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EDITORIAL NOTE

This is the second volume first issue of the Pan-African Journal of Business Management (PAJBM) hosted at the Faculty of Business Management at Open University of Tanzania. This second issue includes a variety of articles covering adoption of electronic payments, entrepreneurial orientation, public policy and job satisfaction on employees' turnover. All areas are of interest to scholars in Africa. The researchers in this issue deal with conditions only 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

General information

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Factors Affecting Adoption of Prepaid Electronic Payment Cards in Tanzania: The Case Study of Kilimanjaro Christian Medical Centre (KCMC)

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Abstract: *This paper aimed at investigating the factors affecting adoption of Electronic Payment System (EPS) at Kilimanjaro Christian Medical Centre (KCMC). The cross-sectional and descriptive correlational study designs were adopted where 150 clients at the outpatient clinics were selected for an interview. A structured questionnaire which was constructed based on the Technology Acceptance Model (TAM) was used. Data were analyzed by using descriptive, correlation and regression analysis. The study reveals that a majority of the clients (59%) preferred using EPS. Also, about 75% of clients indicated their intention to use EPS. The study further indicates that previous experience with the use of EPS and being banked were significant factors influencing both preferences of EPS and intention to use EPS. Moreover, middle-aged clients and high monthly income earners were the main users of EPS. The study also reveals that common barriers that hinder the adoption of EPS were poor internet connectivity and power fluctuations. This study recommends that in order to hasten the adoption of EPS it is important to address the identified barriers and also to encourage clients to use banks to keep their money. This study also recommends that KCMC should allow their clients to use mobile money transaction to pay for treatments charges.*

Keywords: Adoption, Prepaid Card Electronic Payment, KCMC, Tanzania

Background of the Problem

Hassan et al. (2013) define EPS as carrying of the monetary and similar transactions through the use of electronic means such as using computer networks and digitally store monetary value system. The emergence of the Information and Communication Technology (ICT) had completely changed the lives and operation of individuals and organizations respectively. Kabir et al. (2015) argued that the era of ICT and digital innovation have changed the world of business environment, where business transaction is constantly shifting from cash-based transactions to electronic-based systems. In the past, the transactions normally were done by using money (notes) but with the growth of ICT, people have started to use different

technologies for payments. Walton (2009) argued that the electronic payment system is simple since it does not involve any complicated procedures.

However, EPS in developing countries have encountered the number of problems in their execution. Various studies have been undertaken to study the adoption of new technologies both in developed and developing countries, though few studies on adoption of e-payments exist in developing countries, and specifically in the health sector. For example, Kabir et al. (2015) noted that most of developing countries are facing challenges associated with computerized systems operations. These challenges include frequent downtime, low speed, bad telecommunication system, poor internet connectivity and lack sufficient experience (Garcia and Calanton, 2002; Dehbini et al., 2015).

Tella (2012) found that perceived ease of use and enjoyment, speed and service quality are positively correlated with actual use of e-payments and the study predicted the success of e-payment system among teaching and non-teaching academic staffs at University in Nigeria. Jonsorn et al (2013) added that if the service is good, it will increase more acceptance to users. On the other hand, Soboke (2015) revealed that the factors that influenced adoption of electronic payments in hotel enterprises in Kisii Kenya were education level, age, skills and ease of use in terms of speed and convenience. Nyamiaka (2015) recommended that electronic payments system can be used in private University in Kenya to reduce misappropriation of funds, fraudulent in financial reporting and will increase transparency in transactions.

In Tanzania, Gale (2008) indicated a relatively continuous fall in revenue collected due to low experience of system operators on the new system. However, the experience itself is not the only factor which has influenced the fall of revenue collections. This implies that the electronic payment system faces other challenges that need to be investigated so as to increase their efficiency and reliability, especially in the least developing countries.

Statement of the Problem

KCMC is a consultant hospital serving over 11 million people of Northern Tanzania. The hospital is huge, complex with over 700-bed capacity and with hundreds of patients came to the centre every day and over 1200 staff are employed at the centre (KCMC annual Report, 2013). KCMC offers electronic treatment payment services in collaboration with Cooperative and Rural Development Bank (CRDB) since 2004.

Despite the benefits offered by the e-payment system for the revenue collection, patients at KCMC are complaining about inconveniences they face when using e-payment services and this makes some of the patients to run away from the service. This motivates us to find out the challenges which face the electronic treatment payment cards at KCMC. We hope that the recommendations of this study will accelerate the adoption rate of e-payment system and hence will result into increasing revenue at KCMC and the hospital sector in Tanzania.

Objectives

The general objective of the study was to assess the challenges facing the adoption of the Electronic treatment payments at KCMC. Specifically, the study aimed at determining the factors influencing clients' intention to use e-payment and to identify the challenges facing the adoption of e-payment system.

Theoretical Literature Review

Factors influencing the adoption and use of e- payment systems

Users' acceptance of any technology is central in determining the success or failure of any new information technology system (Davis, 1989). Literature suggested that user's attitude and human factors are pivotal aspects that influence the success of any information system including EPS (Davis, 1989). According to Davis (1989), the perceived advantage as illustrated by Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) influences clients' decision to adopt the e-payment system. Leong et al (2003), further argued that conveniently provided by e-payment in allowing a transaction to be executed timely is an important advantage towards the adoption of e-payments. On the other hand, some of the authors had identified the correlation between operating entities and Trust and Security (Ba et al, 1999), simplicity and stakeholder benefits (Oh et al, 2006) as factors influencing adoption of e-payments.

The Technological Acceptance Model (TAM)

This model is based on the theory of reasoned action (TRA) which contends that beliefs influence intentions while intention influences action (Ajzen and Fishbein, 1972). Fred Davis devised the TAM model in 1985 when he was doing his PhD thesis but his paper was published in 1989. According to Davis (1989), the variables which influence the technology acceptance (actual use) are Perceived Usefulness (PU), Perceived Ease of Use (PEOU) and Attitude Towards Use). However, later on, Davis et al (1989) added one extra variable of Intention to Use while Venkatesh and Davis (2000) proposed an additional variable of behavioural intention to use. According to Venkatesh and Davis (2000), perceived usefulness (the degree at which a person believes that using a particular system would enhance job performance) and perceived ease of use (the degree at which a person believes that using a system would be free of effort) influence attitude towards system use which in turn influence the person's behavioral intention to use the system and determines the actual use of the technology. On the other hand, perceived ease of use predicts perceived usefulness on the premise that once one perceived ease of use of the system implies that one would perceive it to be useful. However, TAM did not take into account other factors specific to EPS such as security, trust, privacy and risk involved (Lee, et al, 2013).

Empirical Literature Review

Various studies have been undertaken to study the adoption of new technologies both in developed and developing countries, though few studies on adoption of e- payment have been done in developing countries, and specifically in the health sector. Wahid (2007) analyzed the internet adoption between men and women in Indonesia by using the technology acceptance model. The results reveal that perceived ease of use rather than perceived usefulness affected women than men, while perceived usefulness was more important for men's adoption of the internet. Jonson et al. (2013) investigated the acceptance of the electronic payment services in Thailand. The study revealed that if service is good, it will increase more acceptance of use.

