The Pan-African Journal of Business Management

Faculty of Business Management
The Open University of Tanzania

EDITORIAL NOTE

This is the first volume and issue of the Pan-African Journal of Business Management (PAJBM) hosted at the Faculty of Business Management at Open University of Tanzania. We have worked a long time to get this Journal launched, but now we finally have the first publication ready.

This first issue includes a variety of articles covering start-ups of SMEs, market orientation and customer satisfaction, service quality, and participatory planning. All areas are of interest for scholars in Africa, although the researches in this issue only deal with conditions in Tanzania.

The Editorial Board hopes that the readers will find the articles useful and contribute to the academic knowledge in the respective areas.

Prof. Jan-Erik Jaensson
Chief Editor

CONTENTS

Dissertation abstracts:

Factors Affecting Small & Medium Enterprises (SMEs) Start-up and Growth in Tanzania

Wineaster Anderson
University of Dar es Salaam
Dar es Salaam, Tanzania
wineaster@yahoo.com

Abstract: *This study analyzes factors that are affecting the start-up and growth of SMEs in Tanzania. The interviews involved the institutions providing business support services to SMEs and a total of 150 randomly selected SMEs from the country's commercial city of Dar es Salaam. The study examined seven factors, which were categorized into three broad groups: business environment (political, legal and regulatory environment & socio-economic environment); institutional support (resources and finance; management and know-how & appropriate infrastructure & technology) and individual attributes and knowledge (entrepreneurial tendencies & innovation, vision and exposure to external knowledge). The context description for qualitative data and the multiple linear regressions show that factors range from inborn individual attributes to complex relationships between often changing business environments. The competitive activities and location, inadequate finance, human and social resources, and technical and management skills play a crucial role in the start-up. Also the regulatory framework leads to excessively complex registration and licensing requirements. Inadequate technology and physical infrastructure have resulted in a shortage of premises and even the few premises available are well beyond the financial ability of most SMEs. Unreliable electricity negatively affects their growth. The study provides managerial and policy implications.*

Keywords: Small and Medium Enterprises, Start-up, Growth, Tanzania

Introduction

Small and medium enterprises (SMEs) have dominated the private sector which plays an important role in the economies of both developing and developed countries. Enterprises range in size from micro to very large. Economies throughout the world have started focusing more and more on small and medium-scale enterprises. This is mainly because attempts to promote economic progress by establishing large industries have usually failed to improve the lives of the majority of the communities, particularly in the developing countries (Anderson, 2011; White Paper on International Development, 2000). The recent global economic downturn has witnessed many of the world's largest companies continuing to engage in massive downsizing, dramatically cutting the number of employees regardless of their retirement age. This has in many ways created another population of entrepreneurs, who enter the private sector with a

wealth of skills and long experience of business management. For example, large companies in the USA shed about 214,000 jobs and during the same period of time small businesses created 1,625,000 jobs   (Scarborough, 2011). According to Kauffman Foundation (2008), in the USA alone entrepreneurs launch 550,000 businesses each month.

Due to the globalization of trade, efforts made by the private sector in many developing countries have led to the emergence of the SME sector and to being a significant component of economic development and the creation of employment (Richardson *et al.*, 2004). Sub-Saharan African countries have witnessed a major reform of their public enterprises, with governments adopting the small enterprise model for economic development. These enterprises are now key players in creating employment, alleviating poverty and empowering women (Kaijage and Mwaipopo, 2004).

For example, SMEs in Zambia employ nearly 55 per cent of the working population (Richardson *et al.*, 2004). According to Vala (2009), in Mozambique, 98.6 per cent of enterprises are smaller enterprises employing 46.9 per cent of the country's workforce. In Tanzania, the sector employs between 3 and 4 million people, accounting for 20 to 30 per cent of the total labour force and contributing between 35 and 45 per cent of the country's gross domestic product (Anderson, 2011). Because of the importance of SMEs, the country has, since the 1980s, made efforts to foster their development so that they can trade smoothly, both locally and internationally, and to address the challenges they face in terms of marketing, management, infrastructure, technology and regulations. These efforts include facilitating credit facilities and exploring markets for their products. Naturally, SMEs have found a home in developing countries, mainly because they can be easily established since their requirements in terms of capital, technology, management and even utilities are not as demanding as for large enterprises. However, their full potential has not yet been realized due to the fact that they face various constraints from the start-up stage to the survival stage and these constraints have not received enough attention by academics (Anderson, and Mzee, 2013). That information gap triggered this study.

The purpose of this study is to analyze the influences on the start-up and growth of SMEs through analyzing the influence of individual attributes and assets (i.e. innovation, vision, exposure to knowledge, commitment to growth and entrepreneurial tendencies) and the business environment and institutional support (i.e. financial and non-financial services) on SMEs' start-up and growth. The findings are expected to be relevant in many developing countries because there is some uniformity in the business models in their economies. For example, the study results will inform policy makers about what standard approaches and basic management practices for establishing policies are needed to guide the start-up and growth of enterprises. The study is expected to provide input to the institutions supporting SMEs in various ways for them to create relevant links and to enable them to fully comprehend the needs of SMEs. To achieve these objectives, the next section covers the literature review, the third section covers the research methodology, and the findings section follows before the study's conclusion.

Literature Review

SMEs Definition

In reality, what constitutes a small or medium-sized enterprise is still debatable as numerous definitions exist, each one valid in its own context (Anderson, 2011). The definitions, in most cases, vary from country to country and between different sources of enterprise statistics. The differences in defining the term are sometimes attributed to different levels of development between countries. For example, businesses considered SMEs in the UK are those with less than 200 employees, at most 500 employees in the USA and a maximum of 100 employees according to the OECD (MacGregor and Vrazalic, 2008; Mukhtar, 1998). The definition of micro, small and medium enterprises in the Tanzanian context is given by the United Republic of Tanzania (URT) Ministry of Industry and Trade (2003), in its SMEs Development policy (see Table 1). The SMEs in the Tanzanian context cover non-farm economic activities - mainly manufacturing, mining, commerce and services. The commonly used measures in all definitions are number of employees, capital invested, total assets, sales volume and production capability (Anderson, 2011).

Table 1: Categories of SMEs in Tanzania

Category	Number of Employees	Capital Investment (TShs)
Micro enterprise	1-4	Up to 5 million
Small enterprise	5-49	5 to 200 million
Medium enterprise	50-99	200 to 800 million
Large enterprise	100+	Over 800 million

(Source: URT Ministry of Industry and Trade (2003); 1 US$ is equivalent to Tanzanian shillings 2150 in 2015)

Theoretical framework

Considerable debate exists in the SMEs and entrepreneurship literature (Wawire and Nafukho, 2010; Nichter and Goldmark, 2005; Temtime and Pansiri, 2004; Mead and Liedholm, 1998) on what really influence the business startup and growth. However, the theoretical perspective underpinning the analysis of the factors influencing SME start-up and growth is taken from three different schools of thoughts. The organization life cycle perspective which considers growth as a natural phenomenon in the development of the enterprise (Sexton and Smilor, 1997; Carland *et al.*, 1984) is the first. The second perspective considers commitment to growth, entrepreneurial tendencies and the nature of the business environment as the major influences on business start-up and growth (Zimmerer and Scarborough, 2005; Shane *et al.*, 2003; Papadaki and Chami, 2002). The third perspective considers that enterprise start-up and/or growth are the consequences of strategic choice, competitive advantage of the enterprise, innovation and exposure to external knowledge (Benzing *et al.*, 2009; Porter, 2008; Schumpeter, 1934).

However, given the nature of emerging economies where the natural phenomenon in the development of the enterprise has been very difficult to prove, this study has chosen to focus on the individual attributes and assets (such as commitment to growth and entrepreneurial

tendencies, innovation, exposure to knowledge) as well as the business environment and institutional support (including financial and non-financial services) as the factors influencing SME start-up and growth.

Individual Attributes and Knowledge

Individual attributes and assets in this context constitute commitment to growth and entrepreneurial tendencies as well as exposure to knowledge and new ideas. In principle, growth is the very essence of entrepreneurship and actually what primarily distinguishes a small business owner from an entrepreneur is *commitment to growth* (Sexton and Smilor, 1997; Carland et. al., 1984). Entrepreneurs always seek to grow to increase profitability which is their main reward, while most small business owners consider money as the primary reason for starting new enterprises (Amit *et. al*., 2001).

As also echoed by Benzing *et al.* (2009), most SME owners are driven more by income rewards than intrinsic rewards while entrepreneurial tendencies, such as the need for achievement, locus of control, and desire for independence, passion and drive influence the business start-up and subsequent growth. Usually an entrepreneur begins with recognizing an opportunity, developing an idea for seizing that opportunity and developing a product or service, to assembling both human and financial resources (Shane *et al.*, 2003). Thus, in the theories of entrepreneurial choice, a firm's growth is an indication of *continued entrepreneurship* (Davidson, 1991). Davidson notes that economic theories take the *willingness* to grow a business for granted, by assuming profit maximization. Thus, Davidson argues that growth is a choice of the owner-manager and that profit maximization is only one of the possible motives for growing the business. According to Schoar (2008), there are two types of SME owners, namely, subsistence and transformational entrepreneurs. Subsistence entrepreneurs run small businesses which do not expand while transformational entrepreneurs achieve rapid business growth.

Access to new brains, ideas and knowledge also affect the business births, closures and expansion according to Mead and Liedholm (1998) who examined the magnitude and determinants of enterprise births, closures and expansion in the five countries of Botswana, Kenya, Malawi, Swaziland, and Zimbabwe). Their study shows that retail SMEs have a greater chance of failing at the initial stages before they grow than other types of businesses due to the fact that it takes time for the business owner to learn how to operate a new business with new characteristics; SMEs which have more employees had a greater chance of surviving than those which remained static, as different employees always bring new brains, ideas and knowledge; SMEs which started small have a greater chance of surviving than those that started large; and female-owned enterprises have less chance of surviving than those owned by males.

Zimmerer and Scarborough (2005) on the other hand put the influences on enterprise start-up and growth into two categories, external factors and internal factors. External factors comprise the political, legal, socio-cultural and economic environment over which SMEs have no control. Internal factors are those over which SMEs have control. Zimmerer and Scarborough (2005) describe the internal shortfalls as "mistakes" or "weaknesses" of the entrepreneur, which include

management mistakes, lack of experience, poor financial control, weak marketing efforts, failure to develop a strategic plan, uncontrolled growth, poor location, improper inventory control, incorrect pricing and inability to make the "entrepreneurial transition".

Education on entrepreneurship has significant implications for SME start-up and growth as long-term relationships with social networks emphasize the importance of "social collateral" in accessing finance. Among the factors which motivate somebody to start an enterprise are innovation, vision, independence and educational background. According to De Clercq and Arenius (2006), individuals' varying possession of knowledge, as well as their varying exposure to external knowledge, has an impact on the decision to pursue an entrepreneurial career. The author believes that possessing the necessary skills for starting a new business is crucial for increasing the likelihood of starting and running it and that access to relevant knowledge is very important for the start-up and growth of SMEs. This was also revealed by Fumo and Jabbour (2011)'s study on the barriers facing SMEs in Mozambique. The study found that many SME owners do not know how to start a new enterprise, and they face stiff competition from those who copy their products, as they lack innovation.

Business environment
As it has been mentioned before, in most cases the enterprise start-up and growth are affected by external factors or what is referred as 'business environment' such as political, legal, socio-cultural and economic environment over which SMEs have no control (Zimmerer and Scarborough, 2005). The business environment can create opportunities or threats for the success or failure of SMEs. This has received significant attention in the literature (Nichter and Goldmark, 2005; Djankov *et al.*, 2004; Mitchell, 2003; Parker *et al.*, 1995). The business environment of a country is a crucial determinant of the prosperity and growth of firms and the economy in general. Various indicators are applied when measuring the business environment such as Global Competitiveness Index of the World Economic Forum, The Doing Business Ranking of the World Bank and The Economic Freedom Index of the Heritage Foundation.

The *Global Competitiveness Index of the World Economic Forum* considers competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country. It comprises institutions, infrastructure, education, health, innovation and the efficiency of goods, labour and financial markets (World Economic Forum, 2012). *The Doing Business Ranking of the World Bank* focuses on small and medium-sized companies and areas of business regulation relating to the life cycle of a hypothetical company, ranging from start-up and expansion to operation and insolvency. The measurement considers variables such as property rights, access to credit, investor protection, administrative burden and flexibility in hiring (The World Bank Group, 2011). *The Economic Freedom Index of the Heritage Foundation* measures the degree to which individuals are free to work, produce, consume and invest in any way they please. It basically comprises 10 economic freedoms that are grouped into four broad categories with equal weight: rule of law, limited government, regulatory efficiency and open markets (Heritage Foundation, 2012).

However, SMEs and entrepreneurs in most developing and emerging countries continue complaining of the unfavorable business environment. Factors such as legal and institutional frameworks, tax laws, bureaucracy and financial difficulties affect the firms' startup and growth. That is one of the main reasons why Nichter and Goldmark (2005) believe that developing-country entrepreneurs have to be twice as creative as their counterparts in wealthier nations if they are to overcome obstacles, such as dysfunctional legal and financial systems, distorted markets and unequal access to resources. As evidence, Parker *et al.* (1995) did a study in five African countries, and concluded that between 61 and 96 per cent of SMEs in Ghana, Mali and Tanzania rated taxes as one of the problems hindering businesses. Also Bagachwa (1993) found that most micro and small enterprises find government regulations and the bureaucratic maze a severe hindrance to their progress in Tanzania. Overall, small-scale entrepreneurs saw no significant changes in the current tax policies and bureaucratic maze compared with the pre-reform period. Nkya (2003) found that many firms complained of the multiplicity of taxes, duties and other fees that enterprises are required to pay to government institutions in Tanzania.

Mitchell (2003) concluded that regulations and higher taxes are the most problematic policy areas for SMEs in South Africa while Fumo *et al.* (2011) identified barriers facing SMEs in Mozambique as corruption, taxes, bureaucracy and lack of information on government support services for micro and small businesses in the country. Nafukho and Muiya (2010) found that only 5 per cent of the sampled women-owned SMEs regard commercial banks as a source of funding. Of them, 95 per cent do not borrow from banks due to the lack of collateral, the high interest rate charged and fear. Micro-finance institutions appeared to be playing an insignificant role in funding women-owned SMEs, as they require the borrowers to provide immovable collateral and charge abnormally high interest rates, while most businesses lack insurance cover and most borrowers fear being prosecuted in the event of default and their personal property being sold. Obamuyi (2010) found that only 51 per cent of those who applied for a loan successfully got one in Ondo State in Nigeria, and the rest (i.e. 49 per cent) failed due to the lack of collateral like houses or land.

Other factors influencing a firm's performance included high interest rates, lack of collateral and too much bureaucracy. The study also found that SMEs that received a loan performed better than those that did not. However, the study could not establish the reason(s) why many owners fear to borrow, or suggest approaches that could be used by financial institutions to encourage firm owners to apply for loans. Again lack of collateral required by financial institutions is a critical obstacle in business startup and growth. Ageba and Amha (2006) found out that most entrepreneurs in Ethiopia failed to get loans from banks due to the lack of collateral. Although micro-finance institutions are believed to be a good source of loans, most entrepreneurs complain that the loans provided are inadequate and the repayment period is limited to one year.

Based on the literature review, this study proposes the influences on the start-up and growth of micro and small enterprises in the conceptual framework presented in Figure 1. First and foremost, the owner-managers need to be creative and innovative with a clear vision and knowledge of the venture to be pursued and its anticipated results. Such qualities should be

cultivated in combination with the commitment to grow and entrepreneurial tendencies. The nature of the business environment surrounding the enterprise combined with the quantity and quality of institutional support available for it would play a crucial role in ensuring the success of enterprise start-up and growth. The growth of SMEs can be measured quantitatively and qualitatively. The qualitative growth of an enterprise can be achieved through the subjective attributes of the enterprise, such as improving the quality of the output, portraying a positive image or changing from an owner-operated to owner-directed enterprise. The quantitative perspective is also considered, shown by changes observed in the measurable indicators, such as an increase in the number of employees, sales revenue, profitability or product mix.
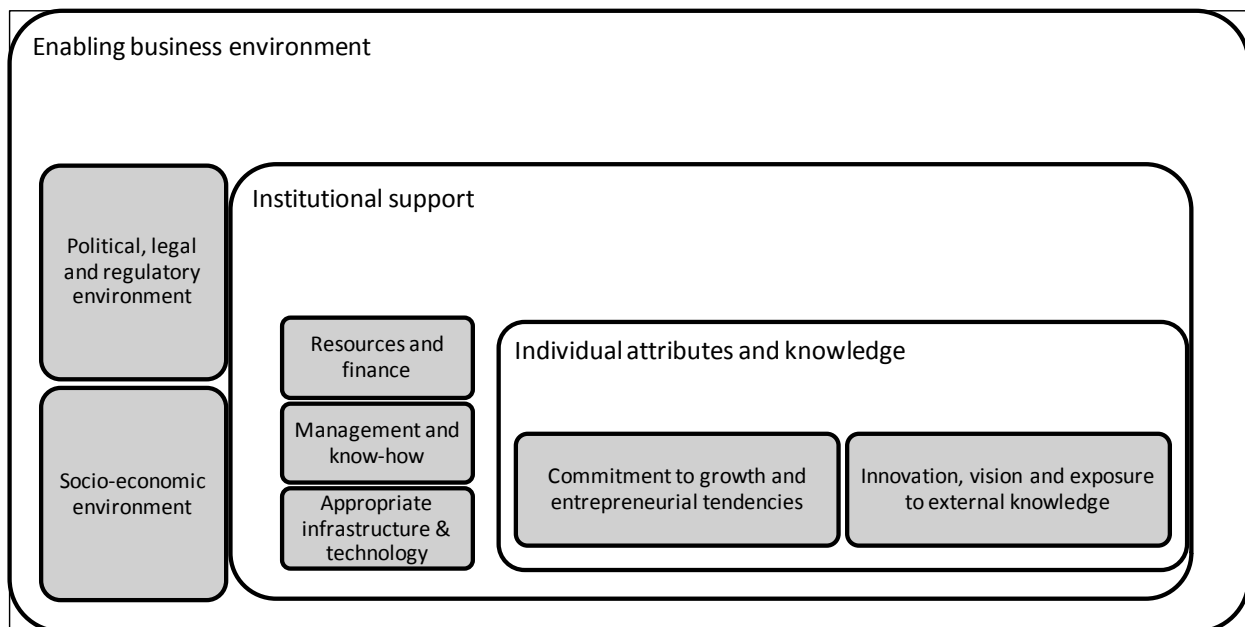
Figure 1**:** Factors affecting the SMEs start-up and growth
(Source: variables identified from literature review)

To conclude, the theoretical underpinning of the study guides us to research question "what are the factors affecting the start-up and growth of small and medium enterprises (SMEs) in Tanzania?"

In that line, the study focuses on how do individual attributes/assets and the business environment influence the SMEs' start-up and growth in emerging economies. The hypotheses derived can test the relationship between the SMEs start-up and growth (as dependent variables) and the independent variables, including business environment (political, legal and regulatory environment & socio-economic environment); institutional support (resources and finance; management and know-how & appropriate infrastructure & technology) and individual attributes and knowledge (entrepreneurial tendencies & innovation, vision and exposure to external knowledge). To this end, the research methodology which covers data collection techniques, the study area and the methods of data analysis follows accordingly.

Methodology

Administratively, Tanzania has 31 regions (26 on the Mainland, including Dar es Salaam). Micro, small and medium enterprises, which are estimated to contribute 30-35% of the country's GDP, constitute more than 1 million businesses engaging 3-4 million people, that is, 20 - 30% of the labour force (Anderson, 2011). The city of Dar es Salaam was chosen as the study area due to its long history with respect to SMEs in east and central Africa. Dar es Salaam is Tanzania's commercial capital where entrepreneurship and SMEs, especially itinerant trading, were evident even during the colonial period (Anderson, 2011). Kashangaki (2005) established that there are approximately 2.7 million enterprises in the country, of which about 60% are located in urban areas. Dar es Salaam is the third fastest growing city in Africa (ninth fastest in the world). The city enjoys a strategic location as it is the country's major international and local gateway and it serves as a hub for trade with the five neighbouring countries of Malawi, Rwanda, Burundi, Uganda, the Democratic Republic of Congo and Zambia. Moreover, Dar es Salaam accounts for 10 per cent of the total Tanzania Mainland population (URT National Bureau of Statistics and Office of Chief Government Statistician, 2013).

This study covered SMEs involved in the service, trading and manufacturing sectors. 150 SMEs were randomly drawn from identified quotas in addition to interviews with institutions providing business services to SMEs in the country. Apart for SMEs, other stakeholders involved include the National Microfinance Bank (NMB), Dar es Salaam Community Bank and other Non-Governmental Financial Organizations like Promotion of Rural Initiative and Development Enterprises Limited, Foundation for International Community Assistance, Sero Lease and Finance Limited and Women Advancement Trust (WAT). These were selected because many SME owners complain about financial obstacles and regulations imposed by some of the institutions. Thus, the study sought to establish stakeholders' opinions of SMEs' financial challenges.

A questionnaire capturing data on individual attributes and the business environment in which the enterprise operates was handed to respondents and retrieved after being completed. For the analysis, the qualitative means of context description was mainly used. In addition, multiple linear regression analysis was employed to test how the specific independent variables of business environment, infrastructure, access to financial resources and knowledge predict the start-up and growth of SMEs, which is the dependent variable. Multiple regression analysis tested the existence of correlation among the variables. Thus it was used to create a model equation which was used to predict the start-up and growth of SMEs depending on the independent variables in a given equation:

$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$

Where:

> a, b_1, b_2, b_3, b_4 *are constants*
> X_1 *is the business environment*

> X_2 *is access to working capital or financial resources*
> X_3 *is the infrastructure*
> X_4 *is exposure to external knowledge*
> *Y is the start-up and growth of SMEs.*

Furthermore, the study deployed Analysis of Variance (ANOVA) to test the mean score difference between the factors identified as influences on the start-up and growth of SMEs, which are business environment, knowledge, infrastructure and working capital or financial resources. The intention was to test whether the differences in score among the variables are significant or not in influencing the start-up and growth of SMEs in Tanzania.

Findings

Characteristics of the respondents

The study involved 150 SMEs from the three municipal councils in Dar es Salaam of Kinondoni, Ilala and Temeke. At the municipal level, locations were selected using quota sampling. In Kinondoni, 48 SMEs, which accounted for 32 per cent of the total sample, were involved, covering enterprises operating in Mwenge, Tegeta, Kinondoni, Ubungo, Manzese, Magomeni, Kimara and Msasani. In Temeke the study involved 50 enterprises operating in Tandika, Temeke Wailes, Keko, TAZARA, Mbagala Kuu and Mtongani. Also in Ilala, the study interviewed 52 enterprises operating in Kariakoo, Buguruni, Karume, Upanga, City Centre, Kivukoni and Kigamboni (Table 2).

Nowadays people with different educational backgrounds are engaged in the SME sector for various reasons. Some are fully employed by SMEs. More specifically, some are employed in the public sector or in private companies but still run their enterprises as a source of additional income to supplement their monthly salaries. Others are still self-employed due to limited employment opportunities. Most of the respondents have had ordinary level secondary education, followed by those who have had tertiary education. Moreover, the majority of the respondents were male. While the survey in Ilala found that the majority of SMEs are owned by males, in the other two districts the ownership distribution of SMEs between the genders is almost equal. The study findings also show that most of the businesses operate as sole proprietorships.

Table 2 Characteristics of the SME – respondents

Characteristics	Percentage
Business location	
Kinondoni	32.0
Temeke	33.3
Ilala	34.7
Education level	
Primary education	14.0

Vocational education	4.0
Ordinary secondary education	33.3
Advanced secondary education	5.3
Diploma	14.0
Bachelor Degree	25.3
Master's degree	4.0
Gender	
Male	54.7
Female	45.3
SMEs ownership status	
Sole proprietorship	88.0
Partnership	9.3
Family	2.7
Nature of business	
Trading	54.0
Service provision	26.7
Manufacturing	19.3
Number of employees	
1-4	82.0
5-49	26.0
50-99	2.0
Size of startup capital	
Up to 5 million	75.0
5 to 200 million	24.7
200 to 800 million	0.3
Sources of Financing	
Grant and loan from friends and relatives	12.0
Loan from banks	22.7
Loan from non-governmental and microfinance institutions	34.0
Own savings	33.3

This study covered three economic sectors, namely: manufacturing, trading and service providers Of the SMEs surveyed, 54 per cent were involved in trading, which concurs with Olomi (2009)'s study on African entrepreneurship and small business development, while 19.3 per cent were involved in the manufacturing sector, such as welding, carpentry, tailoring, embroidery and Batik design, food processing, and making cleaning chemicals and soap. The study considered the size of the enterprises in terms of number of employees, the capital invested to start the business and the amount of capital. The respondents were asked when they started their enterprises, the amount invested to start them up, and the number of employees they started with. The study found that 84 per cent of the enterprises were at the micro level as they started with 1 to 4 employees and 26 per cent were small as they started with 5 to 50 employees. On average the enterprises had 3 employees. Looking at the start-up capital of the businesses, the study

found that the highest amount of start-up capital was TZS 80,000,000.00 (exchange rate was US$1= 2150 Tanzania Shillings in 2015).

SMEs startup capital is obtained from various sources, including loans from microfinance institutions. Most respondent SMEs obtained their loans from micro-credit organizations such as SACCOS, FINCA, PRIDE, VICOBA and DUNDULIZA. Simply put, non-governmental financial institutions were cited to be the most reliable source of capital for starting up or growing a businesses or boosting the capital of existing businesses. However, according to the respondents, although the NGOs do not have such strict and long borrowing procedures as commercial banks, they have higher interest rates and a short repayment period. Those who obtained their capital through a loan from a bank comprised only 22.67 per cent, showing that banks have complex procedures that have to be complied with in order to get loans. Own savings came second as the source of capital. Most businessmen and women were frightened to borrow from banks for fear of losing their property taken as collateral if they fail to repay the loan. Thus, a good number of people (12 per cent of the respondents) prefer to borrow money from friends and relatives. Noticeably, the borrowers were unsure whether they could spend the loan on the intended cause, as the majority commented that they use some of the loaned money to deal with personal problems, which actually does not add value to their business.

Factors influencing the start-up and growth of SMEs
The owner managers started their business for a number of reasons, the major one being 'lack of employment opportunities elsewhere'. Most of them decided to start SMEs out of necessity and for survival, while others did so to improve their standard of living, which included those who do two jobs, as they are employed while at the same time running their own enterprises. The slight growth in the number of SMEs is due to those who entered the field because of their need to achieve. Figure 2 summarizes the reasons for starting a business.
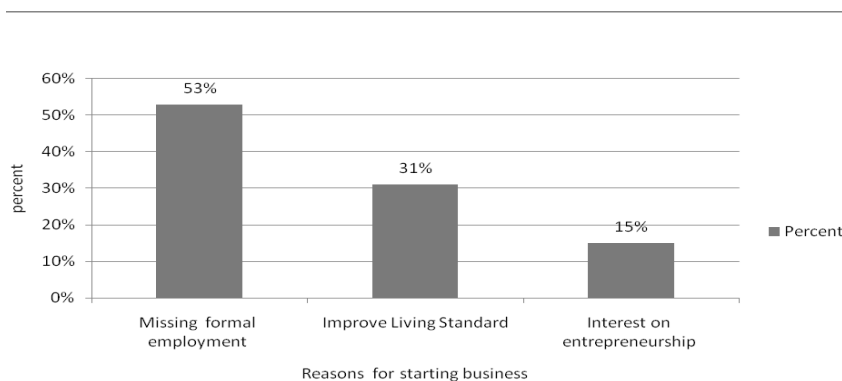

Figure 2. Reasons for starting a Business

The study has revealed factors influencing the start-up and growth of SMEs which include individual attributes and assets (i.e. innovation, vision, exposure to knowledge, commitment to

growth, entrepreneurial tendencies and demographic characteristics) the business environment (i.e. relationship with local authorities, bureaucracy of government authorities, awareness of the country's SME Policy, multiple levies and/or taxes, stiff competition from imported products and local and multinational corporations, level of corruption and institutional support (i.e. financial and non-financial services). The reliability test was carried out on these variables to test their internal consistency or reliability. A measuring instrument is said to be reliable if it provides consistent results (Kothari, 2007). Thus, Cronbach's α (alpha) was employed to measure the reliability of the sample of respondents. The accepted coefficient to carry out further analysis should range between 0.7 and 1.0. The results from the survey show that the variables are reliable for further analysis. Table 3 shows the coefficients of the variables.

Table 3 Cronbach Alpha coefficients

Variable	Coefficient
Business environment	0.82
Infrastructure	0.78
Financial and non-financial services	0.85
Individual attributes and assets	0.87

Business environment
When it comes to the role of regulatory and institutional frameworks in promoting the start-up and growth of SMEs, some vivid examples have been recorded. While some initiatives have been very successful others have failed to meet the intended objectives. The establishment of SIDO in 1973 is one of the government initiatives to develop the small industry sector in the country. Its activities include industrial estates, technology development and transfer, training and production centres and hire purchase schemes for buying equipment. These programmes are supported by the government and development partners such as the World Bank, The Netherlands, India and Hungary. The implementation of SIDO's corporate strategic plan 2005/06-2007/08 aims to stimulate and support increased SME involvement, facilitate the formalization of businesses, promote improvement in their products and operational capacity and increase their chances of survival and success. It will also promote more economic activities, an increase in incomes and the creation of jobs, stimulate growth and contribute to an improvement in people's well-being. Apart from SIDO, various institutions have been established to support enterprise development in Tanzania. They include the Tanzania Industrial Research Development Organization (TIRDO) which supports the utilization of local raw materials, the Centre for Agricultural Mechanization Rural Technology (CAMARTEC), which is involved in promoting appropriate technology for rural development, the Tanzania Engineering and Manufacturing Design Organization (TEMDO), which is responsible for machine design, the Tanzania Bureau of Standards (TBS) mandated to promote standards, the Tanzania Trade Development Authority (TANTRADE) which is instrumental for the promotion of exports mainly through trade fairs, and the University of Dar es Salaam Technology Development and

Transfer Centre (TDTC), which is active in developing prototypes and promoting their commercialization.

Through the Ministry of Industry and Trade, the government developed the SME Policy in 2003, in recognition of the role played by micro and small enterprises in the economic growth of the country. The Policy focused on three areas, namely, the creation of an enabling business environment, the development of financial and non-financial services and putting in place supportive institutional infrastructure (United Republic of Tanzania Ministry of Industry and Trade, 2003). If these factors are absent, it may constrain SMEs or influence their start-up and growth if they exist. Likewise, a number of initiatives have been taken to set up funding mechanisms and schemes to address poverty through promoting SMEs in the country. Such funds include the National Entrepreneurship Development Fund (NEDF), Youth Development Fund (YDF) which is managed by the Ministry of Labour, Youth Development and Sports and the Women Development Fund (WDF) that is managed by the Ministry of Community Development, Gender and Children. Other programmes have been established by development partners jointly with the government, including the Small Entrepreneurs Loan Facility (SELF), National Income Generating Programme (NIGP), Presidential Trust Fund (PTF) and Community Development Trust Fund. Another initiative for this purpose has been the establishment of the National Micro-Finance Bank (NMB), designed to cater specifically for micro enterprises.

The MKURABITA (2007) programme was put in place to enable SMEs to formalize their land ownership through registration and having title deeds. Unfortunately, the programme did not work as about 90 per cent of the people asked about it knew little about it. The PTF, popularly known by Tanzanians as *"Mabilioni ya Kikwete"*, was established in 2006 with the object of supporting the informal sector with funds administered through CRDB banks throughout the country. Unfortunately, due to poor administration, the fund did not reach the intended sector (Kweka and Fox, 2011).

Education is very important as far as entrepreneurship is concerned. Knowledge fosters creativity, curiosity, open-mindedness and interpersonal skills, which are of more value to business (Olomi, 2009). Many scholars agree that people with informal education have been very successful in the SME sector, showing that education is very important in business. The introduction of entrepreneurship education in public and private institutions in Tanzania, from tertiary to university level, is one of the government's efforts to impart the needed entrepreneurial knowledge to graduates and business practitioners. The Vocational Education and Training Act of 1994 provide the framework for the vocational training system in Tanzania. This Act led to the formation of the Vocational Education Training Authority (VETA) which has over 630 centres throughout the country offering training in more than 34 different fields. In 2001, the University of Dar es Salaam established the Entrepreneurship Centre to provide consultancy and training in entrepreneurship and SME-related courses. The National Microfinance Policy was created (2002) to increase access to financial services by SMEs and improve microfinance services for all entrepreneurs with a well-defined business strategy. With the existence of this policy, a good number of micro credit institutions were established,

including PRIDE, FINCA, VICOBA and VIBINDO. Some lending companies charge as much as 40 to 100 per cent interest rate per year along with short repayment periods (Kweka and Fox, 2011).

