Air Ltd. Further, statistics in the airline industry indicate that with the current upsurge of economic activities in East Africa, the number of aircrafts landing Dar es salamm is expected to double the current number by the year 2020 (The Guardian, 21 June, 2016).

4.2 The extent of technology adoption in transport systems in Tanzania for ease of conducting businesses

The extent of technology adoption in the transport sector of the country was found to be low. Findings indicate that issues of technological context in terms of having characteristics of technologies available and perceived to be useful in transport systems particularly road and railways transport were some of major problems. According to respondents, this is partly contributed by lack of adequate technological infrastructures to facilitate adoption of latest technology such electric train systems. It was however commented by the respondents that the current trend, particularly on the adoption of electronic card in the bus rapid transport (BRT) in Dar es salaam is a new move which should be imitated by other transport companies because it facilitates business activities, saves time and

attract investment in the City. It should be noted that according to Technical, Organizational, and Environmental (TOE) framework, the technological context relates to the characteristics of technologies available to an organization that firms perceive as useful for smooth supporting of the business operation. Its main focus is on how technology characteristics themselves can influence the adoption process (Arapaciet al., 2012). Several empirical studies have evidenced that technological context has significance influence on adoption of technology among firms (Lian et al., 2014; Simamora et al., 2015).

4.3 Relationship between transport costs and the rate of trade volume in Tanzania

The question on transport and logistics costs was analyzed to establish the extent to which transport costs affect trade volume in Tanzania. Annual reports from SUMATRA and TPA coupled by interviews with key informants reveals that the overdependence on road transport in particular has been one of the major sources of continuous increase in transport costs. The study notes that it there has been an increase in road transport usage at the expense of other modes of transport in the country; therefore road transport costs has be rising, something which discourages growth and expansion in business activities because of high costs of transporting goods and services. The trade volumes in the country therefore were found to be affected by transport costs by 40%. This further indicates that a more diversified transport systems in Tanzania would result to a significant decrease in transportation costs which in turn will increase trade volume and encourages further business development. This would be in line with the World Bank report of 2013 which indicate thatt a 10% reduction in transport costs could increase trade volumes by as much as 25% in East Africa.

The argument above is in line with a study by Asian Development Bank (ADB, 2012) on “Transport Efficiency Through Logistics Development” which indicated that individual logistics users are concerned about cost, efficiency, and service quality (including safety, transit time, and reliability), and demand that logistics enterprises reduce cost and improve speed and service quality. The study further argues that transport and logistics companies should go beyond to the

macroeconomic and social perspectives of efficiency that logistics is concerned with more than just achieving economic efficiency. It should also reduce external costs such as safety hazards and pollution, conserve energy, and optimally utilize the country's resources.

In addition, Samwelsson and Tilunus (1997) developed an equation model for overall efficiency in transportation of goods. According to the model, efficiency (E) in general goods transportation indicates what the actual transportation output is as a percentage of the theoretical, maximum output. Overall efficiency in a general freight context consists of the continuous product of four dimensional efficiencies with respect to time, distance, speed and capacity:

$$E = T \times D \times S \times c.$$

5.0 Conclusions

It was concluded that, sustainable business development in Tanzania is a function of efficient and effective transport and logistics systems. Lack of such sound systems will substantially discourage investments and eventually challenge the “emerging market” status of the country. The study recommends that strategies be devised to increase enrollment of individuals who wish to pursue courses in transport and logistics studies. Furthermore, companies in transport and logistics adopt and devise technologies that will make logistics activities faster and cost-effective. Diversification in transport systems should be encouraged. This means all means of transport should be made available and accessible as per one's choice.

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How Management Education in Africa Can Be Made More Responsible in Terms of Development Priorities.

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Abstract

It is widely agreed that education is the most effective means that society possesses for confronting the challenges of the future. Indeed, education will shape the world of tomorrow. Progress increasingly depends upon the products of educated minds: upon research, invention, innovation and adaptation. Of course, educated minds and instincts are needed not only in laboratories and research institutes, but in every walk of life. Indeed, access to education is the sine qua non [essential condition] for effective participation in the life of the modern world at all levels. Education, to be certain, is not the whole answer to every problem. But education, in its broadest sense, must be a vital part of all efforts to imagine and create new relations among people and to foster greater respect for the needs of the environment.

Education serves society in a variety of ways. The goal of education is to make people wiser, more knowledgeable, well informed, ethical, responsible, critical and capable of continuing to learn. Were all African people possessed such abilities and qualities, the Africa's problems would not be automatically solved, but the means and the will to address them would be at hand. Education also serves society by providing a critical reflection on the world, especially its failings and injustices, and by promoting greater consciousness and awareness, exploring new visions and concepts, and inventing new techniques and tools. Education is also the means for disseminating knowledge and developing skills, for bringing about desired changes in behaviours, values and lifestyles, and for promoting public support for the continuing and fundamental changes that will be required if humanity is to alter its course, leaving the familiar path that is leading towards growing difficulties and possible catastrophe, and starting the uphill climb towards sustainability. Education, in short, is humanity's best hope and most effective means in the quest

to achieve sustainable development. African societies need to be convinced of the need for sustainable development, in order to show their capacity to devise solutions to the problems confronting them.