Dehbin et al (2015) studied the factors influencing the adoption of an electronic payment card in micropayment in Kuwait where 384 citizens were interviewed on TAM constructs. The study hypotheses were tested using one sample t-test, Mann-Whitney U test and other demographic variables by using the Kruskal-Wallis test. The result revealed that ease of use, perceived usefulness, network externalities, and satisfaction had a positive effect on the acceptance of e-payment. Tella (2012), using TAM predicted the success of e-payment system among teaching and non-teaching academic staff at the University of Ilory in Nigeria,

using one-way Analysis of Variance (ANOVA) and multiple regression/multiple correlation analysis. The study found that perceived ease of use, perceived enjoyment, speed, and service quality were positively correlated with actual use of e-payments.

Adeyinka and Abdulmun (2015) studied the users' satisfaction with the e-payment system at the University of Ilorin, in Nigeria. The study revealed that users were mostly satisfied with perceived speed followed by system security, traceability and convenient. Moreover, there was a significant correlation among the entire e-payment and convenience. Soboke (2015) conducted a descriptive study to assess the factors influencing electronic payments by small and medium enterprises in Kisii, Kenya using Unified Theory of Acceptance and Use of Technological (UTAUT) which is a modified model of TAM, and non parametric test (Kruskal Walis mean rank test) also was used in data analysis. The study concluded that background characteristics of users (education level, age, and skills) and ease of use in terms of use and speed and convenience highly influenced the adoption of e-payments.

Nyamiaka (2015) determined the effect of e-payment on the operational risk management in the private University in Kenya, using regression analysis. The study showed that electronic payments system can be used in private University in Kenya to reduce misappropriation of funds by reducing 'ghost' payments, enhancing compliance with applicable accounting laws, reducing error in calculating change from transaction, reducing fraudulent financial reporting, and increasing transparency in transaction. Also, the institution in Kenya faced the infrastructure challenges which have led to a poor acceptance of e-payments because users were not happy with accessibility, safety and easy operation of the e-payment system.

Rumanyika (2015) assessed the obstacles towards the adoption of mobile banking in Tanzania qualitatively and descriptively and he noted that there were negative factors affecting mobile banking in Tanzania. The study revealed that poor network coverage, lack of knowledge of mobile banking user, lack of enough floats and poor security of mobile network were critical obstacles toward the adoption of mobile banking in Tanzania.

Anthony and Mutalemwa (2014), assessed the factors influenced the Use of Mobile Payment in Tanzania, focusing on Zantels' Z- Pesa services. The study noted that the rate of adoption of mobile payment services among the subscribers of Zantel (Z Pesa) was grown in a relatively low rate, due to various factors that hinder adoption of service such perceived as not so easy to use and unavailability of the service. However, the study revealed that the adoption of Z-Pesa services had the potential to be used as a means of payment if more payment options were available, such as paying utility bills, settling school fees and international money transfer.

Research Gap

The current applications of TAM include its applications in mobile banking services (Alsamydai, 2014), learning technologies (Mugo et al, 2017), mobile social gaming service popularity analysis (Chen et al, 2017). Shore et al (2018) used the TAM model to design the assistive exoskeletons for adults. Also, Wei et al (2018) applied TAM to assess the factors that drive Chinese to buy clothes online. From the reviewed empirical literature, we have noted that many studies about e-payment systems were done outside Tanzania. Also, most of these studies investigated the satisfaction with EPS in commerce; for example, Oney et al (2017), Waithaka and Mnkandla (2017), Bezhovski (2016), Kaur and Pathak (2015) and Nakhumwa (2013); to mention few. Secondly, we have noted that few studies covered the area of service industries. Thus, to the best of our knowledge, none of the studies has been done to assess the adoption of EPS in the health sector at KCMC referral hospital. Therefore,

this study was done to fulfil the gap. This study used the TAM model of Venkatesh and Davis (2000) reviewed by Lai (2017) because the model has a wide range of variables. The study assessed how the TAM model is applicable at KCMC and whether its variables influence outpatients to use e-payment system. Moreover, the study assessed whether there are other factors that influence the use of electronic prepayment cards at KCMC apart from those propagated by the TAM model.

Research Design

Cross-sectional and descriptive correlational designs were adopted for this study. Cross-sectional was used because of the financial and time resources constraints. The study used also the descriptive design to generalize the characteristics of the population. Moreover, the correlation design through correlation and regression analysis was used to describe the relationship between the independent and dependent variables.

Sampling Method and Sample Size Estimation

The required sample size was derived from the Slovin formula used by Suyono (2012) as presented below:

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = Minimum sample size

N = Total number of population (N= 200; the average number of outpatients who visit KCMC per day)

e = sampling error on this research (estimated to be 5%).

By using the formula, the sample size is 134 outpatients but the approximate of **150** respondents was taken for the study.

Sampling Methods and Procedures

Systematic random sampling was employed whereby all outpatients were listed on the paper then every fifth out-patient were requested to participate in the study. KCMC records show that 200 out-patients attended the outpatients' services at KCMC in each day, but only 50 were targeted for data collection per day. This study involved patients who are not covered by the insurance services who are 50% of all patients because the patients who were covered by the insurance services do not use e-payment cards.

Data Collection Methods

The data was collected using the standardized questionnaire with structured questions adopted from previous studies which use the TAM model (Alsamydai, 2014; Abu-Dalbouh, 2013; Chen et al, 2017). The used data collection methods were interviews, questionnaire and observations. The questionnaire consisted of socio-demographic characteristic of respondents of perceive ease of use, perceived usefulness, attitude towards using, behavioral intention to use. The statements for the constructs used 5- point Likert scale with Strongly Disagree (SD = 1) Disagree (D = 2), Neutral (N = 3), Agree (A = 4) and Strongly Agree (SA = 5). The questionnaire was written in English and translated to Swahili language; a language which is well understood by the majority.

Data Reliability and Validity

Data reliability and validity were carefully considered to facilitate the proper data collection. Cooper and Schindler (2006) argued that it is better to consider the issues of validity when collecting data. The research instrument was pre-tested to 20 patients who did not participate in the main study to test the reliability of the instrument using Cronbach's alpha. The values of the Cronbach's alpha ranged from 0.83-0.94 which manifests the high reliability of the research instrument (Nunnally, 1978). Also, research assistants were trained before starting data collection with respect to questionnaire filling. To ensure validity, also a standard TAM questionnaire was adopted (Davis, 1989) and questions adapted to fit the context in which the questionnaire was administered. Furthermore, a number of professionals in the subject including the research supervisor were involved in checking the suitability and relevance of the questions.

Data Analysis, Variables and Measurement

The collected data was entered to the computer using Statistical Package for Social Sciences (SPSS) version 16). Model estimation was done by using likelihood approach and multiple regression analysis was used for hypothesis testing. Initially, socio-demographic characteristics were assessed. Adjusted R^2 was used to assess the variance explained by the model and then each construct was tested its significant at 5% level. The regression model for Actual use of e-payment as adopted by Wangpipatwong et al. (2008), which can be written as:

$$Y_i = \beta + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + \varepsilon$$

Where:

- Y_i = Actual use of e-payment
- X_1 = Clients behavioural intention to use EPS
- X_2 = Attitude toward EPS
- X_3 = Perceived ease of use of EPS
- X_4 = Perceived usefulness of EPS
- β = Y-Intercept
- ε = Random error
- a_1 - a_4 = Coefficients of X_1 - X_4

The study also used correlation and chi-square analysis for analyzing continuous and categorical variables respectively.

Ethical Issues Consideration

Since one of the authors was the Master student from the Open University of Tanzania, the research clearance letter was issued by Directorate of Postgraduate studies. However, the permission to conduct research at KCMC was obtained from the KCMC administration. Verbal consent was obtained from the prospective research participants. The collected data for research was kept confidential and respondents used identity numbers rather than their names. The researchers also avoided falsification, fabrication and plagiarism.