Development partners and business associations provide capacity building, advocacy and financial support for the formulation and implementation of policies and programmes. The support of development partners is demonstrated by the Danish International Development Assistance (DANIDA) Guarantee fund under Tanzanian banks such as CRDB, which aims to provide SMEs with credit and facilitate their international trade. The government of The Netherlands in collaboration with the UNDP helps genuine small and medium enterprises in Tanzania to achieve better results through the establishment of special funds for that purpose. The Management Committee of the fund initially selected SMEs in horticulture and handicrafts to be pioneer beneficiaries (also see Anderson, 2011).

The respondents were asked how they perceive the business environment as one of the constraints that hamper the start-up and growth of SMEs. Six attributes were used to assess this variable: relationship with local authorities; bureaucracy of government authorities; awareness of the country's SME Policy; multiple levies and/or taxes; stiff competition from imported products and local and multinational corporations; and level of corruption. The findings revealed that multiple levies and taxes affect start-up and growth due to the high mean score of 3.9597, although there is a large variation in perception as its standard deviation is high. Corruption came second with a mean score of 3.6846, as enterprise owners believe that if they want to quicken the registration process or simplify formalize the business, giving a monetary bribe to the responsible officials is the easiest solution. With respect to the enabling environment, bureaucracy in the local government authorities or offices came third as it scored a mean of 3.5973. Also the degree of the influence of liaison between the parties involved was tested. It was revealed that the relationship between business actors and local government authorities was not given much consideration as it was the least important attribute. About 48 per cent of the respondent SMEs considered their relationship with local government authorities to be very poor. This was serious as regards tax collectors and licensing sections. Table 4 gives a summary of the mean score of each attribute used for assessing the effect of the business environment.

Table 4 Mean score for the Business Environment

Variable	Mean	Standard deviation
Relationship with local authorities	2.3221	1.20958
Bureaucracy of government authorities	3.5973	1.07753
Awareness of SME Policy of 2003	2.8993	1.30356
Multiple levies/taxes	3.9597	1.01262
Imported goods/services and competition from multinationals hinders local SMEs	3.4966	1.36374
Corruption is the easiest way to develop the business	3.6846	1.06598

The study found out that 19.9 per cent lacked prime space for their operations, 15 per cent lacked space for doing business and 22 per cent commented on the poor infrastructure, especially during the rainy season or hot season. It was also noted that the shortage of prime and general space was blamed on the municipal authorities, which emphasized that space is allocated to traders with a large amount of capital only. Also MSE owners believed that corruption is a major problem, citing the example of the Machinga complex being allocated to business politicians instead of the intended marginalized groups. While 51 per cent of the respondents said that the rate of corruption is high, 19 per cent said it is very high. The attributes of this variable contribute to affecting the business environment for the SMEs.

To conclude, the business environment that limits the growth of this sector includes the high cost of complying with business regulations, the limited or lack of a business formalization system, insecurity, local authorities' overlapping regulations, and the complicated businesses taxation regime among others. An unfavourable business environment, the cost of starting a business, complying with business regulations, and the lack of finance and markets impose barriers to the growth of these enterprises. They are among the reasons why firms prefer to operate not only informally but also small with limited efforts to let it grow.

Access to working Capital or Financial resources
Several attributes were used to assess how start-up capital can affect business. Financial institutions are not helpful as they require a huge amount of collateral and have the highest mean score of 4.2400. This is an indication that SME owners are unable to secure loans from banks due to complex procedures; otherwise they could be a major source of capital for SMEs.

Non-governmental financial organizations seem to be the solution for those who failed to secure capital from other sources and this is evidenced by the mean score of 4.1000 with a small standard deviation. The attribute which seemed to make no contribution to capital was the possibility of starting a business, even without capital, because what matters is having a good business idea. This might be due to lack of knowledge and awareness of information about the institutions which fund anyone who has a good business idea, such as a proposed business plan. Table 5 summarizes the mean scores for the attributes used to assess the capital/financial variable.

Table 5 Mean score for Capital

Variable	Mean	Std. Deviation
Money is the only motivation for starting a business	3.8933	1.0753
Relatives and friends are the major source of capital	3.0933	1.3725
Non-Governmental Organization are helpful but have high interest rates and short repayment period	4.1000	0.9950
Financial institutions are unhelpful due to their requirement of a huge amount of collateral	4.2400	1.0277
You can start a business even if you don't have money as what matters is having a business idea	2.6000	1.5283
If bank loans are used effectively, as some use the money for personal needs	3.8133	0.8544

The findings also revealed that 81 per cent of the respondents agreed that money motivated them to start the business. Regarding non-governmental microfinance organizations being helpful, although offering loans at high interest rates and short repayment periods, 85 per cent of the respondents agreed, and 86 per cent also agreed that banks are not much of a support to SMEs due to complex procedures, as they require someone who wants loan to have a huge amount of collateral, such as land with title deeds, a house built on a surveyed plot or a car with comprehensive insurance. The study also found that some SMEs started their business using capital obtained from relatives and friends, which were agreed with by 54 per cent agreed.

Infrastructure
Infrastructure is another serious constraint for micro and small enterprises, as the lack of a reliable and permanent building for doing business has led some enterprises to be mobile, operating along the roads, or in densely populated areas. The rent of premises, especially in prime areas, had the highest mean score of 4.5067, an indication that rent is a serious problem. The second attribute under this variable is unreliable electricity, lack of a warehouse and poor roads, with a mean score of 4.2600. The third attribute was about the preference of SMEs operating in an unauthorized prime area with access to many customers that is better than the government planned areas, with a mean score of 4.0800. The contribution of business clusters to the growth of the business was the least as it scored a mean of 3.3867. Table 6 summarizes the mean score for the attributes used to assess the infrastructure variable.

Table 6 Mean score for infrastructure

Variable	Mean	Std deviation
Municipal council failed to provide areas for business	3.9200	0.99340
Inadequate technology leads to poor services/goods produced or delivered	3.7133	1.13123
The rent for business premises is very high, especially in a prime area	4.5067	0.78361
Unauthorized prime area with access to many customers is better than the government planned areas	4.0800	0.99340
Lack of electricity and warehouse, poor roads and communication tools is a problem for enterprises	4.2600	0.93715
Well-planned business clusters are good for the growth of your business	3.3867	1.42267

Noticeably, 96 per cent of the interviewed SMEs registered their concern that the rent for premises is very high, especially those located in prime areas. Likewise, 86 per cent of the respondents cited the lack of electricity and a warehouse and poor roads as the major problems for businesses. The major complaint is that unreliable electricity in the country was negatively affecting their operations to the extent that businesses which need this 99.9 per cent of the time, like salons, welding and manufacturing, and bars, suffered great loss. The furniture industry had similar concerns when it comes to infrastructure as 48.2 per cent of the enterprises rated poor infrastructure and the furniture industry cluster as the major problem affecting the growth and survival of their businesses.

Access to relevant Knowledge
In this study, the apprentice approach has highest mean score of 4.4400, although it has a high standard deviation. People tend to start similar businesses that are related to what they were doing during previous employment. Once people leave their former employment and decide to become entrepreneurs, they tend to open a similar business as they utilize the experience they have gained. Entrepreneurship knowledge and managerial skills were regarded as essential for the success of the business, with a mean score of 4.2667 and a small standard deviation, which shows that there was little difference in the perception of knowledge. Ethnicity or family background was not seen to determine the success or failure of a business due to the low mean score of 2.900 with a large standard deviation. Table 7 gives a summary of the mean scores for the attributes used to assess the knowledge variable.

Table 7 Mean score for Knowledge

Variable	Mean	Standard deviation
Entrepreneurship knowledge is essential for the success of the enterprise.	4.2667	.56363
Lack of managerial and leadership skills greatly affect the performance of the enterprises	4.2267	.74317
Apprentice approach made me start similar enterprises or related ones	4.4400	2.50497
Knowing how to create social networking is very important for enhancing human capital	4.1000	.92504
Whether ethnicity determines the success/failure of a business	2.9000	1.40350

Some 95 per cent of the respondents agreed that entrepreneurship skills are very important for the growth of businesses, while 87 per cent agreed that managerial skills and leadership are also important for the success of businesses. 43 per cent of the respondents disagreed with the statement that ethnicity or family background determines the success of a business.

Correlation between the influences on start-up and growth and business status
An analysis to test the correlation between the influences on SMEs' start-up and growth and the overall status of the business was conducted. The results show that the variables assumed to influence start-up and growth are highly correlated with the overall status of the business. Their correlation coefficients are significant due to the significance values ($x < 0.05$). Table 8 shows the correlation coefficients.

Table 8 Correlation coefficients between the influences and business status

Variable	Pearson coefficient of correlation	Significance (2-tailed)
Business environment	0.89	0.000
Capital	0.88	0.000
Business infrastructure	0.47	0.050
Knowledge	0.66	0.002

The identified influences can also be used to predict the start-up and growth of a business. The multiple regression analysis results show that business environment, capital, infrastructure and knowledge have a significant effect on the start-up and growth of SMEs given the significance values of all the variables (i.e. $X < 0.05$). These variables are good predictors of the status of MSEs in terms of start-up and growth. Table 9 shows the coefficients from regression analysis

Table 9 Regression Analysis coefficients

Model	Un-standardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1　(Constant)	2.871	.534		5.379	.000
Business environment	.143	.102	.127	1.401	.000
Capital	.475	.080	.282	3.436	.001
Infrastructure	.143	.102	.127	1.401	.000
Knowledge	.275	.080	.282	3.436	.001

a is a Dependent Variable: Overall status of the business.

Multiple regression analysis was used to create an equation to be used for predicting the start-up and growth of SMEs depending on the following factors;

$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$

Where;

　　　　a ,b_1, b_2, b_3, b_4　are constants
　　　　X_1 is the business environment
　　　　X_2　is the capital/finance
　　　　X_3　is the infrastructure
　　　　X_4 is the knowledge
　　　　Y　is the　start-up　and growth of　SMEs

The equation for predicting the start-up and growth of SMEs is as follows:
　　　　　$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$
(Y)Predicted start-up & growth of SMEs = (0.143) business environment + (0.475) capital +
　　　　　　　　　(0.143) infrastructure + (0.275) knowledge + (2.871).

The R value from the regression analysis is 0.912. The determination coefficient of correlation R from the analysis is therefore 0.912. The R Square value is 0.832, which means that the start-up and growth of SMEs is determined by a probability of 83.2 per cent of the variation in the factors influencing the start-up and growth of SMEs.

Confirmation of the Conceptual Framework
From the correlation analysis, it was found that the Pearson coefficient of the correlation between capital and the overall status of the business (start-up and growth of SMEs) is 0.88, with a significance value of 0.000, which means that the hypothesis has been accepted, and so capital has a positive impact on the start-up and growth of SMEs. From the correlation analysis, it was found that the Pearson coefficient of the correlation between the entrepreneur's knowledge and the overall status of the business is 0.66, with a significance value of 0.002, which means that the hypothesis has been accepted, and so the entrepreneur's knowledge has a positive impact on the

start-up and growth of SMEs. The hypotheses were tested based on this assertion. Table 10 summarizes the results.

Table 10 Comparison of means between districts regarding the factors

District		Business Environment	Capital / Finance	Business infrastructure	Know-ledge
Kinondoni	Mean	3.6354	3.7153	4.1528	4.1167
	N	48	48	48	48
	Std. Deviation	.53335	.47634	.40070	.96565
Temeke	Mean	3.3700	3.6400	4.0900	4.0040
	N	50	50	50	50
	Std. Deviation	.55969	.45095	.61924	.46684
Ilala	Mean	2.9904	3.5224	3.7083	3.8500
	N	52	52	52	52
	Std. Deviation	.48777	.47832	.79341	.48648
Total	Mean	3.3233	3.6233	3.9778	3.9867
	N	150	150	150	150
	Std. Deviation	.58735	.47236	.65700	.67741

The findings show that the hypotheses have been accepted ($X \leq 5\%$). From the correlation analysis, it was found that the Pearson coefficient of the correlation between the business environment and the overall status of the business (start-up and growth of SMEs) is 0.89, with a significance value of 0.000, which means that the hypothesis has been accepted, and so a conductive business environment positively influences the start-up and growth of SMEs From the correlation analysis, it was found that the Pearson coefficient of the correlation between infrastructure and the overall status of the business (start-up and growth of SMEs) is 0.47, with a significance value of 0.050, which means that the hypothesis has been accepted, and so infrastructure has a positive impact on the start-up and growth of SMEs.

Conclusion and Implications

The purpose of this study was to analyze the influences on the start-up and growth of small and medium enterprises (SMEs) in the emerging economies. Specifically, the study analyzes the influence of individual attributes and assets (i.e. innovation, vision, exposure to knowledge, commitment to growth and entrepreneurial tendencies), the business environment and institutional support (i.e. financial and non-financial services) on the SMEs' start-up and growth.

Some of the influences on enterprise start-up and growth are found along a continuum from inborn individual attributes to complex cultural, political and economic relationships in an often

changing business environment at national, regional and local level. This study analyzes the influence of individual attributes and assets (i.e. innovation, vision, exposure to knowledge, commitment to growth and entrepreneurial tendencies), the business environment and institutional support (i.e. financial and non-financial services) on the SMEs' start-up and growth. The study results suggest that the owner-managers need to be creative and innovative, with clear vision and knowledge of the venture to be pursued in order to achieve the start-up ambitions. Such qualities should be cultivated in a combination of commitment to grow and entrepreneurial tendencies (i.e. flexibility, leadership, hard work, problem-solving ability, persuasive powers, independence, calculated risk-taking, need for achievement and belief in controlling one's destiny). This is in-line with the Zimmerer and Scarborough (2005)'s conclusion that management mistakes, lack of experience, poor financial control, weak marketing efforts, failure to develop a strategic plan, uncontrolled growth, poor location, improper inventory control, incorrect pricing and inability to make the "entrepreneurial transition" have a negative impact on the firm's growth and vice versa.

If a business were to grow, a favorable business environment surrounding it needs to be in place as well as the quantity and quality of the institutional support available for it. When it comes to the role of regulatory and institutional frameworks in promoting the start-up and growth of SMEs, some vivid examples have been recorded. While some initiatives have been very successful others have failed to meet the intended objectives. Some of the initiatives include the establishment of SIDO which is supposed to develop the small industry sector in the country; TIRDO which supports the utilization of local raw materials; the CAMARTEC which is involved in promoting appropriate technology for rural development; the TEMDO which is responsible for machine design, the TBS which promote standards; the TANTRADE which is instrumental for the promotion of exports. The lack of transparency in their operations and unawareness among the SMEs about either their existence or their roles can be some of the challenges. While some initiatives have remained underfunded, others have remained inactive even when development partners have injected resources for capacity building (also see Kweka and Fox, 2011). Unfortunately, the loans are not effectively spent on business purposes because some funds are misallocated to other purposes which do not add value to the business. As a result, many SMEs do not survive for long and find themselves in trouble with lending institutions. Furthermore, competitive activities, inadequate financial, human and social resources, and insufficient technical and management skills continue to play a crucial role in business start-up and growth.

The respondents were asked how they perceive the business environment as one of the constraints that hamper the start-up and growth of SMEs. The top three were ranked by respondents as: multiple levies and taxes; corruption during registration stage and charging taxes; and bureaucracy in the local government authorities or offices. These challenges hampering the start-up and growth of SMEs have received backing from Jagero and Kushoka (2011) who analyzed the challenges facing women micro entrepreneurs emanating from government activities. Also MSE owners believed that corruption is a major problem, citing the example of the Machinga complex being allocated to politicians instead of the intended marginalized groups.

Although the 2003 SME Policy advocates the provision of an enabling environment, there are still problems due to bureaucracy and poor administration. Regardless of how good a producer's product or service is, if she or he cannot get to the market then all their efforts are wasted. Access to markets is therefore crucial for any business and more so for SMEs.

Working capital was one of the major concerns of SMEs' start-up and growth. In Tanzania, most micro and small businesses are owner-financed. The start-up and operating capital come mainly from the pocket of the owner(s) of a particular enterprise. Non-governmental financial organizations seem to be the solution for those who failed to secure capital from other sources which implies that the majority feel the same about the helpfulness of these organizations regardless of the high interest rate and short repayment period.

Infrastructure is critical for enhancing the competitiveness of SMEs and creating an enabling business environment for business growth and development. Inadequate business premises and business clusters provided by the government featured as one of serious problems facing the start-up and growth of SMEs. The efforts to provide business areas for SMEs to operate in have been overwhelmed by the rapid increase in the number of SMEs in large cities like Dar es Salaam. Furthermore, effective technology utilization, appropriate applications, and individually tailored solutions can create cross-sector opportunities, and so technology can play a substantial role in SMEs' development. The potential impact of technology on an enterprise's efficiency and productivity explains why its adoption and utilization presumably has strong linkages with its competitiveness. However, most SMEs fail to adopt appropriate technology in their operations, the major explanation being not knowing how to apply it.

Knowledge is essential for business as it can apply information on new business ideas and markets for goods and services. Unfortunately, there is still a lack of effective business incubators and resource centers for transferring technology. Education as a means of consolidating knowledge and experience is very important for the start-up and growth of SMEs, ranging from entrepreneurship knowledge to managerial soft skills. The lack of creativity and innovative among owner-managers, with clear vision and knowledge of the venture to be pursued in order to achieve the start-up ambitions was evident. As a result, most firms remain small with no clear path to growth. The innovative qualities should be cultivated in a combination of commitment to grow and entrepreneurial tendencies (i.e. flexibility, leadership, hard work, problem-solving ability, persuasive powers, independence, calculated risk-taking, need for achievement and belief in controlling one's destiny).

Also the country's legal and regulatory framework leads to excessively complex registration and licensing requirements, which negatively affect SMEs' operations. The unreliable and overpriced supply of necessary utilities such as electricity, water and gas in Tanzania, as in many other developing countries in Sub-Sahara Africa, does not help SMEs. Inadequate technology and physical infrastructure in growing cities has resulted in a shortage of premises and even the few premises that are available are well beyond the financial means of most SMEs as the rents are so

high. In view of that, SMEs turn themselves into 'informal' mobile enterprises, known as 'machinga' (*street venders or roadside sellers*), selling their wares alongside traffic jams.

The institutions entrusted with facilitating economic growth should put in place an enabling business environment that provides access to markets and reduces policy-induced bias against SMEs. Specifically, the government should promote product innovation and delivery mechanisms and build institutional capacity, including facilitating the acquisition and dissemination of knowledge and soft skills that are crucial for the operation, management, and nurturing of new business ideas as well as the survival of businesses. The fact is that if an enabling environment were created to enable SMEs to prosper, this would eventually lead to economic growth. This would be possible through reforming the tax rates, which are currently too high, and removing the duplication of taxes, as enterprises are taxed by various authorities under the same government. The government should ensure that the administration of legal and business registration is transparent, as that will enable many SMEs to formalize their businesses, with the result that the government's revenue will go up through the increased number of taxpayers.

Furthermore, small micro-credit organizations which provide financial services need to be followed up as they charge extremely high interest rates, sometimes unnecessarily to cater for their inefficiency. Any available information aimed at supporting SMEs should be more widely disseminated, which is not happening at the moment. It was established that the majority of SME owners have no idea that institutional support for their businesses exists. Local authorities should set up business infrastructure, which is well planned, with all the amenities and facilities, including reliable power or electricity, easy access and security. Political interests should not interfere with projects and programmes intended to help micro and small enterprises. The government should also intervene and regulate fluctuating rents for business premises and if possible subsidize some of the costs incurred by businesses starting up.

Research institutions should research and advise SMEs on how best to apply for loans for intended purposes, including the change in the mindset of MSE owners that perceive loans as a way of lining their pockets and improving their status. If lending institutions are willing to support SMEs, they should revisit their interest rates and make SMEs aware of the packages and products they offer. They should also study the nature of SMEs' businesses, give advice and training, and treat each SME individually. Financial institutions should build the capacity of SMEs and everyone involved with them should put the existing SME policy into practice.

References

Ageba, G. and Amha, W. (2006). "Micro and Small Enterprises (SMEs) Finance in Ethiopia: Empirical Evidence", *Eastern Africa Social Science Research Review,* 22(1), 63-86.

Amit, R., MacCrimmon, K. R., Zietsma, C., and Oesch, J. M. (2001). "Does money matter?: Wealth attainment as the motive for initiating growth-oriented technology ventures", *Journal of Business Venturing*, 16(2), 119-143.

Anderson, W. and Mzee, M. (2013). *Influences on Micro and Small Enterprise Start-up and Growth: Theory and Practice in a Developing Country Context*, Lambert Academic Publishing, Germany.

Anderson, W. (2011). "Internationalization Opportunities and Challenges for SMES from Developing Countries", *Journal of African Business*, 12(2), 198-217.

Anderson, W. (2012). "A gender-based comparison of marketing strategies of SMEs in Tanzania." Why Marketing Standards? *International Journal of Marketing Principles and Practices*, 2, 32-42.

Anderson, W. and Saidi, S. A (2011). "Internationalization and Poverty Alleviation: Practical Evidence from Amani Butterfly Project in Tanzania", *Journal of Poverty Alleviation and International Development,* 2(2), 17-45.

Benzing, C., Chu, H. M., and Kara, O. (2009). "Entrepreneurs in Turkey: A Factor Analysis of Motivations, Success Factors, and Problems", *Journal of Small Business Management,* 47(1), 58-91.

Davidson, P. (1991). "Continued Entrepreneurship: Ability, need and opportunity as determinants of small firm growth". *Journal of Business Venturing*, 6, 405-429.

De Clercq, D. and Arenius, P. (2006). "The Role of Knowledge in Business Start-up Activity", *International Small Business Journal,* 24(4), 339–358.

Djankov, S., Miguel, D. Qian, Y., Roland, G. and Zhuravskaya, E. (2004). Entrepreneurship: First Results from Russia. Last accessed on July 30th, 2013

Fumo, N. and Jabbour, C (2011. "Barriers Faced by SMEs: Evidence from Mozambique". *Industrial Management & Data Systems*, 111(6), 849-868.

http://www1.worldbank.org/finance/assets/images/entrepreneurshiprussia.pdf

Jagero, N. and Kushoka, I. (2011). "Challenges facing women micro entrepreneurs in Dar es Salaam, Tanzania" *International Journal of Human Resource Studies*, 2, 1-9.

The International Finance Corporation (2005).

Kaijage, E.S. and Mwaipopo, L.J. (2004). *Entrepreneurship Research and Development in Africa: Achievements, Challenges and Future Prospects*. Mkuki na Nyota Publishers Limited, Dar es Salaam.

Kashangaki, J. (2005). *Tanzania MSME Access to Finance Assessment: Funded by the IFC Netherlands Technical Assistance Trust Fund,* International Finance Corporation, World Bank Group, Washington, DC

Kothari, C.R. (2007). *Research methodology: methods and techniques,* 2nd Ed, Delhi, New Age international publishers.

Kweka, J. and Fox, L. (2011). "The household enterprise sector in Tanzania: why it matters and who cares." *World Bank Policy Research Working Paper Series*, November

MacGregor, R., and Vrazalic, L. (2008). "The role of gender in the perception of barriers to E-commerce adoption in SMEs: An Australian study*", Proceedings of the International Business Information Management Conference, Kuala Lumpur,* June 30–July 2, 2008.

Mead, D. and Liedholm, C. (1998). "The Dynamics of Micro and Small Enterprises in Developing Countries", World Development, 26(1), 6 I-74.

Mukhtar, S. M. (1998). Business characteristics of male and female small and medium enterprises in the UK: Implications for gender-based entrepreneurialism and business competence development. *British Journal of Management,* 9, 41–51.

Nafukho, F. and Muyia, M. (2010). "Entrepreneurship and socio-economic development in Africa: A reality or myth", *Journal of European Industrial Training,* 34(2), 96-109.

Nichter, S. and Goldmark, L. (2005). Understanding micro and small enterprise growth. *Micro Report*, No.36, USAID

Nkya, E.J., (2003). "Institutional barriers to small-scale business development: a need for flexibility in Tanzanian tax and regulatory systems". *Journal of Entrepreneurship*, 12(1), 43-73.

Obamuyi, T. M. (2010). Firms' Performance and Lending Constraints in Nigeria; *The Journal of Entrepreneurship* (JoE). Sage Publisher, India

Olomi. D. R. (2009)*: African Entrepreneurship and Small Business Development, Small Firm Growth, UDSM, Dar es Salaam*.

Papadaki, E. and Chami, B. (2002). Growth Determinants of Micro Businesses in Canada. *Ontario. Canada*

Parker, R., R. Riopelle and W. Steel. (1995). "Small Enterprise Adjusting to Liberalization in Five African Countries", *World Bank Discussion Paper No. 271, African Technical Department Series. Washington, DC: The World Bank*.

Porter, M. E. (2008). On Competition: Updated and Expanded Edition. *A Harvard Business Review Book. United States of America*

Schoar, A., (2010). The divide between subsistence and transformational entrepreneurship. In *Innovation Policy and the Economy,* 10, 57-81. University of Chicago Press.

Shane, S., Locke, E.A., and Collins, C.J. (2003). Entrepreneurial Motivation, *Human Resource Management. Review,* 13(2), 257–279.

Temtime, Z.T and Pansiri, J. (2004): Small Business Critical Success/Failure Factors in Developing Economies: Some Evidence from Botswana. *American Journal of Applied Sciences* 1(1), 18- 25.

United Republic of Tanzania (URT) Ministry of Industry and Trade. (2003*). SME Development Policy 2003–2013. Dar es Salaam, Tanzania: Government printer.*

URT National Bureau of Statistics and Office of Chief Government Statistician, 2013). *The 2012 Population and Housing Census: Population Distribution by Administrative Areas*

Wawire, N.H. and Nafukho, F.M., 2010. "Factors affecting the management of women groups' micro and small enterprises in Kakamega District, Kenya". *Journal of European industrial training*, Vol. *34*, No. 2, pp.128-152.

World Bank (2011). *Country SME map-Tanzania*, Washington DC: World Bank.

World Bank. (2008). *Country classification. As of 31 January 2009, Annex 1.* Washington, DC: World Bank.

World Economic Forum, Global Competitiveness Report 2011- 2012, *http://www3.weforum.org/docs/WEF_GCR_2011-12.pdf, accessed 23 February 2012.*

Zimmerer, T. and Scarborough, N. (2005). Essentials of Entrepreneurship and Small business Management. *Fourth Edition. Pearson Education.*

The Link between Market Orientation and Customer Satisfaction in the Tourism Industry: A Situational Analysis of Sub-Saharan Africa

Jan-Erik Jaensson and Hawa Uiso
The Open University of Tanzania
janerik.jaensson@out.ac.tz/hawa.uiso@out.ac.tz

Abstract: *This literature study provides a review of research in the fields of market orientation and customer satisfaction in the tourism industry. The objective of this research is to assess the link between market orientation, customer satisfaction and tourism business development in Sub-Saharan Africa. This link has not been studied in this region before and this research gives a situational analysis of the conducted research. The assumption supported in the literature is that market orientation promotes business performance, and ultimately improves customer satisfaction and loyalty to the products/services offered by the organization. Both market orientation and customer satisfaction are supposed to create value for customers. However, there are few studies of this kind in Africa and very few, in Sub-Saharan Africa. Studies linking market orientation to customer satisfaction are mainly in the form of consultancy reports and a few are academic in nature. The focus on tourism industry is due to its importance for the region. The tourism industry is fast growing, internationally competitive, generates foreign currency and creates employment. The findings are that no research has been conducted in the tourism industry in Sub-Saharan Africa linking market orientation to customer satisfaction.*

Keywords: Market Orientation, Customer Satisfaction, Business Development, Tourism, Sub-Saharan Africa.

Introduction

Tourism has been the fastest growing industry in the world with an annual growth rate of 6% for decades according to the United Nations World Tourism Organization (UNWTO). However, it has slowed down a bit during the past few years. The growth rate was only 3.8%, and the prognosis between 2010 and 2030 shows a growth rate of only 3.3% per year. The number of tourists in the world has increased from 25 million in 1950 to over 1.1 billion in 2014, and its export value is USD1.5 billion. This is about 6% of the world's total exports, and 30% of the world's total services exports. The forecast is expected to reach 1.8 billion tourists in 2030. (UNWTO, 2015a).

Tourism is the fourth largest export industry in the world as shown in Figure 1, only beaten by fuels, chemicals and food.
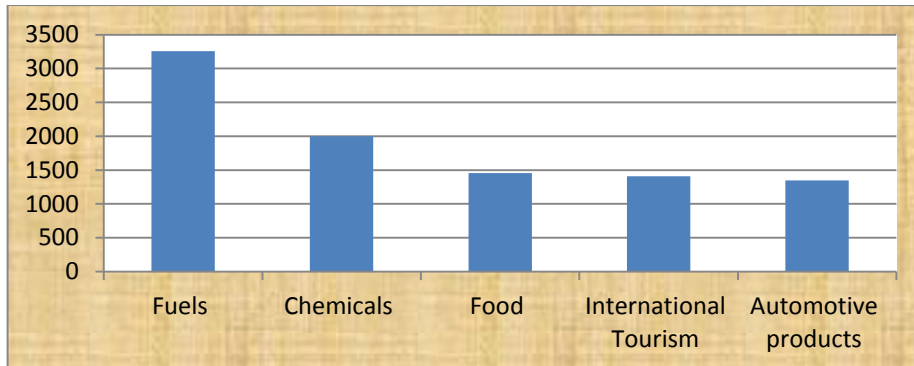
Figure 1: Export earnings per category 2013, in USD billion (source: UNWTO Annual Report 2014:14)

Many destinations in the world have invested in tourism development because of the industry's importance for socio-economic development where it generates export income as well as growth of SME's and creation of jobs. Worldwide, one out of eleven jobs is directly or indirectly dependent on the tourism industry (UNWTO, 2015a).

It is not hard to understand why this is a very important industry for many countries, and why Governments put a lot of money and efforts in promotion to customers. The importance of creating good public relations (PR) for a country and a destination within a country when promoting tourism has also been discussed as a driving force.

Tourism in developing countries has been more important than in developed countries. Some reasons for this are considered to be economic growth, the possibility for rural people to earn their living through small and medium sized enterprises (SMEs) or the informal sector, inflow of foreign currency, and the fact that tourism could contribute to poverty reduction, if managed correctly. (Britton, 1982; Hawkins and Mann, 2006; Kibara *et al*., 2012; Mitchell and Mann, 2007; Muganda *et al*., 2010; UNWTO, 2014).

The development of the tourism industry in Africa is also important and the number of tourists has increased from 6.7 million in 1990 to 56 million in 2014; but still it is only 5% of the world tourism.The potential for development of the tourism industry in Africa is however huge. The prognosis until year 2030 shows a large increase in tourists coming to the African continent to have reached 135 million, but the competition will be fierce (UNWTO, 2013).

To compete for an increasing number of tourists in the world, there is a need for marketing from countries, destinations and attractions. Marketing is a discipline where communication is taken as a key function. At the beginning of the development of the marketing concept, there was only a one-way communication, but today - with the development of technologies, the communication issue is severely more complex. Therefore, there is a need for increased innovation in

communication as well as development of tourism "products" to be internationally competitive and profitable.

Within the marketing discipline, market orientation (MO) is considered to be the implementation of the marketing concept (Kohli and Jaworski, 1990).Three seminal articles about MO written by Kohli and Jaworski (1990), Kohli *et al*. (1993), and Narver and Slater (1990) have made an important contribution in this area.

Common in all the articles is that they linked MO to performance and after those, many more articles have been published examining the relation between the concept and performance measures namely: profitability, innovation, and new product success (Brettel *et al*., 2012; Dibrell *et al*., 2011; Narver and Slater, 1990; Narver *et al*., 2004; Slater and Narver, 1994).

Many performance factors have been linked to MO (both financial and non-financial), but customer satisfaction is a factor not well researched on compared to performance outcome. However, customer satisfaction is one key factor for a successful tourist destination development and it is important that the customers (tourists) have a good experience of their stay. Customer satisfaction is a factor that gives good word-of-mouth, repeat buy, and have a positive effect on profitability – as for MO (Heskett and Sasser, 1997; McDougall *et al*., 2000; Neal and Gursoy, 2008; Reichheld and Teal, 1996).

The experience of the customer (in this case a tourist) of the destination's communication, travel arrangements, on site experience and all other interacting factors will add up to the total experience of the visit to the destination. If the total experience is good the customers are satisfied and they will promote the country, destination and/or the attractions in their personal network. The objective of this research is to assess the link between MO, customer satisfaction and business development in the tourism industry in Sub-Saharan Africa.

The structure of this article continues with the method, the importance of the tourism industry, the literature review of MO and customer satisfaction, and the combination of the two theoretical areas, and ends up with the conclusions from the study.

Method

This research is based on a literature review. Articles were searched for in Journal databases with the following words alone or in combinations: tourism, tourism development, market orientation, profit, performance, customer satisfaction, satisfaction, relationship marketing, service quality, value creation, Africa, Sub-Saharan Africa, developing countries, Botswana, Burundi, Gambia, Ghana, Kenya, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe. The key words were "market orientation" and "customer satisfaction". These were used initially in combination with the other words to search for studies in the geographical region. The combination of "market orientation" and "customer satisfaction" was also used to get

knowledge about studies using these key words, and they were few. The databases used are mainly Emerald, Taylor and Francis and JSTOR.