“Management” (from Old French *ménagement* “the art of conducting, directing”, from Latin *manu agere* “to lead by the hand”) characterises the process of leading and directing all or part of an organization, often a business, through the deployment and manipulation of resources (human, financial, material, intellectual or intangible). This management definition is more in depth and tailored toward business management. Notice that it consists of three primary activities. First, management establishes a plan. This plan becomes the road map for what work is going to be done. Second, management allocates resources to implement the plan. Third, management measures the results to see how the end product compares with what was originally envisioned. Most management failings can be attributed to insufficient effort occurring in one of these three areas. It is in this context that management education and public awareness are seen as essential to bringing about conditions conducive to sustainable development in Africa.

Session C3

1415-1515/ Saturday, September 10th, 2016/Meeting Room: C
Technology, Innovation and contemporary Business Management
Session Chair: Dr. Albogast Musabila, Mzumbe University

**Models of Innovation Driven Entrepreneurship in Africa: A case of Team
Academy model of teaching and learning in Iringa, Tanzania**

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Abstract

The importance of entrepreneurial teaching and learning is widely acknowledged. It has been contented that the type of education that students receive has direct connection to employment. In Tanzania there have been some attempts to address entrepreneurship issues at University level. While some universities have attempted to develop entrepreneurship especially in business schools, so far the focus has been on establishing entrepreneurship modules rather than the entrepreneurial teaching and learning approaches. This extended abstract presents the efforts made by University of Iringa (Formerly known as Tumaini University-Iringa University College) to transform itself into an entrepreneurial university, which not only links its activities with industry, but equally important, produces entrepreneurial graduates. The University of Iringa (UoI) attempted to address the entrepreneurship agenda in an integrated manner by first putting in place the infrastructure necessary for operating an entrepreneurial university and establishing programs to produce entrepreneurial graduates.

In the course of developing infrastructure to support the entrepreneurial call, UoI established the Center of Entrepreneurship and Innovation (CEI), the Institute of Agriculture, the Micro-finance Institute, the Science Park, and now the innovation space. In terms of programs, UoI developed a Bachelor Degree in Applied Marketing and Entrepreneurship (BAME) which uses the Team Academy model of

learning by doing. Team academy is one the successful endeavors of UoI's efforts to address entrepreneurship calls.

The Team Academy in particular uses Rocket Model to impart practical business knowledge to students in the form of contextual learning by doing. The model motivates and inspires a concurrent positive reinforcement of threefold learning: team-preneurs' learning; business organizational learning; and coaches' learning. The learning results in the participants are evident, positive and encouraging.

'Technological foundation' a fresh debate in curriculum formation (a critical inquiry)

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Abstract

This is a phenomenological study that calls for the re-visitation of curriculum body of knowledge which dwells on the four major pillars namely; philosophical, historical, sociological and psychological foundations. This library study endeavors to investigate the contribution of technological innovation in the process of enriching knowledge. The place of 'machine' currently plays a role of a facilitator and not as a core foundation from which knowledge can be inferred. As we face the hilltops of the 21st C; educationists and curriculum developers have no option except to admit to redefine the concept of technological function as one of the core foundations of education and not just a mere tool to aid learning and teaching transactions. The fact of the matter is that learners need not only to know information; they need to know how information is gathered, identified and transformed, in fact they need to know how information is used. In this regard, learning must involve an understanding of the methods by which field of knowledge have been constructed. To expound this study the following questions benchmark our exploration: Is there any knowledge in technology or is it simply a machine to facilitate work? How long will it remain to be technology in education and not technology of education? When will the ever green generation be groomed into a meaningful use of technology? Isn't it high time that we begin thinking of qualifying the technological aspect and give a value it deserves in the constitution

of knowledge?

The challenge of incorporating technology in curriculum cannot be overemphasized. It has become a challenge because of three major reasons: the conceptualization of technology (how do we understand it), the operationalization of technology (how do we apply it) and how it informs the curriculum (Alavi, 1994). The challenge becomes even more confusing when technology is only used as a vehicle to carry the package of curriculum to its purposeful destination. The challenge becomes obvious because technology does not seem to get along with curriculum in isolation. Learners have been trying to catch up with overwhelming technological advancement of no avail because the more one tries to apply it in managing curriculum the more it demands its workability and usage. Several studies (such as Tomei, 2003; Frey, Grammill, & Iron, 2007; Kinnaman & Dyrli, 1995; Thorsen, 2009 & Woodward, 2001) have shown the importance of technology in aiding curriculum development. The later puts it simply, “teacher as coach, technology as the tool” p.2. However, with the good intention of integrating technology as a tool to curriculum, we argue that technology will continue to get out of hand unless it becomes a source of knowledge: a core foundation of curriculum.