Results and discussion

Socio-Demographic and Economic Characteristics of Respondents

One hundred fifty clients (150) attending at Kilimanjaro Christian Medical Centre (KCMC) participated in the study. The majority were female (59.3%), aged between 20 and 40 years (56.0%), and with post-secondary education (59.3%). The study reveals that 64.7% of clients use EPS. The results also indicate that more than one-third were formal employees (36.0%) and about half (48.7%) had a monthly income ranging from Tanzania Shillings (Tshs.) 200,000 to less than 600,000. The results show the majority of clients are those with

employment and assured income. This implies that probably the charges at KCMC are of high cost in a manner that a client with a low amount of income cannot afford.

Bills Payment Methods

Respondents were asked if they have paid hospital bills using electronic payment system (EPS). The results show that 64.7% of the outpatients stated to have done so. These were further asked what mode of payment they prefer most. The result shows that 58% of patients preferred using EPS, 33% both and 9% cash payment. Our findings are not consistent with those reported by Nwaolisa and Kasie (2012) who found that 82.6% of the respondents in Nigeria preferred cash payments, giving the reason of not being used to the system.

Clients' Intention to Use EPS

About three-quarters of outpatients (74.4%) intend to use electronic payment systems. These were ones who were having experience with EPS. The chi-square test indicates that the clients who preferred using EPS for paying hospital bills over using cash were likely to continue using EPS more than 4 times (OR=4.2, 95% CI=1.9-9.1; $p < 0.001$) and clients with previous experience with EPS were significantly likely to continue using EPS for paying bills about 8 times than those without previous experience (OR=7.7, 95% CI=3.4-17.5; $p < 0.001$).

Internal Consistency and Testing the Linear Regression Assumptions

Internal consistency using Cronbach's alpha shows a high instrument's reliability with scores above 0.8. According to Gujarat and Porter (2010), the multiple regression assumptions can be tested through observing the existence of multicollinearity, autocorrelation, heteroscedasticity and normality.

Pearson's correlation analysis of variables and testing of multicollinearity

Pearson correlation coefficients were computed for the purpose of investigating the bivariate relationships (inter-correlation) among the study variables of perceived ease of use, perceived usefulness, attitude towards EPs and behavioural intention to use EPS. Table 1 shows the highest correlation coefficient (r) is 0.796 (ranging from 0.610 to 0.796), implying that there is a high correlation between attitude towards EPS and behavioural intention to use EPS. According to Field (2005), to avoid multicollinearity, the value of r , should be less than 0.8 and hence that problem is non-existent in our case. We also performed the VIF test (Table 1) for multicollinearity. Since all the VIF values lie between 1 and less 10, there is no multicollinearity. Normality assumption was tested using the Kolmogorov-Smirnov test. Since the p -values for the dependent and independent variables were not significant at 5% level of significance, normality assumption was met.

Hypothesis testing using correlation variables

Based on the model, the following hypotheses were tested to find out inter-correlations between variables and predictors of intention to use electronic payment systems.

Perceived Ease of Use (PEOU) and Attitude (AT)

H₁: Perceived ease of use (PEOU) positively influences user's attitude toward electronic payment systems

Perceived Usefulness (PU), Attitude (AT) and behavioural Intention (BI)

H₂: Perceived usefulness (PU) positively influences user's attitude toward electronic payment systems.

H₃: Perceived usefulness (PU) positively influences user's behavioural intention to use electronic payment systems

Attitude (AT) and Behavioral Intention (BI)

H₄: Attitude toward electronic payment systems positively influences user's behavioural intention to use EPS

Table 1. Pearson's Correlation Analysis of Variables

Variable (s)	Behavioural intention to use EPS	Perceived ease of use of EPS	Attitude towards EPS	Perceived usefulness of EPS	Mean (SD)	VIF	K-M test p-value
Behavioural intention to use EPS	1				3.9 (0.9)		0.11
Perceived ease of use of EPS	.659**	1			3.7 (0.8)	1.9	0.07
Attitude towards EPS	.796**	.610**	1		3.8 (0.9)	2.0	0.12
Perceived usefulness of EPS	.610**	.665**	.645**	1	3.9 (0.8)	2.1	0.32
Instrument reliability:							
Cronbach's alpha	0.94	0.83	0.94	0.94			

** . Correlation is significant at the 0.01 level (2-tailed), K-M = Kolmogorov-Smirnov test

The results show that the attitude toward EPS predicted the perceived ease of use of EPS ($\beta=0.610$; $p<0.001$) and perceived ease of use of EPS predicted attitude towards use EPS ($\beta=0.645$; $p<0.001$) and these two variables explain 47.5% of the variation ($R^2=0.475$) and hence H₁ and H₂ are supported. Behavioural intention to use EPS predicted perceived usefulness ($\beta=0.645$; $p<0.001$) and attitude toward using EPS ($\beta=0.796$; $p<0.001$) and both explain 64.9% of the variation ($R^2=0.649$); hence H₃ and H₄ are supported. Perceived usefulness predicted perceived ease of use ($\beta=0.665$; $p<0.001$) and explains 66.5% of the variation ($R^2=0.665$). Similar results were obtained in a study by Baraghani (2007) and Liu (2014) and hence consistent with the prior research of the founder of TAM (Davis, 1989).

Assumptions of autocorrelation

Gujarat and Porter (2010) asserted that autocorrelation can be tested using Durbin-Watson d tests and if your test values range between $1.5 < d < 2.5$, auto-correlation in the multiple linear regression model cannot be confirmed. The results of the Durbin-Watson test of regressions show that $d=2.15$ which signify that autocorrelation in the regression model cannot be confirmed.

Testing assumptions of heteroscedasticity

Also, Gujarat and Porter (2010) asserted that by comparing the calculated and the observed chi-square we can determine if the multiple linear regression model has a heteroscedasticity problem. The calculated value of chi-square is obtained by using the formula; NXR^2 , where N represents the number of observations and R^2 is obtained from the regression analysis. From data analysis, $R^2 = 0.675$, $N=150$. Hence calculated chi-square; $NXR^2 = 150 \times 0.675 = 101.25$ and the $\chi^2 (N)$ at 0.05 level of significance is $\chi^2 (150) = 178.485$ which is greater than the calculated value. The finding indicates that we cannot confirm the presence of heteroscedasticity problem in the regression model.

Predictors of Behavioral Intention to Use Electronic Payment Systems: Regression Analysis

Multiple linear regression results reveal that the predictors of behavioural intention to use electronic payment systems were attitude toward EPS ($\beta = 0.610$; $p < 0.001$) and ease of use of EPS ($\beta = 0.280$; $p < 0.001$). Usefulness of EPS was not a predictor of behavioural intention to use EPS (Table 2). The most significant prediction was mainly due to attitude toward EPS ($\beta = 0.610$) compared to ease of use of EPS ($\beta = 0.280$). Both variables explained 67.5% of the variation ($R^2 = 0.675$). Our findings are consistent with those reported by Tella (2012) in Nigeria and Johar and Awalluddin (2011) on adoption of e-commerce. However, in all of these studies, perceived usefulness of EPS was also a predictor, in contrast to our study findings. Thus, Tella and Olasina (2014) used the extension of the TAM model and added the variables such as enjoyment, speed, perceived benefits and user satisfaction on top of the three variables of the original TAM to predict actual use of EPS while Johar and Awalluddin included perceived enjoyment in their technology acceptance model. Also, Teoh, et al (2013) used TAM to determine factors affecting consumers' perception of electronic payment in Malaysia found that ease of use, benefits and self-efficacy were the determinants of consumers' perception toward e-payment.