Manual content analysis was used to examine the content and concepts in the articles. The text was coded into three key concepts: i) "tourism/tourism development" in general, and in Sub-Saharan Africa, ii) "market orientation" in general, and in Sub-Saharan Africa, and iii) "customer satisfaction" in general, and in Sub-Saharan Africa. For ii) and iii) the key concepts were coded both in general and for the tourism industry. The content of the articles was reduced to look for specific words as like "profit" and "performance". Within this method, relational analysis was performed using the two concepts "market orientation" and "customer satisfaction" to search for links between them.

Many articles were found about MO but only a few were found to have studied the phenomenon in developing countries, and very few were found studying the phenomenon in Sub-Saharan Africa (SSA). Many studies were found about customer satisfaction but only a few were academic and linking to MO. There were also many studies of customer satisfaction in the tourism industry in SSA, but most of them were consultancy reports or documents from the National Tourism Boards.

The importance of tourism in Africa

In the Rio Earth Summit in 1992 when Agenda 21 was adopted, tourism was highlighted as a way of eradicating poverty in developing countries. The suggested action was that countries/regions should develop marketing strategies in cooperation with all stakeholders, including local communities and indigenous people. Also the World Bank has had an interest in the tourism development over several decades. However, this interest has fluctuated over the years. With the Millennium Development Goals (MDGs) there was a renewed interest in the World Bank of supporting initiatives in this area. The majority of the countries with strategies for poverty reduction have tourism as one of the tools to create employment, to have economic growth and to help reduce poverty. Some of the countries have even given tourism equal importance as agriculture and manufacturing (Hawkins and Mann, 2006; Muganda et. al., 2010).

With the new Sustainable Development Goals (SDGs) the tourism is again one of the players for the fulfillment of the goals - especially goals No. 8, 12 and 14. For goal 8, (Good jobs and economic growth) it is clear that this industry is a driving force for growth and it creates 1 out of 11 jobs in the world (less in Africa). The jobs are created especially for youth and for women. With goal No 12 (Responsible consumption), the issue of sustainable tourism is highlighted. Tools will have to be developed to measure and monitor the tourism's impact on environment. Goal No. 14 (Life below water) is vital for many African tourist destinations and they have to be very careful about the marine ecosystems (UNWTO, 2015b).

"One out of every twenty jobs in Africa is in the tourism and travel industry and worldwide it is one out of every ten. That shows you the potential that we have if we can get the travel and tourism industry up to the level of the global average," said Shantayanan Devarajan, the World Bank's chief economist for the Africa region, at the World Economic Forum on Africa in 2013. This shows the importance for socio-economic development and especially for job creation in Africa, which also will contribute to poverty alleviation.
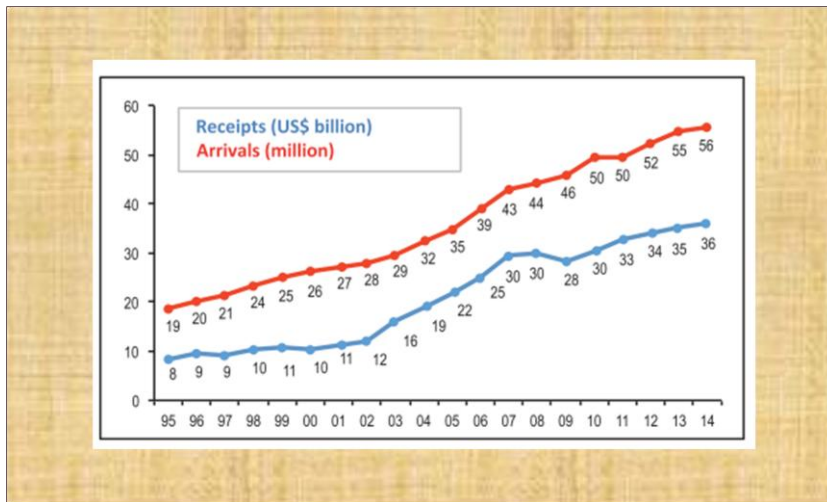
Figure 2: Africa: Inbound Tourism (source: UNWTO Annual Report, 2014:61)

The export earnings in Africa from the tourism industry are becoming increasingly important. In 2014 the export was USD36 billion from 56 million arrivals, which is an important factor for the economy of many African countries. The increase during 2014 was only 2%, compared to the world's 4.4% (measured in numbers of tourists). The tourist development is very different in different parts of Africa as seen in Table 1.

Table 1. International tourism by region

	International tourist arrivals (million tourists) 2010	Annual growth % 1995-2010	Share of market % 2010	Share of market % projections 2030
Africa	50.3	6.7	5.3	7.4
North Africa	18.7	6.5	2.0	2.5
West and Central Africa	6.8	7.5	0.7	1.2
East Africa	12.1	6.1	1.3	2.1
Southern Africa	12.6	7.4	1.3	1.6

(Source: UNWTO, 2013:15)

As we can see from Table 1 the prognosis is that Africa will take market shares until 2030 (from 5.3 to 7.4), and the largest part of that will be in East Africa. However, it is only a prognosis and there are many issues that could affect this -for example: terrorism, natural catastrophes, and the economic development. In any case the competition will be hard.

In fact, Africa is one of the fastest growing tourism markets in the world, and it will continue according to the UNWTO prognosis until 2030 (+4.6%, compared to the world 2.9%, Asia and the Pacific 4.2%, Middle East 4.0%, Americas 2.2% and Europe 1.8%). Much attention is therefore placed in tourism by African Governments and the benefits are poverty reduction, employment, rural development, HRM, foreign exchange earnings, country development etc. (UNWTO, 2013; World Bank, 2011).

There have been several studies about the tourism industries contribution to the development in African countries, and most of them are positive. One study by the Natural Resources Consultative Forum compared investments in different industries in relation to job creation. Their result shows that an investment of USD250.000 in the Tourism industry in SSA will produce about 182 full-time jobs! This means that the tourism industry generates 40% more jobs than the agricultural sector and 50% more than in the mining sector for the same amount of investment (World Bank, 2011).

Another important issue is that the Tourism industry also empowers women. About 31% of the employees in this sector in Africa are women compared with 21% in all other sectors in the continent, and women also manage more than 50% of the companies in SSA (EAC, 2011). For developing countries, tourism is considered to be a valuable industry for long-term growth. This is also the case for the African countries. A number of studies have shown that tourism could be pro-poor and that it could create valuable links to other sectors in the economy (Ajaguna et. al., 2014; Croes, 2014; Mohamad and Hamzah 2013; Mitchell and Ashley, 2010; Mitchell and Mann, 2007; Scheyvens, 2011; UNWTO, 2013; Vanegas, 2014; Yang and Hung, 2014).

The prognosis until year 2030 shows a large increase in tourists coming to the African continent from 56millionin 2014 to 135 million in 2030 (UNWTO, 2013:12). One important question in the global competitive business is how to make Africa more competitive to be able to get a larger share of the tourism market in the world. From a theoretical point of view marketing could be used to increase competitiveness. Within the marketing area especially the concept of MO and customer satisfaction will be used in this study to discuss improvement of the tourism industry in Africa.

Literature review

Market Orientation
As mentioned before, MO is considered to be the implementation of the marketing concept. The seminal articles in this area are written by Kohli and Jaworski (1990), Narver and Slater (1990) and Kohli and Jaworski (1993). They defined the core components of MO and they also defined some antecedents.

The core components identified by this seminal research are intelligence generation, intelligence dissemination and responsiveness (Kohli and Jaworski, 1990) and customer orientation, competitor orientation and inter-functional coordination (Narver and Slater, 1990). Two dominating measurement tools are used in this research area: MARKOR and MKTOR. MARKOR was developed by Kohli *et al*., (1993) and adopt an organizational perspective on MO. MKTOR was developed by Narver and Slater (1990) and adopt a more customer oriented perspective, linked to their different opinions about MO.

Since their articles were published many researchers have been testing and developing their ideas and the main area of testing has been the link between MO and performance/innovation, but not customer satisfaction. The results show that MO contributes to better performance. However, there are doubts about the short-term effect on financial performance (González-Benito *et al*., 2014) but not for long-term performance. The results about innovation also show that MO has a positive effect and specifically if it is proactive. These are expected results since much focus is put on reaction to market information and to create superior value for the customers (Brettel *et al*., 2012; Dibrell *et al*., 2011; González-Benito *et al*., 2014; Hong and Song, 2013; Narver *et al*., 2004; Slater and Narver, 1994), which was established already by Kohli and Jaworski (1990) and Narver and Slater (1990).

The research areas have also been extended from private companies to public companies (Hodgkinson *et al*., 2012; Mitchell *et al*., 2013), and from production industry to services (Hodgkinson *et al*., 2012; Peña *et al*., 2012). The applicability of the concept has also been tested on SMEs and on internalization/emerging markets (Boso *et al*., 2013; Liu and Xue, 2011; Raju *et al*., 2011).The main results are that MO has a positive effect on all above mentioned areas (except on public organizations where the results are unclear), which is in line with the statement that the concept is applicable on every market environment, which was established already in the early 1990-ties by Narver and Slater (1990) and Kohli and Jaworski (1993).

Kohli and Jaworski (1990) noted in their early publication that there might be specific situations where MO is of less importance. They later changed their position by accepting the fact that MO is applicable in every business environment. However, the research on public organizations show mixed results. The dominating critique is that the concept is too focused on creating economic values. The main objectives of most public organizations are not to create economic values and as such the MO concept is not fully applicable. Furthermore the applicability on public

organizations in developing countries is more or less dismissed (Gromark and Melin, 2003; Rodrigues and Pinho, 2012).

Some other critiques are that the original concept was developed from studies of large companies with different departments with a lot of resources and some research indicates a need for modification for the applicability on SMEs (Blankson and Cheng, 2005; Blankson et. al., 2006; Keskin, 2006; Raju et. al., 2011.

There is also an unclear link to other management "orientations" as for example entrepreneurial orientation, learning orientation, and brand orientation. There have been some efforts to bring clarity between these different orientations to find out if they have similarities and if they could work together. The results show some similarities and some articles suggest for example that entrepreneurial orientation and MO should exist together as complements and that the best performance will be reached if the organizations engage in both MO and entrepreneurial orientation simultaneously (Gromark and Melin, 2003; Boso et. al., 2012; Hong et. al., 2013; Kwak et.al., 2013; Urde et. al., 2013).

The above criticism is valid and more research must be conducted to straighten out some of the question marks. However, MO is still considered to be the ultimate tool for implementing the marketing concept and its "excellence" is unquestioned in literature.

The question about national culture and its importance for business success has been studied by many researchers. The cultural aspect has an effect on business performance but for MO the studies show no significant link (Brettel *et al*., 2012) and one explanation to this could be that MO emphasizes "customer pull" and focus on the creation of superior customer value. The focus on customer will make the organization to adapt to different customer needs in spite of cultural context.

Since MO is a strategic orientation it is manageable and this means that the top management in the organizations has to believe on its positive effect on performance for successful implementation in the organization. Little research has been done in developing countries and very few studies are from SSA (Chelariu *et al*., 2002). To the authors' best knowledge, the following studies have been done in the context of SSA:

Table 2: Detected studies of Market Orientation in Sub-Saharan Africa

Author and year	Country	Research organizations	Method and sample
Appiah-Adu and Djokoto (2015)	N/A	Meta-analysis	Literature study
Jaiyeoba and Amanze (2014)	Botswana	Service and manufacturing	Survey(100 firms)
Ofoegbu and Akanbi (2012)	Nigeria	Manufacturing	Survey (209 respondents 1 firm)
Mahmoud and Hinson (2012)	Ghana	Public sector	Qualitative (14 respondents)
Charles et. al. (2012)	Kenya	Manufacturing	Survey (220 firms)
Boso *et al*. (2012)	Ghana	Export, innovation	Survey (164 exporting firms)
Jaiyeoba (2011)	Ghana	SMME	Conceptual paper
Hinson and Mahmoud (2011)	Ghana	SME	Qualitative (20 owner/managers)
Opoku and Essien (2011)	Kenya	Banking	Survey (of employees)
Akomea and Yeboah (2011)	Ghana	Manufacturing	Qualitative + survey (220 respondents)
Osuagwu and Obaji (2009)	Nigeria	Manufacturing	Survey (1.200 respondents)
Nwokah (2008)	Nigeria	Food and Beverages	Conceptual paper
Mbah *et al.,* (2007)	Botswana	Manufacturing	Survey (79 respondents)
Osuagwu (2006)	Nigeria	Service and manufacturing	Survey (697 respondents)
Kuada (2005)	Ghana	Manufacturing	Survey (210 respondents)
Kuada and Buatsi (2005)	Ghana	Manufacturing	Survey (220 respondents)
Chelariu *et al*.,(2002)	Ivory Coast	Public and private sector	Survey (109 respondents)
Loubser (2000)	South Africa	Service and manufacturing	Focus group (449 respondents) + Survey (51 respondents)

(Source: Literature review 2016)

The studies have mostly been using quantitative methods but there are four studies which have used qualitative methods in combination or alone, of which Hinson and Mahmoud (2011) and Mahmoud and Hinson (2012) used qualitative method as the single method.

All results from the above mentioned studies confirm the applicability of the MO concept in their studies environment except the study by Mahmoud and Hinson (2012) which concluded that MO was not applicable in the public organizations in Ghana. The opposite result was found in the Ivory Coast study by Chelariu *et al*., (2002) of public and private organizations where it was applicable. The discrepancy is probably because Mahmoud and Hinson (2012) study selected public *organizations* (Local Government) and Chelariu *et al*. (2002) studied public *firms*! Hinson and Mahmoud (2011) also conducted a qualitative study of SMEs in Ghana where the results

show the importance of formalization and empowerment for a successful implementation of the concept.

The study by Jaiyeoba (2011) is a conceptual work-in-progress about SMEs and MO. The other conceptual paper by Nwokah (2008) discusses the application and impact on performance in the Food and Beverage industry in Nigeria. They conclude that there are specific conditions affecting this industry as for example government policies, new product development, diversification, innovation and devaluation of the Nigerian currency.

The Meta-analysis by Appiah-Adu and Djokoto (2015) had four research questions: 1) Is there publication bias in the market orientation-performance literature? 2) What is the average effect of market orientation on performance? 3) What is the role of study characteristics on market orientation-performance estimates? 4) Does accounting for study characteristics influence publication bias? Here we will only comment on the second question about the relationship between MO and performance since the other questions are about publication bias. Their Meta study revealed that on the average, the impact of market orientation on performance is statistically significant and positive.

Some additional comments on the above mentioned studies are that the study about manufacturing industry in Ghana by Akomea and Yeboah (2011) was both qualitative and quantitative and it showed a significant link between the firm size and the degree of MO. The study of exporting firms in Ghana by Boso *et al*. (2012) confirms the importance of MO in a dynamic environment and its effect on innovation. They also found that market-oriented behaviours are more likely to be related to export product innovation success when market dynamism is high. Loubser (2000) discusses MO in an organizational system and tested a conceptual model through focus groups and later a questionnaire on manufacturing firms in South Africa. The conclusion was that MO was a part of an organizational system and there was a significant relationship between MO, business philosophy, business behavior and performance in that organizational system.

In general, the studies confirm the relationship between MO and performance, but since there are so few studies from this geographical area we need more studies to expand the knowledge and to contribute to the development of the concept. No one of the mentioned studies is about the tourism industry which constitutes a research gap.

The services industry and customer satisfaction
Services research has gone through a development process from the 1970s where it was established that goods marketing and services marketing was different which increased the interest for the relationship between supplier and customer. In the 1990s the area of services marketing was established and developed with the new disciplines of relationship marketing and customer relationship management. The interest for service design and quality also emerged. Later in the new millennium the network theory and the systems theory were used in research about services, and the complexity of services was recognized. During this time the Service-

Dominant Logic (S-D Logic) also appeared to describe the interdependency between services and goods and the value creation process (Gummesson, 2014). However, Gronroos (2012) argues that the value creation concept was already discussed in the 1970s (Gronroos, 1978) as a development of the servuction model by Eiglier and Langeard, (1975, 1976).

Discussions about the relationship between customer satisfaction and quality have been going on since the 70s. In 2000 it was re-launched again through Cronin *et al.*, (2000) and Day and Crask, (2000). Customer satisfaction has mainly been seen as a post purchase assessment (Oliver, 1999) and it could only be measured after the tourist has experienced the travel (Liljander and Strandvik, 1993).

When there is a match between expectations and experiences, customer satisfaction is achieved. Satisfaction reduces the customer's level of decision making for future choices and will act as an important factor for customer loyalty. When a customer makes choices it is not only to the actual product or service, but also to the whole offer – global satisfaction. Since customer satisfaction is essential for re-buy, brand image etc., it is also considered to be a performance measure (Osuagwu and Obaji, 2009).

Delivering service quality increases customer satisfaction and contributes towards loyalty of customers, larger share of the market and higher profit (Bendt, 2009; Pansiri and Mmereki, 2010: Parasuraman *et al.*, 1988: Ugboma *et al.*, 2007). In services the determinants of service quality are difficult as the service is produced in cooperation with the customer and it is most often consumed at the same time as it is produced. This mean that the consumer is a part of his/her own creation of satisfaction and value. The general characteristics of services are that they are intangible, perishable, inseparable and vary with the service provider.

The instrument mostly used to measure service quality is SERVQUAL questionnaire, and it consists of questions grouped into five dimensions: Tangibles, Reliability, Responsiveness, Assurance and Empathy (Owusu-Frimpong, 2013; Parasuraman *et al.*, 1985; Parasuraman *et al.*, 1988; Pizam and Ellis, 1999). However, the instrument has been criticized because it is constructed from the GAP-model (Parasuraman *et al.*, 1988) which has not been adequately tested empirically (Cronin and Taylor, 1992; Shahin and Samea, 2010). However, since the main stream of research has used the model and it is widely accepted, the model continues to be unchallenged in service quality and customer satisfaction research.

There are some studies linking customer satisfaction to service quality. In their conceptual article Bitner *et al.* (1997) discuss the different roles of a customer as being i) a productive resource, ii) a co-creator of quality, satisfaction and value, and iii) customers as competitors to the service organization. Parasuraman *et al.* (1988) argues that there is a distinction between service quality and satisfaction where service quality is related to the superior of the service and satisfaction is related to a specific transaction. They conducted a survey to test the SERVQUAL instrument to measure service quality. Sureshchandar (2002) argues that service quality and satisfaction are independent but linked in a way that an increase in one leads to an increase in the other. Their

result is generated from a survey of customers in Banks in India. Both Parasuraman *et al*. (1988) and Sureshchandar (2002) argues that service quality could be the measurement of customer satisfaction.

According to Zeithaml and Bitner (2012), there are also other factors than service quality determining customer satisfaction, namely: product quality, price, situational factors and personal factors. They continue stating (like Kariru and Aloo, 2014) that customer satisfaction leads to i) increased customer loyalty which in turn leads to more repeat purchase, and ii) positive customer word of mouth, which in turn leads to more new customers.

In tourist research the opinions is not unanimous about the relationship between satisfaction and value. Some researchers advocate that customer satisfaction lead to perceived value (Duman and Mattilla, 2005; Petrick *et al*., 2001; Petrick and Backman, 2002) and some that perceived value lead to customer satisfaction (Andersson *et al*., 1994; Babin and Kim, 2001; Gallarza *et al*., 2013; Hutchinson *et al*., 2009; Oh, 1999; Ravald and Gronroos, 1996; Ryu *et al*., 2008; Tam, 2000). The academic discussion will continue about this relationship.

Service-Dominant Logic (S-D Logic) is another line of research about experience and value in services The S-D Logic was first discussed by Vargo and Lush (2004) as a new additional approach in services marketing. The S-D Logic does not separate between goods and services. Instead it looks upon all available resources as interdependent. Furthermore, it treats the customer as an active party in co-creating value. The value is co-created in the interactions between the customer and the service provider (value-in-use), which contradicts the earlier perspective of Goods-Dominant logic where the value is created in the exchange for money (value-in-exchange).

A study by Hayslip *et al*. (2013) proposes that S-D Logic is suitable for the tourism industry to handle the fierce international competition. They analyze the applicability of this logic in the tourism industry, but their conclusion was that it was a difficult task because of the "idiosyncrasy of tourism services". Park and Vargo (2012) and Gummesson (2014) advocate for the use of S-D Logic in the tourism industry to create value in this specific industry.

There is some criticism against the classical formulations of customer satisfaction. These problems are according to Kanning and Bergmann (2009): 1) an "ambiguity about the notion of "expectation", 2) an uncertainty about the effects of over-fulfillment of expectation, 3) a failure to take into account absolute levels of expectation-performance difference (rather than simple relative difference between performance and expectation), and 3) an implicit assumption that all variables (expectation, performance, and importance) are of equal significance in determining satisfaction.

The academic discussion about this will also continue but the concept of customer satisfaction is commonly used to measure quality and it is acknowledged to be essential for a successful business.

World Trade Organization (WTO, 2003) defines satisfaction within the tourism industry as: ". . . the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with the underlying quality determinants such as safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment."

The consequence of this definition is that the satisfaction will evolve during a long time and concern many different factors (Gursoy, 2014). Mossberg (2003) go further and call this "experience areas" and make a point of the fact that the experience could be collected also during visits to several destinations over a large geographical area for a long time during the same trip. This is also the argument to why the S-D Logic should be applied to the tourism industry (Blazquez-Resino *et al*., 2015; Park and Vargo, 2012).

The tourist's satisfaction plays a critical role for a destinations success or failure. In an expansion of Oliver (1999) the tourists evaluate their experience both during and after the consumption because of the interaction that occurs during a long time (often a week or more) when they are in contact with personnel, scenic experiences, new knowledge, restaurants etc. which makes it complicated (Ince and Bowen, 2011; Owusu-Frimpong, 2013). Satisfaction also has an impact on the willingness to return and to recommend the destination to friends and relatives (Mlozi and Pesämaa, 2013).

Customer satisfaction (as well as MO) has a positive effect on profits, and gives a positive word-of-mouth. It is also critical for customer loyalty because of its great impact on customer behavior when it comes to the selection of activities, the intention of re-buy and the recommendation to friends to visit the destination, and the tourists are also less price-sensitive if they are satisfied. (Alegre and Magdalena 2006; Heskett *et al*., 1997; Lee *et al*., 2011; McDougall and Levesque, 2000; Neal and Gursoy, 2008; Opperman, 2000; Reichheld and Teal, 1996; Sun *et al*., 2013).

The large part of customer satisfaction research has been done in industrialized economies and very few in Africa, Latin America, South America and Middle East, according to Pizam and Ellis (1999). The reference is old, but still valid after this literature search. Owusu-Frimpong *et al*. (2013) argue that research in the Tourism industry in SSA has only been done to a "limited extent", and more research should be done in an African context.

There are a number of reports about customer satisfaction from countries in SSA presented by consultancy firms and from the National Tourist Boards. Many reports present customer satisfaction index, service quality index and so on, but there are also academic studies about this area in SSA. The academic studies of customer satisfaction and service quality conducted in SSA (from for example Botswana, Kenya, Nigeria, Ghana, and South Africa.) confirm the link between service quality and satisfaction using the SERVQUAL instrument, and some of them are about the tourism industry.

Research using SEVQUAL from the tourism industry are for example Kariu and Aloo (2014) which confirm the relationship between service quality and customer satisfaction. This study was carried out on Hotel guests in Ghana. The same result was accomplished by Owusu-Frimpong *et al*. (2013) in studying destination attractiveness on tourists in Ghana. Their study started with a qualitative method to gain more knowledge before using the SERVQUAL instrument. Other studies using SERVQUAL to confirm this relationship are Pansiri and Mmereki (2010) who studied customer in the health care sector in Botswana and Ugboma *et al*. (2007) using a SERVQUAL questionnaire on customers to a Nigerian Port. Potha *et al*. (2001) studied the relationship between customer satisfaction and service quality among customers to Banks in South Africa using a qualitative method (not SERVQUAL) and this study also confirmed the relationship.

Some tourism studies have also been conducted in Tanzania as for example Massawe (2013) who used the expectation – disconfirmation paradigm and concluded that the companies' competitive advantage will increase if there are good relations with the customers. Mlozi *et al*. (2012) examined the effects of expectation on satisfaction, place identity, and place dependence. The conclusion was that satisfaction enhances loyalty. Kaltenborn *et al*. (2011) studied environmental attributes in Serengeti and customer satisfaction. Their results are that high degree of satisfaction increases the possibilities for a repeat visit. They also noted that the more eco-friendly tourists were more satisfied with conservation programs.

To the author's best knowledge, after the literature review, there are few academic studies of customer satisfaction in the tourism industry in SSA using SERVQUAL or other equal measurement instruments.

MO and customer satisfaction
MO and customer satisfaction are linked together in the literature through their ability to create value for customers (Caruna *et al*., 2000; Gallarza *et al*., 2013; Narver and Slater, 1990; O'Cass and Ngo, 2011; Slater and Narver, 1994; Vega-Vasquez, 2013). There are a few studies which discuss this link, and also some studies where the link is tested (Blesa and Bigne, 2005, Castro *et al*., 2005; Kirca *et al*., 2005; Krepapa *et al*., 2003; Osuagwu and Obaji, 2009; Tortosa *et al*., 2009; Wang, 2015).

The study areas where this research was carried out are: the manufacturing sector in Spain (Blesa and Bigne, 2005), the Banking sector in Spain (Castro *et al*., 2005), the financial institutions in Australia (Krepapa *et al*., 2003), the manufacturing firms in Nigeria and USA (Osuagwu and Obaji, 2009; Wang, 2015), and a financial institution in Spain (Tortosa *et al*., 2009).There is also a meta-analysis conducted by Kirca *et al*. (2005).

In the meta-analysis by Kirca *et al*. (2005) the link between MO and customer satisfaction was too weak. Castro (2005) did not either manage to establish the link. Krepapa *et al*. (2003) and Blesa and Bigne (2005) established the linkand partly did Tortosa *et al*. (2009), but Osuagwu and Obaji (2009) discuss the link and establish a relationship between the two concepts.Wang (2015)

also established a link between customer satisfaction and two of the MO components – customer orientation and competitor orientation. However, the link between customer satisfaction and MO needs more research (Castro *et al*., 2005; Kirca *et al*., 2005; Krepapa *et al*., 2003; Osuagwu and Obaji, 2009).

After the literature review we note the lack of studies about this link, and the available studies show different results. Logically, MO should increase customer satisfaction because of its customer orientation. How this will be done is however not clear in the studies and there is a need to do more research to establish if this is the case. Additionally, no studies were found about the link between the concepts in SSA and nothing about the important tourism industry. The situation analysis of the link between MO, customer satisfaction and tourism business development in SSA showed no studies!

Conclusion and implications

The literature reviewed show lack of research linking MO and customer satisfaction generally and specifically in SSA. Since the tourism industry is fast growing and vital for developing countries, MO and customer satisfaction are key concepts for the future success of the industry. From the literature review the argued link is obvious, but there is little research done yet to confirm this, and studies in the context of SSA are missing.

We often accept theories developed in the Western World as generalizable to all countries and all environments. Therefore, the testing of theories in a developing country context is important to determine if the theories are as general as we tend to think. The common view that for example MO is applicable in every market environment should be researched in the context of SSA. Testing theories in another context contributes to knowledge, and in this case specifically about the concept of MO and customer satisfaction.

Studies to confirm the link between MO and customer satisfaction in tourism companies in SSA is yet to be carried out and this would be an area for future research. The tourism industry is highly competitive and customer satisfaction is essential. If there is a significant link between MO and a high degree of customer satisfaction of tourists visiting SSA it would be very important for the development and competitiveness of the industry.

The study by Krepapa *et al*. (2003) of financial institutions in Australia could serve as a role model for research in SSA in the context of the tourism industry, using the Narver and Slater (1990) measurement scale for MO and SERVQUAL for customer satisfaction. The theoretical implications for policy makers and the organizations within the tourism industry are that they should implement the marketing concept through MO to get more satisfied customers to increase their performance. However, this is an area for further studies.

References

Ajagunna. I., Pinnock. F., and Kerr. R. (2014). Wilderness tourism – alleviating poverty through empowering local people: A case of Bangor Ridge, *Worldwide Hospitality and Tourism Themes*, 6(3), 229 – 243.

Akomea, S.Y. and Yeboah, J.K.G. (2011). Market Orientation and Firm Performance in Ghana's Pharmaceutical Industry. *Journal of Science and Technology,* 31(2), 109-119.

Alegre, J. and Magdalena C. (2006). Destination Loyalty: Consumers' Economic Behavior. *Annals of Tourism Research,* 33(3), 684-706.

Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994). Customer satisfaction, market share, and profitability: findings from Sweden*, Journal of Marketing*, 58, 53-66.

Appiah-Adu, K., and Djokoto, J.G. (2015). Publication Bias and the Market Orientation Performance Nexus. *African Journal of Management Research*, 73-96.

Babin, B.J. and Kim, K. (2001). International students' travel behavior: a model of the travel-related consumer/dissatisfaction process. *Journal of Travel and Tourism Marketing*, 10(1), 93-106.

Bendt, A. (2009). Investigating service quality dimensions in South African motor vehicle servicing. *African Journal of Marketing Management*, 1(1), 001-009.

Bitner, M. (1992). Servicescapes: the impact of physical surroundings on customers and Employees. *Journal of Marketing*, 56(2), 57-71.

Bitner, M. J., Faranda, W. T., Hubbert, A. R., and Zeithaml, V. A. (1997). Customer Contributions and roles in secvice delivery. *International Journal of Service Industry Management*, *8*(3), 193–205.

Blankson, C .and Cheng, J.M.S. (2005).Have small businesses adopted the market orientation concept? The case of small businesses in Michigan. *Journal of Business and Industrial Marketing*, 20(6), 317-330.

Blazquez-Resino, J.J., Molina, A., and Esteban-Talaya, A. (2013).Service-Dominant Logic in tourism: the way to loyalty, *Current issues in Tourism*, 18(8), 706–724.

Blesa, A., and Bigné, E. (2005). The effect of market orientation on dependence and satisfaction in dyadic relationships. *Marketing Intelligence and Planning*, 23(3),249-265.

Boso, N., Cadogan, J. W., and Story, V. M. (2012). Entrepreneurial orientation and market orientation as drivers of product innovation success: A study of exporters from a developing economy. *International Small Business Journal,* 3(1), 57-81.

Boso, N., Story, V. M. and Cadogan, J. W. (2013). Entrepreneurial orientation, market orientation, network ties, and performance: Study of entrepreneurial firms in a developing economy. *Journal of Business Venturing,* 28, 708–727.

Brettel, M., Oswald, M., and Flatten, T. (2012). Alignment of market orientation and innovation as a success factor: a five-country study, *Technology Analysis and Strategic Management* 24(2), 151–165.

Britton, S. (1982). The Political Economy of Tourism in the Third World. *Annals of Tourism Research,* 9, 331–358.

Brohman, J. (1996). Popular Development: Rethinking the Theory and Practice of Development, Wiley, Oxford.

Caruana, A., Money, A. H., and Berthon, P. R. (2000). Service quality and satisfaction–the moderating role of value. *European Journal of marketing*, 34(11/12), 1338-1353.

Castro, C. B., Armario, E. M., and del Río, M. E. S. (2005). Consequences of market orientation for customers and employees. *European Journal of Marketing*, 39(5/6), 646-675.

Charles, L., Joel, C., and Samwel, K. C. (2012). Market Orientation and Firm Performance in the Manufacturing Sector in Kenya. *European Journal of Business and Management*, 4(10), 20-27.

Chelariu, C., Ouattarra, A., and Dadzie, K.Q. (2002). Market orientation in Ivory Coast: measurement validity and organizational antecedents in a Sub-Saharan African economy, *Journal of Business and Industrial Marketing*, 17(6),456 – 470.

Croes. R., (2014). Tourism and poverty reduction in Latin America: where does the region stand? *Worldwide Hospitality and Tourism Themes*, 6(3), 293 – 300.

Cronin, J.J. Jr, Brady, M.K. and Hult, G.T.M. (2000). Assessing the effects of quality, value and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.

Cronin. J.J. and Taylor. S.S. (1992). Measuring service quality: a re-examination and extension. *Journal of Marketing*, 56, 55-68.

Day. E. and Crask. M.R. (2000). Value assessment: The antecedent of customer satisfaction. *Journal of consumer satisfaction, dissatisfaction and complaining behavior,* 13, 52-60.

Dibrell, C., Craig, J., and Hansen, E. (2011). Natural Environment, Market Orientation, andFirm Innovativeness: An Organizational Life Cycle Perspective. *Journal of Small Business Management,* 49(3), 467–489.

Duman, T. and Mattilla, A.S. (2005). The role of affective factors on perceived cruise vacation value. *Tourism Management*, 26, 311-23.