Most learners and even professors are less conversant with technological advancements owing to the notion that technologies are simply machines to aid work. Another narrow view is when technology is equaled to the use of computers while on the bigger picture technology is a vast and unexhausted body of knowledge we ought to infer. When developing curriculum, experts dwell and draw much of the knowledge and principles on the existing pillars: the philosophical, historical, sociological and psychological foundations. On one hand, it is true that the four foundations of curriculum have stood the test of time and therefore knowledge must emanate from them, while on the other hand, the unshaken argument over qualifying technology as a foundation of knowledge cannot escape that same status due to its longevity, capacity, borderless, inclusivity and the influence it has over people and events across the globe.

The era of the 21st century observes evergreen students who are technologically savvy threatening the status quo of professors in their teaching and learning transaction. What makes it even worse is the misuse of such technologies which

ultimately does not appear transforming or informing the curriculum in the educational settings. Woodward (2001, 13) observes further that, “technology is particularly problematic in this regard because it is so compelling and has advanced so dramatically and has become such an essential component of modern life one cannot do without” and sometimes do it in a wrong way.” In order to bridge the existing gap whether technology is a tool or a set of knowledge, we need to redefine the concept of technology and how it relates to curriculum.

The sense that technology may be out of control is also influenced by the way in which technical developments can lead to unforeseen 'side-effects'. Clarke (2005) exposes his worries that unless technology is tamed and a well-structured framework is agreed upon in redefining the concept to fit the educational and societal demands, technology will continue becoming a harmful material to mankind. The most famous theorist adopting this perspective is the sociologist Jacques Ellul in his book *The Technological Society*. Ellul declares that, “Technique has become autonomous; it has fashioned an omnivorous world which obeys its own laws and which has renounced all tradition” (Ellul 1964 p. 14). He presents complex interdependent technological systems as being shaped by technology itself rather than by society.

In this study however, we have argued that technology has transcended the role of facilitating knowledge and has indeed become a body of knowledge from which curriculum ought to be reflected. Let the debating ball roll as we ponder together on such a critical issue.

A Dilemma of Mobile Commerce Regulation in Tanzania

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Abstract

Tanzania like other developing countries that lack fixed telecommunication infrastructure, has taken full advantage of mobile telecommunication to provide services including communication, information, transactions, and entertainment. The availability of Mobile telecommunication has enabled adoption of Mobile Commerce (M-Commerce). However, as the previous studies indicate, the growth

of M-Commerce in Tanzania is being threatened by existence of certain legal and regulatory challenges. This paper focuses on inadequacy of M-Commerce Consumer protection laws against unfair terms of electronic standard form contracts, and unclear legal framework for admissibility, especially authenticity, reliability and probative value of data messages of M-Commerce transaction as evidence before the court of law. In order to examine these issues, the paper reviewed current Tanzanian M-Commerce laws and regulations central to consumer protection, standard form contracts, and admissibility of electronic evidence. The review also included previous studies and literature that focus on these issues to identify the existing gaps. The findings indicate that there is inadequate protection of M-Commerce consumers against unfair terms in electronic standard form contracts in Tanzania. In addition to that, in resolving M-Commerce disputes there is unclear legal framework for verifying authenticity and reliability of data messages about M-Commerce transactions as evidence in civil proceedings. This constitutes another bottleneck to M-Commerce consumer protection in Tanzania. These findings imply that there is a need to reform commercial laws and regulations, and electronic evidence law to build legal landscape that recognises and protects interests of M-Commerce consumers in Tanzania.

Can Intellectualism Really be a Profession? The Need to Produce Professional Intellectuals through our Education System

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Abstract

Abstract: From time immemorial, ranging back from the days of Socrates of ancient Greek, intellectuals were highly regarded enjoying a very noble status in society; they were indeed role models. Come the 20th and 21st centuries, intellectuals seem to have lost their goals and aspirations of serving society diligently. What we are at the moment witnessing are scandals after scandals committed by well educated people involving huge amounts of money and unprecedented abuse of office. It is as if people vie for education so as to get good positions to facilitate

their illicit ambitions of become rich by what so ever methods. This paper will highlight various abuses of office and power committed by educated people and give challenge to higher learning institutions in the emerging economies to develop a culture aimed at inculcating responsible leadership, not only to save the reputation of intellectuals but also to curb power abuses that have of late become quite detrimental to developing economies.

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