Table 2. Multivariate Regression Analysis Results

Variable (s)	β	T	p-value	95.0% Confidence Interval for β	
				Lower Bound	Upper Bound
(Constant)	1.690	1.532	.028	-.490	3.869
Attitude toward EPS	.610	9.471	.000	.482	.737
Ease of use of EPS	.280	3.881	.000	.137	.422
Perceived usefulness of EPS	.042	.675	.500	-.080	.163
= Behavioral intension to use and actual system use	0.665	8.451	.0001	.373	.264
Adjusted R^2			0.675		

The final estimated model for intention to use EPS in our case would be:

$$Y_i = 1.690 + 0.610X_1 + 0.280X_2 + 0.042X_3 + \varepsilon$$

Where:

- Y_i = Clients behavioral intention to use EPS
- X_1 = Attitude toward EPS
- X_2 = Perceived ease of use of EPS
- X_3 = Perceived usefulness of EPS
- X_4 = Behavioral intension to use and actual system use
- ε = Random error

Challenges facing EPS Implementation

The patients who were not banked were complaining about inconveniences involved in e-payments. These include standing in a queue for a long time before posting their money in e-payment cards. Another noted challenge was re-depositing when the amount of money deposited in the card for the first time is not adequate. Furthermore, delay of thirty minutes to one hour before money is realized in the card was noted as one of the challenges. Due to these challenges, it was revealed that average of 3 to 4 patients escaped from using the KCMC service every day.

The results from data also revealed that other barriers towards the use of e-payment were downtime of Internet (mean (\pm SD) score = 4.2(\pm 0.8)) followed by poor Internet connectivity (mean (\pm SD) score = 4.1(\pm 0.9)) and then by power fluctuations (mean (\pm SD) score = 4.0 (\pm 0.9)). Our findings are consistent with those reported by Nwaolisa and Kasie (2011) whereby it was reported that the challenges facing electronic retail payment systems were weak technological infrastructures and inadequate power supply. Similar challenges have been reported by Taddesse and Kidan (2005) in Ethiopia and Ngereza and Iravo (2013) in Kenya. Okifo and Igbunu (2015) in Nigeria also added issues concerning the security of the e-payment system and resistance to change among clients as other challenges which hinder the adoption of e-payment system.

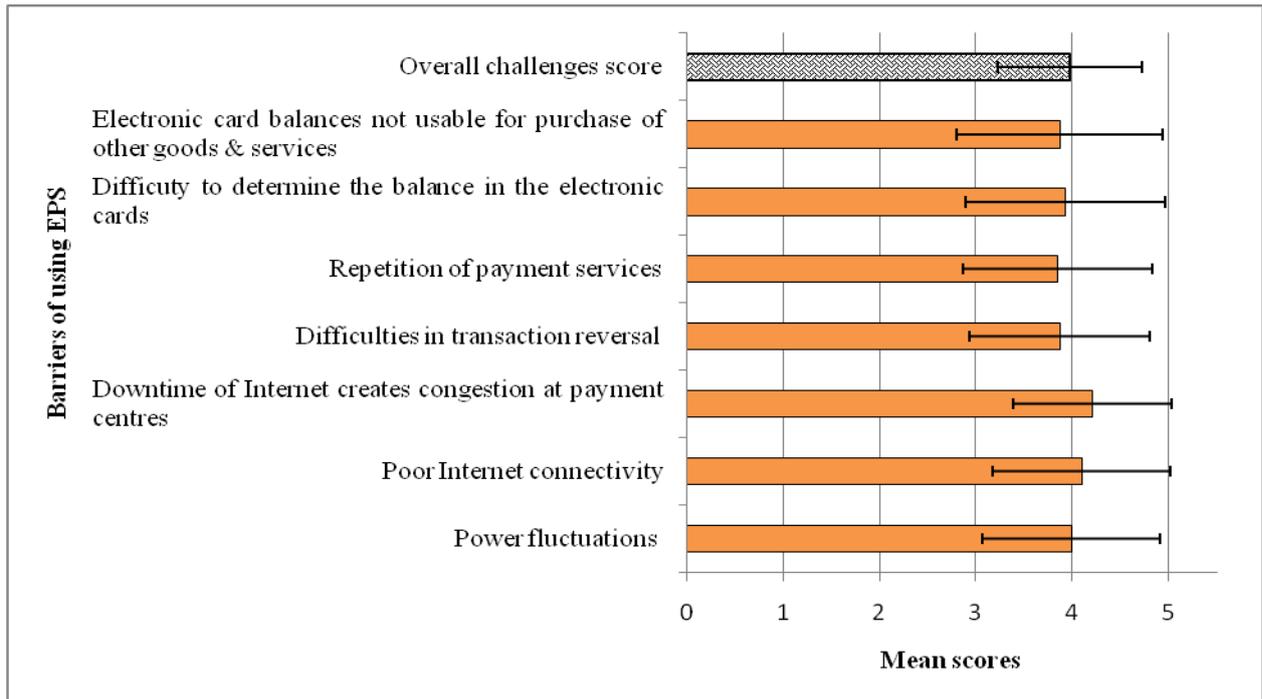


Figure 1. Barriers of Using Electronic Payment Systems

Conclusion

Majority of clients at KCMC prefer the use of an electronic payment system to make payments for the health services. However, nearly one-third of the clients still preferred both modes of payment, that is, cash and electronic payment systems. The study reveals that the significant factors influencing preference of mode of payment included being banked, previous experience of using EPS and being employed. The study further reveals that majority of clients intend to use electronic payment systems but they find that standing in the queue for a long time and re-depositing, when the amount of money deposited in the first time is not enough, are some of the challenges.

All the four hypotheses of the TAM model were supported demonstrating that perceived ease of use (PEOU), perceived usefulness (PU) and both PEOU and PU all influenced attitude toward EPS and also both PU and attitude toward EPS ultimately influenced behavioural intention to use EPS. Predictors of behavioural intention to use electronic payment systems were attitude toward EPS and ease of use of EPS. The commonly mentioned challenges facing the adoption of electronic payments systems were downtime of internet followed by

poor internet connectivity and then by power fluctuations. The study concludes that the challenges facing the adoption of e-payments at KCMC are the same as those listed in the empirical literature except waiting in the queue for a long time and re-depositing problems. However, this study is significant because only KCMC hospital in the Northern zone of Tanzania uses e-payment. Hence, the study provides the suggestions on how payments to a health centre in the Northern zone and other parts of Tanzania can effectively be done.

Recommendations

Awareness creation and education on how the electronic payments systems operate to users is important in order to foster adoption. The barriers that were mentioned by clients, that is, downtime of Internet followed by poor Internet connectivity, power fluctuations, waiting in queue for a long time and re-depositing for each health service in the same day must be addressed so as to reduce encumbrances that could deter clients from preferring the system. We also recommend that e-payments should be expanded to mobile money payments since are the most reliable mode of payments to all Tanzanians with diverse income. We know that various types of services in Tanzania such as water bills, electricity bills, school fees, transportation charges (including flight fare) and others are paid through mobile money transaction. Therefore, we believe that paying treatment charges through mobile money payment will be convenient for a majority of the clients.