EAC (2011). EAC Development Strategy (2011/12 − 2015/16) - Deepening and accelerating integration.

Eiglier, P., and Langeard, E. (1975). Une approche nouvelle du marketing des services. *Revue Francaise de Gestion*, 2, 97–114.

Eiglier, P., and Langeard, E. (1976). *Principe de politique marketing pour les enterprises de service.* Institut d'Administration des Enterprises, Université d'Aix-Marseille.

Gallarza, M. G., Saura, I. G., and Moreno, F. A. (2013). The quality-value-satisfaction-loyalty chain: relationships and impacts. *Tourism Review*, 68(1), 3-20.

González-Benito, Ó., González-Benito,J., and Muñoz-Gallego, P. A. (2014). On the Consequences of Market Orientation across Varied Environmental Dynamism and Competitive Intensity Levels. *Journal of Small Business Management,* 52(1), 1–21.

Gromark, J. and Melin, F. (2003). From market orientation to brand orientation in the public sector. *Journal of Marketing Management*, 29(9/10), 1099–1123.

Grönroos, C. (1978). A service-orientated approach to the marketing of services. *European Journal of Marketing*, 12(8), 588–601.

Grönroos, C. (2012). Conceptualising value co-creation: A journey to the 1970s and back to the future, *Journal of Marketing Management*, 28(13/14), 1520-1534.

Gummesson, E. (2014),Productivity, quality and relationship marketing in service operations, International Journal of Contemporary Hospitality Management, 26(5), 656 – 662.

Gursoy D., Chen, J.S., and Chi, C.G. (2014). Theoretical examination of destination loyalty formation, *International Journal of Contemporary Hospitality Management*, 26(5), 809 – 827.

Hayslip, T.B., Gallarza, M.G., and Andreu, L. (2013). Service-Dominant Logic and Value in Tourism Management: A Qualitative Study within Spanish Hotels Managers. *Journal of Business Theory and Practice*. 1(2), 303-328.

Hawkins, D.E and Mann, S. (2006). The World Bank's role in tourism development. *Annals of Tourism Research*, 34(2), 348–363.

Heskett, J.L., Sasser, W.E. Jr and Schlesinger, L.A. (1997). *The Service-Profit Chain*, FreePress, New York, NY.

Hinson, R., and Mahmoud, M. A. (2011). Qualitative Insight to market orientation in small Ghanaian Businesses. *International Journal of Marketing Studies,* 3(1), 35-44.

Hodgkinson, I. R., Hughes, P., and Hughes, M. (2012). Re-examining the deployment of market orientation in the public leisure sector. *Journal of Marketing Management*28, (11/12), 1249–1269.

Hong, J., Song, T. H., and Yoo. S. (2013). Paths to Success: How Do Market Orientation and Entrepreneurship Orientation Produce New Product Success? *Journal of Product Innovation Management*, 30(1),44–55.

Hutchinson, J., Lai, F. and Wang, Y. (2009). Understanding the relationships of quality, value, equity, satisfaction and behavioral intentions among golf travelers. *Tourism Management*, 30, 298-308.

Ince, T., and Bowen, D. (2011). Consumer satisfaction and services: insights from dive tourism, *The Service Industries Journal*, 31(11), 1769-1792.

Jaiyeoba, O. (2011). The Impact of Market Orientation on SMMEs in Developing Economies: A Case-study of Botswana. *International Journal of Business Administration*, 2(3), 132-139.

Jaiyeoba, O., and Amanze, D. (2014). Testing the Applicability of Narver and Slater's Market Orientation Concept and Firm Performance in Botswana Companies. *Journal of Business Theory and Practice,*2(1), 1-12.

Kaltenborn, B.P., Nyahongo, J.W., and Kideghesho, J.R., (2011). The attitudes of tourists towards the environmental, social and managerial attributes of Serengeti National Park, Tanzania. *Tropical Conservation Science,*4(2), 132-148.

Kanning, U.P and Bergmann, N. (2009). Predictors of customer satisfaction: testing the classical Paradigms. *Managing Service Quality*, 19(4), 377-390.

Kariru A.N., and Aloo, C. (2014). Customers' perceptions and expectations of service quality in hotels in western tourism circuit, Kenya. *Journal of Research in Hospitality, Tourism and Culture.* 2(1), 1-12.

Keskin, H. (2006). Market orientation, learning orientation, and innovation capabilities in SMEs. *European Journal of Innovation Management,* 9(4), 396–417.

Kibara, O. N., Odhiambo, M. N. and Njuguna, J. M. (2012). Tourism and Economic Growth in Kenya: An Empirical Investigation. *International Business and Economic Research Journal*, May, 11(5), 517-528.

Kirca, A. H., Jayachandran, S., and Bearden, W. O. (2005). Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance. *Journal of marketing*, 69(2), 24-41.

Kohli, A. K., and Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing* 54, 1-18.

Kohli, A. K., Jaworski, B. J., and Kumar, A. (1993). MARKOR: A Measure of Market Orientation. *Journal of Marketing Research*, November 1993, 467-77.

Krepapa, A., Berthon, P., Webb, D. and Pitt, L. (2003). Mind the gap. An analysis of service provider versus customer perceptions of market orientation and the impact on satisfaction. *European Journal of Marketing*, 37(1/2), 197-218.

Kuada, J. (2005). An Inter-Industry Comparison of Market Orientation in Ghana. *The Consortium Journal,* 10(2), 63-74.

Kuada, J. and Buatsi, S. (2005). Market orientation and management practices in Ghanaian firms: revisiting the Jaworski and Kholi framework. *Journal of International Marketing*, 1(1), 58-73.

Kwak, H., Jaju, A., Puzakova, M., and Rocereto, J. F. (2013). The Connubial Relationship Between Market Orientation and Entrepreneurial Orientation. *Journal of Marketing Theory and Practice,* 21(2), 141–161.

Lee, S., Jeon, S. and Kim, D. (2011). The impact of tour quality and tourist satisfaction on tourist loyalty: the case of Chinese tourist in Korea. *Tourism Management,* 32, 1115 – 1124.

Liu, Y.,Li, Y., and Xue, J. (2011). Ownership, strategic orientation and internationalization in emerging markets. *Journal of World Business,* 46, 381–393.

Liljander, V., and Strandvik, T. (1993). Estimating Zones of Tolerance in Perceived Service Quality and Perceived Service Value. *International Journal of Service Industry Management*, 4(2), 6-28.

Loubser, S. S. (2000). The relationship between a market orientation and financial performance in South African organizations. *South African Journal of Business Management,* 31(2).

Mahmoud, M. A. and Hinson, E. (2012). Market orientation in a developing economy public institution: Revisiting the Kohli and Jaworski's framework. *International Journal of Public Sector Management: IJPSM,* 25(2).

Massawe. D. (2013). Customer Satisfaction and Complaints as a Means of Gaining a Competitive Advantage in Hospitality Industry. *The Eastern African Journal of Hospitality, Leisure and Tourism,* 1(1), 1-12.

Mbah, C., Ogbuehi, A., and Blankson, C.(2007). The Challenges of Market Orientation Strategies Implementation in An Emerging Economy. *Journal of Business Case Studies,* Second Quarter, 3(2), 29-40.

McDougall. M.C.M. and Levesque. T. (2000). Customer satisfaction with services: Putting perceived value into the equation. *Journal of Services Marketing*, 14(5), 392-410.

Mlozi, S., and Pesämaa, O. (2013). Adventure tourist destination choice in Tanzania. *Current Issues in Tourism*, 16(1), 63-95.

Mlozi, S., Pesämaa, O., Haahti, A., and Salunke, S. (2012). Determinants of Place Identity and Dependence: The Case of International Tourists in Tanzania. *Tourism Culture and Communication*, 12(2),97-114.

Mitchell, J., and Ashley, C. (2010). Tourism and poverty reduction: Pathways to prosperity. Earthscan, London.

Mitchell, J, A, C and Mann, S, (2007). Can tourism offer pro-poor pathways to prosperity? Examining evidence on the impact of tourism on poverty. ODI Briefing Paper No. 22. Overseas Development Institute, London.

Mitchell, R., Wooliscroft, B. and Higham, J.E.S. (2013). Applying sustainability in national park management: balancing public and private interests using a sustainable market orientation model. *Journal of Sustainable Tourism*, 21(5),695-715.

Mohamad. N.H, and Hamzah. A., (2013). Tourism cooperative for scaling up community-based tourism, *Worldwide Hospitality and Tourism Themes*, 5(4), 315 – 328.

Mossberg, L. (2003), in Kvist and Klevsjo (2006). Att skapa upplevelser – fran OK till wow, Studentlitteratur, Lund.

Muganda, M., Sahli. M., and Smith, K.A. (2010). Tourism's contribution to poverty alleviation: A community perspective from Tanzania. *Development Southern Africa,* 27(5), 629-646.

Muganda, M., Sirima, A. and Ezra, P. M. (2013). The Role of Local Communities in Tourism Development: Grassroots Perspectives from Tanzania. *Journal of Human Ecology,* 41(1),53-66.

Narver, J. C. and Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, October 1990, 20-35.

Narver, J. C., Slater, S. F. and MacLachlan, D. L. (2004). Responsive and Proactive Market Orientation and New-Product Success. *Journal of Product Innovation Management,* 21, 334–347.

Neal, J. D., and Gursoy, D. (2008). Travelers' satisfaction with hospitality and tourism services. *Journal of Travel Research,* 47(1). 53-62.

Nwokah, N. G. (2008). Strategic market orientation and business performance: The study of food and beverages organisations in Nigeria. *European Journal of Marketing*, 42(3/4), 279 – 286.

O'Cass, A., and Ngo, L.V. (2011). Achieving customer satisfaction in services firms via branding capability and customer empowerment, *Journal of Services Marketing*, 25(7), 489 – 496.

Ofoegbu, O. E. and Akanbi, P. A. (2012). The Role of Market Orientation on the Perceived Performance of a Manufacturing Firm in Nigeria. *European Journal of Business Management*. 4(20), 18-27.

Oh, H. (1999). Service quality, customer satisfaction, and customer value: a holistic perspective. *International Journal of Hospitality Management*, 18(1), 67-82.

Oliver, R.L. (1999). *Value as excellence in the consumption experience.* in Holbrook, M.B. (Ed.). Consumer Value: A Framework for Analysis and Research, Routledge, London, 43-62.

Opoku, R.A. and Essien, V.B. (2011).Employee perceptions of market orientation in the banking industry: A case from a developing country. *Journal of Financial Services Marketing*, 16, 139–152.

Oppermann, M. (2000), Tourism destination loyalty, *Journal of Travel Research,* 39, 78-84.

Osuagwu,L. (2006). Market orientation in Nigerian companies. *Marketing Intelligence and Planning*, 24(6), 608 – 631.

Osuagwu, L., and Obaji, R. (2009). Market orientation in Nigerian manufacturing companies. *International Business and Economics Research Journal (IBER).*8(9), 67-72.

Owusu-Frimpong, N., Nwankwo, S., Blankson, C., and Tarnanidis, T. (2013). The effect of service quality and satisfaction on destination attractiveness of Sub-Saharan African countries: the case of Ghana, *Current Issues in Tourism*, 16(7-8), 627-646.

Pansiri, J., and Mmereki, R. N. (2010). Using the Servqual Model to Evaluate the Impact of Public Service Reforms in the Provision of Primary Health Care in Botswana, *Journal of African Business*, 11(2), 219-234.

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). A conceptual model of service quality and its implications for future research, *Journal of Marketing*, 49, 41-50.

Parasuraman, A., Zeithaml, V. A., and Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of retailing*, 64(1), 12-40.

Park, S-Y., and Vargo, S.L. (2012), The Service-Dominant Logic Approach for Tourism Marketing Strategy, in Rodoula Tsiotsou and Ronald E. Goldsmith (eds), Strategic Marketing in Tourism Services**,** Bingley, UK: Emerald Group, 231-246.

Peña, A. I. P., Jamilena, D. M. F., and Molina, M. A. R. (2012). Market Orientation as a Strategy for the Rural Tourism Sector: Its Effect on Tourist Behavior and the Performance of Enterprises. *Journal of Travel Research,* 52(2), 225-239.

Petrick, J.F., Morais, D.D. and Norman, W.C. (2001). An examination of the determinants of entertainment vacationers' intentions to revisit. *Journal of Travel Research*, 40, 41-8.

Petrick, J.R. and Backman, S.J. (2002). An examination of golf travelers' satisfaction, perceived value, loyalty, and intentions to revisit. *Tourism Analysis*, 6(3-6), 223-37.

Pisam, A., and Ellis, T. (1999). Customer satisfaction and its measurement in hospitality enterprises. *International Journal of Contemporary Hospitality Management,* 11(7), 326-339.

Potha, A-M., De Wet, A., G., and De Wet, J., M. (2001). Customer satisfaction: Keeping tabs on the issues that matter, *Total Quality Management*, 12(1), 83-94.

Raju, P.S., Lonial, S. C., and Crum, M. D. (2011). Market orientation in the context of SMEs: A conceptual framework. *Journal of Business Research,* 64, 1320–1326.

Ravald, A. and Gronroos, C. (1996). The value concept and relationship marketing. *European Journal of Marketing*, 30(2), 19-30.

Reichheld, F. F. and Teal, T. (1996). *The loyalty effect: The hidden force behind growth, profits,and lasting value*. Boston: Harvard Business School Press.

Rodrigues, A. P. and Pinho, J. C. (2012). The impact of internal and external market orientation on performance in local public organizations. *Marketing Intelligence and Planning,* 30(3), 284-306.

Ryu, K., Han, H. and Kim, T.-H. (2008). The relationship among overall quick-casual restaurant image, perceived value, customer satisfaction and behavioural intentions. *International Journal of Hospitality Management*, 27, 459-69.

Scheyvens, R. (2011), Tourism and Poverty. Routledge, New York.

Shahin, A., and Samea, M. (2010). Developing the Models of Service Quality Gaps: A Critical Discussion. *Business Management and Strategy,* 1(1) E2, 1-11.

Slater, S. F., and Narver, J. C. (1994). Market Orientation, Customer Value and Superior Performance. *Business Horizons*, March/April, 22-28.

Sun, A., Chi, C. G. and Xu, H. (2013). Developing destination Loyalty: the case of HainanIsland, China. *Annals of Tourism Research,* 43, 547-577.

Sureshchandar. G.S., Chandrasekharan. R. and Anantharaman. R.N. (2002). The relationship between service quality and customer satisfaction – A factor specific approach. *Journal of Services Marketing*, 16(4), 363-379.

Tam, J.L.M. (2000). The effects of service quality, perceived value and customer satisfaction on behavioral intentions. *Journal of Hospitality and Leisure Marketing*, 6(4), 31-43.

Tortosa, V., Moliner, M. A., and Sánchez, J. (2009). Internal market orientation and its influence on organisational performance. *European Journal of Marketing*, 43(11/12), 1435-1456.

Ugboma, C., Ogwude, I. C., Ugboma, O., and Nnadi, K. (2007). Service quality and satisfaction measurements in Nigerian ports: an exploration., *Maritime Policy and Management: The flagship journal of international shipping and port research*, 34(4), 331-346.

UNWTO (2013). Annual report.

UNWTO (2014). Annual report.

UNWTO (2015a). Tourism Highlights, available at: http://www.e-unwto.org/doi/pdf/10.18111/9789284416899.Downloaded February 12, 2016

UNWTO (2015b). Tourism and the Sustainable Development Goals.

Urde, M., Baumgarth, C., and Merrilees, B. (2013). Brand orientation and market orientation — From alternatives to synergy. *Journal of Business Research,* 66, 13–20.

Vanegas. M., (2014). The triangle of poverty, economic growth, and inequality in Central America: does tourism matter? *Worldwide Hospitality and Tourism Themes*, 6(3), 277 – 292.

Vargo, S.L., and Lush, R.F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing,* 68, 1-17.

Vega-Vazquez, M., Revilla-Camacho, M. Á., and Cossío-Silva, F. J. (2013). The value co-creation process as a determinant of customer satisfaction. *Management Decision*, 51(10), 1945-1953.

Wang C., G., Y., (2015). How manufacturer market orientation influences B2B customer satisfaction and retention: empirical investigation of the three market orientation components*, Journal of Business and Industrial Marketing*, 30(2), 182 – 193.

WEF report (2013). http://www.weforum.org/issues/global-competitiveness. Downloaded March 10, 2016.

World Bank (2011). Tourism in Africa Harnessing Tourism for Growth and Improved Livelihoods.

WTO (2003), World Tourism Organization, available at: www.world-tourism.org. Downloaded August 20, 2014.

Yang. X., and Hung. K., (2014). Poverty alleviation via tourism cooperatives in China: the story of Yuhu. *International Journal of Contemporary Hospitality Management*, 26(6).

Zeithaml, V. A., and Bitner, M. J. (2012). *Service marketing* (international ed.). New York: McGraw Hill Inc.

Understanding the Barriers Limiting SMEs' Capacity to Participate in Formal Training: A Perspective from an Emerging Market

Obi Berko O. Damoah,
University of Ghana Business School
obodamoah@ug.edu.gh

Augustina Adei Ashie
University of Education, Winneba, Ghana
naaadeiashie@gmail.com

Kekesi Kodjo Elias
University of Ghana
eliaskekesi@gmail.com

Abstract: *Whilst SMEs are known to contribute significantly to the socio-economic development of most economies of the world, they are also known to face many challenges which limit their full effectiveness. The present study seeks to explore the factors that limit SMEs' capacity to participate in formal training programmes from the Ghanaian perspective. The study seeks to identify the extent to which the barriers to training compare and contrast with existing studies, although the extant literature argues that some barriers are more specific to some regions. The study is based on a purposive sample of 85 owner-managed SMEs drawn from the capital of Ghana, Accra. Using the principal component analysis, coupled the mean rankings of the respondents' average score as the main analytical tools, the results show that among the eight main barriers that were found, lack of accessibility to training, lack of funds to fund training programme and a negative perception of owner-managers regarding the usefulness of training were the three most important barriers accounting for why SMEs from Ghana find it difficult to participate in formal training and therefore remain inefficient and ineffective compared to their counterparts' large firms.*

Key words: SMEs, Ghana, training programme

Introduction

Small and Medium Scale Enterprises (SMEs) represent the majority of business enterprises globally, as their contribution to socio-economic development of countries is well confirmed. Samples of studies that confirm the contribution of SMEs to the socio-economic development of countries include, but not limited to the UK (Lee, 2014); USA (Kongolo, 2010); Turkey

(Gunerergin *et al.,* 2012); Malaysia (Salikin *et al.,* 2014; Hashim, 2015); Oman (Bilal and Mqbali, 2015); Developing countries in general (Jeppesen *et al.,* 2015); China and Southeast Asia (Wignaraja and Jinjarak, 2015); Bangladesh (Chowdhury *et al.,* 2015); Romania (Armeanu *et al.,* 2015); Romania in the EU context (Burciu, 2015) and Kenya (Wanjiru and George, 2015).

Beyene (2002) noted that SMEs play a significant role in both the developed and developing economies. In the USA for example, of the 6,200,000 SMEs, 5,400,000 employ not less than 20 employees each (Beyene, 2002, p.131). It is also noted that in Asia, SMEs account for approximately 90% of industries in countries such as Indonesia, Japan, Hong Kong, Thailand, Korea, India and Sri Lanka (Beyene, 2002; Lukacs, 2005). Of these countries, it is estimated that SMEs' make 98%, 78%, 81% and 87% of employment in Indonesia, Thailand, Japan, and Bangladish respectively (Beyene, 2002, p. 132). In Malaysia, SMEs are known to contribute approximately 32% to GDP, 56.4% to employment opportunities and 19% to exporting activities (Omar *et al.,* 2009). According to UNIDO (1999), SMEs represent 90% of private businesses in Africa and contribute more than 50% of employment as well as of GDP. In the Republic of South Africa, it is found that SMEs represent approximately 91% of the formal businesses and contribute about 57% and 61% to GDP and employment respectively. In sub-Saharan Africa, it is said that SMEs represent about 95% of businesses (Fjose *et al.,* 2010).

Ghana is no exception as regards the contribution of SMEs to towards its socio-economic development. This was noted since the 1970, where a number of initiatives such as the Ghana Enterprise Development Commission (GEDC), the National Board for Small Scale Industries (NBSSI), Ghana Appropriate Technology Industrial Service (GRATIS) were set up to promote the development of SMEs (see Abor and Biekpe, 2006). According to Aeyeety (2001), SMEs account for 85% of manufacturing employment in Ghana. Following Abor and Quartey (2010), SMEs contribute about 70% of Ghana's GDP and account for approximately 92% of businesses.

Despite the important contribution of SMEs across the world, they are known to face many problems. As a result, there is a line of research that addresses the barriers to the growth of SMEs (see Levy, 1993; Pissarides, 1999; Wang, 2016). The following studies report samples of barriers to SMEs' growth. They include, but not limited to the ensuing. Funding challenges and lack of training regarding the preparation of business plans (Chowdhury et al., 2015); lack of working capital, information to analyse market and the lack of managerial skills and know-how (OCED, 2009); unfavourable investment environment, business owners' capability challenge, marketing challenges and lack of funding (Bilal *et al.,* 2015); lack of finance, technology, and marketing related constraints (Dasanayaka, 2011); problem of external capital (Salikin et al., 2014); lack of skilled workforce, limited finance and limited ICT (Hashim, 2015); the lack of management skill (Hogarth et al., 2009) and inaccessibility of training and time constraints to participate in training (Dalziel, 2011). According to the report, "Making finance work for Africa", Hatega (2007) and Kauffmann (2006) noted that weak functioning financial markets and lack of reliable electricity supply are among the most important obstacles to SME's growth opportunities in Sub-

Saharan Africa. These challenges continue to limit the effectiveness of SMEs to significantly contribute to the socio-economic development of their respective countries.

Likewise, the SMEs across the world, although SMEs in Ghana are expected to be central to the attainment of the socio-economic prosperity of the nation, yet they are also known to face numerous barriers which limited their anticipated contribution. Sample of the challenges of Ghanaian SMEs also include, but not limited to lack of access to appropriate technology and equipment, limited access to finance and international markets, the existence of laws and regulations that impede the development of the sector, as well as lack of management skills and training (see Kayanula and Quartey, 2000); weak infrastructure (Amoafo, 2012); limited access to finance (Abor and Beikpe, 2006), lack of credit and weak managerial capacity (Asare, 2014), unfavourable government policies and regulations, poor infrastructure, competition and poor records keeping (Adom *et al.,* 2014).

To date, the research area regarding the barriers to SMEs' growth has concentrated on the following areas. The first is the general barriers to the growth of SMEs. These studies report on the general barriers to growth regardless of whether or not it is internal, external; from a developing or a developed country (Wang 2016). Other studies focus on the difference between internal and external barriers to growth (Gree and Thunik, 2003). Another group of researchers focus on the relationship between the characteristics of a firm (e.g. firm size, ownership) and the barriers to growth (Richter and Schaffer, 1996; Ji, 2011; Yin, 2012). Similar other researchers focus on the relationship between difference in growth levels (e.g. rapid, incremental and episodic growth) and the barriers to growth (Brush et al., 2009; Henrekson and Johansson, 2010). The conclusion from the existing line of research is that whilst SMEs in general face a variety of barriers, it is noted that some barriers are region and/or market specific e.g. developing versus the developed economies (Wang, 2016). This assertion supports Lee's (2014) findings from the UK. Yet Wang(2016) shows that whilst some barriers are specific to certain regions, others are generic to all SMEs regardless of whether it is from the developed or the developing region. Table 1 is a summary of selected barrier studies which confirms that whilst some barriers are specific to the developed and developing regions, others are generic to both.

Table 1: Sample of barriers to SMEs growth in the developed and the developing regions

Barrier	Region			Source
	Developing	**Developed**	**Both**	
E-Learning implementation	√			Zaied, 2012; Medarova *et al*., 2012; Jenita and Chong,2013; Hashim, 2015
Funding challenges			√	Guijarro et al., 2009; Kamalian et al., 2011; Dasanayaka et al., 2011; Salikin *et al*., 2014; Bilal *et al.,* 2015; Hashim, 2015;
Lack of information technology	√			Xie *et al*., 2010; Dasanayaka *et al*., 2011 Rhanien, 2012; Trianni and Cogno, 2012; Hyz, 2011; Rhaiem, 2012; Irjayanti and Azis, 2012
Lack of personnel training			√	Quader, 2008; Saina and Budhwar, 2008; Guijaro *et al*., 2009; Okpare and Kabongo, 2009; Dasanayaka *et al*., 2011; Kamalian *et al*.,2011; Dalziel, 2011; Rhaiem, 2012
Product/technology barriers	√			Dasanayaka *et al*., 2011
Rigid business rules and regulations	√			Dasanayaka *et al*., 2011 Feldens *et al*., 2012
Lack of infrastructure	√			Okpara and Kabongo, 2009; Mutalemwa, 2009; Dasanayaka *et al* 2011
Product quality issues	√			Moy and Luk, 2003; Dasanayaka *et al*., 2011 Okpara, 2011
Lack of management experience			√	Hogarth *et al*., 2009; Dasanayaka *et al*.,2011 Okpara, 2011; Bourletidis,2013
Lack of adequate government support			√	Okpara, 201; Irjayanti and Azis, 2012; Hessels and Parker, 2013

(Source: Synthesised and adapted from Al-Hyari (2013, p.133); note the symbol "√" means the barrier concerned exists in that quadrant

As can be seen from Table 1 whilst certain barriers and region specific, others are generic regardless of the region e.g. funding challenges. This is underscored by Special Issues on: 1) Contemporary Perspective on Entrepreneurship Education and Training and 2) Entrepreneurship Education from the Journal of Small Business and Enterprise Development, 17 (4) and 14 (2) respectively. For example, selected studies from these issues found that the performance

indicators of entrepreneurs have improved after participating in a training intervention. These studies further found that skills transfer also took place after the owner-managers attended the training (Botha, 2010). Another Chinese study by Millman et al. (2010), on Chinese students found that the type of training and/or the course that students study in schools impact positively on their entrepreneurial behaviour. Similar studies have underscored the critical role of entrepreneurship education and the socio-economic development of both the developed and the developing regions (Millman and Matlay, 2008; Matlay, 2009). In Kenya, Bowen *et al.* (2009) confirmed that education and training are among the core factors that impact positively on the growth of SMEs. In this study, the authors maintained that entrepreneurs with large stock of human capital in terms of education and vocational training are better at adapting to the changing trends of the external environment compared to their counterparts that do not have such capacity. In the study by Hashim (2015) in Malaysia, the author maintained that the barriers faced by most SMEs were intensified by one main internal problem of management incompetence. So, most SMEs, both locally and internationally die soon after their inception (Kuratko and Welsch, 2004; Kenya National Bureau of Statistics, 2007).

In Ghana, Abor and Quartet (2010) maintained that lack of managerial know-how is one of the significant barriers confronting SMEs' effectiveness. Puplampu (2005) found that among the problems of SMEs in Ghana, the most critical barrier is lack of requisite skills among owner-managers and the personnel. The Business Development Service in Ghana argues that what makes SMEs to remain sustainable throughout is continuous training. Consequently, the importance of formal training being critical to SMEs' survival in Ghana is also confirmed.

The contribution of the current paper is that whilst there are many studies on the barriers to SMEs' growth, not much is known regarding the factors that limit SMEs' capacity to participate in formal training programme in particular. To address these issues, the rest of the paper is sub-divided as follows. Section two discusses the conceptual background and the research questions that are to drive the study. Section three concerns the data and the analytical method. Section four deals with the conclusion and discussion. Section five, the final section, focuses on the implication of the study and the limitations of the study.

Literature review

This sub-session addresses both the conceptual framework and the empirical literature that inform the research questions that drive the study.

Formal Training

According to Cedefop (2010) formal training can be defined as learning that occurs in an organised and structured environment - in an education or training institution or on the job, and is explicitly designated as learning - in terms of objectives, time or resources. Formal learning is intentional from the learner's point of view. Compared to formal training, informal training refers to learning that results in the course of working on the job. According to Cedefop (*ibid*),

informal training is, in most cases, unintentional from the learner's perspective. According to Armstrong (2006), training is the use of systematic and planned instruction activities to promote learning. It also involves the use of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. Training is about the acquisition of knowledge, skills and abilities that one needs to perform effectively on the job. It often results in sharpening of skills, concepts, rules and change of attitudes and behaviours to enhance performance (Patna, 2010).

Training, Talent Management and Knowledge Transfer in SMEs
The issue of lack of formal training among SMEs, can be contrasted with a growing issues of talent management among large firms. Talent management is one of the ways which differentiate SMEs from large scale multinational enterprises (MNCs). Implicitly, whilst talent management remains one of the important practices among large firms, it is not so among SMEs which account for the lack of training among these firms. However, various definitions as regards talent management exist (Kulkarni and Schllion, 2015; Deery and Jago, 2015). Yet, following Kulkarni and Schllion (2015) talent management consists of a deliberate activity that aim to identifying, selecting, developing and retaining productive employees. Whilst the literature on talent management differentiate between the exclusive talent management approach (focusing only on the high potential workforce) (Schuler *et al.,* 2011a) versus inclusive approach (focusing on every worker in the firm) (Sparrow, *et al.,* 2013).This study adopts the inclusive approach. For instance, a formal training culture in organisation is a conscious talent management strategy. Therefore, the absence of talent management practices in SMEs account for the numerous retention crises among these firms. A reason for this is because a recent literature maintains that talent management is a key driver of competitive advantage among firms and has become the cornerstone for differentiation strategies (Bhatnagar, 2007). It can be concluded that as a result of lack of formal training among SMEs, various talent management strategies such as work-life-balance (WLB), increasing job satisfaction and increasing job satisfaction which maintain organisational commitment seems to be lacking among SMEs.

Lack of formal training among SMEs due to lack of talent management practices, implies lack of knowledge transfer among SMEs to some extent. For instance, in line with Argote and Ingram (2000), knowledge transfer is a process whereby knowledge in an organisation can easily be transferred from one unit/division and/or individual to another in the same organisation. In large firms, unlike SMEs, knowledge is deliberately managed and supported. According to Walsh and Ungson (1991), there are five main repositories of knowledge in organisations, namely: 1) individual members, 2) roles and structures, 3) Organisational standard operating procedures, 4) culture and 5) physical structures. However, in the wisdom of Walsh and Ungson (1991), firms must consciously design and manage this process to impact positively on organisational survival. Overall, if SMEs find it difficult to invest in formal training, it will be difficult for them to survive against their counterpart large multinationals firms in the light of the increasingly competitive global market place.

Empirical Literature

The sub-section deals with samples of empirical literature in the field. In a survey sample from 437 CEOs in Russia and Bulgaria, Pissarides, *et al*. (2003) found that the top four rated constraints included unwillingness of suppliers, challenges with access to land, funding problems and production constraints. In a firm level survey by the World Bank (cited in Wang, 2016), based 130, 000 firms in 135 countries, most of which were firms from the developing countries subdivided into 41 (sub-Saharan Africa), 29 (Eastern Europe and Central Asia), 31 (Latin America and the Caribbean), 12 (East Asia and the Pacific), 4 South Asia and 2 (Middle East and North Africa). The World Bank's survey sought - among other things, to find out the perceptions and the views of managers about the barriers to SMEs growth. Wang (2016) indicated that the five most important obstacles found from the survey included finance, followed by electricity, competition, tax rate and political instability.

A study conducted in Thailand found that there are a number of significant factors hampering SMEs' chances to grow with major obstacles attributed to lack of access to finance, competition, barriers to trade, management incompetence, lack of skilled labour, low investment in R&D and new technology (Grimsholm and Poblete, 2010). In cataloguing the barriers to training in the UK, Green and Martinez-Solano (2011) note that there are a number of different barriers to investment in skills and training. In their report 'NESS09'(the 2009 National Employer Skills Survey), the authors maintained that based on responses gathered from employers who have not provided training for the past one year, the reasons for not providing formal training included, but not limited to: training not necessary predominantly because their staff were "fully proficient". Other issues cited related to the cost of training, availability of time, accessibility to requisite training (*e.g.* relating to the availability and quality of courses locally). Johnson (2002) identified four main factors contributing to the training gap in the SME sector namely: 1) limited resources for training including funding, 2) ignorance of available training opportunities, 3) preference for informal training and 4) ignorance of the benefits of training. In this study, the author explained that for most employers, training is not an end in itself, but an activity that is required in order forthe employees to have the skills required to undertake their job effectively. As such, a need for training is likely to be promoted by some changes in the business environment, in work practice, technology or personnel. It was argued that since most SMEs do not often have the necessary resources for change, they are less likely to engage in training compared to their larger multinational enterprise counterparts. Implicitly, most SME owner-managers are simply not aware of the existence of a range of organizations, services and programs that are available to help them to meet their skills' needs while some are not aware of the benefits and relevance of training.