Contribution of the Study to the Theories

This study reveals that Technology Acceptance Model (TAM) which was developed by Davis (1989) is applicable at KCMC because none of the clients complained about the difficulty in using e-payment except the challenge occurs when there is internet inaccessibility, system jam, waiting in the queue for long time and re-depositing of money for every service in the same day. However, the study reveals that these problems don't limit the diffusion of e-payment innovation at all but the problem which was noted is that, clients with lower income fail to pay through e-means because they are unable to save their money in a bank. Hence, a flexible means of payment such as using the mobile money transaction would help to accommodate even these clients with lower income.

Direction for Future studies

This study was carried out at a single institution and used only the quantitative approach. We recommended further studies covering several institutions in different geographical locations and using both quantitative and qualitative approaches. Also, we recommend the future studies to use the integrated models (TAM and other technology-related models).

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The Role of Entrepreneurial Orientation on Business Performance: Empirical Evidence from Selected Tanzanian SME's

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Abstract: *The objective of the study is to assess the effects of entrepreneurial orientation (EO) on business performance among SMEs in Tanzania. This study was conducted in Dar es Salaam employing a sample of 143 SMEs. The study attempted to differentiate EO into five theoretical dimensions, namely product innovation, risk taking, proactiveness, competitive aggressiveness, and autonomy. Structural Equation Modeling (SEM) was applied to fit the model, where EO dimensions were independent variables and SME performance was the dependent variable. The researchers used cluster analysis (CA), multiple discriminant analysis (DA) and factor analysis (FA) to assess whether the SMEs are following divergent EO dimensions. MANOVA was performed for the clusters to assess significant difference between EO-dimensions. The study gleaned the following; first EO does play a crucial role in influencing profitability, particularly autonomy was negatively related to performance hence suggesting that personnel tend to underperform when given sufficient freedom to act. The relationship to performance for the other dimensions of EO was positive. Secondly, EO exhibits a possibility of multidimensionality based on a maximum of three dimensions, namely; aggressiveness, innovation, and pro-activeness, while risk-taking blended into these prior dimensions autonomy was embedded within aggressiveness.*

Keywords: Entrepreneurial Orientation, SME performance, EO Dimensions

Introduction

Business performance is a multifaceted aspect. It is capable of reflecting the different features of a business. Some of these are firm's internally oriented features such as; profitability, sales levels, and liquidity levels while others are firm's externally oriented features such as firm market values, firm stock market yields, earnings per shares and price levels. A combination of these features can as well be constructed through measures such as Tobin's Q, which is a combination of accounting and market-based features of business performance (Mumtaz et al., 2013). This paper focuses on profitability as a reasonable facet of business that represents business financial performance.

Various measurements for business profitability have been used by researchers. They normally employ assets values as their numerators, because business assets are considered as key drivers for profitability. These measures include but are not limited to the following accounting measures; return on assets (ROA): calculated as the ratio of net income to total

assets, return on equity (ROE): calculated as the ratio of net income over total equity, return on capital employed (ROCE): calculated as the ratio of net income over total capital (equity and long-term liabilities) used in financing the business, net profit and gross profits margins. These are calculated based on values from financial statements (Abor, 2005; Mumtaz et al., 2013) or accounting records for the case of entrepreneurs who may not be regularly preparing financial statements.

Several factors are well established based on prior researches, which have demonstrated effects on business profitability. These include and are not limited to the following: asset size, sales growth, market power and share, investment levels, efficiency levels (by focusing on various turnover ratios such as inventory turnover, debtors' turnovers, creditors turnovers and total turnovers), capital leverage, financial liquidity, diversification levels and asset tangibility (Abor 2007; Boso et al., 2013; Kapaya and Raphael, 2016; Pratheepan 2014;). While the cited factors are business specific, other studies have tried to include macroeconomic factors such as inflation, interest rates, financial market development, size of the banking sector, market or industry power and competitiveness (e.g. Almazari, 2014; Boso et al., 2013; Jaber, 2014; Kapaya and Raphael, 2016; Obamuyi, 2013; Wang, 2000; Yiu et al., 2007) Studies have also included market behavior variables such as local suppliers' networks (e.g. Pratheepan, 2014), social networks ties, business network ties and market orientation (e.g. Boso, et al, 2013), entrepreneurial orientation (e.g. Boso et al., 2013; LeRoux and Bengesi, 2014; Rauch, et al., 2009) and lagged profitability (e.g. Kapaya and Raphael, 2016).

The effects of these factors on business profitability depend on a host of scenarios, for instance: industry type, nature of the business, governance structures and macroeconomic conditions, just to mention a few. More factors are being identified and included in studies of this type in trying to find which combination of factors are significantly affecting business performance and in which context. Particularly, this paper does not aim at finding any best combination of factors that affect business performance because they are many and are beyond that scope. Rather, we explore the contribution of entrepreneurial orientation through its various suggested dimensions on business performance. Succinctly stated: based on a *prior* acquaintance of five EO dimensions, this paper explores the suggested but well disputed five dimensions and how they affect SMEs performance in Tanzania and attempt to discover level dimensionality in EO in Tanzania.

Entrepreneurial Orientation (EO) refers to a firm-level strategic orientation which entails organization strategy making practices, managerial philosophies, and firm behaviours that are entrepreneurial in essence. The ideas about EO was initially introduced by Khandwalla in 1977 and developed further by Miller in 1983 that identified three dimensions of EO, namely innovativeness, risk-taking, and pro-activeness. The primary dimensions that distinguish EO comprise of proclivity to be pro-active, innovative and taking risks to capture market opportunities. Lumpkin and Dess (1996: 136) described EO as "...the processes, practices, and decision-making activities that lead to new entry ...". Covin and Slevin (1991) basing their arguments on Miller's concepts, referred to EO as a strategic position indicating how firms implicitly and explicitly decide to compete.

Lumpkin and Dess (1996) further identified two more dimensions of EO, namely autonomy and aggressiveness which determine business performance, thus adding up to five EO dimensions. A further consideration is how each of these five dimensions behaves in relation to performance in terms of whether they do so unidimensionally or multidimensionally. Rauch et al. (2009) argue that it is premature to suggest a multidimensional rather than

unidimensional conceptualization of EO based on how the dimensions relate to performance, However, Brouthers et al. (2014) argues for a multi-dimensional construct. Lumpkin and Dess (1996) argue that dimensions of EO differ with the sort of industry and the environment in which the firm is operating. For example, a study by Shirokova et al. (2015) the environment in Russia was the explanation for the lack of innovativeness and proactiveness. There is a necessity to interpret entrepreneurial behaviour in the context of the socio-economic, political and cultural setting in which it occurs. LeRoux and Bengesi (2014) argue that little information is available in emerging economies, on how the dimensions of proactiveness, competitive aggressiveness and risk-taking contribute to performance.

SMEs profile in Tanzania need to be assessed because, qualitative information from experts on the nature of SMEs profiles from other countries such as Greece (Avalonitis and Salavou, 2007) has been clouded by other "issues" such as traditional culture, country culture, firm-specific characteristics, competition, imitation, government protection, horizontal growth as opposed to vertical growth (Avalonitis and Salavou, 2007; Rauch et al, 2009). An important study within the Tanzanian context is that of LeRoux and Bengesi (2014). They studied a total sample of 291 SMEs from Tanzania and found a strong relationship between EO dimensions and performance, with risk-taking and competitive aggressiveness moderating the effect of pro-activeness. Their model accounted for 72% of all variations accountable for performance, however, they only studied the three original dimensions.

The research on EO-performance relationship (EO-P) is significant to firm success (Brouthers et al., 2014; Engelen et al., 2014; Shirokova et al. 2016; Wales, 2016)). To the best of our knowledge, there are very few studies on EO-P relationships in Tanzania. LeRoux and Bengesi (2014) studied only three EO dimensions in Tanzania, namely; pro-activeness, risk-taking, and competitive aggressiveness. This study explores an expanded model of entrepreneurial orientation by adding two more dimensions compared to their study, which is innovativeness and autonomy. Understanding their relationships and magnitude of variance in a holistic approach may help to develop our ability to explain SME performance better than only considering a few of the five dimensions. The literature on EO-P relationship in emerging economies is scanty. Thus, this study seeks to test the effects of EO on SMEs business performance in emerging economies particularly Tanzania.

Literature Review

EO Dimensions

EO has its foundation in strategy literature and has been employed to refer to the strategic management approach of firms having “entrepreneurial” tendencies (Eggers et al., 2013). EO comprises an organizational experience that mirrors a decision-making competence by which firms embark on practical and aggressive initiatives to reshape the competitive business environment to their advantage (Avalonitis and Salavou, 2007). EO is possibly a multifaceted aspect of business firms. Researchers are still battling on defining and deciding its dimensionality. The frequently encountered introspective dimensions of EO are briefly reviewed below.

Product Innovativeness

Product innovativeness is a concept that has an emerging attention in EO studies. It refers to the level of innovativeness embedded in each product. Significant research has been done to explore EO-P relationship based on product innovativeness profiles (Avalonitis and Salavou,

2007; Rauch et al., 2009). According to Lumpkin and Dess (1996: 142), “innovativeness reflects a firm’s tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes”.

Risk-taking

Risk-taking is often used to describe the uncertainty that results from entrepreneurial behaviour (Lumpkin and Dess, 1996). Entrepreneurial behaviour entails investing a momentous amount of resources into a venture with a high probability of failure. So, a vital trait that entrepreneur managers have to personify is a strong capability to establish the right path for their businesses in the face of uncertainty. The focus here lies on moderated and calculated risk-taking instead of enormous and uncontrolled risky activities (Eggers et al., 2013).

Pro-activeness

Pro-activeness refers to operating a firm in expectation of future problems, needs, and changes. It refers to efforts to seize the initiative, expecting and enacting new opportunities, and creating or contribute in emerging markets (Eggers et al., 2013), a proactive firm is one that “is first to come up with ‘proactive’ innovations”. Pro-activeness thereby comprises the predisposition to be the first to market with new products or services. A proactive firm is often the originator of actions or events that the competition must then react to, “leading the way in products and services”. Taking the initiative through participating in up-and-coming markets, for instance, plays a critical role in entrepreneurship (Lumpkin and Dess, 1996), making pro-activeness a vital dimension of EO (Eggers et al., 2013).

Competitive aggressiveness

Competitive aggressiveness refers to the firm's ability to quickly and intensely challenge its competitors and outperforms its rivals in the market (Lumpkin and Dess, 1996) to maintain or attain a competitive position (Le Roux and Bengesi, 2014). Competitive aggressiveness act to sustain performance as it reflects a willingness to compete with untraditional methods and to defend the firms market position through challenging their competitors.

Autonomy

Autonomy is about the independence of an individual or a team to launch an idea or a vision and to work with it to completion. A firm characterized by autonomy to empower their employees to act independently, take key decisions and to proceed (Lumpkin and Dess, 1996). To conclude, EO is a strategic process, which provides the organization with a foundation for entrepreneurial decisions and actions for better performance (Rauch et al., 2009; Wiklund and Shepherd, 2005).

EO-Performance

Entrepreneurs are key functionaries within SMEs. The study of SMEs dictates a retrospective analysis of their behaviours and how such behaviours are patterned into prospective entrepreneurial orientation dimensions, namely risk-taking, proactiveness, innovativeness, aggressiveness and autonomy. The results by Avalonitis and Salavou (2007), for instance, confirm that active entrepreneurs differ significantly from passive entrepreneurs in the new product uniqueness dimension, this suggests that the proactive and risk-seeking orientation of active entrepreneurs is demonstrated by product innovations leading to higher performance. This finding is in line with existing evidence that delivering a differentiated product with unique customer benefits and superior value for the user is one of the most critical success

factors. The article by Fatoki (2014) confirms the studies by Chowdhury and Ahmed (2011) contending that micro-enterprises tend to shun risk and are less proactive, they are rather adaptive and less opportunistic. Eggers et al., (2013) find that Risk, pro-activeness, and innovativeness are all correlated with each other confirming the findings of Lumpkin and Dess (1996), thus indicating that they may have related effects on business performance.

EO is an aspect that is associated with firm success, particularly in the long-run. Findings of Rauch et al. (2009) based on a meta-analysis study involving studies done in USA, Europe, Asia and Australia indicate that; the overall correlation for the whole sample between EO and performance, corrected for measurement and sampling errors was 0.242. They argue that this correlation can be regarded as moderately large. Their meta-analysis by regions indicated the following correlations: USA ($r=0.261$), Europe (0.281), Asia (0.404) and Australia (0.429), which did not vary very much from each other and from the whole sample correlation above. They argue that the differences in these effect sizes were not significant, suggesting that relationships with performance seem to be relatively similar in magnitude across identified regions. Their results support a positive EO-performance relationship. Their findings support the proposal that EO dimensions (innovation, risk-taking, pro-activeness) are of the same significance in elucidating business performance.

LeRoux and Bengesi (2014) argue that understanding how each of the EO variables is related to each other does not help to explain how they individually or as a group affects the performance of SMEs, since norms of EOs may tend to vary according to industry and environments in which the SMEs operate. In their study, they found that competitive aggressiveness account for the most variance followed by proactiveness and risk-taking. Thus it is considered crucial to consider the contribution of each EO to SMEs performance individually and holistically.

Since EOs have been considered as a multidimensional construct, in this study we believe that each dimension of EO accounts for a different magnitude of variance in SMEs performance. From this perspective, we thus, follow the Lumpkin and Dess's (2001) approach which treated EO as a five dimensions construct. Thus; innovation, risk-taking, pro-activeness, autonomy and competitive aggressiveness are treated as distinct EO dimensions. In the study of LeRoux and Bengesi (2014), SME performance indicated a significant positive correlation with proactiveness and competitive aggressiveness while it recorded significant negative correlation with risk-taking. Regression results concerning proactiveness and competitive aggressiveness indicated significant positive relationships with SME performance. On the other hand, risk-taking indicated a significant negative relationship with SME performance (Suggesting multidimensionality instead of unidimensionality), as such MANOVA analysis can best describe this phenomenon. From the literature review standpoint, we conclude that there is a need to study all five dimensions on SME's in Tanzania. Thus, our hypotheses were as listed below.

Product Innovativeness and EO-P

Empirical evidence suggests a positive relationship between EO and product innovativeness. Further, low product innovativeness is characterized by low business performance while high product innovativeness is characterized by high business performance. (Avalonitis and Salavou, 2007; Rauch et al., 2009). Innovativeness reflects a firm's inclination to engage in and sustain novel ideas, originality, carrying out tests, and inventive processes that may result in new products, services, or technological processes (Lumpkin and Dess, 1996).