In a related study, Hogarth *et al.* (2009) indicated lack of formal training among most SMEs' owner-managers is caused by lack of ambition in terms of managerial skills. In this study the authors indicated that the management problems of SMEs owner-managers imply that most owner-managers are not able to position their firms to access training opportunities because of lack of managerial abilities. Among the reasons for this - according to authors, is because only highly skilled owner-managers are more likely to position the firm strategically to benefit from

skills and training. Panagiotakopoulos (2011) agreed with Westhead and Storey (1996) who highlighted two main barriers to training participation by SMEs in the UK. They include "market forces" (as the different factors that influence the supply and demand of training). The other barrier which they labelled "ignorance" also refers to both lack of awareness of the benefits of training. In Panagiotakopoulos' (2011) study, the author further reviewed other literature on the potential barriers to training among SMEs and cited financial constraints, limited owner commitment and fear of poaching and potential lack of understanding of the role of training in enhancing business success.

Lange, Ottens and Taylor (2000) subdivided the barriers to training participation into four simplified categories, namely: culture, finance, access and provision and awareness as barriers to SME skills development from the Scottish perspective. The authors stated that cultural barriers primarily involve attitudes towards skills development which is often negative among most SMEs' owner-managers; financial barriers referring to those barriers directly relating to the cost or perceived cost of training and learning; access and provision barriers, referring to problems which either prevent interested parties from accessing skills development opportunities (e.g. time and location) or manifest themselves in the lack of suitable provision of learning and finally the awareness barriers which relate to the lack of suitable information about training availability and knowledge of relevant skill initiatives and strategies. Byrom *et al.* (2002) identified the lack of awareness, lack of motivation, cost and time among the key barriers contributing to the training gap from the UK SMEs' sector. From a conclusions drawn from a large dataset from 99 developing countries, surveyed between 2002-2007 on all continents by Almeida and Aterido (2010) proves that three most important reasons for small firms not participating in formal training relate to owner-managers' perception that informal training (i.e., learning by doing) is enough investment to enhance productivity, the possibility to hire trained workers from other firms or for the fear of the firms' trained worker to be poached by other firms and lack of finance. In a study carried out in New Zealand SMEs, Dalziel (2011) found that the top three barriers to training participation to be financial costs, inaccessibility to training and time constraints. They however found that the risk of poaching is not an important factor that inhibits investment in training among SMEs.

Johnston and Loader (2003) classified the findings on barriers to training participation by SMEs from previous studies into SMEs' attitudes/behaviour and design/delivery characteristics. According to the authors, cost versus benefit analysis of the training programme has a much greater influence on whether or not SMEs' owner-managers will participate in training because most SME owner managers appear to be unconvinced of the value of training. Similarly, Webster, Walker and Brown (2005) note that SMEs are willing to participate in a formal training where they could see a direct link between cost and benefit of the training programme. Their review show that SMEs are reactive in their training decisions and that in most cases most SMEs are unaware of available training opportunity. On factors relating to design of the training programme to meet SME needs, the authors maintained that SMEs' requirements are unique and specific and so understanding these needs requires close relationships between training providers and SME owner-managers.

Other studies (e.g. Keough and Stewart, 2001; Matlay, 1997) also indicate that many entrepreneurs or owner managers of SMEs are reluctant to acknowledge the need for training and are often preoccupied with the day-to-day concerns of running the business. There is also the fear of risk of the employee leaving the organization after having been trained. Kerr and McDougall (1999) identified the level of bureaucracy involved in deciding whether or not to participate in training, consisting of lack of available employee time, funding as well as lack of management experience as contributory factors limiting capacity to training participation. Also in a another study by Webster *et al*. (2005), the authors categorised the major barriers to participation in training among SMEs into financial barriers, access barriers, awareness barriers and lack of technical and managerial skills. Darch and Lucas (2002) found the following challenges, namely: time, money, and lack of suitably trained existing staff and lack of general management skills. Storey, (2004) concur to Greenbank (2000) and maintained that because of lack of engagement in future strategic planning makes SMEs unable to anticipate future skill needs of its workforce, resulting in their decreased participation in training programmes

McCracken (2004) conducted a qualitative study of barriers to training participation for mid-career managers in Scottish insurance industries. In this study, factors that impeded managers from taking part in training were identified and a model, namely intrinsic-individually oriented and extrinsic-organisational or industry oriented factors were also identified. The intrinsic factors included perceptual, or the perceived value of training; emotional, including insecurity and fear of failure; motivational, or desire to participate in training; and cognitive, or extent to which previous learning experiences affect likelihood to pursue future training activities. The extrinsic factors of the model were organisational culture, or the trainee's overall perception of the organisational environment; management development culture, or specifically views concerning development opportunities, access and support for training; and physical pressure, or work life pressures such as time and location of the training that could deter participation.

From the review of selected empirical literature above, it can be argued that the barriers preventing SMEs from accessing formal training programmes are confirmed. As in Table 1, some of the barriers run through regardless of the region of location. The empirical review above can be summarised as the follows: the issue of cost and/or funding is dominant among the barriers. This is followed by time pressure, access or availability of a training opportunity and suitability issues. Consequently, in line with the barriers reviewed above, the following research questions are posed to drive the analysis.

- Which barriers limit Ghanaian SMEs capacity to participate in formal training?
- What is the relative strength of the barriers which limit the capacity of SMEs from Ghana to participate in formal training programmes?
- To what extent do the barriers compare and contrast with existing studies?

Methodology and Sample

Using the questionnaire as the main data collection instrument, a sample of 85 owner-managers was purposively drawn from SMEs in Accra, the capital of Ghana. The population of the study consisted of all SMEs located in the capital of Ghana, Accra. Of the 85 owner-managers, 52 do not participate in formal training programmes whilst 33 do. The average age of a firm in the sample is 6, whilst the average age of an entrepreneur is 34 years. 78% of the sampled firms are in the service sub-sector, whilst the remaining 22% are in the manufacturing sub-sector. Small firms are most represented in the data, consisting of 81% of the sample. Most of the owner-managers possess diploma certificates, consisting of 26%. Following from the variables that were identified from the empirical literature as preventing SMEs from participating in formal training programmes, coupled with the three research questions that inform the study, a 22 item scale questionnaire regarding these variables were constructed. Tables 2and 3 below present the description of the data.

Table 2: Descriptive Statistics: Continuous variables

Variable	N	Mean	Minimum	Maximum	Std. Deviation
Firm age	85	6.2	1	32	5.428
Age of Owner	85	33.96	20	59	9.605

(Source: From the primary survey data collected, 2014)

Table 3: Descriptive Statistics: categorical variables

Variable	Frequency	%	Cum. Freq.%
Training participation			
Yes	33	38.8	38.8
No	52	61.2	100
Total	*85*	*100*	
Owner-manager's gender			
Male	43	51	51
Female	42	59	100
Total	*85*	*100*	
Owner-manager's educ.			
High school	28	33	33
Diploma	22	26	59
Degree	20	24	83
Professional certificate	2	2	85
Postgraduate	6	7	92

Variable	Frequency	%	Cum. Freq.%
Others	7	8	100
Total	*85*	*100*	
Firm size			
Small firm	69	81	81
Medium firm	16	19	100
Total	*85*	*100*	
Sector			
Manufacturing	19	22	22
Service	66	78	100
Total	*85*	*100*	

(Source: From the primary survey data collected, 2014)

Operationalisation of SME
In this study, SMEs in Ghana are classified as: the small firm, those employing<9 employees, whilst a medium-sized firm is operationalised as a firm having $\geq 10 \leq 30$ employees (see Abor and Quartey, 2010)

Results and Analysis

The main statistical technique informing the analysis in this study is the simple descriptive statistics, mainly mean rankings and the standard deviations. The mean rankings are based on the respondents' average score of the 22 item questionnaire ranging from 1 to 4, namely strongly disagree -1, disagree – 2, agree – 3, and strongly agree 4. In addition, the principal component analysis (PCA) with varimax rotation was conducted to assess the underlying structure of the 22 items questionnaire. In line with researchers (e.g. Warren, 2012; Wang, 2016), we constructed the 22 survey questions/indicators presented in table 4 based on our reading of the literature presented under the empirical sub-section of the paper (sub-Section 2.2). In this case, the PCA is employed as a data reduction technique. It aims to obtain a relatively small number of components that can account for the variability found in a relatively large number of measures (Leech, *et al.,* 2005). After the rotation, eight components were obtained. The first component accounted for 11% of the variance, component 2, 3, 4, 5, 6, 7 and 8 accounted for 10.7%, 10.5%, and 9.2%, 8.1%, 8%, 6.9% and 6.8% respectively. Table 4 below displays the items and the components loadings for the rotated components. In this analysis loadings less than 0.40 were omitted to improve the robustness of the results.

Table 4: Rotated Component Matrix

	Component							
	1	2	3	4	5	6	7	8
Lack of internal capacity								
My firm lacks the human capacity to do training	.783							
Lack of knowledge about training techniques and training programs	.750							
Lack of knowledge about firms that do training	.691							
My firm lacks the financial resources to organize training	.644							
Lack of accessibility to training opportunity								
Training programs are often not available at suitable times		.728						
Training is not easily accessible in terms of location		.702						
Unable to identify suitable training providers		.646						
Lack of advertisement on training by the media		.577						
Lack of Finance to fund training programmes								
Lack of public financing (loans)			.586					
Impossible to interrupt production/no time			.547					
Training providers do not offer flexible terms of payment			.810					
Training is unaffordable (too expensive)			.770					
Unsuitability of training programmes								
Training institutions do not offer training programs that suit my peculiar needs				.822				
Most training programs offered by the various institutions are irrelevant to my field of business				.815				
Owner-manager's perception about trainability								
I have never been good at studying					.818			
I am not encouraged to learn because I am too old					.767			
Managers' scepticism about usefulness of training								
Training is too difficult to implement						.728		
Skeptical about the benefits of training						.668		
Skilled workers can be readily hired from other firms						.505		
Training is costly because employees may leave the company one day						.476		
Unwillingness to participate								
Not willing to participate in training							.831	
Workforce prior education								
Skills that workers learn in school are adequate to our needs								.857

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.

From Table 4, the first component which seems to index 'lack of internal capacity' loads strongly on the first four items. The second component which seems to index 'lack of accessibility', loads strongly on the fifth to the eight item whilst the third component which seems to index' lack of funding for training' loads strongly on the ninth to the twelfth items. Items numbering thirteen and fourteen loaded most strongly on the fourth component which seems to index 'unsuitability of existing training programmes'. Items numbering fifteen to sixteen load most strongly on the fifth component which seems to index on 'owner-manager perception'. The sixth component which seems to index 'owner-manager's scepticism about training usefulness' load on the next four items in column 6. The seventh and the eight components which index 'unwillingness' and 'workforce prior education' respectively consist of one item each which load on components 7 and 8 of the Table 4.

Overall, the mean ranking for each of the eight components derived from the principal component analysis were then computed and presented in Table 4 below.

Table 5: Mean Ranking about the Barriers to Training

No	Barrier	Mean Ranking	Degree
1	Lack of accessibility of training	4.78	High
2	Lack of funding for training	4.62	High
3	Owner-manager's scepticism about the usefulness of training	4.57	High
4	Lack of internal capacity	4.54	Medium
5	Workforce prior education	4.51	Medium
6	Unwillingness to participate in training	4.40	Low
7	Unsuitability of existing training programmes	4.38	Low
8	Owner-manager perception about own trainability	4.21	Low

(Source: Survey Analysis from SPSS)

Table 5 answers the three research question that inform the study. For the research question 2, the barriers to training in Table 5 have been categorised using the indicators high, medium and low. Based on the mean ranking from SPSS, lack of accessibility to training opportunity represented the highest challenge, followed by lack of finance to fund training programmes; the owner-manager's scepticism about the usefulness of training programme became the third highest barrier. Unwillingness to participate in training, unsuitability of existing training programmes and the owner-manager's personal perception became the least in terms of the challenges. Lack of internal capacity and workforce prior education were found to be a moderately ranked challenge to participation in formal training programmes. Hierarchically, it

can be observed that, lack of accessibility of training programmes is the greatest barrier while owner-managers' perception about their own trainability posed as the least barrier.

Discussion and Conclusion

The results from the present study confirm that some personal and organisational factors as well as internal and external factors limit the Ghanaian SMEs' participation in training programmes. In the Ghanaian case it is shown that the topmost challenge has been inaccessibility and unavailability of training programmes in the training market. Items that loaded on this component were that 'Training programmes are often not available at suitable times or training is not easily accessible in terms of location and access. It also implies that there is inability to identify suitable training providers and/or lack of advertisement on training by the media. This outcome is consistent with majority of the literature which labelled these challenges as awareness barriers (e.g. Lange *et al.*, 2000; Byrom *et al.,* 2002; Johnson, 2002; Johnston and Loader, 2003; Webster *et al.*, 2005). Thus, the problem of most SMEs' inability to participate in training programmes is mostly a result of the lack of awareness of the existence of and/or inaccessibility to the training programmes. It can be argued that this challenge is more evident in Ghana because there is lack of information about training programme availability and knowledge of relevant skill initiatives and strategies to meet SMEs' training deficits and/or gap. More also, most management training firms target large firms and/or multinational companies to the neglect of the SMEs when designing training programmes. So, most of these SME owner-managers do not have enough knowledge about the various training institutions within the country, their various training programmes and their location. This also indicates that Ghanaian barriers compare with those of other countries (Webster, 2005).

Panagiotakopoulos (2011) notes that - the lack of empirical evidence on the direct link between training and profitability, contributes to the ignorance on the part of SME owners/managers about the benefits of training. As a result of this, Johnson (2002) argues that encouraging SMEs to offer themselves for training opportunities is likely to be problematic owing to the absence of empirical data to support a causal relationship between training and business success. The second most ranked barrier to SMEs' participation in formal training in this study is the lack of finance which has been recognised as the main obstacle to SMEs' growth and survival across the world. One of the reasons why the issue of finance and/or funding is one of the most cited challenges in most literature (see sub-section 2.2) and it is the difficulty in borrowing from the financial institutions. This outcome is also consistent with the findings of Dalziel (2011) who found the cost of formal training and/or lack of finance to fund formal training as well as inaccessibility to training to be the two most pressing barriers to SMEs' participation in formal training. From the theory of planned behaviour, the findings of this study show that although SME owner-managers have positive intentions of training, but due to the problem of affordability, their capacity to access is limited. In other words, whereas the training programmes on offer are inaccessible, the SMEs are also further constrained by lack of capital. These findings agree with those of Wang (2016) that whilst certain barriers are specific to certain regions, others such funding is generic as is in Ghana. This confirms the research question 3.

The third highly ranked factor is the SMEs owner-managers' scepticism or inertia to training which results from their inability to see ahead the benefits such training could offer. Factors that loaded on this component, included, but not limited to the abstractness of the training programme. Lange *et al.* (2000) argue that unless the owner-managers perceive the training programmes as credible and/or capable of producing an added value, little or no positive action will be taken to make these training part of the firm's activity. Consistent with this finding, is that when owner-managers perceive the training programme to offer no benefit to the operations of the firm, they will be less likely to participate in it. One of the moderately ranked barriers is lack of internal capacity. This result confirms similar studies in both the developed and developing countries and again supports the research question 3 (see personnel training capacity challenge from Table 1). Previous findings though found internal or intrinsic barriers to training; their factors were mainly concerned with the organizational culture regarding human capacity development and/or the owner manager's internal characteristics and attitudes. Similarly, Hogarth *et al* (2009) identified management capacity as a major barrier but they also referred to lack of management time to devote to strategic issues and issues focusing on whether or not owner-managers with participate in training and whether or not to allow members of staff.

The next moderately ranked barrier following lack of internal capacity is workforce prior education. This means that most owner-managers felt that previous education of employees was enough to make for training deficits. The only one item that loaded on it was very high, confirming that previous education is adequate for SMEs' performance and survival. This view is a barrier to participation in training. Previous studies mainly examine the determinants of employees training in relation to educational level of the owner manager and/or the workforce. For instance, Magableh *et al.* (2011) found that older managers, those with higher level of education and those who have positive perception of the benefits of training were found more likely to train employees and spend larger amount on training.

The last three lowly ranked barriers to training participation are 'unwillingness to participate', 'unsuitability of existing training programmes and owner managers' perception about his/her trainability. These imply that few of the owner managers are unwilling to participate in training and also find the training programmes on offer to be unsuitable and believe that they are too old to develop their firms. These findings ranked lowly because the willingness to participate in training is not the issue; it is a result of the other challenges such as funding and accessibility. The last factor found to be the least ranked barrier was owner managers' perception of their trainability. Thus, the owner managers perceive that they are untrainable. In conclusion, the study has confirmed that lack of accessibility, cost and owner-managers' scepticism about the utility of training programmes were the topmost challenges or barriers to training in Ghana, from the perspectives of the SMEs owner-managers. Other barriers which were labelled as moderately ranked were lack of internal capacity and workforce prior education. The lowly ranked barriers were unwillingness to participate in training, unsuitability of existing training programmes and owner-managers' perception.

This study concludes and confirms that although some barriers may be region specific, (e.g. Levi 2012) however, majority of them run through, regardless of the region of location, but their degree of importance may differ from region to region. For example, the survey sample from 437 CEOs in Russia and Bulgaria, found that of the top four rated constraints to SMEs' growth were unwillingness of suppliers, challenges with access to land, funding problems and production constraints (Pissarides, et al. (2003). In this study, funding was the third ranked, whilst the mass firm level survey by the World Bank (cited in Wang, 2016) that used 130, 000 firms, finance, became the topmost, followed by electricity, competition, tax rate and political instability. In the Ghanaian case funding came second.

Implications of the Study
The study establishes that most owner-managers of SMEs in Ghana are not able to engage in training due to issues concerning finance, unavailability and inaccessibility of training programmes, doubts about the value of the training programme, weak internal incapacity of the firm and the perception about the prior education of employees. However, the fact that most of the barriers found were internal issues, although the first one is external (lack of accessibility) makes the internal resource capacity of SMEs crucial. The reason for this is that in order to succeed, an SME's own internal issues must be addressed in the first place and not leave the issue to the government or the external pressure. This implies that whilst it is crucial to align the internal situation of a firm to the changing trends from the external environment, about 75% chance for SMEs to succeed resides within the firm's internal capacity. Implicitly, owner-manager must take every internal variable into account if indeed they desire to grow and remain sustainable. In the light of benefiting from formal training programmes, SMEs must also resort to alternative sources of funding and also change their orientation about the usefulness of training programmes (e.g. training programme is meant for the large firms) and continuously develop their workforce regardless of their prior education.

The fact the issue of accessibility became the highest barrier implies that governments, private sectors, development agencies and civil societies must contribute by creating enabling environment for SMEs to access training opportunity. This means that the Ghanaian Government, private training consultancies, tertiary institutions; NGOs, community-based organizations and who focus on entrepreneurship development must continue to work in partnership to reduce the lack of access to training by SMEs. This means that from public policy perspective, Ghanaian SMEs should fully utilize the services provided by government agencies such as National Board for Small Scale Industries (NBSSI), Council for Technical and Vocational Education and Training (COTVET), Ghana Appropriate Technology Industrial Service (GRATIS), EMPRETEC, Local Enterprises and Skills Development Program (LESDEP) and Enterprise Development Services (EDS) whose core mandate is to among other things provide advisory, counselling and capacity building services to SMEs. It is suggested that the agencies be encouraged to review current training that focuses on skills relating to entrepreneurship (that is there should be a provision of training programmes that suit the peculiar

needs of individual SMEs). The agencies should adequately advertise their training programmes so that more SME owner-managers and their employees could be made aware.

Limitations and implications for future research
This study is wholly exploratory and so uses only descriptive statistics such as mean rakings and so future study could improve the findings by employing inferential statistics such as regression. Although, it can be confirmed that some of the barriers compare with existing studies in both the developed countries and other developing countries, so future research could compare the relative strength of the common barriers across countries.

References

Abor, J. and Biekepe, N. (2006). Small Business Financing Initiatives in Ghana. *Problems and Perspective in Management*, 4(3), 69-77

Abor, J., Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39(6), 215-228.

Adom, P. K., Amakye, K., Doh, E., and Anku, R. (2014). SMEs Record Keeping in Ghana: Has VAT Made It Better? *International Journal of Economics and Financial Issues*, 4(1), 152.

AMOAFO, S. O. (2012). Problems of SMEs in Ghana. *Daily Graphic*, 14th July, p.15.

Argote, L., and Ingram, P. (2000). Knowledge Transfer: A Basis for Competitive Advantage in Firms. *Organisational Behaviour and Human Decision Processes*, 82(1), 150 – 169,

Armeanu, D., Istudor, N., and Lache, L. (2015). The Role of SMEs in Assessing the Contribution of Entrepreneurship to GDP in the Romanian Business Environment. *Amfiteatru Economic*, 17(38), 195.

Armstrong, M. (2006). *Armstrong's Handbook of Performance Management: An Evidence-based Guide to Delivering High Performance* (3rd edition). Kohan Page, London, Philadelphia, New Delhi.

Aryeetey, E. (2001). *Priority Research Issues Relating to Regulation and Competition in Ghana*. Centre on Regulation and Competition Working Paper Series, University of Manchester, Manchester

Asare, A., O. (2014). Challenges Affecting SMEs Growth in Ghana. *International Journal of Sustainable Development*, 7(6), 24-28

Beyene, A. (2002). Enhancing the Competitiveness and Productivity of Small and Medium Scale Enterprises (SMEs) in Africa: An Analysis of Differential Roles of National Governments through Improved Support Services. *Africa Development*. 27(3), 130-156.

Bhatnagar, J. (2007). Talent Management Strategy of Employee Engagement in Indian ITES Employees: Key to Retention. *Employee relations*, 29(6), 640-663.

Bilal, Z. O., and Al Mqbali, N. S. (2015). Challenges and Constrains Faced by Small and Medium Enterprises (SMEs) in Al Batinah Governorate of Oman. *World Journal of Entrepreneurship, Management and Sustainable Development*, 11(2), 120-130.

Bourletidis, K. (2013). The Strategic Management of Market Information to SMEs during Economic Crisis. *Procedia-Social and Behavioural Sciences*, 73, 598–606.

Bowen, M., Morara, M and Mureithi, S. (2009). Management of Business Challenges Among Small and Micro Enterprises in Nairobi-Kenya. KCA *Journal of Business Management,* 2(1), 16-30

Brush, C. G., Ceru, D. J., and Blackburn, R. (2009). Pathways to Entrepreneurial Growth: The Influence of Management, Marketing, and Money. *Business Horizons,* 52(5), 481-491.

Burcin, A. (2015). An Analysis of the Impact of SMEs on the Labour Market. *International Journal of Economics Practices and Theories*, 5(3), 160-165

Byrom, J., Parker, C., and Harris, J. (2002). Towards a Healthy High Street: Identifying Skills Needs in Small Independent Retailers. *Education+ Training*, 44(8/9), 413-420.

CEDEFOP (European Centre for the Development of Vocational Training) (2010). *Jobs in Europe to become more knowledge and skills-intensive.* Cedefop Briefing Note, February 2010, Cedefop, Thessaloniki (Pylea).

Chowdhury, M. S. A., Azam, M. K. G., and Islam, S. (2015). Problems and Prospects of SME financing in Bangladesh. *Asian Business Review*, 2(2), 51-58.

Dalziel, P. (2011). Leveraging Training and Skills Development in SMEs: A Regional Skills Ecosystem Case Study. *Lincoln University: Agribusiness and Economics Research Unit*.

Dasanayaka, S. W. S. B. (2011). Global Challenges for SMEs in Sri Lanka and Pakistan in Comparative Perspective. *Business Review*, 6(1), 61-80.

Dasanayaka, S., Kankanamge, R., andSardana, G. (2011). Identification of Barriers for Development of the Sri Lankan Small and Medium Scale Furniture and Wooden Products Manufacturing Enterprises. *Euro Asia Journal of Management*, 21(40), 69–101.

Feldens, M., Maccari, E., andGarcez, M. (2012). Barriers for Production Innovation in Small and Medium Technology-based Firms in Brazil. *Brazilian Business Review*, *9*(3), 1–12.

Fjose, S., Grünfeld, L. A., and Green, C. (2010). SMEs and Growth in Sub-Saharan Africa: Identifying SME Roles and Obstacles to SME growth. *MENON Business Economics, MENON Publication*, (14).

Gree, A., and Thurnik, C. (2003). Firm Selection and Industry Evolution: The Post Country Performance of New Firm. *Journal of Evolutionary Economics*, 4(4), 243-264.

Green, A. and L. E. Martinez-Solano (2011). *Leveraging Training Skills Development in SMEs: An Analysis of the West Midlands, England, UK*. OECD Local Economic and Employment Development (LEED) Working Papers, 2011/15, OECD Publishing.http://dx.doi.org/10.1787/5kg0vststzr5-en

Grimsholm, E. and Poblete, L. (2010). *Internal and External Factors Hampering SME Growth: A qualitative case study of SMEs in Thailand*. Master in Business Administration, Gotland University

Guijarro, A., Garcia, M., and Auken, H. (2009). Barriers to Innovation among Spanish Manufacturing SMEs. *Journal of Small Business Management*, 47(4), 465–488.

Gunerergin, M., Penbek, S., and Zaptcioglu, D. (2012). Exploring the Problems and Advantages of Turkish SMEs for Sustainability. *Procedia - Social and Behavioral Sciences*, *58*, 244–251.

Hashim, F. (2015). SMEs' Impediments and Developments in the Internationalization Process: Malaysian Experiences. *World Journal of Entrepreneurship, Management and Sustainable Development*, 11(2), 100-119.

Hatega, G. (2007). SME Development in Uganda: A Paper Presented on SMEs in Uganda at the Public Lecture by Private Sector Foundation.

Henrekson, M., and Johansson, D. (2010). Gazelles as Job Creators: A Survey and Interpretation of the Evidence. *Small Business Economics*, 35(2), 227-244.

Hessels, J., and Parker, S. (2013). Constraints, Internationalization and Growth: A Cross-Country Analysis of European SMEs. *Journal of World Business*, 48(1), 137–148.

Hogarth T., Bosworth D.L., Gambin L., Wilson R.A. and Stanfield C. (2009). *Review of Employer Collective Measures: Empirical Review*, Evidence Report 7, UK Commissionfor Employment and Skills, Wath-upon-Dearne and London

Hyz, A. B. (2011). Small and Medium Enterprises (SMEs) in Greece - Barriers in Access to Banking Services. An Empirical Investigation. *International Journal of Business and Social Science*, 2(2), 161–165.

Irjayanti, M., and Azis, A. (2012). Barrier Factors and Potential Solutions for Indonesian SMEs. *Procedia Economics and Finance*, 4, 3–12.

Janita, I., and Chong, W. (2013). Barriers of B2B e-Business Adoption in Indonesian SMEs: A Literature Analysis. *Procedia Computer Science*, 17, 571–578.

Ji, H. (2011). The Reasons and Solutions for Chinese SMEs' Financing Dilemma. *Journal of Special Zone Economy in China*, 2, 219-221.

Johnson, S. (2002). Lifelong Learning and SMEs: Issues for Research and Policy. *Journal of Small Business and Enterprise Development*. 9(3), 285-95.

Johnston, K. and Loader, K. (2003). Encouraging SME Participation in Training: Identifying practical approaches. *Journal of European Industrial Training*, 27(6), 273 – 280.

Kamalian, A., Rashki, M., and Arbabi, M. (2011). Barriers to Innovation among Iranian SMEs. *Asian Journal of Business Management*, 3(2), 79–90.

Kayanula, D., and Quartey, P., (2000). *The Policy Environment for Promoting Small,Medium Enterprises in Ghana and Malawi*. Finance and Economic Research Programme Working Paper Series 15. Institute of Development Policy Management (IDPM), University of Manchester.

Keough, W. and Stewart, V. (2001). Identifying the Skill Requirements of the Workforce in SMEs: Findings from a European Social Fund Project. J*ournal of Small Business and Enterprise Development,* 8(2), 140-149.

Kerr, A. and McDougall, M. (1999). *The Small Business of Developing People*. Woodcock Publications.

Kongolo, M. (2010). Job Creation versus Job Shedding and the Role of SMEs in Economic Development. *African Journal of Business Management*, 4(11), 2288.

Kuratko, D. F. and Welsch, H. P. (2004). *Strategic Entrepreneurial Growth*, 2nd ed., Mason South Western, OH

Lange, T., Ottens, M. and Taylor, a. (2000). SMEs and Barriers to Skills Development: A Scottish Perspective. *Journal of European Industrial Training*. 24(1), 5-11

Leech, N.L., K.C. Barrett and G.A. Morgan, (2005). *SPSS for Intermediate Statistics, Use and Interpretation. 2nd Ed. Lawrence Erlbaum Associates* Inc. New Jersey.

Levy, B. (1993). Obstacles to Developing Indigenous Small and Medium Enterprises: An Empirical Assessment. *The World Bank Economic Review*, 7(1), 65-83.

Lukács, E. (2005). The Economic role of SMEs in World Economy, Especially in Europe. *European Integration Studies*, 4(1), 3-12.

Mabey, C., and Thomson, A. (2000). Achieving Management Excellence. *London: Institute of Management*.

Magableh, I and Al-Mahrouq, M. (2007). *Small and Medium Enterprises (SMEs): Concepts, Characteristics, Importance, Merits and Obstacles*. A paper prepared at Small Enterprises: An Effective Tool to Address Poverty Forum, Yarmouk University Jordan 29-31July.

Magableh, I. K., Kharabsheh, R., and Al-Zubi, K. A. (2011). Determinants and impact of training: the case of SMEs in Jordan. *International Journal of Economics and Finance*, 3(5), 104.

Matlay, H. (1997). The Paradox of Training in the Small Business Sector of the British Economy. *Journal of Vocational Education and Training*, 49(4), 573-589.

Matlay, H. (2009). Entrepreneurship Education in the UK: A Critical Analysis of Stakeholder Involvement and Expectations. *Journal of Small Business and Enterprise Development*, 16(2), 355-368.

Medarova, V., Bures, V., and Otcenaskova, T. (2012). A Review of Obstacles to Successful e-Learning Deployment in SMEs. *Journal of Innovation Management in Small* and *Medium Enterprises*, 12, 1–9.

Millman, C., Li, Z., Matlay, H., and Wong, W. C. (2010). Entrepreneurship education and students' internet entrepreneurship intentions: Evidence from Chinese HEIs. *Journal of Small Business and Enterprise Development*, 17(4), 569-590.

Millman, C., Matlay, H., and Liu, F. (2008). Entrepreneurship Education in China: a Case Study Approach. *Journal of Small Business and Enterprise Development*, 15(4), 802-815.

Moy, J. W., and Luk, V. W. (2003). The Life Cycle Model as a Framework for Understanding Barriers to SME Growth in Hong Kong. *Asia Pacific Business Review*, 10(2), 199-220.

Mutalemwa, D. (2009). Barriers to SMEs Development in the Manufacturing Sector: Evidence from Tanzania. *African Journal of Business and Economic Research*, *4*(2), 93–111.

Nichter, S., and Goldmark, I (2009). Small Firm Growth in Developing Countries. *World Development,* 37(9), 1453-1464.

OECD (2009). Top Barriers and Drivers to SME Internationalization. Report by the OECD Working Party on SMEs and Entrepreneurship.

Okpara, J. (2011). Factors Constraining the Growth and Survival of SMEs in Nigeria Implications for Poverty Alleviation. *Management Research Review*, 34(2), 156–171.

Okpara, J., and Kabongo, J. (2009). An Empirical Evaluation of Barriers Hindering the Growth of Small and Medium Sized Enterprises (SMEs) in a Developing Economy. *African Journal of Business and Economic Research*, 4(1), 7–21.

Omar, S.S., Arokiasamy, l. and Ismail, M. (2009). The Background and Challenges Faced by the Small Medium Enterprises. A Human Resource Development Perspective. *International Journal of Business and Management,* 4(10), 95-102.

Panagiotakopoulos, A. (2011). Barriers to Employee Training and Learning in Small and Medium-sized Enterprises (SMEs). *Development and Learning in Organizations*, 25(3), 15-18

Peci, F., Kutllovci, E., Tmava, Q., and Shala, V. (2012). Small and Medium Enterprises Facing Institutional Barriers in Kosovo. *International Journal of Marketing Studies*, 4(1), 95–107.

Pissarides, F., Singer, M., and Svejnar, J. (2003). Objectives and Constraints of Entrepreneurs: Evidence from Small and Medium Size Enterprises in Russia and Bulgaria. *Journal of Comparative Economics*, 31(3), 503-531.

Quader, M. (2008). Human Resource Management Issues as Growth Barriers in Professional Service Firm SMEs. *Journal of Services Research*, 7(2), 115–161.

Rhaiem, M. (2012). Determinants of Export Effort in Innovative Manufacturing SMES: An Empirical Study. *International Journal of Business Strategy*, 12(3), 81–93.

Saini, D., and Budhwar, P. (2008). Managing the Human resource in Indian SMEs: The Role of Indigenous Realities. *Journal of World Business*, 43(4), 417–434.

Salikin, N., Wahab, N. A., and Muhammed, L. (2014). Strengths and Weaknesses among Malaysian SMEs, Financial Management Perspective. *Social and Behaviour Science*, 129, 334-340.

Sambrook, S., and Stewart, J. (2000). Factors Influencing Learning in European Learning Oriente Organisations: Issues for Management. *Journal of European Industrial Training*, 24(2/3/4), 209-219.

Schuler, R. S., Jackson, S. E., and Tarique, I. (2011). Framework for Global Talent Management: HR Actions for Dealing with Global Talent Challenges. *Global talent management*, 17-36.

Sherazi, S. K., Iqbal, M. Z., Asif, M., Rehmanand, K., and Hussain Shah, S. S. (2013). Obstacles to Small and Medium Enterprises in Pakistan: Principal Component Analysis Approach. *Middle-East Journal of Scientific Research*, 13(10), 1325-1334.

Siaw, C., and Abdul, R. N. (2012). Critical Review on the Regulatory and Legislation Challenges Faced by Halal Start-up SMEs Food Manufacturers in Malaysia. *Procedia-Social and Behavioural Sciences*, 57, 541–548.

Sparrow, P., Farndale, E., and Scullion, H. (2013). An Empirical Study of the Role of the Corporate HR Functions in Global Talent Management in Professional and Financial Services Firms in the Global Financial Crises. *International Journal of Human Resource Management*, 24, 1777-1798.

Storey, D. J. (2004). Exploring the Link, among Small Firms, between Management Training and Firm Performance: A Comparison between the UK and other OECD Countries. *The International Journal of Human Resource Management*, 15(1), 112-130.

Thomson, A., Mabey, C., Storey, J., Grey, C., and Iles, P. (2001). *Changing Patterns of Management Development*, Blackwell, Oxford,

Trianni, A., and Cagno, E. (2012). Dealing with Barriers to Energy Efficiency and SMEs: Some Empirical Evidences. *Energy*, 37(1), 494–504. http://dx.doi.org/10.1016 /j.energy.2011.11.005

UNIDO, (1999). SMEs in Africa Survival Against all Odds, http://www.unido.org/doc/view?document_id=3927andlanguage_code =en

VanVuuren, J., and Botha, M. (2010). The Practical Application of an Entrepreneurial Performance Training Model in South Africa. *Journal of Small Business and Enterprise Development*, 17(4), 607-625.

Walsh, J. P., and Ungson, G. R. (1991). Organizational Memory. *Academy of management review*, 16(1), 57-91.

Wang, F. (2016). What are the Biggest Obstacles to Growth of SMEs in Developing Countries?- A Picture Emerging from an Enterprise Survey (No. 2016/09). Charles University Prague, Faculty of Social Sciences, Institute of Economic Studies.

Warren, H. (2012) *Employee Perception of Training and Development Program: Case of Innocent*. A Thesis Submitted in Partial Fulfilment of the Requirements of Manchester Metropolitan University Business School for Bachelor Degree in Business and Psychology.

Webster, B. Walker, E. and Brown, A. (2005). Australian Small Business Participation in Training Activities. *Education and Training*, 47(8/9), 552 –561.

Westhead, P. and Storey, D. (1996). Management Training and Small Firm Performance: Why is the Link so Weak?" *International Small Business Journal,* 14, 4, 13-24.

Wignaraja, G., and Jinjarak, Y. (2015). Why do SMEs not Borrow more from Banks? Evidence from the People's Republic of China and Southeast Asia. *Asian Development Bank Institute Working Paper Series 509*.

Xie, X., Zeng, S., and Tam, T. (2010). Overcoming Barriers to Innovation in SMEs in China: A Perspective based Cooperation Network. *Innovation: Management, Policy* and *Practice*, 12(3), 298–310.

Zaied, A. N. (2012), Barriers to E-Commerce Adoption in Egyptian SMEs. *Information Engineering and Electronic Business*, 3, 9–18.

Service Quality Variables for Assessing Students' Satisfaction in Higher Learning Institutions: Evidence from Empirical Literature Review

Hawa Uiso and Joseph Magali
The Open University of Tanzania, Dar es salaam
hawa.uiso@out.ac.tz/joseph.magali@out.ac.tz

Abstract: *The relationship between service quality and students' satisfaction is an important aspect to be observed by Higher learning institutions in order to promote students' enrolment. Service quality influences the students' satisfaction and it is a prerequisite for increased number of graduates and hence educated people in any country. Parasuraman et al. (1988) argued that the assessment of the customers' overall superiority of service offered is based on service quality. This paper discusses the relationship between service quality and university students' satisfaction from empirical literature review. The objective of this paper was to assess the influence of service quality on students' satisfaction basing on studies conducted in various countries in the world. The findings are, to the authors' best knowledge that few studies have been done to assess the influence of service quality on students' satisfaction in Tanzania. The study recommends that there is a need to conduct more studies in higher learning institutions in Tanzania.*

Keywords – Service Quality, Students' Satisfaction, Higher Learning Institutions, Tanzania

Background and Introduction

Service quality affects customer satisfaction and loyalty (Munusamy *et al*., 2010). A number of studies have adopted the Parasuraman's (1985) Service Quality (SERVQUAL) dimensions when assessing service quality and customer satisfaction (Hasan *et al.*, 2008). These dimensions are Tangibility, Assurance, Reliability, Empathy and Responsiveness. More studies have been conducted in various countries to assess the level of satisfaction of service quality to university students. These include studies conducted in Malaysia (Arokiasamy & Abdullah, 2012; and Farahmandian *et al*., 2013). Other studies were done in other countries in Asia and developed countries. In USA similar studies were conducted (Letcher and Neves, (n.d); Hermans *et al*., (n.d); and Tessema *et al*., (2012). Other studies on the same area were conducted in Crotia

(Legčević and Strossmayer, 2009); Italy (Eboli and Mazzulla, 2007) and Sweden (Petruzzellis *et al*., 2006), to mention just a few. The empirical literature review indicates that few studies have

been done to assess the role of service quality on students' satisfaction in Africa and specifically in Tanzania.

The history of service quality measurement models can be traced back to 1984 where Grönroos established his qualitative service quality assessment model which concentrated on service Expectation, Outcome and Image. Parasuman *et al*., (1985) composed the SERVQUAL model with 22 dimensions which evaluate the service quality gaps by comparing Expectation with Perception. Parasuraman *et al*., (1988) developed a multiple-item SERVQUAL scale model for measuring consumer perceptions of service quality in service and retail organizations while and Bolton and Drew (1991) developed the SERVQUAL model with 16 dimensions to be used in telephone service quality assessment. Some scholars use Service Performance (SERVPERF) model which was founded by Cronin and Taylor (1992) for measuring service quality basing on service performance than the service quality gap as measured by SERVQUAL model.

Adil *et al*., (2013) argued that SERVQUAL and SERVPERF are the two mostly commonly used methods for assessing service quality. However, some studies use SERVPERF instead of SERVQUAL model. For example Karami and Olfati (2012) assessed the perception of Masters Students on service quality in business schools in Iran where they modified the six dimensions of SERVPERF model (Tangibles, Reliability, Empathy, Employee, Professor and Career guidance).

Main Objective of the paper

The main objective of this paper was to explore from the empirical literature review, the studies done on service quality and students' satisfaction in higher learning institutions. The ultimate goal was to come up with service quality variables mostly used to assess university students' satisfaction. The analysis from the empirical literature review provided the justification for conducting the study. The empirical literature review also helped to recommend the variables to be used in assessing students' satisfaction in higher learning institutions in Tanzania.

Specific Objectives

This paper was guided by the following specific objectives:

- To review published studies on service quality and students' satisfaction in higher learning institutions
- To identify the service quality models used for assessing students' satisfaction in higher learning institutions
- To identify the variables used for assessing university students' satisfaction
- To recommend service quality variables for assessing university students' satisfaction

Methodology

This is a conceptual paper based on empirical literature review and the findings of relevant published articles found online. The search for articles was done in all data bases including

Emerald with the following words alone or in different combinations: Students satisfaction, Higher learning institutions, Students satisfaction in Universities, Students satisfaction in Higher learning institutions, Determinants of students' satisfaction, Service quality, Service quality in higher learning institutions, Determinants of service quality, SERVIQUAL model, SERVPERF model, Service quality and students' satisfaction and Service quality and students' satisfaction in Tanzania. Moreover, the words "and journal" were added with key search words in order to access only online published papers from journals, conferences or any reliable information with these required variables. When going through the literature, emphasis was placed on examining the methodology used and findings in order to recommend the proper methodology and service quality variables for assessing students' satisfaction in higher learning institutions in Tanzania. A summary of empirical literature review was then prepared to reveal the research gap. Discussion of the findings was based on published studies on university students' satisfaction and service quality together with models used for assessment. Conclusions and recommendations were also based on the same published studies.

Empirical Literature Review

Review of empirical literature revealed that most studies on service quality and students' satisfaction were done in Malaysia and some in USA and Europe. Arokiasamy and Abdullah (2012) measured the level of service satisfaction for Malaysian university college students by using SERVQUAL and multiple regression analysis. The findings show that students were satisfied with teaching, administrative support, library, laboratories, accommodation, medical and sports. However, some students were not satisfied with transportation, class room and prayer facilities. The findings further revealed that there was no significant difference in satisfaction between male and female students. Hanaysha *et al.,* (2011) in Malaysia used the SERVQUAL model dimensions (Tangibility, Reliability, Responsiveness, Assurance and Empathy) together with correlation and regression analysis to measure the university students' level of satisfaction on services provided in Malaysia. The findings indicated that the majority of students were satisfied with the facilities provided by universities.

Hasan *et al.,* (2008) analyzed the service quality and student satisfaction in private higher learning institutions in Malaysia by using SERVQUAL and regression models. The results indicated that Empathy and Assurance consistently influenced students' satisfaction than Age, Tangibility, Responsiveness and Reliability. Farahmandian *et al.,* (2013) analyzed the levels of students' satisfaction at the International Business School in Malaysia by using descriptive, correlation and regression model. The results indicated that university facilities, advisory services, curriculum, financial assistance and tuition costs positively and significantly influenced students' satisfaction. Wei and Sri Ramalu (2010) assessed the relationship between service quality and the level of student's satisfaction of undergraduate students in Malaysia by using SERVQUAL, regression and correlation analysis. The findings indicated that Responsiveness; Assurance and Empathy were significantly related to students' satisfaction.

Wang and Shieh (2006) assessed the impact of service quality on customer satisfaction in Taiwanese Library by using SERVQUAL model, correlation and regression analysis. The study revealed that overall service quality has significant positive impact on students' satisfaction. Karami and Olfati (2012) assessed the Postgraduate (Masters) students' perception of service quality in business schools in Iran using modified six dimensions of SERVPERF model (Tangibles, Reliability, Empathy, Employee, Professor and Career guidance) with 42 attributes. The findings revealed that the scores in each dimension for each school among the five business school was different, whereby each school was satisfied with one dimension compared to the other. Moreover, Confirmatory Factor Analysis indicated that Empathy was important service quality dimension for Iranian students.

Letcher and Neves (n.d) assessed the New Jersey College students' satisfaction on a number of variables including: curriculum, instruction and classes, quality of teaching of subject matter, extra-curricular activities and career opportunities. This assessment also covered students' advisory services, instructors' teaching quality, computing facilities, and students' quality of interaction. The study was done in USA and the data were analysed using descriptive statistics chi-square, factor analysis and regression analysis. The findings revealed that advising and quality of teaching have little or no effect on overall student satisfaction while self-confidence, extra-curricular activities, career opportunities and quality of teaching had greater impact on satisfaction. Similarly, Hermans *et al.,* (n.d) examined how attitudinal variables contribute to student satisfaction in web-enhanced courses at a state university, USA. The SERVQUAL, structural modeling, regression and correlation were used for data analysis. The study revealed that satisfaction with the instructor, perceived ease of use of the course technology, and satisfaction with the course influenced students' satisfaction. However, the study revealed that flexibility of web-enhanced courses, students' commitment in studies, students' satisfaction with classes and school do not influence the students satisfaction.

Likewise, Tessema et *al*. (2012) assessed the academic related factors affecting the overall students' satisfaction with major curriculum at a midsized public university in USA by using the ranking, descriptive, correlation, T-test and Cohen's d effect size. The findings of the study revealed that students' satisfaction was influenced by a number of factors including quality of instructions, capstone experience, academic advising, overall college experience and preparation for career or graduate school.

Legčević and Strossmayer (2009) assessed the educational services quality gap by using a SERVQUAL instrument model for students in Faculty of Law Osijek, in Croatia. The results revealed service gaps in Reliability and Empathy. Similarly, Eboli and Mazzulla (2007) assessed the Calabria's university students' satisfaction with public transport service in urban area of Cosenza (Southern Italy) by using American Satisfaction Index and Structural Equation Modeling (SEM). The study revealed that bus stop maintenance, route characteristics, information availability, promotion, costs, personnel, bus stop furniture, less overcrowding and bus stop maintenance had an impact on the transport services comfort. Likewise, Petruzzellis *et al*. (2006) examined the Bari universities students' services perceived quality in Italy by using

Multidimensional Scaling (MDS), correlation and a chi square analysis. The findings indicated that students were not satisfied with the service offered. This problem was reflected in the high drop rate of students and the delay in completing the curriculum. Agbor (2011) assessed the relationship between customer satisfaction and service quality at Umea school of Business in Sweden by using SERVQUAL model, Chi square test and American Customer Satisfaction Index. The study indicated that Reliability and Empathy were significantly related to students' satisfaction.

Few studies have been conducted to assess the university students' satisfaction in Africa.

Olufunken (2015) analysed the impact of the faculty of study on students' satisfaction with academic facilities in four private universities in Nigeria by using descriptive statistics and Kruskal Wallis Test. The findings revealed that students' satisfaction were significantly influenced by the faculty of study. Akpoiroro and Okon (2015) investigated the level of students' satisfaction with service delivery in federal universities in South-south geopolitical zone of Nigeria by using descriptive statistics and a single-mean population t-test. The study revealed that students were highly satisfied with educational, security, and medical services while they were not highly satisfied with library, hostel, transport, and ICT services.

Omwando and Ken (2014) examined module II students' satisfaction from five public universities in Mombasa Kenya by using descriptive analysis. The study findings indicated that students' satisfaction with service for the five universities was highly influenced by three variables, namely: convenient hours of library, library welcoming staff and competence of lecturers. The same study revealed the students' dissatisfaction caused by lectures delivery mode and limited library resources. Similarly, Owino *et al.,* (2014) by using descriptive, SERVQUAL and factor analysis examined the perception of service quality between public and private university students in Kenya where the dimensions for analysis were human elements reliability, human elements responsiveness, non-human elements and service blue print. The study found that there was a significant difference between public and private university in the service quality perception dimensions. According to the study, students in private universities were more satisfied compared to those in public universities. Moreover, Chepchieng *et al.* (2006) revealed that students in private universities have close contact with lecturers compared to those in public universities in Kenya and this increases the level of the university students' satisfaction.

Few studies have been done to assess the university students' satisfaction in Tanzania. Mbise and Tuninga (2013) used SERVQUAL model to assess students' perceptions of the managers and employees of business schools on the perceived quality of services they deliver on two Colleges of Business Education (CBE) in Tanzania. The findings indicated that students' expectations were higher than the perceived quality of services delivered by the business schools. The findings further revealed that all employees from various levels indicated a negative gap. The study recommended the public colleges to improve their services. Josephat *et al.* (2014) used factor analysis to assess the University of Dodoma (UDOM) students' satisfaction in Tanzania. The findings revealed that students' satisfaction level with the service was 55.2% and the factors influencing students' satisfaction positively were the academic staff, learning environment,

learning material, non-academic staff and learning facilities while the study revealed that only learning materials influenced the students' satisfaction negatively.

Rwejuna (2013) used qualitative and descriptive data analysis to assess the reasons for a drop rate in enrolment and low completion rate of students at The Open University of Tanzania (OUT). The study revealed that OUT students failed to complete studies on time because of poor examination feedback, low commitment to studies, students' low income, and shortage of study materials and library materials, and supervision problems. Apart from low commitment to studies on the part of the students, some students were unable to pay fees. The study further revealed that other dimensions affecting the dropout rate were related to general students' dissatisfaction on various issues. However, this study focused only on the reasons for students' drop out which was explained by several factors and not necessarily students' satisfaction. The summary of empirical literature review is presented in Table 1.

Table 1: A Summary of Empirical Literature Review

Author (s) and countries where study was conducted	Methodology/model (s)	Major findings – Students' satisfaction was based on the following listed service quality variables
Farahmandian et al., (2013), Arokiasamy and Abdullah (2012), Hanaysha *et al.,* (2011) in Malaysia	SERVQUAL model, descriptive statistics, correlation and multiple regression analysis	Teaching, administrative support, library, laboratories, advising, curriculum, financial assistance, medical services, sports, tuition costs and facilities
Wang and Shieh (2006), Karami and Olfati (2012) in Taiwan and Iran	SERVQUAL, SERVPERF model, correlation and regression analysis	Tangibles, Reliability, Empathy, Employee, Professor and Career guidance
Letcher and Neves (n.d), Hermans et al (n.d), Tessema et al (2012) in USA	Descriptive, ranking, descriptive, correlation, T-test and Cohen's d effect size chi-square, factor and regression analysis	Advising and counseling, self-confidence, extra-curricular activities, career opportunities and quality of teaching
Legčević and Strossmayer (2009), Eboli and Mazzulla (2007), Petruzzellis et al (2006), Agbor (2011) in Croatia and Italy	SERVQUAL, descriptive, Chi square test, American Customer Satisfaction Index	Curriculum, Reliability, Empathy, Information availability, promotion, costs and personnel
Olufunken (2015), Akpoiroro and Okon (2015), Omwando and Ken (2014), Owino et al (2014) in Nigeria and Kenya	Descriptive, Kruskal Wallis Test, SERVQUAL and factor analysis	Educational security, medical services ICT services, Operational hours of library services, library welcoming staff and competence of lecturers. Dissatisfaction was reported on the library itself as a facility,

		hostel and transport.
Tuninga (2013), Josephat et al (2014), Rwejuna (2013) in Tanzania	Factor analysis, SERVQUAL	Academic staff, learning environment, learning materials, non- academic staff, learning facilities. Dissatisfaction was reported in the area of poor examination feedback, shortage of study materials, library materials, and supervision problems

(Source: Empirical Literature Review, 2016)

Discussion of the Findings

Published studies on university students' satisfaction
The findings from the empirical literature review show that most studies on students' satisfaction and service quality were done in Asia particularly in Malaysia, followed by other countries such as America and Europe. The findings from the analysis indicate that there are few published studies on service quality and students' satisfaction in higher learning institutions in Africa and specifically in Tanzania. The findings indicate that more studies on students' satisfaction need to be conducted in Tanzania to assess the level of university students' satisfaction because the analysis indicates that only two published studies were done in Tanzania to assess the university students' satisfaction.

It is therefore important to conduct a study on students' satisfaction and service quality in Tanzania because the two studies done in Tanzania were addressing situations of service quality and students' satisfaction in the conventional universities. Hence more studies need to be conducted in other universities with the same or different modes of delivery. For example some universities in Tanzania offer studies in Open and Distance Learning, hence the study on the level of students satisfaction to service quality may reveal different results from those of conventional universities. Also the variables from the conventional universities may differ from those of Open and Distance Learning (ODL) institution. Tanzania has 28 universities and 33 university colleges making a total of 61 higher learning institutions (COSTECH, 2016). This signifies that there is a high competition among higher learning institutions and the enrolment of students and completion rates may have direct relationship with students' satisfaction on services provided. Since payment of operation costs for universities in Tanzania depends on fees collected from the students; students' satisfaction is of paramount importance because it is one of advertising strategy which will increase the enrollment rate.

Variables used to assess the university students' satisfaction
The findings also shows that more studies on students satisfaction have examined different research variables including teaching quality, administrative support, management support,

transportation, libraries, computer labs & general labs, accommodation, medical, sports, prayer, religious facilities, classroom facilities, computing facilities, e-technology, advisory services, curriculum, tuition costs and quality of instructors (Agbor, 2011; Shahin and Janatyan, 2011; Farahmandian *et al.,* 2013; Tessema *et al.,* 2012; Hermans *et al*., n.d; Letcher and Neves, n.d). The findings indicate that scholars who assess the university students' satisfaction focus on the quality of teaching, quality of materials and other facilities which make the students to study comfortably in order to achieve their ambitions after completing their studies.

Models used to assess the university students' satisfaction
Many scholars use the traditional SERVQUAL and SERVPERF model while some modify them. Some of scholars who used SERVQUAL model to assess the university students' satisfaction include Wang and Shieh 2006*;* Hasan *et al.,* 2008*;* Legčević and Strossmayer, 2009*;* Wei and Sri Ramalu 2010; Hanaysha *et al.,* 2011; Arokiasamy and Abdullah 2012).

According to Adil *et al.,* (2013), SERVQUAL model which has three measures of service Expectations, Perception and Gap, consists of 22 items of the Likert scale with five dimensions which are Tangibles, Reliability, Responsiveness, Assurance and Empathy. To mention few, Landrum *et al.,* (2009) examined the relationship between the relative importance allocated by users of the library information system by using the traditional dimension of SERVPERF of Tangibility, Reliability, Responsiveness, Assurance, Empathy and they concluded that SERVPERF provided better measurement than SERVQUAL.

Miguel *et al*., (n.d) argued that scholars are still debating on which model to use among SERVQUAL and SERVPERF in assessment of service quality and customer satisfaction. For example, Zhou (2004) disqualified the use SERVQUAL in measuring Service quality instead recommended SERVPERF because of its high validity while Ali *et al*. (2010) recommended the use of SERVQUAL arguing that it considers the variables of customer expectation which is worth to assess. Moreover, Adil *et al*.,(2013) recommended SERVPERF arguing that SERVQUAL model cause overlap between technical and functional dimensions. Furthermore, according to Adil *et al*., (2013), respondents who filled the SERVQUAL questionnaires preferred to fill the service Perception part than both Expectation and Perception parts. Despite many contemporary scholars recommend SERVPERF because of its high validity compared to SERVQUAL, many scholars still use SERVQUAL when assessing customer satisfaction (Ali *et al*., 2010; Adil *et al*., 2013; Hanaysha *et al.,* 2011; Arokiasamy and Abdullah 2012). There seems to be little consensus on which model is more appropriate in a general sense.

The empirical literature review shows that some scholars have modified the SERVQUAL and SERPERF to fit their environment and study purposes. For example, Fogarty *et al.,* (2000) modified the SERVPERF questions according to Australian consumers' environment where SERVPERF contained only 15 instead of 22 variables. Theerthaana (2015) proposed a SERVPERF model comprising of 31 variables including the original 22 variables in the model where the five additional variables to the original SERVPER model were availability of spares,

accessibility, transparency, after service complaints and waiting time. The variables were considered to be essential in the sector of mobile services. Some scholars who modified SERVQUAL and SERVPERF include Hasan *et al*., (2008), Agbor (2011), Shahin and Janatyan (2011), Farahmandian *et al*., (2013), Hermans *et al.,* (n.d) and Karami and Olfati, (2012), to mention few.

Some scholars used other models that were appropriate to their services quality assessment. For example, Rust and Oliver (1994) composed the three components of a service product model which are technical quality, service delivery, functional quality and service environment.

Other methods/models for assessing the university students service satisfaction apart from SERVQUAL and SERVPERF include qualitative data analysis, five point Likert-type scales, reliability analysis, Exploratory Factor Analysis, multiple regression analysis, a single-mean population t-test, descriptive analysis, Structural Equation Modeling and Kruskal Wallis Test (Rwejuna, 2013; Rahman and Zarim, 2014; Omwando and Ken, 2014; Olufunken, 2015; Akpoiroro and Okon, 2015).

In the competitive business environment service providers have to be innovative and decide on which service quality variables suits their circumstances. The number of higher learning institutions in Tanzania has continued to increase yearly and there is free flow of information among students from one institution to another. Students are able to communicate with each other on a number of issues which boil down to service quality and satisfaction. Some courses on quality management have been introduced in the curriculum which also creates more awareness on the part of students as far as quality service is concerned. Hence more studies on students' satisfaction in higher learning institution are needed in order to determine the appropriate service quality variables that influence students' satisfaction in Tanzania.

Conclusion and Recommendations

The literature review indicates that very few studies have been done to assess the role of service quality on students' satisfaction of services provided by higher learning institutions in Tanzania. Academic institutions are a source of human resource required in any country. The output of higher learning institutions in terms of the number of graduates is dependent on the ability of the institutions to enroll and manage the students successfully. The literature review indicates that published studies on the role of service quality on students' satisfaction in higher learning institutions in Tanzania are limited in number and hence more research need to be conducted in this area. Another implication from the empirical literature review is that service quality is important for any academic institution. Therefore, the policy makers in the relevant ministry dealing with academic institutions should strive to ensure adherence to the guidelines for quality assurance and self assessment at an institutional level.

Moreover, basing on the empirical literature review, this paper recommends the use of variables in the SERVQUAL and SERVPERF depending on the situation in question. At a very basic level

all high learning institutions need to pay particular attention to some service quality variables that are critical to academic institutions in developing countries like Tanzania. These include good learning environment conducive for optimum performance, proper management of students' records and affairs, good customer care to students, competent teaching staff and reliable system for responding to students' queries.

References

Adil, M., Al Ghaswyneh, O. F. M. and Albkour, A.M. (2013). SERVQUAL and SERVPERF: A Review of Measures in Services Marketing Research. *International Research Journal*, 13(6), 65-76.

Ali, M.H., Ali, N. A. and Radam, A. (2010). Validating SERVPERF Model in Government Agencies. The Journal of Human Resource and Adult Learning, 6(1), 84-92.

Agbor, J.M. (2011). The Relationship between customer satisfaction and service quality. MSc Thesis, Umea school of Business. Sweden. Retrieved from: http://umu.diva-portal.org/smash/get/diva2:448657/FULLTEXT02.pdf, on 29/02/2016.

Akpoiroro, R. M. and Okon, J. E. (2015). Students' satisfaction with service delivery in federal universities in South-south geo-political Zone, Nigeria 7(5), 110-113.

Arokiasamy, A. R.A. and Abdullah, A. G. (2012). Service Quality and Students' Satisfaction at Higher Learning Institutions: A Case Study of Malaysian University Competitiveness. International Journal of Management and Strategy http://www.facultyjournal.com/ (IJMS), 3(5), 1-16.

Bolton, R. D. and Drew, J.H. (1991). A multistage model of customers' assessment of service quality and value. *Journal of Consumer Research*, 17(4), 375-84.

Chepchieng, M. C., Mbugua, S. N and. Kariuki, M.W. (2006). University students' perception of lecturer-student relationships: a comparative study of Public and Private Universities in Kenya. *Educational Research and Reviews*, 1(3), 80-84.

COSTECH (2016). Universities. Retrieved from: http://www.costech.or.tz/?page_id=2247, on 28/04/2016.

Cronin, J. J., and Taylor, S. A. (1992). Measuring Service Quality - A Reexamination and Extension. *Journal of Marketing*, 56(3), 55-68.

Grönroos, C. (1984). A service Quality model and its marketing implications. *European Journal of Marketing*, 18(4), 36-44.

Eboli, L.and Mazzulla, G. (2007). University of Calabria Service Quality Attributes Affecting Customer Satisfaction for Bus Transit. *Journal of Public Transportation*, 10 (3),22-34.

Farahmandian, S., Minavand, H. and Afshardost, M.(2013). Perceived service quality and student satisfaction in higher education. *IOSR Journal of Business and Management*, 12(4), 65-74.

Fogarty, G., Catts, R., and Forlin, C. (2000). Identifying shortcomings in the measurement of service quality. *Journal of Outcome Measurement*, 4(1), 425-447.

Hanaysha, J. R. M., Abdullah, H. H. and Warokka, A. (2011).Service Quality and Students' Satisfaction at Higher Learning Institutions: The Competing Dimensions of Malaysian

Universities' Competitiveness. *Journal of Southeast Asian Research*, Vol. 2011, Article ID 855931, 10 pages

Hasan, H. F.A., Ilias, A., Rahman, R.A., Razak, M.A. (2008). Service Quality and Student Satisfaction: A Case Study at Private Higher Education Institutions. *International Business Research*, 1(3), 163-173

Hermans, C. M. Haytko, D. L.,and Mott-Stenerson, B.(n.d). Student Satisfaction in Web-enhanced Learning Environments. *Journal of Instructional Pedagogies*, 1-19.

Josephat, P., Ismail, A. and Martin, P. (2014). Undergraduate Students' Satisfaction Survey at the University of Dodoma. *Journal of Education Research and Behavioral Sciences*, 3(2), 045-053.

Karami, M. and Olfati, O. (2012). Measuring service quality and satisfaction of students: A case study of students' perception of service quality in high-ranking business schools in Iran. *African Journal of Business Management*, 6(2), 658-669.

Landrum, H., Prybutok, V., Zhang, X., and Peak, D. (2009). Measuring IS System Service Quality with SERVQUAL: Users' Perceptions of Relative Importance of the Five SERVPERF Dimensions, *The International Journal of an Emerging Transdiscipline*, 12,17-33.

Legčević, J. and J.J. Strossmayer (2009). Quality Gap of Educational Services in Viewpoints of Students, UDK / UDC: 378.14, JEL classification: I21.

Letcher, D. W. and Neves, J. S. (n.d). Determinants of Undergraduate Business Students' Satisfaction. *Research in Higher Education Journal*, pp 1-26. Retrieved from: http://www.aabri.com/manuscripts/09391.pdf, on 25/03/2016.

Mbise, E.R. and Tuninga, R.S. J. (2013). The Application of SERVQUAL to Business Schools in an Emerging Market: The Case of Tanzania. *Journal of Transnational Management*, 18, 101–124.

Miguel, P. A. C., Silva, M T., Chiosini, E. L., and Schützer, K. (n.d). Assessment of service quality dimensions: a study in a vehicle repair service chain. Retrieved on 30/04/2016 from: http://www.poms.org/conferences/cso2007/talks/36.pdfMunusamy, J. Chelliah, S. and Mun, H. W. (2010). Service Quality Delivery and its Impact on

Customer Satisfaction in the Banking Sector in Malaysia, *International Journal of Innovation Management and Technology*, 1(4), 398-404

Olufunken, O.A. (2015). The Impact of Faculty of Study on Students' Satisfaction: A Study of Four Private Universities in Nigeria. International Education Studies, 8(7), 57-63.

Omwando, B. N. and Ken, I. B. (2014). Students' Satisfaction with Module II Academic Programs Offered by Public Universities in Mombasa: A Comparative Study. *IOSR Journal of Business and Management*, 16(4), 91-108.

Owino, E., Kibera, F., Munyoki, J. and Wainaina, G. (2014). Service Quality in Kenyan Universities: Dimensionality and Contextual Analysis. *European Journal of Business and Management*, 6(11), 180-194.

Parasuraman, A., Zeithaml, V. A., Berry, L. L (1985). A conceptual model of service quality and its implication for future research, *Journal of Marketing*, 49(4), 41-50.

Parasuraman, A., Zeithaml V. A., Berry L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, *Journal of Retailing*, 64(1), 12-40.

Petruzzellis, L., D'Uggento, A. M. Romanazzi, S. (2006). Student satisfaction and quality of service in Italian universities. *Managing Service Quality* 16(4), 349-364.

Rahman, M. S. and Zarim, Z.A. (2014). Service Quality and Students' Satisfaction Towards Purchasing Online Educational Resources. *Journal of Marketing Management*, 2(2), 57-64.

Rust, R. T., and Oliver, R. L. (1994). Service Quality: Insights and managerial implications from the frontier in Service Quality: New directions in theory and practice. Sage Publication, pp. 1-19.

Rwejuna, Z. R. (2013). Factors Affecting Completion Rates at the Open University of Tanzania. Unpublished PhD Thesis, The Open University of Tanzania.

Shahin, A. and Janatyan, N. (2011). Estimation of Customer Dissatisfaction Based on Service Quality Gaps by Correlation and Regression: Analysis in a Travel Agency. *International Journal of Business and Management*, (6)3, 99-108.

Theerthaana, P. (2015). Antecedents of Customer Satisfaction and Retention: Validating Metrics of Mobile Phone Services through SERVPERF, *The International Journal of Business & Management*, 3(8), 283-290.

Tessema, M. T., Ready, K., and Yu, W. (2012). Factors Affecting College Students' Satisfaction with Major Curriculum: Evidence from Nine Years of Data. *International Journal of Humanities and Social Science*, 2(2), 34-44.

Wang, M. and Shieh, C. (2006). The relationship Between Service Quality and Customer Satisfaction. The Example of CJCU Library. *Journal of Information & Optimization Sciences*, 27(1), 193-209.

Wei, C. C. and Sri Ramalu, S. (2010). Students Satisfaction towards the University: Does Service Quality Matters? *International Journal of Education*, 3(2), 1-15.

Zhou, L. (2004. A dimension-specific analysis of performance-only measurement of service quality and satisfaction in China's retail banking. *Journal of Services Marketing*, 18, 534-46.