H1: Product innovation success is positively related to SMEs performance

Risk-taking and EO-P

Risk has a variety of meanings; hence the context of application matters. In strategy context, Baird and Thomas (1985) point out three types of strategic risk: "venturing into the unknown," "committing a relatively large portion of assets," and "borrowing heavily". Eggers et al. (2013) found a positive association between risk-taking and EO. However, a study conducted in Tanzania, LeRoux and Bengesi (2014) found a negative relationship between risk-taking and SME performance. Unlike the case in developed economies where risk-taking is positively associated with SMEs performance, risk-taking in emerging economies is avoided by SMEs due to weak and hostile business and regulatory infrastructures which make risk-taking a threat rather than a profit-seeking avenue. They also found positive correlations between proactiveness and risk-taking indicating that the two have a complementary effect, or rather risk-taking is necessary to foster a proactive behaviour.

H2: Risk-taking is negatively related to SMEs performance

Pro-activeness and EO-P

Pro-activeness refers to acting in anticipation of future challenges (Lumpkin and Dess, 1996). It is a forward-looking perspective which is accompanied by new venturing activities. It refers to processes aimed at anticipating and acting on future needs by "seeking new opportunities which may or may not be related to the present line of operations, introduction of new products and brands ahead of competition, strategically eliminating operations which are in the mature or declining stages of life cycle" (Lumpkin and Dess, 1996). Thus, a proactive firm is a leader rather than a follower. Lumpkin and Dess, (1996) argue that, because pro-activeness implies a prominence of initiating activities, it is intimately related to innovativeness and is likely to co-vary with it. LeRoux and Bengesi (2014) found a positive relationship between pro-activeness and SME performance in Tanzania.

H3: Pro-activeness is positively related to SMEs performance

Autonomy and EO-P

In a quest for autonomy, individuals leave established businesses to seek freedom and experiment with their new business ideas. In organizations, it is the independence granted to individuals and teams who can implement their creativity and develop talented ideas that are required for entrepreneurship to occur. Thus, an imperative momentum for new-entry activity is the autonomous spirit necessary to promote new ventures. Thus, the notion of autonomy is a key dimension of an entrepreneurial orientation. "Autonomy refers to the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion." (Lumpkin and Dess, 1996: 140) autonomy is a function of among other factors; management style, size, and ownership (Lumpkin and Dess, 1996). It is expected therefore that autonomy would have a positive impact on the performance of a business.

H4: Autonomy is positively related to SMEs performance

Competitive Aggressiveness and EO-P

Competitive aggressiveness refers to a firm's tendency to openly and strongly confront its competitors to realize entry or improve position, that is, to surpass industry rivals in the marketplace (I think we need reference here). It is characterized by responsiveness, for instance, to lower price in response to competitiveness, or entering a market where a competitor is in. It also reflects a willingness to be unconventional. Thus, competitive

aggressiveness, which refers to firm responsiveness toward realizing a competitive advantage, is a vital component of an EO (Lumpkin and Dess, 1996). LeRoux and Bengesi (2014) find a positive relationship between competitive aggressiveness and SME performance in Tanzania.

H5: Competitive aggressiveness is positively related to SMEs performance

The prominent dimensions of EO typically demonstrate high inter-correlations with each other. Consequently, the majority of studies joined these dimensions into one single factor. Conversely, there have been some arguments in the literature about the multidimensionality of EO. A number of scholars have argued that EO is best considered as a unidimensional concept and, consequently, the different dimensions of EO should relate to performance in similar ways. (Rauch et al., 2009)

More current arguments imply that the dimensions of EO may occur in different combinations each representing a diverse and independent aspect of the multidimensional concept of EO (Anderson et al. 2015). As a consequence, the dimensions of EO may relate differently and independently to firm performance. While dissimilar theoretical arguments can be used for and against treating EO as a uni- or multidimensional factor(s), the study of all five dimensions can establish empirically whether the different dimensions of EO relate to performance the same way or in varying ways. Particularly, the study by Le Roux and Bengesi (2014) found a negative relationship between risk-taking and performance and positive relationships for pro-activeness and aggressiveness on performance in Tanzania. The differences in the directions of the two dimensions in itself raise the question: is EO multidimensional? Thus, our sixth hypotheses are

H6a: Each of the five Entrepreneurial Orientation [EO] dimensions affects SMEs performance independently

H6b: Entrepreneurial orientation is a multidimensional phenomenon among SMEs owners.

Research method

This study was conducted in Dar es Salaam, which was purposefully selected because of a large population of SMEs. The study was based on a cross-sectional research design. It is modelled following Structural Equation Modeling (SEM) to examine the structural relationship between entrepreneurial orientation and business performance. It employed a structured questionnaire for its primary data collection. The questionnaire was physically administered by the researchers to SME owners. Initially, 200 questionnaires were administered but only 143 questionnaires were returned, accounting for a response rate of 71.5%. The total sample size was therefore 143 SMEs. Based on SMEs policy classification in Tanzania, SMEs selected were businesses with employees' ranging from 5 to 99, and capital investments ranging from 5 to 800 million Tanzanian shillings (URT, 2002).

Thus, this study employed a total of 143 respondents as the sample, the sample size adequacy was ascertained based on the following formula as adapted from Milton (1986).

$$n = k + 1 + \frac{t^2(1 - R^2)}{\Delta r_j^2}$$

In order to find the sample size to be used: n , the researchers had to furnish the number of variables in the final model (k), the projected overall R of the model (typically estimated on the basis of comparable preceding research finding), and the preferred t-level (for example, approximately $t = 2$ for $p < .05$; $t = 3$ for $p < .01$). The researcher decided on a minimum addition to r-square when the variable is entered last (Δr_j^2), which, if attained, will assure a statistically significant regression coefficient given the computed sample size. The Δr_j^2 is a conditional term specified by the researcher, for any variable which contributes in addition to r-square of a specified amount (if entered last), the computed sample size: n will assure that the ratio of that variable's regression coefficient to its standard error will be equal to t or greater, this value can be 0.01, 0.02, 0.05 and so on (Kelley and Maxwell, 2003; Milton, 1986).

The sample was made up of 68 males and 75 females. Our sample was adequate according to the Kaiser-Meyer-Olkin Measure of Sampling Adequacy, which was 0.930, with a Chi-square of 1575.370 which indicated that our sample was sufficient.

The SMEs sample was from 8 different business sectors as indicated in Table 1 below. Most of them were from the food and beverage followed by clothing and tailoring and sectors.

Table 1. Types of SMEs

		Frequency	Percent	Cumulative Percent
Valid	Foods, beverages	57	39.9	39.9
	Financial services	4	2.8	42.7
	Woods, construction, mechanical,	14	9.8	52.4
	Electronics, telecommunications	4	2.8	55.2
	Clothing, tailoring, wears	26	18.2	73.4
	Books, stationaries	4	2.8	76.2
	Drugs, medicine, cosmetics	14	9.8	86.0
	Others: saloon	20	14.0	100.0
	Total	143	100.0	

Following Avalonitis and Salavou (2007) ANOVA was additionally employed to assess whether or not it was suitable to combine questionnaires from different categories of respondents/sectors, where the lack of significant differences between them would indicate sample poolability. The respondents/sectors' categories are treated as independent variables while all the variables under analysis as dependent variables. The results indicated that all of the variables under study that was used in SEM were not significant at 1% indicating that the sample was poolable, thus the researcher combined variables from different categories of SMEs.