An Assessment of the Reliability and Validity of the SERVQUAL Scale in the Higher Education Context of Tanzania

Ahmed M. Ame and Amani M.G. Tegambwage
School of Business Studies and Economics
The University of Dodoma
ahmed_ame@yahoo.com

Abstract: Although service quality has received increasing attention in higher education, there is lack of a standardized instrument to measure it. The most popular and widely used instrument to measure service quality across industries is the SERVQUAL scale. However, since the SERVQUAL scale was developed in the retail commercial sector, its reliability and validity for measuring service quality in the higher education sector has been questioned. This is because higher education sector differs significantly from the retail commercial sector for whichthe SERVQUAL scale was developed and widely applied. This paper assesses the applicability of the SERVQUAL scale for measuring service quality in higher education, particularly in the context of Tanzania. The data were obtained from 500 students in two public universities in Tanzania. The study found out that, the SERVQUAL scale, as modified for this study, is reliable and valid for measuring service quality in the higher education sector.

Key Words: Reliability, Validity, Higher education, SERVQUAL.

Introduction

In order to achieve superiority in service quality and realize its benefits, higher education institutions must have the means to measure it. One of the most valid and reliable measurement instruments used in the evaluation of service quality across service sectors is the SERVQUAL scale. Despite its wide application across service sectors, there have been arguments about its applicability to all service sectors, that is, whether the instrument is universal or not (Atrek and Bayraktaroglu, 2012). Since the SERVQUAL scale was developed in the retail industry, it may not be able to measure service quality in different service sectors adequately. The reason is that, each service sector has unique and distinguished characteristics (Soliman and Alzaid, 2002).

Thus, the ability of SERVQUAL to measure service quality in higher education is unclear (Hoe, 2005). This is because higher education differs from the services used in the development of SERVQUAL(the retail commercial sector) in terms of: (1) the nature of the service act, (2) the length and nature of relationship with the client, (3) levels of customization and judgement, (4) nature of demand relative to supply, and (5) method of service delivery. Therefore, the ability of this scale to measure service quality in higher education service sector requires further investigation.

Few studies have tested the applicability of the SERVQUAL scale in the higher education sector (Brochado and Marques, 2009; Hoe, 2005). Though the attempt has been made to extend the knowledge to higher education sector, these studies were conducted in the developed countries which are likely to differ from the developing countries in terms of the number and composition of service quality dimensions (Palmer, 2011). Studies have shown that customer expectations, values, beliefs and perceptions differ from one culture to another and from one country to another (Lee, 2007). Furthermore, there appears to be a positive relationship between economic development of a country and its service sector; developed economies being increasingly more service-orientated than developing economies (Palmer, 2011). Thus, standardized instruments developed and tested in the west may miss important attributes in developing countries. These two studies, in addition, have utilized 22 items of the original SERVQUAL scale.

The main objective of this study was to assess the reliability and validity of the SERVQUAL scale, as modified for this study, for measuring service quality in higher education, particularly in the context of Tanzania.

Theoretical Base

Reliability of Measurement Instruments
Reliability is defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials (Cook and Beckman, 2006). In other words; it is the stability or consistency of scores over time or across raters. There are three aspects of reliability, namely: equivalence, stability and internal consistency (Creswell, 2008).

The equivalence aspect considers how much error may get introduced by different investigators or different samples of the items being studied (Patten, 2005). Equivalence is measured through a parallel forms procedure or by assessing inter-rater reliability (Creswell, ibid). The stability aspect of reliability is concerned with securing consistent results with repeated measurements of the same researcher and with the same instrument (Patten, 2005). Stability is assessed by comparing results of repeated measurements (Polit and Beck, 2004). The internal consistency aspect concerns the extent to which items on the instrument are measuring the same thing (Patten, 2005). The appeal of an internal consistency index of reliability is that, it is estimated after only one test administration, and therefore avoids the problems associated with testing over multiple time periods (Creswell, op.cit.). Internal consistency is estimated via the split-half reliability index, coefficient alpha index or the Kuder-Richardson formula 20 (KR-20) indexes. However, the widely employed method is coefficient alpha index (Creswell, ibid).

In this study, the internal consistency aspect of reliability was investigated due to the following reasons: (1) It is the most important aspect of reliability in connection with the multiple item scale (Cook and Beckman, 2006) like the ones employed in this study, (2) Since the present study adopts a cross-sectional strategy, internal consistency reliability is feasible because it is estimated after only one test administration (Creswell, 2008), (3) The process of validating

measurement instruments requires among other things, an investigation of internal consistency reliability (Nunnally and Bernstein, 1994).

Validity of Measurement Instruments

Validity is defined as the extent to which the instrument measures what it purports to measure (Cook and Beckman, 2006). This implies that, the results of any psychometric assessment have a meaning (validity) only in the context of the construct they purport to assess. Validity is not a property of the instrument, but of the instrument's scores and their interpretations (Cook and Beckman, 2006). Thus, validity must be established for each intended interpretation.

Scholars have distinguished a number of kinds of statements about the validity of a measure, including: (a) content validity which refers to the extent to which the measure adequately samples the content of the domain that constitutes the construct; (b) criterion validity which refers to the extent to which a measure is empirically associated with relevant criterion variables, which may either be assessed at the same time (concurrent validity), in the future (predictive validity), or in the past (postdictive validity), and (c) construct validity, an overarching term now seen by most to encompass all forms of validity, which refers to the extent to which a measure adequately assesses the construct it purports to assess(Nunnally and Bernstein, 1994). However, contemporary thinking on the subject suggests that, these distinctions are arbitrary and that all validity should be conceptualized under one overarching framework, "construct validity" (Cook and Beckman, 2006). This approach underscores the reasoning that an instrument's scores are only useful in as much as they reflect a construct and that, evidence should be collected to support this relationship. According to this conceptualization, the distinct concepts of content and criterion validity are preserved as sources of validity evidence within the construct validity rubric.

Construct validation is always theory dependent (Cook and Beckman, 2006). That is, a statement about the validity of an instrument is a statement about the extent to which it's observed associations with measures of other variables, match theoretical predictions about how it should be associated with those variables. In fact, if the theory is wrong, the pattern of correlations will appear to invalidate the measure. The aim of construct validation basically is to establish its relation to other variables with which it should theoretically be associated positively, negatively, or practically not at all (Nunnally and Bernstein, 1994). Thus, construct validity is typically established by presenting correlations between a measure of a construct and a number of other measures that should, theoretically, be associated with it (convergent validity) or vary independently of it (discriminant validity) (Cook and Beckman, 2006). In addition, when assessing simultaneously convergent and discriminant validity, one confirms the presence of construct validity (Cook and Beckman, 2006). This implies that the best way to investigate construct validity is to check convergent and discriminant validity altogether (Ame, 2005). This study has adopted this approach.

METHODS

Phase One
The Modification of SERVQUAL Scale
The 22 service quality items in the original SERVQUAL scale (see Appendix A) were modified to fit the higher educational process. For example, item 1 of the SERVQUAL instrument that states "XYZ has modern looking equipment" was modified for item 3 on the modified SERVQUAL instrument to read as "Classrooms at XYZ have up-to-date teaching support equipment". This was consistent with authors' guidelines for using SERVQUAL (Parasuraman *et al*., 1991) who state that:

> Since SERVQUAL is the basic "skeleton" underlying service quality, it should be used in its entirety as much as possible. While minor modifications in the wording of items to adapt them to a specific setting are appropriate, deletion of items could affect the integrity of the scale and cast doubt on whether the scale fully captures service quality (Parasuraman *et al*., 1991, p. 445).

In addition, Parasuraman *et al*., (1993) propose that, the 22-SERVQUAL items be supplemented with context specific items when necessary. This is due to the fact that, there might be sector specific dimensions that are closely related to the nature of the service sector. In view of this, 23 new items to measure important aspects of service quality in higher education were incorporated into SERVQUAL. The 23 new items were generated from the literature review and various qualitative research inputs, namely: focus groups, pilot test and expert validation. Literature review and qualitative research have been used to develop new SERVQUAL items (Cavana *et al*., 2007; Tsoukatos, 2007).

Focus group interviews were conducted with third year undergraduate students, conveniently selected from different degree programmes in both universities under study. Convenience sampling was adopted because of the exploratory nature of this phase of the study. Third year students were considered to be experienced and pretty familiar with the university services, thus being likely to give more realistic expectations and perceptions of service quality. Two focus group interviews were conducted in each of the two universities under study with eight participants each, and a researcher as the moderator. This was consistent with Ghauri and Gronhaug's (2010) recommendation that, a focus group should have between six and ten participants. Each focus group interview lasted approximately between one hour and one and a half hours in duration which was consistent with most researchers' recommendations. Specifically, focus group interviews were conducted to identify whether the factors suggested as having an influence on perceived service quality from the literature review, can be generalized to the context of higher education, and to generate additional items to measure the service quality of higher education, that covers all aspects of the services that students are receiving. In view of this, the participants in the focus groups were asked to: (1) identify the physical and service needs of students during their studies at the university, (2) describe the meaning of service quality as it relates to students, and (3) describe the ideal service experience and expectations

about the service experience at the university. This process resulted in the modified SERVQUAL instrument (see Appendix B) with 45-items under the same five dimensions of service quality: Tangibles (sixteen items), Reliability (six items), Responsiveness (six items), Assurance (eleven items) and Empathy (six items).

Pilot Study

Prior to deciding on the final version of the modified SERVQUAL, pretesting was performed to enhance the relevance and clarity of the scale items, as well as the overall attractiveness of the survey. In relation to this, the modified SERVQUAL was subjected to a pilot testing with 40 randomly selected third-year undergraduate students. To test for face validity, students were requested, while completing the survey to mark any item which seemed inappropriate or unclear for a survey of service quality in higher education, and to comment on any perceived omissions or errors concerning the modified SERVQUAL.

The modified SERVQUAL was found to have face validity, since no additional expectations were identified, implying that all 45 items were essential factors of a university service quality. This means that, on the whole, the scale and each of its individual items seemed appropriate for this survey. Although a minimum sample size of 10 is recommended as adequate to show faults in a questionnaire (Fink, 1995), this study employed a sample size of 40 for better improvement. Results from the pilot study suggested that, students can describe and analyze their personal perceptions of the quality of the service received from the university. The modified SERVQUAL was appropriate for the measurement of service quality of the university.

The Statistical Package for Social Sciences (SPSS) version 19.0 was applied to evaluate the item scales for both the expectations and perceptions portions of the modified SERVQUAL. Internal consistency of the measure was determined using Cronbach's alpha coefficients (Cook and Beckman, 2006). The resulting coefficients were 0.84, 0.92 and 0.93 for expectations, perceptions, and difference (gap) sections of the modified SERVQUAL, respectively (Table 1). As a guideline, an alpha coefficient of 0.70 and above is considered to be the criterion for demonstrating internal consistency of new scales and established scales (Tavakol and Dennick, 2011).

In general, there was good internal consistency for the five dimensions of the modified SERVQUAL in all three sections: expectations, perceptions, and difference (gap) (See Table 1). That is, coefficient alphas for perception, expectation, and gap items by dimensions and at the overall scale level were all above the stipulated 0.70 score for reliability. The results are comparable to those reported from other applications of the SERVQUAL, which ranged from 0.76 to 0.97 (Brochado and Marques, 2009; Vanpariya and Ganguly, 2010).

The modified SERVQUAL was subsequently submitted to a panel of three experts (an academician, a researcher and a senior administrator) for feedback before being administered for a full-scale survey. The experts were asked specifically: (1) to offer an advice on whether items were comprehensibly worded for the average Tanzanian student and suggest any appropriate

alterations, and (2) to propose the addition of new items if necessary or the removal of items they would consider as meaningless. The experts found all items in the modified SERVQUAL comprehensibly worded and appropriate to the Tanzanian higher education setting.

Table 1: Reliability Coefficients for the Modified SERVQUAL Scale

Dimension	Number of Items	Pre-test Results		
		Perception (P)	Expectation (E)	Gap (P-E)
Tangibles	16	0.87	0.69	0.81
Reliability	6	0.74	0.75	0.69
Responsiveness	6	0.78	0.81	0.82
Assurance	11	0.83	0.68	0.74
Empathy	6	0.69	0.72	0.71
Overall Scale	45	0.92	0.84	0.93

Phase Two
Data Collection
The study employed the modified SERVQUAL scale to collect data. The survey was conducted in two purposively selected public universities in Tanzania. Respondents (students) were systematically selected and a total of 250 students from various degree programmes in each of the two universities were selected for participation in this study. The questionnaire took about 20 minutes to complete. It is important to note that the names of the universities under study have not been mentioned in connection to the data collected because it was agreed as a condition during data collection.

Data Analysis
To assess reliability of the SERVQUAL scale for measuring service quality in higher education, internal consistency reliability (Cronbach's alpha coefficients) of the scale was investigated using SPSS (version 19.0). Cronbach's alpha, which is based on the internal consistency of a scale, is a commonly used index for a scale's reliability (Tavakol and Dennick, 2011). It measures the extent of commonality among the items (Cohen and Swerdlik, 2010), suggesting that, if the scale's items are measuring the same construct, the items will be positively correlated with each other. The value of this coefficient ranges from 0 to 1 implying that, the higher the alpha coefficient, the higher the internal reliability. However, a value of 0.70 or greater indicates good scale reliability (Tavakol and Dennick, 2011).

Specifically, the Cronbach's alpha coefficients of the SERVQUAL scale were computed both at the dimension level (to measure the internal consistency of individual items within each dimension) and at the overall scale level (to measure the commonality of the dimensions to the perceived service quality construct), across all the three data sets: university A, B, and the combined sample. Factor analysis was also conducted to assess the dimensionality of the modified SERVQUAL scale by utilizing the factor module of SPSS version 19.0 (Thompson, 2004).

To evaluate validity of the SERVQUAL scale for measuring service quality in higher education, the two most widely accepted forms of validity - convergent and discriminant validity were assessed (Cook and Beckman, 2006). Specifically, the degree of convergent and discriminant validity of the SERVQUAL scale was assessed using SPSS (version 19.0) by computing the average correlations between students perceived service quality (as measured by the modified SERVQUAL scale) and students' responses to measures of conceptually related variables: the overall service quality; the overall satisfaction; and the recommend intentions (Hair *et al*., 2005; Parasuraman *et al*., 1993).

Convergent validity assesses the degree to which two measures of the same concept are correlated (Hair *et al*., 2005). For the purpose of this study, convergent validity was examined by computing the average correlations between service quality (as measured by the modified SERVQUAL scale) and the directly measured overall service quality. Discriminant validity, on the other hand, gauges the extent to which measures of two different constructs are comparatively distinctive from each other (Hair *et al*., 2005). In this study, discriminant validity was examined by correlating service quality (as measured by the modified SERVQUAL scale) with conceptually distinct measures, namely; "the overall satisfaction" and "the intention to recommend the university to a friend" (Hair *et al*., 2005; Parasuraman *et al*., 1993).

It is contended that, for the evidence of discriminant validity, the correlation between two different measures of the same variable must be higher than correlation between the measure of that variable and those of any other variable (Hair *et al*., 2005).The values of the Pearson correlation coefficient ranges from 0 to 1, and the higher the value the greater is the correlation between the variables (Cook and Beckman, 2006).

Results and Discussion

Reliability of SERVQUAL Scale in Higher Education

The results shown in Table 2 indicate high internal consistency among items within each dimension, ranging from 0.74 (tangibles) to 0.96 (non-tangibles), all are above the recommended minimum score of 0.70 (Tavakol and Dennick, 2011). Non-tangibles and tangibles are two factors exhibited by the modified SERVQUAL scale after factor analysis. The findings support the internal cohesiveness of the SERVQUAL items forming each dimension, and are comparable to those reported by Parasuraman *et al*. (1991) that ranged from 0.80 (tangibles) to 0.93 (responsiveness).

Table 2: Reliability Coefficients

Dimension	Number of Items	Reliability Coefficients			
		University A	University B	Combined Sample	Average Values
Non-tangibles	29	0.94	0.96	0.93	0.94
Tangibles	16	0.91	0.83	0.74	0.83
Overall Scale	45	0.95	0.94	0.92	0.94

Note: Non-tangibles and tangibles are two factors exhibited by the modified SERVQUAL scale

At the overall scale level, the Cronbach's alpha reliability coefficients for the SERVQUAL scale ranged from 0.92 to 0.95 across all the three data sets (university A, B, and the combined sample) examined in this study. These coefficients are comparable to those obtained in other studies that ranged from 0.76 to 0.97 (Brochado and Marques, 2009; Vanpariya and Ganguly, 2010). Overall, the SERVQUAL scale and its dimensions have high internal consistency suggesting that, the items used to measure the constructs are appropriate. The results provide support for the use of the modified SERVQUAL items to examine perceived service quality in higher education.

Validity of SERVQUAL Scale in Higher Education
The presence of a positive and significant correlation coefficients (p= 0.01) between service quality (as measured by the SERVQUAL scale) and the overall service quality rating, across all the three data sets (university A, B, and the combined sample) is an indication of the convergent validity of the SERVQUAL scale (the average values was 0.52), as depicted in Table 3.

Table 3: Correlation Analysis Results

Measurement Scale	Standardized Correlation Coefficients			
	University A	University B	Combined Sample	Average Values
OSQ	0.23**	0.71**	0.61**	0.52**
Satisfaction	0.15**	0.70**	0.61**	0.49**
Recommend Intentions	0.10*	0.61**	0.56**	0.42**

Note: OSQ stands for Overall Service Quality.
   **. Correlation is significant at the 0.01 level (2-tailed)
   *. Correlation is significant at the 0.05 level (2-tailed)

On the other hand, findings have shown that, the correlations between perceived service quality and the overall service quality were consistently higher across all the three data sets, compared to the correlations between perceived service quality and the conceptually related but distinct variables: customer satisfaction and recommend intentions. For example, the average correlation coefficient between perceived service quality and the overall service quality was 0.52 and that between perceived service quality and other variables: customer satisfaction and recommend intentions were 0.49 and 0.42 respectively, as depicted in Table 3. The findings imply the

presence of discriminant validity in respect of the SERVQUAL scale. The results are quite in conformity with those established by other scholars (e.g., Brochado and Marques, 2009; Hoe, 2005). These researchers have reported that, the SERVQUAL measure has strong correlations with the overall service quality, customer satisfaction, and behavioural intentions.

Conclusion and Recommendations

Based on the study findings, it can be concluded that, the SERVQUAL scale, as modified for this study, is reliable and valid for measuring service quality in the higher education setting in Tanzania. This gives the implication that, the SERVQUAL scale is applicable across industries and cultures provided that, it is appropriately customized to capture the service attributes of the industry and context in which it is applied. This study, therefore, recommends that, appropriate modifications must be made to SERVQUAL before applying it to a new setting.

Rererences

Ame, A.M. (2005). *The effect of quality on satisfaction and its consequences on customers' behavioural intentions: A study of selected service firms in Tanzania*. PhD Thesis, University of Dar es Salaam.

Atrek, B., and Bayraktaroglu, G. (2012). Is there a need to develop a separate service quality scale for every sector?: Verification of SERVQUAL in higher education services. *Journal of Faculty of Economics and Administrative Sciences*, 17(1), 423-440.

Brochado, A. O., and Marques, R.C. (2009). Comparing alternative instruments to measure service quality in higher education. *Quality Assurance in Education*, *17(2)*, 174-190.

Cavana, R. Y., Corbett, L. M.,and Lo, Y. L. (2007). Developing zones of tolerance for managing passenger rail service quality. *.International Journal of Quality and Reliability Management*, 24(1), 7–31.

Cohen, R.,and Swerdlik, M. (2010). *Psychological testing and assessment*. Boston: McGraw-Hill.

Cook, D.A.,and Beckman, T.J. (2006). Current concepts in validity and reliability for psychometric instruments: Theory and application. *American Journal of Medicine*, 119, 116-166.

Creswell, J.W. (2008). *Educational research: Planning, conducting and evaluating quantitative and qualitative research*. New Jersey: Pearson Prentice Hall.

Fink, A. (1995). *The survey hand book*. California: Sage Publications.

Ghauri, P. N., and Gronhaug, K. (2010). *Research methods in business studies* (4th ed.). New York: Prentice Hall.

Hair, J., Black, B., Anderson, R.E., and Tatham, R.L. (2005). *Multivariate data analysis*, (6th ed.). New Jersey: Prentice Hall.

Hoe, T.C. (2005). *Measuring student perception of service quality in higher education*. PhD Thesis, University of South Australia.

Lee, J. (2007). SERVQUAL versus SERVPERF: Round 2 in a multi-cultural setting. *Journal of Academy of Business and Economics*, 7(3), 27-41.

Nunnally, J.C., and Bernstein, I.H. (1994). *Psychometric theory*(3rd ed.). New York: McGraw-Hill.

Palmer, A. (2011). *Principles of marketing* (6th ed.). Maidenhead: McGraw-Hill Education.

Parasuraman, A., Zeithaml, V.A., and Berry, L.L. (1993). Research note: More on improving service quality measurement. *Journal of Retailing*, 69(1), 140-147.

Parasuraman, A., Zeithaml, V. A., and Berry, L. L. (1991). Refinement and reassessment of the SERVQUAL scale. *Journal of Retailing*, 67(3), 420-450.

Patten, M.L. (2005). *Understanding research methods: An overview of the essentials*. New York: Pyrczak Publishing.

Polit, D.F., and Beck, C.T. (2004). *Nursing research: Principles and methods* (7th ed.). Philadelphia: Lippincott, Williams and Wilkins.

Soliman, A. A., and Alzaid, A. A. (2002). Service quality in Riyadh's elite hotels: Measurement and evaluation. *Journal of King Saud University*, 14(2), 83-103.

Tavakol, M., and Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, *1(2)*, 53-55.

Thompson, B. (2004). *Exploratory and confirmatory factor analysis: Understanding concepts and applications*. Washington, DC: American Marketing Association.

Tsoukatos, E.K. (2007). *Customer behaviour, service quality and the effects of culture: A quantitative analysis in Greek insurance*. PhD Thesis, Lancaster University.

Vanpariya, B., and Ganguly, P. (2010). SERVQUAL versus SERVPERF: An assessment from Indian banking sector. *QUEST Journal of Management and Research*, 1(1), 123-137.

APPENDICES

Appendix A: The SERVQUAL Scale, as Revised by Parasuraman *et al*. (1991)

Expectations Section

DIRECTIONS: Based on your experiences as a customer of telephone repair services, please think about the kind of Telephone Company that would deliver excellent quality of repair service. Think about the kind of Telephone Company with which you would be pleased to do business. Please show the extent to which you think such a telephone company would possess the feature described by each statement. If you feel a feature is *not at all essential* for excellent telephone companies such as the one you have in mind, circle the number "1". If you feel a feature is *absolutely essential* for excellent telephone companies, circle "7". If your feelings are less strong, circle one of the numbers in the middle. There are no right or wrong answers – all we are interested in is a number that truly reflects your feelings regarding telephone companies that would deliver excellent quality of service.

Note: Each of the statements was accompanied by a 7-point scale anchored at the ends by the labels "Strongly Disagree" (= 1) and "Strongly Agree" (= 7). Intermediate scale points were not labelled. Also, the headings (TANGIBLES, RELIABILITY, etc.), shown here to indicate which statements fall under each dimension, were not included in the actual questionnaire.

TANGIBLES
E1. Excellent telephone companies will have modern-looking equipment.
E2. The physical facilities at excellent telephone companies will be visually appealing.
E3. Employees of excellent telephone companies will be neat-appearing.
E4. Materials associated with the service (such as pamphlets or statements) will be visually appealing in an excellent telephone company.
RELIABILITY
E5. When excellent telephone companies promise to do something by a certain time, they will do so.
E6. When customers have a problem, excellent telephone companies will show sincere interest in solving it.
E7. Excellent telephone companies will perform the service right the first time.
E8. Excellent telephone companies will provide their services at the time they promise to do so.
E9. Excellent telephone companies will insist on error-free records.
RESPONSIVENESS
E10.Employees of excellent telephone companies will tell customers exactly when services will be performed.
E11.Employees of excellent telephone companies will give prompt service to customers.
E12.Employees of excellent telephone companies will always be willing to help customers.

E13.Employees of excellent telephone companies will never be too busy to respond to customer requests.

ASSURANCE

E14.The behaviour of employees of excellent telephone companies will instil confidence in customers.

E15. Customers of excellent telephone companies will feel safe in their transactions.

E16.Employees of excellent telephone companies will be consistently courteous with customers.

E17.Employees of excellent telephone companies will have the knowledge to answer customer questions.

EMPATHY

E18. Excellent telephone companies will give customers individual attention.

E19. Excellent telephone companies will have operating hours convenient to all their customers.

E20.Excellent telephone companies will have employees who give customers personal attention.

E21.Excellent telephone companies will have the customers' best interests at heart.

E22.The employees of excellent telephone companies will understand the specific needs of their customers.

Perceptions Section

DIRECTIONS: The following set of statements relate to your feelings about XYZ Telephone Company's repair service. For each statement, please show the extent to which you believe XYZ has the feature described by the statement. Once again, circling a "1" means that you strongly disagree that XYZ has the feature, and circling a "7" means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers – all we are interested in is a number that best shows your perceptions about XYZ's repair services.

TANGIBLES

P1. XYZ has modern-looking equipment.

P2. XYZ's physical facilities are visually appealing.

P3. XYZ's employees are neat-appearing.

P4. Materials associated with the service (such as pamphlets or statements) are visually appealing at XYZ.

RELIABILITY

P5. When XYZ promises to do something by a certain time, it does so.

P6. When customers have a problem, XYZ shows a sincere interest in solving it.

P7. XYZ performs the service right the first time.

P8. XYZ provides its services at the time it promises to do so.

P9. XYZ insists on error-free records.

RESPONSIVENESS

P10. Employees of XYZ tell you exactly when services will be performed.

P11. Employees of XYZ give you prompt service.

P12. Employees of XYZ are always willing to help you.

P13. Employees of XYZ are never too busy to respond to your requests.

ASSURANCE

P14. The behaviour of employees of XYZ instils confidence in customers.

P15. You feel safe in your transactions with XYZ.

P16. Employees of XYZ are consistently courteous with you.

P17. Employees of XYZ have the knowledge to answer your questions.

EMPATHY

P18. XYZ gives you individual attention.

P19. XYZ has operating hours convenient to all its customers.

P20. XYZ has employees who give you personal attention.

P21. XYZ has your best interest at heart.

P22. Employees of XYZ understand your specific needs.

Appendix B: The SERVQUAL Scale, as Modified for Higher Education Setting Expectations Section

DIRECTIONS: Based on your experiences as a student of higher education institution (HEI), please think about an institute of higher education that would deliver excellent quality of services. Think about the kind of HEI which you would be pleased to join. Please show the extent to which you think such HEI would possess the feature described by each statement. If you feel a feature is *not at all essential* for excellent HEI such as the one you have in mind, circle the number "1". If you feel a feature is *absolutely essential* for excellent HEI, circle "7". If your feelings are less strong, circle one of the numbers in the middle. There are no right or wrong answers – all we are interested in is a number that truly reflects your feelings, regarding HEI that would deliver excellent quality of service.

Note: Each of the statements was accompanied by a 7-point scale anchored at the ends by the labels "Strongly Disagree" (= 1) and "Strongly Agree" (= 7). Intermediate scale points were not labelled. Also, the headings (TANGIBLES, RELIABILITY, etc.), shown here to indicate which statements fall under each dimension, were not included in the actual questionnaire.

TANGIBLES
E1. All physical facilities at excellent HEI will be visually appealing.
E2. Campuses at excellent HEI will be well located with easy access.
E3. Classrooms at excellent HEI will have up-to-date teaching support equipment
E4. Classrooms at excellent HEI will be comfortable with adequate space and furniture.
E5. Materials associated with services provided by excellent HEI (such as journals, handouts and other printed materials) will be visually appealing.
E6. Excellent HEI will have modern and adequate library facilities with enough space and furniture.
E7. Library at excellent HEI will have a wide range of books and periodicals in students' area of interest.
E8. Library at excellent HEI will have the latest literature in students' area of study.
E9. Excellent HEI will have modern and adequate computer facilities.
E10.Computer labs at excellent HEI will provide high speed internet access.
E11.Lecturers and administrative staffs of excellent HEI will always be well dressed and appear neat.
E12.Excellent HEI will have sufficient residential accommodation and of good standard.
E13.Rooms in the student residential accommodation at excellent HEI will be comfortable and of a good standard.
E14.Excellent HEI will have modern and adequate sports facilities.
E15.Excellent HEI will have modern and adequate dining facilities.
E16.Excellent HEI will have modern and adequate health care facilities.

RELIABILITY

E17.When excellent HEI promise to do something by a certain time, they will do so.

E18.When students have a problem, excellent HEI will show sincere interest in solving it.

E19.Lecturers and administrative staffs of excellent HEI will perform the service right the first time.

E20.Excellent HEI will provide examination results in time.

E21.Excellent HEI will keep students' records accurate and confidential.

E22.Lecturers of excellent HEI will be fair in assessing students' work.

RESPONSIVENESS

E23.Lecturers and administrative staffs of excellent HEI will tell students exactly when service will be performed.

E24.Administrative staffs of excellent HEI will never be too busy to respond to students' requests.

E25.Lecturers of excellent HEI will be adequately accessible and available to students for guidance and advice.

E26.Excellent HEI will give students opportunity to choose subjects in accordance with their interests.

E27.Lecturers and administrative staffs of excellent HEI will always be willing to help students.

E28.Excellent HEI will have efficient system to deal with students' complaints about inadequacy of services.

ASSURANCE

E29.The behaviour of lecturers and administrative staffs of excellent HEI will instil confidence in students.

E30.Students of excellent HEI will feel safe, secure and comfortable in their studies.

E31.Lecturers and administrative staffs of excellent HEI will always be friendly and polite to students.

E32.Lecturers of excellent HEI will possess the required skills and knowledge relating to provision of their courses.

E33.Administrative staffs of excellent HEI will have the knowledge to answer students' questions on administrative matters (such as registration, loans, scholarships, etc.).

E34.Excellent HEI will have high image and prestige within their respective countries.

E35.Excellent HEI will have high image and prestige internationally.

E36.Degree from excellent HEI will be well recognized internationally.

E37.Academic courses and training at excellent HEI will be relevant to students' future job and career prospects.

E38.Graduates from excellent HEI will achieve considerable success in getting better paying jobs or promotion.

E39.Curriculum at excellent HEI will keep up with the latest scientific achievements.

EMPATHY

E40.Lecturers and administrative staffs of excellent HEI will give students individual attention.

E41.Lecturers of excellent HEI will be concerned about the academic progress of their students.

E42.Facilities in excellent HEI (such as library, offices for support services) will have operating hours convenient to all students.

E43.Lecturers and administrative staffs of excellent HEI will give students personal attention.

E44.Excellent HEI will offer academic courses and content appropriate to students' needs and aspirations.

E45.Lecturers and administrative staffs of excellent HEI will understand the specific needs of their students.

Perceptions Section

DIRECTIONS: The following set of statements relate to your feelings about XYZ Institute of higher education's service. For each statement, please show the extent to which you believe XYZ has the feature described by the statement. Once again, circling a "1" means that you strongly disagree that XYZ has the feature, and circling a "7" means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers – all we are interested in is a number that best shows your perceptions about XYZ's services.

TANGIBLES
P1. All physical facilities at XYZ are visually appealing.
P2. Campuses at XYZ are well located with easy access.
P3. Classrooms at XYZ have up-to-date teaching support equipment.
P4. Classrooms at XYZ are comfortable with adequate space and furniture.
P5. Materials associated with service (such as journals, handouts and other printed materials) are visually appealing at XYZ.
P6. XYZ has modern and adequate library facilities with enough space and furniture.
P7. Library at XYZ has a wide range of books and periodicals in students' area of interest.
P8. Library at XYZ has the latest literature in students' area of study.
P9. XYZ has modern and adequate computer facilities.
P10.Computer labs at XYZ provide high speed internet access.
P11.Lecturers and administrative staffs of XYZ are always well dressed and appear neat.
P12.XYZ has sufficient residential accommodation and of good standard.
P13.Rooms in the student residential accommodations at XYZ are comfortable and of a good standard.
P14.XYZ has modern and adequate sports facilities.
P15.XYZ has modern and adequate dining facilities.
P16.XYZ has modern and adequate health care facilities.

RELIABILITY
P17.When XYZ promises to do something by a certain time, it does so.
P18.When a student has a problem, XYZ shows a sincere interest in solving it.
P19.Lecturers and administrative staffs of XYZ perform the service right the first time.
P20.XYZ provides examination results in time.
P21.XYZ keeps students' records accurate and confidential.
P22.Lecturers of XYZ are fair in assessing students' work.

RESPONSIVENESS
P23.Lecturers and administrative staffs of XYZ tell students exactly when service will be performed.
P24.Administrative staffs of XYZ are never too busy to respond to students' requests.

P25.Lecturers of XYZ are adequately accessible and available to students for guidance and advice.

P26.XYZ gives students opportunity to choose subjects in accordance with their interests.

P27.Lecturers and administrative staffs of XYZ are always willing to help students.

P28.XYZ has efficient system to deal with students' complaints about inadequacy of service.

ASSURANCE

P29.The behaviour of lecturers and administrative staffs of XYZ instils confidence in its students.

P30.Students of XYZ feel safe, secure and comfortable in their studies.

P31.Lecturers and administrative staffs of XYZ are always friendly and polite to students.

P32.Lecturers of XYZ possess the required skills and knowledge relating to provision of their courses.

P33.Administrative staffs of XYZ have the knowledge to answer students' questions on administrative matters (such as registration, loans, scholarships, etc.).

P34.XYZ has a high image and prestige within its host country.

P35.XYZ has a high image and prestige internationally.

P36.Degree from XYZ is well recognized internationally.

P37.Academic courses and training at XYZ are relevant to students' future job and career prospects.

P38.Graduates from XYZ achieve considerable success in getting better paying jobs or promotion.

P39.Curriculum at XYZ keeps up with the latest scientific achievements.

EMPATHY

P40.Lecturers and administrative staffs of XYZ give you individual attention.

P41.Lecturers of XYZ are concerned about academic progress of their students.

P42.Facilities at XYZ (such as library, offices for support services) have operating hours convenient to all students.

P43.Lecturers and administrative staffs of XYZ give you personal attention.

P44.XYZ offer academic courses and content appropriate to students' needs and aspirations.

P45.Lecturers and administrative staffs of XYZ understand the specific needs of their students.

Assessment of Applicability of Participatory Planning in Improving Rural Livelihoods in Tanzania: The case of Utalingolo and Igosi Villages of Njombe and Wanging'ombe Districts

Emmanuel M. Tonya and Gabriel Mwajombe
The Open University of Tanzania
emmanuel.tonya@out.ac.tz/gabriel.mwajombe@out.ac.tz

Abstract: *A study was conducted at Igosi and Utalingolo in Njombe and Wanging'ombe Districts, aimed to assess the applicability of participatory planning in improving rural livelihoods. The study employed a case study approach. The study used purposive and convenient sampling techniques. Data collection instruments included questionnaires and focus group discussions. Questionnaires were administered to 50 respondents and focus group discussions were organized for the same group of people. The major findings of the study are of two categories; strengths and weaknesses. Strengths: the village development committees were well represented in terms of gender and that, members were well informed on the participatory planning process. On the other part the study revealed that, the majority of the members lacked proper education, expertise in planning among the committee members, poor leadership and monitoring and evaluation techniques to established projects. The study recommended that all village members should be given mandatory training on the process of planning to.*

Key terms: participatory, community based planning, local governance, local government capital development grant.

Introduction

Community participatory planning in Tanzania is not a new concept. The process has been adopted at urban and rural levels, in an attempt to improve livelihoods. A notable community participatory planning was undertaken near Golden Pride mine in Nzega District in2000s. The communities around this area depended on subsistence farming and suffered from a lack of infrastructure and income-generating opportunities. Resolute Mining Limited, an Australian company, took measures to alleviate some of the most immediate features of the poverty by rehabilitating and equipping the local schools by supplying uniforms, books, desks, and planting of fruit trees to supplement the children's diet (PMO-RALG, 2004). It was later realized that, it would be more effective - in the long term, if communities could be encouraged to empower themselves and take responsibility for their own development plans. The Tanzania government

has overtime emphasized on participatory planning through training and supporting local communities by extending special grants to foster rural development.

Rural participatory planning entails that, local communities have obligations to mobilise local resources, plan and implement their projects. The emphasis is on bottom- up planning as opposed to top-down approach. To achieve this, the government - through local governments, offer training to local people in villages on the same. Overtime, the government has further been allocating funds to local governments to support projects initiated and run by local communities. Despite all these efforts, rural communities still experience rampant poverty. A few projects raised by local communities meet funding criteria through Local Government Development Capital Grant. However, there have been no studies so far done to assess the applicability of participatory planning approach in improving rural livelihoods; a gap this study sought to bridge.

The participatory approach does not assume the target beneficiaries to be ignorant; rather it tries to understand and assess indigenous knowledge, values and belief systems which may be good, or need to be improved, or perhaps need to be discouraged. In short, it follows the well-known principles of rural reconstruction: "*start with what people already know*", and "*build on what they already have*" (Robert, 2009; Walker, 2009). The approach increases the degree of relevance, and thus acceptability of extension messages or recommendations among intended beneficiaries who are consulted during the planning process regarding their priority concerns and needs.

Historical Perspective on Participatory Planning in Tanzania

Since independence in 1961, the Government sought to have participatory planning in the economic planning process, with a view to attaining a bottom-up planning. The first period, 1961–1966, was guided by the Independence Vision whereby the goal was to attain higher standards of living by fighting illiteracy, disease and poverty. People were encouraged to work hard and involve themselves in self-help projects as their contribution to national development (Nyerere, 1968). The second period, 1967–1992, was guided by the Arusha Declaration, which articulated on the philosophy of socio-economic liberation based on socialism and self-reliance as a long-term national development goal.

The strategy for implementing Arusha Declaration was also to devolve powers to the people. As a result, the Local Government Authorities of the colonial administration were abolished in 1972 to pave way for the introduction of the regional decentralization (MacCallum, 2010). Under regional decentralization, village governments, district development committees and regional development committees were established to enable more participation in decision-making. This was provided for by the Regional Decentralization Act of 1972 (Nyerere, 1978).

In order to enhance the decentralization process by devolution, the Local Government Authorities were re-established by Act No.7 – 10 of 1982 (PMO-LARG, 2004). This was in

accordance with the constitution of the United Republic of Tanzania of 1977 under articles No.145 and 146 which allowed the establishment of Local Government Authorities to facilitate transfer of authority to the people. The Local Government Authorities have the right and power to participate, and to involve people in the planning and implementation of development programmes within their jurisdiction and generally throughout the country.

Despite the government's effort to continuously set up a conducive environment for the people to participate as explained above, yet government planning continued to be dominated by government planners/economists, bureaucrats and donors who harbour illusory assumption of control and efficiency, based on 'we know they (communities) do not know' (PMO-RALG, 2004). Therefore, effective participatory planning and implementation for decision making remained a remote illusion. This study objective aimed to assess the impact the practice of participatory planning has on livelihoods of the rural the rural people.

Theoretical and Conceptual Framework

The Opportunities and Obstacles to Development (O&OD)

Opportunities and obstacles to development methodology is a participatory planning process which has the following salient features: Positive outlook at the community, the community identifies available resources to overcome obstacles and therefore fosters the spirit of self-reliance. Participatory tools are; the village map, transect walk, historical time lines, seasonal calendar, institutional analysis, daily activities calendar by gender and household wealth ranking, focus groups and identification of sources of income and expenditure. A planning model- enables the community to identify in logical frame work. The community will realize specific objectives, opportunities, obstacles causes, interventions, and steps for implementation as well as expenditure which should determine what they can do and what they cannot. It helps members of communities become aware of their own resources and how to make better use of them. The process uses the Tanzania Development Vision 2025, as a broad national policy guide. The output of the O&OD process is a comprehensive plan rather than an action plan. It has both a rural and urban process (Susskind and Ozawa, 1984; Tauxe, 1995; URT, 2000; PMO-LARG, 2004).

Rural Planning Participation

Participation means togetherness, or joining in the planning process (Tauxe, 1995). There are many ways that people can join in though not all of the ways are positive. Participation is viewed as a public involvement in development with varying degrees of people involvement.

According to planning theory, participation is understood as giving a space for the public to discuss own problems and priorities. The degree of community participation in planning process depends on the dynamics of knowledge, actors, and spaces within the planning process (LogoLink, 2002). The three elements above become important in understanding participatory

planning processes. Participatory planning usually involves a different range of stakeholders with their own knowledge and interest. The knowledge used in the process also varies based on the stakeholders involved. The space refers to all opportunities that influence the planning processes including formal and informal organizations and policy making processes (LogoLink, 2002). The benefit of public participation in planning is to bring closer relations between local authority and community. Decentralized planning, is believed to overcome all the limitations created by centralized planning (Samaratungge, 1998). Despite the government and development partners' initiatives to support financing of rural projects under participatory planning, its impact on improving rural livelihoods remain minimal.The practice has failed to live to people's expectations.

General objective
The main objective of this paper was to assess the problems which hinder the villages' access to government development funds for rural projects.

Specific Objectives
i) To evaluate the community's participation in the planning process
ii) To establish the reasons as to why rural community fail to attract the LGCDG
iii) To suggest the alternative strategy to PRA

Empirical Studies on Participatory Planning
Current political trends and scholarly research increasingly promote collaborative and participatory governance in multi-level systems as a way to more sustainable and effective environmental policy. However, empirical findings as well as conceptual works from different academic fields remain ambiguous about this claim (Kiduanga, 2014). Several studies have been done on environmental, forest, and participatory budgeting which is the basis for planning in urban and rural areas. In this regard, review studies in the world have been done for the understanding of planning concept. This study centered on examining the usefulness of participatory planning on rural development in Tanzania.

Studies in Asia and Africa
In a study of participatory planning, scientific priorities and landscape conservation in Madagascar Lee (1997) assessed the knowledge and the participation of stakeholders in setting priorities. The study found that surrounding local communities were not involved during project planning. Such practices happen in many developing countries where local people are ignored in planning process. The practice of neglecting the surrounding community causes non-ownership of the projects. Decisions about growth and future development are complex and embedded in dynamics of social, economical, political and environmental systems and therefore call for greater attention during planning (Seitz, 1989). Also within communities it is known to have values, perceptions group power which are complex and can affect the planning process at local level.

Ida (2005) examined the practice of participatory planning in decentralized local governments in Indonesian schools. The findings of the study revealed that participatory planning paradigm was a crucial tool to planning as it involved key stakeholders before prioritizing projects' given resources. The author further comments that implementation of participatory planning reduces the risks of conflicts of interests.

The paper concluded that, the practice of participatory planning opens a new track towards harmonizing society and a shift in development process paradigm of bottom-up planning. Participatory planning requires top officials to share their power with other development stakeholders. The main strength of the finding in this paper was the lesson learnt in the importance of local government to change the way they behave and develop new relations with the community. All stakeholders of a project in decentralized government should be involved in planning and prioritizing, implementation, monitoring and evaluation to improve the ownership by local people and projects' sustainability.

Studies of participatory in Tanzania
The concept of participatory planning was hatched in the mid-1970s. Many assessments on development concluded that a significant change in approach was required if conditions among the poor, largely rural population, were to realize their development efforts. During the 1980s, development programmes increasingly emphasised on participation by targeting groups and beneficiaries. However, the desire to incorporate participation into development planning was often frustrated by a lack of practical tools. Participatory development activities were often found to be difficult in terms of planning and in fitting such into organized development programmes. As a result, too many different interest-groups had to be accommodated and the time-scale for activities was frequently long and unpredictable (Chambers, 1983).

In a study of participatory planning for local development in Tanzania, Mollel (2010) examined the legal framework of the participatory planning process and governance. The study used cross section case studies examining six projects in three districts. The study found that the failure of bottom-up participatory planning for development was of twofold: the institutional framework impeding the implementation of devolution policy, that is the existence of parallel structures of central government and local government and the dependence of local government on central government for funding. It was further found that the institutional framework failed to control the central government's officials in interfering into the local government plans. The author suggested for constitutional protection of local authorities from interference by central government. However, the paper is criticized for its weak points of the governmental institutions without bringing out the challenges experienced with the bottom-up planning.

Mabula (2007) did a study on participatory approach and development planning process in Maswa district. The study was focused on assessing the extent to which stakeholders were informed about participatory planning for rural development. The study looked at how the community participated in planning for their projects given local resources. The study found that 48% of respondents were not aware about the concept of participatory planning. The study

further showed that, 71% of respondents didn't attend village general assembly where plans are made though the majority of local communities participated in the implementation of the projects. The study concluded that approach to planning is a useful means of attaining sustainable development.

Further, the study unveiled some weaknesses in project implementation including inadequate funding for identified and prioritized projects as well as poor accountability and transparency. This study is a good standing for reference to rural planning in Tanzania.

Methodology

This study employed explanatory research design. The study sought to explore why rural villages failed to access local government capital development grants. The choice of the research design was to enable the researchers to generate information from the community on the reasons that make local people fail to observe standards of O&OD in their development plans. The study was carried out in two villages in Njombe and Wanging'ombe districts namely, Utalingolo and Igosi respectively. The choice of the area for study was based on the fact that, the development committees of both villages attended some training on participatory rural planning.

The sample for this study was obtained through judgmental sampling where all members of the village development committee were included in the sample. The standard number of village development committee members per village was25, hence making the sample to 50. Closed ended questionnaires were prepared and administered to respondents. The study also used focus group discussions where three groups were formed, each comprising 5 members. This method was employed in order to capture some views and opinions of respondents that would not be captured through questionnaires. Both quantitative and qualitative techniques were used to analyze the collected data. The statistical package for social sciences (SPSS) was employed in data analysis. In addition, Ms Excel was also employed to analyse multiple responses. The data were then presented in percentages, tables and figures for ease of interpretation.

Results and Discussion

The data summary is based on the primary data collected from Utalingolo and Igosi villages as representatives of Njombe and Wanging'ombe districts. In terms of demographic statistics, the study results indicate that 49% of the respondents were men while 51% of all, were women. These statistics show that, the composition of village development committees is gender sensitive. Both men and women in the villages under study were well represented. This was a good feature because equal participation in decision-making is important to minimize biasness in priority setting.

Education Level

Education is key to development. Villages whose people are well educated are likely to participate actively in planning for their projects. Education is important as it can enable the village planners (village development committees) come up with fundable business plans. The study sought to explore the educational status of the members for VDC. Results depicted that 97% of all respondents were standard seven leavers. Only 3% of the rest had at least attended secondary or tertiary education. This information indicates that the level of understanding among members was low due to low education. People with low education are less creative, and less innovative, and they face difficulties in coping with the pace of the fast changing world. The researchers were interested to know as to why village development committees were mainly composed of standard seven leavers. The findings from focus group discussion revealed that most of the educated youngsters flow to urban areas in search for greener pastures - thus decimating the potential work force in rural areas.

Selection of Village Development Committee

The researchers wanted to know whether there were criteria in place which was used to select a member of the village development committees. A question was therefore administered to all respondents in both committees and the results indicated that each village had developed some criteria for selection of members.

About 57% of the responses indicated that work performance and experience in leadership were important criteria for selection and 22% of the responses pointed the volunteering and personal commitment. On the other hand, education (19%) and creativity (14%) seemed to be less important. This could be attributed to the fact that, nearly all members had primary level education. It was observed that, the well-educated members rarely come back to their villages. If this is the case, then, the question comes 'will work performance and experience in leadership help villagers design fundable projects and implement them successfully?' The question remains unanswered. Planning, implementing, monitoring and evaluating the projects at village levels require knowledge, experience, skills and positive attitude. Short of these, can lead to poor management of the projects thus defeating the purpose of improving rural livelihoods.

Familiarity of Participatory Planning at Village Level

Participatory planning calls for awareness of individuals involved in the process. Under such approach, rural communities are extensively involved in identification and planning for projects, implementation, and evaluation of the same. To be able to plan, villagers need to be equipped with the knowledge and skills of the concept itself. In this respect, village development committees were tested to ascertain whether they were familiar with what participatory planning entailed. The findings revealed that, 65% of the respondents were aware of the concept, 35% of them indicated to have no idea with the concept. From these statistics, one may deduce that, the majority of the village committees were familiar with the concept. With that knowledge at hand,

it would be easier for them to comprehend the planning process and thereafter, participate positively in identifying the opportunities available and prioritizing.

Involvement of VDC Members in Planning

The study went further to investigate whether the members of the village development committees were involved in planning processes. The study shows that, of all respondents 92% were fully involved in the planning process, 5% did not participate while 1 (3%) did not respond to the question. The study concludes that, the members of the committees in the villages were involved in the planning process. This is a positive feature for the achievement of the approach. It is the rural people who know well their potentials available, if well involved, the programs would be sustainable.

Participatory Planning Training

The authors explored the provision of support in terms of training. The findings revealed that, 43% of the responses ascertained to have attended participatory planning training once, 14% of the responses attended more than two and 11% attended twice. On the other hand, 32% of the rest did not attend any. Based on the view of the above information, frequency of training is not adequate as many have attended either one or none at all. Village members require frequent training to empower and broaden their understanding of the concept.

The problems pertinent to training programmes are attributed to inadequate members' participation and insufficient transparency in the management of the training programmes. The training needs to be explained to all members so that they understand the basis and constraints of its design. All stakeholders should be involved in the whole training process. When information is not disclosed, members tend to accuse management of favoritism, tribalism, and even bribery (Ngirwa, 2005). Owing to this fact, the researchers were interested to know whether or not members participated in training. Village Development Committees were requested to state whether or not they were involved in any training on participatory planning.

Knowledge of the LGCDG

If someone knows a certain opportunity exist somewhere, he/she will strive hard to fetch it. The central government allocates fund to local government with the view that once the villages have identified projects according to set criteria, the grant will be secured to support those projects. To be able to take seize the opportunity, information on the existence for the grant needs to be known by village communities. In this view, the VDC were asked to state whether they had any information regarding the existence the grant.

The results showed that, of all 37 respondents who answered the question on the knowledge of existence of LGCDG, 12 (32.4%) said they had knowledge of the fund, while 25 (67.6%) said

they were aware of the fund. It can therefore be inferred that the majority of the members of the village development committees at Igosi and Utalingolo were not aware of the existence of the grant. Given these findings, the idea that committees will be able to initiate and plan projects which would attract support from the local government, will remain a remote dream.

Village Projects

For decades, the government has been planning and implementing projects at village level with the view of improving the living standard of rural population. The adoption of the new approach, (participatory planning) was meant to build capacities among rural people to mobilize their resources within their localities. The authors were interested to know whether there existed projects funded by Local Government Capital Development Grant (LGCDG).About 51.4% of the respondents said the village projects were funded by LGCDG, 40.5% of them had the view that there was no funding from local government while 8.1%, had no knowledge on the funding. The study further interviewed the District and the Town Planning Officers on the matter. The officers agreed to have received funds from central government and development partners for supporting projects at village level. The officers support the study findings that villages' projects are funded based on the projects shopping lists supplied to them from the ward development committee. However, other projects developed at village level do not meet standards to qualify for LGCDG support.

Planning Constraints at Village Level

Planning is a profession; not everyone can do it and meet set criteria. The local government needs well detailed project write-ups before the support is extended to them. The study showed that, 56.8 % of respondents said there were some problems experienced during planning process, and 40.5 % were of the view that there were no problems. However, 2.7 % of the respondents did not respond. Based on the above statistics, it can be deduced that village development committees faced a number of problems in the planning process. Such problems can be attributed to the low level of education most village committees are equipped of. It can be recalled that, the majority (97 %) of these members are primary school leavers. Writing elaborative business plan is an art, it needs one to be equipped with knowledge something what the village development committees in both villages miss.

CONCLUSION

The general objective of the study was to assess the applicability of participatory planning in the quest of improving rural livelihoods. The specific objectives for the study were to; evaluate the community's participation in the planning process, establish the reasons as to why rural community fail to attract the LGCDG and suggest the alternative strategy to PRA.

One of the objectives of the researchers was to evaluate the community's participation in the planning process in order to gain insight as to whether rural people were involved in planning and implementing rural projects. The results concluded that members were fully involved in the process and both sexes (male and female) were well represented in the village decision making organ (Village Development Committees). However, it was revealed that villages experienced some problems in project planning and prioritizing. The reasons advanced for their failure was lack of proper education.

Recommendation

The recommendation of this work is based on the information gathered from the respondents. Despite its short comings, participatory planning is an ideal approach for sustainable development of rural projects. The study recommends that the rural think tanks (village development committees) need to be well trained on planning, implementation and monitoring of projects. The members of the committees should be selected based on educational qualifications and as well be offered frequent trainings on participatory planning. Besides, the training should be extended to all villagers in order to improve their participation in project implementation and monitoring.

References

Antlov, H. (2002).*The Making of Democratic Local Governance in Indonesia,* presented at The International Workshop on Participatory Planning Approaches for Local Governance, Bandung, Indonesia IDS, IPGI, The Ford Foundation.

Chambers, R. (1983).*Rural Development: Putting the Last First*, Longman Publishers Ltd, New York.

Ida, W. (2005). *Local Government Decentralization and Participatory Planning in Indonesia: Seeking New Path to a Harmonized Society*. Asia-Pacific Schools: Beijin

Logolink, (2002).*The International Workshop on Participatory Planning Approaches for Local Governance*: Bandung, Indonesia

Lee, H. B. (1997).*Participatory Planning, Scientific Priorities and Landscape Conservation in Madagascar.* ANSA-EAR Research and Knowledge Management

Kiduanga, J. (2014). Theoretical Aspects underpinning the Emergence of Participatory Urban Planning and Methods of Formulating Actual Development in Dar. *American International Journal of Social Sciences.* 3(2), 210-248.

Mabula, B.J. (2007). A Study of Participatory Approach and Development Planning Process in Maswa District- Shinyanga.http://hdl.handle.net. Assessed on 07/05/2016

MacCallum, D. (2010). Discourse Dynamics in Participatory Planning: Opening the Bureaucracy Mediator. *Journal of Planning Education and Research*, 4(1), 5-15.

Mollel, H.A. (2010).*Participatory for Local Development: Reality of Decentralization in Tanzania.* African Studies Centre: University of Amsterdam

Ngirwa, C. (2005). *Strategic Planning for Human Resources*. OUT

Nyerere, J.K. (1968). *Freedom and Unity "Uhuru na Umoja" Selected from Writing and Speeches:* Oxford University Press: DSM

Nyerere, J.K. (1978*). Development is for Man, by Man and for Man*: The Declaration of Dar ES Salaam.

PMO-RALG (2004). *Historical Perspectives of Participatory Planning in Tanzania.* Office of the Prime Minister: Dodoma.

Robert, D.C.S. (2009). Group Learning in Participatory Planning Process. *Journal of Planning Education Research*

Samaratungge, R. (1998). *Decentralization and Development*: *Partners in The 21ˢᵗ Century?* Working Paper 11/98 January. Department of Management Working Paper Series, Monash University.

Seitz, V. (1989). *A New Model: Participatory Planning for Sustainability Community Development.* Race Poverty and Environment. Economic and Social Development Department

Susskind, L. and Ozawa, C. (1983). Mediated Negotiation in the Public Sector: Mediator Accountability and the Public Interest Problems: *American Behaviour Scientists.* 27(2), 255-279.

Susskind, L. and Ozawa, C. (1984). Mediated Negotiation in the Public Sector: The Planner as Mediator. *Journal of Planning Research.* 4(1), 5-15.

Tauxe, C. S. (1995). Marginalizing Public Participation in Local Planning: An Ethnographic Account. *Journal of American Planning Association.* 66(3), 471-481.

The World Bank (2008).*Participatory Planning*, *Participation Sourcebook, Washington, D.C*

URT (2000), *Participatory Planning Guide 2000*. PORALG

URT, (1992), *Women Development Policy*. Government printer. Tanzania

Walker, S.P. (2009). *Roads to Participatory Planning*: *Integrated Cognitive Mapping for Transport Prioritizing in Rural Lethoto*, Washington.

Succession Planning and the Sustainability of Transport Enterprises: A Study of Transport Business in Njombe and Iringa Regions

Emmanuel Mgaya Tonya
The Open University of Tanzania
emmanuel.tonya@out.ac.tz

Abstract

The main objective of this study was to explore succession planning and the sustainability of transport enterprises. The study was done in Njombe and Iringa regions. The study population was 240 individuals or family transporters; the sample size was 70 respondents. Stratified sampling techniques were used and a proportional distribution was done to select the respondents from the Njombe, Mufindi and Iringa urban. From the proportional distribution 18 respondents, 6 respondents and 46 respondents were picked from Njombe, Mufindi and Iringa districts respectively. The study based on trait and behavioural theories of leadership management. Qualitative content analysis was used for logical determining the relationship between strategic succession planning and business sustainability. Findings from this study revealed the casual factors influencing the higher failure rate of transport business and its sustainability includes lack of strategic succession planning particularly in the case of the first generation retirement from transport business. The study, observed that owners of business do not prepare successors in advance, this poses problems to business sustainability in Tanzania. The main contribution of knowledge is the issue of strategic succession planning as a factor to enhanced business sustainability, transport included. The study has recognized that, transport business is used as a venture for capital formation to other economic activities like housing, estate and hospitality. However, a guideline for systematic succession planning has been proposed to be used by transporters for sustainability.

Keywords: *Succession planning, Sustainability, Transport enterprises*

Success Factors for Academic Performance among Private Secondary Schools in Tanzania: A Case of Selected Schools in Dar Es Salaam, Morogoro and Coast Regions

Moses Ayoub J. Kusiluka
The Mwalimu Nyerere Memorial Academy
kusiluka@yahoo.com

Abstract
The study sought to assess success factors for academic performance among private schools in Tanzania. The purpose of the study is to address the problem of declining academic performance in secondary school system. Most of the past studies have attributed this decline to limited availability of teaching staff and physical learning infrastructure. These studies examined the quantitative elements of school's internal physical resources; little efforts were made to assess quality aspects of the resources and most of them studies were conducted in public schools, treating schools as public service rather than business entities. Furthermore, the theoretical approaches used in assessing secondary education problems in these studies were pedagogical as opposed to business theories which are more relevant to private schools. There is therefore limited knowledge on quality aspects of resources and business orientation of factors behind successful academic performance among private schools. The respondents of the study were school owners, managers, teachers, and students. Data collection instruments were interview checklists and questionnaires, complemented by documentary review and researcher's observation. Data analysis revealed a number of factors contributing to successful school academic performance, namely, school factors, student factors and market or community factors. The study came out with conclusion that the academic performance among private schools in Tanzania depends much upon availability of internal resources (Resource Based View) complemented with improved service quality (Gronroos Service Quality Model). External resources played limited role. The study came up with a number of recommendations to school owners and the government: in additional improving school resources such as facilities, teachers and materials, schools should improve service quality; schools should use strategies that halt students' vices which affect class-room attendance and concentration; they should match teachers, incentives with their socio-demographic attributes; they should incapacitate school heads with business management skills or recruit professional managers to manage schools rather than using teachers school heads; furthermore, low performing schools should improve owner-manager cooperation; the government should review ICT policy (2003) and enact strict laws to regulate ICT users; the government should not leave fee rates charged by private secondary school be determined by forces of demand and supply; it should also review teachers curricula to accommodate business management skills;

Keywords: *Success Factors, Private Secondary Schools, Academic Performance, the Mwalimu Nyerere Memorial Academy, Open University of Tanzania*

NOTE TO AUTHORS

The Pan-African Journal of Business and Management (PAJBM) is an international Journal that publishes original research papers of academic interest. It contains peer reviewed solicited and unsolicited academic articles presenting research done in the business field in countries in Africa. The Journal accepts both conceptual, theoretical and research based articles. It also accepts cases, book reviews and summaries of dissertations.

The Editorial Board of PAJBM welcomes submission of manuscripts to be considered for publication. The manuscripts must be submitted with a cover letter stating that all authors agree with the content and the submission to PAJBM. Complete contact information of the author to whom all correspondence regarding the manuscript should be addressed must be included.

All submissions will be peer reviewed by at least two anonymous reviewers who will be looking for the scientific quality of the submitted papers. The Editorial Board reserves the right to accept or reject any manuscript and also the right to edit the manuscripts as it sees fit. A decision on every manuscript should be made in a timely manner and communicated to the authors.

Submission guidelines
To facilitate the double-blind peer-review process, **each submission should be broken into two separate files**: (1) Title Page and (2) Main Document. Identifying information should not appear anywhere within the main document file.
FILE 1: Title Page
1)   Title
2)   Author(s) name, title, institution, address, telephone number, and e-mail address.
          State to whom (if more than one author) correspondence should take place
3)   Abstract (max 200 words)
4)   Keywords (max four)

FILE 2: Main Document
1)   Title
2)   Abstract (max 200 words)
3)   Keywords (max four)
4)   Main text (max 15 pages)
5)   References
6)   Appendixes

The main text should include *introduction*, *methods, results and discussion, conclusion and recommendations, acknowledgements.* **The total number of pages should not exceed 20**.
The set-up of the manuscript should be on A4 or 8.5" x 11" paper, single spaced. 1 inch margin: left, right, top and bottom. Font: 12 Times New Roman, written in Word program.

Abbreviations in the body of the paper should be used after having been initially explained. If statistical analysis is applicable, it is important that the procedure is carried out following appropriate methods.

Tables
Tables should be as close as possible to the text explaining the concept. Tables should be numbered in the order in which they are mentioned in the text. A Table caption must be presented in upper case at the top. Explain in footnotes all non-standard standard abbreviations used in each table.

Figures
Figures must be clearly drawn, placed as close as possible to the related text. All Figures must be numbered according to the order in which they appear in the text. A Figure caption should be typed in bold immediately below the Figure.

Pagination
The page numbers should appear at the centre of the bottom edge of the page.

References
References to used sources must be clearly identified in the text at appropriate place. When the authors name is in the text cite (Smith, 2014). When there are dual authors to the publication give both names but with more than two use *et al*. When citation is made to several publications separate with semicolon and arrange them in alphabetic order (Jones, 2013; Smith, 2014; Taylor & Jaensson, 2009). The PAJBM use the OUT reference style in the Prospectus 2015-2016 as follows:

Journal paper in English
Kihwelo, P. F. (2007). Criminal justice in disrepute: An overview of treatment of accused persons and convicts in Tanzania. *Open University Law Journal*. 1(1): 47- 54.
Mushi, H. M. K. (2010); Critical discourse analysis (CDA) of academic texts: A potential strategy in addressing challenges of cross-border provision of higher education in sub-Saharan Africa. *Huria Journal of the Open University of Tanzania*. 8: 73 - 91.
Journal paper not in English
Nunes, E. (1985). Investigacao recente sobra as principal's factor queimitam a producao do milho em Mozambique. (A recent investigation of the main factors limiting sorghum production in Mozambique). *Agricultura Boletin Tecnica*. 8: 4 -10.
Journal paper accepted for publication but still in press
Majamba, H. I. (In press). Legal training for diverse roles in Zanzibar: *Open University Law Journal.*
Books
Socker, L. (2000). *Practical Wildlife Care for Veterinary Nurses, Animal Care Students and Rehabilitator s*. Blackwell Science Ltd ., Oxford. 288pp.

Edited Books
Hulme, D. and Murphree, M. (Eds.) (2001*). African Wildlife and Livelihoods: The promise and performace of community conservation*. James Currey Ltd, Oxford. 336pp.

Individual chapters in multi- authored books
Barrow, E., Gichohi, H. and Infield, M. (2001). The Evoluation of Community Conservation Policy and Practice in East Africa. In: *Africa Wildlife and Livelihoods: The promise and Performance of Community Conservation*. (Edited by Hulme, D. and Murphree, M.), James Currey Ltd, Oxford. pp. 59 - 73.

Conference or workshop proceedings referred to as a whole
Boyle. P. J. (Ed.) (1987). Appropriate Manpower for Agricultural Research. Proceedings of SADCC Workshop, Gaborone, Botswana, 25 November, 1985. 120pp.

Individual paper in conference or workshop
Gimbi, A. A., Kimambo, A. E., Kanuya, N. L., Mtenga, L. A., Laswai, G. H. and Madsen, J. (2003). Seasonal variations on reproductive performance, mineral and body condition status of smallholder dairy cattle in Rungwe district, Tanzania. In; Proceedings of Tanzania Society of Animal Production Scientific Conference. 28 - 30 October, 2003, Tanga, Tanzania 30: pp. 333 - 341.

Monographs
United States Agency for International Development (2000). *Rice Production in Africa*. Agriserve Ltd., New York, 150pp.

Annual Report
Botswana Ministry of Agriculture (1999). *Livestock Research in Botswana Annual Report*. Government Printer, Gaborone, Botswana. 10pp.

Dissertations
Ndesendo, C. V. (2011). Role of job application using e-recruitment system in the banking industry: The case of banks in Dar es Salaam region. A dissertation for award of MBA degree at Open University of Tanzania, Dar es Salaam, Tanzania. 103pp.

Citing from electronic source
Kimbrell, A. (2002). Fatal Harvest; The tragedy of industrial agriculture. [http://www.fatalharvest.org/press.htm] site visited on 9/8/2008.

Citing newspaper articles and other reports
Kisembo, P. (2006). Survey shows food price further going down in Dar es Salaam. Daily news, Issue No. 36000. p. 13.

There are no submission fees or other charges connected to your submission. Submissions must be done electronically to the Chief Editor: pajbm@out.ac.tz

Opinion expressed in this Journal are those of the authors and not necessarily those of the publishers – The Open University of Tanzania.

Chief Editor
Pan-African Journal of Business Management
The Open University of Tanzania
P.O. Box 23409
Dar es Salaam
Tanzania
Email: pajbm@out.ac.tz
Facebook: www.facebook.com/OUTpajbm