Measurements of variables

Independent variables

The study employed 5 independent variables; namely product innovativeness, risk-taking, competitive aggressiveness, proactiveness, and autonomy. They were measured using a 5-point Likert scale. The items were assessed for suitability through EFA as a data reduction

technique, thus ending up with 5 items for product innovativeness, 4 items for risk-taking, 4 items for competitive aggressiveness, 4 items for pro-activeness and 3 items for autonomy. A Likert scale ranging from 1 to 5 was used, with scores from 1= strongly disagree to 5= strongly agree. Table 2, indicates the measure of reliability, Cronbach's Alpha, which had high measures that were well above 0.7 indicating a good reliability of the constructs.

Table 2. Reliability and correlations analysis

EO-dimensions	1	2	3	4	5	Cronbach's Alpha	N of Items
1. Innovation	1.000	.752	.747	.339	.581	.817	5
2. Proactiveness		1.000	.986	.834	.858	.808	4
3. Risk-taking			1.000	.797	.932	.808	4
4. Autonomy				1.000	.811	.754	3
5. Aggressiveness					1.000	.857	4

Dependent variable:

The performance was measured using estimated net profits from SMEs own assessments. The estimated daily average profits were annualized to produce an estimated profit figure for the year, which was further standardized to take care of the lack of normality in the data.

The regression equation was;

$$P = \alpha + \beta_1D_1 + \beta_2D_2 + \beta_3D_3 + \beta_4D_4 + \beta_5D_5 + \varepsilon$$

Key:

D1=Product innovation, D2=Risk-taking, D3=Pro-activeness, D4=Autonomy D5 Competitive aggressiveness, P=SME performance

Data Analysis and Discussion of Findings

Data analysis

A combination of methods was employed as Structural Equation Modeling (SEM) would normally involve. First, we mapped out relationships based on Path analysis (PA). Exploratory Factor Analysis (EFA) was used to assess the presence of a single-factor structure that accounts for most of the covariance in the variables. Maximum likelihood (ML) was employed as a method of extraction.

Confirmatory factor analysis (CFA) was used to validate the variable measurements. CFA is a special case of SEM, in CFA the correlations between the factors are an explicit part of the analysis because the factors are collected in a matrix of factor correlations. With CFA, a researcher is able to decide *a priori* whether the factors would correlate or not. Specifically, we test for the dimensionality of the EO dimensions at this stage to see whether EO is unidimensional or multidimensional based on CFA and ANOVA.

To test for the construct validity of variable measurements, the researcher employed Confirmatory Factor Analysis (CFA), which contains inferential statistics that allows for more objective interpretation of validity (refer Appendix 1). That is unidimensionality, convergent and discriminant validity tests were assessed. That is (i) the significance of the

factor loading (Z-values $>+/-1.96$ and P-values 0.05), the correlations between a particular items and the latent constructs (ii) the overall acceptability of the measurement model in terms of its fit to data using Chi-square test and other fit indices (CFI and robust CFI), which should exceed the limit point of 0.90.

In the exploration of whether SMEs adopt divergent EO profiles, we employ cluster analysis (CA) using the five EO dimensions as independent variables. An ANOVA analysis was performed for the clusters to assess significant differences between them. Finally, Discriminant Analysis (DA) was performed; where EO dimensions were independent variables and cluster membership as the grouping variable. Finally, a multiple sequential or hierarchical linear regression analysis was conducted where performance was the dependent variable and EO dimensions the independent variables. This particular type of regression was useful, because of multi-co-linearity issues exhibited by high correlations between the five dimensions (Refer Table 2). It allowed estimating the individual effects of the five dimensions in isolation thereby avoiding non-co-linearity assumption violation. We finally tested our conceptual model hypotheses in path analysis. The businesses that were involved in the study were of the average age of 4.3 years, with sales values of 481,463,308.13 TAS and average profits of 168,288,386.13 TAS per year.

Confirmatory Factor Analysis (CFA)

The CFA results confirmed the results of the EFA that 5 factors could be extracted from the data and constructs. However, at a factor level, the factors seemed to be highly correlated indicating a departure from being multidimensional to unidimensional based on our dataset. Confirmatory Factor Analysis (CFA) allowed for more objective interpretation of validity (Refer Appendix I). That is unidimensionality, convergent and discriminant validity assessment. The constructs/items were highly correlated with the specific factors indicating high construct validity that is the constructs were more related to their respective factors. However, the high correlations between the constructs indicated a lack of high discrimination between the constructs as proposed in the study. For instance (in Table 2) the correlations between risk-taking and pro-activeness were 0.986, while risk-taking and aggressiveness were 0.932. If these factors were multidimensional we would expect lower correlations between them. Thus our findings point to the fact that all these five factors (innovativeness, proactiveness, risk-taking, autonomy, and aggressiveness) are less likely multidimensional but are more likely unidimensional as they all tend to highly correlate. That could be witnessed by the p-value that was below 0.05 in our analysis, for multidimensionality to be present the p-value for the model fit should normally be above 0.05.

Table 3. Model fit indices

Model	P	CMIN/DF	GFI	AGFI	CFI	RMSEA	PCLOSE
Default model	.000	1.487	.804	.741	.924	.041	.988
Independence model	.000	6.331	.216	.134	.000	.137	.000

The overall acceptability of the measurement model in terms of its fit to data using Chi-square test and other fit indices (CFI and robust CFI), should exceed the limit point of 0.90. The model fit indices indicated a fairly good fit, the CMIN/DF was 1.487 whereby a threshold of < 3 is recommended as good, and < 5 sometimes permissible. The GFI was 0.804 and AGFI was 0.741 the recommended threshold is normally > 0.95 and 0.8 respectively but a lower score of 0.8 and 0.7 was tolerable. The CFI was 0.924 whereby a recommended threshold of >0.95 is considered to be great, > 0.9 good and > 0.8 to be

sometimes permissible. The RMSEA was 0.041 whereby a threshold of < 0.5 is considered good and between 0.5 and 0.1 is considered moderate and lastly a PCLOSE was 0.988, the recommended value is supposed to be > 0.05 . Thus, generally the model for this study moderately fitted the dataset.

Path analysis (PA)

The analysis looked at theorized five EO dimensions and how they affect SMEs performance. Multiple regression and sequential or hierarchical linear regressions analyses were conducted where performance (net income) was the dependent variable and EO dimensions in their respective constructs were independent variables. The results indicated that the coefficients were not significant with the exception of autonomy which was significant at 5%. But, innovation, risk-taking, and aggressiveness were positively related to profit/performance of the SMEs, while pro-activeness and autonomy were negatively related to it.

Table 4. Regression weights

Dependent		Independent factors	Estimate	S.E.	C.R.	P
Net income	<---	Innovation	.010	.171	.057	.955
Net income	<---	Proactiveness	-.252	.331	-.762	.446
Net income	<---	Risk-taking	.348	.251	1.386	.166
Net income	<---	Autonomy	-.842	.281	-2.995	.003
Net income	<---	Aggressiveness	.082	.260	.316	.752

The research hypotheses postulated that; H1: Product innovation success is **positively** related to SMEs performance, H2: Risk-taking is **negatively** related to SMEs performance, H3: Pro-activeness is **positively** related to SMEs performance, H4: Autonomy is **positively** related to SMEs performance and H5: Competitive aggressiveness is **positively** related to SMEs performance. The results were only statistically significant for autonomy, where autonomy was negatively related to performance and was the most important factor due to its large effect compared to other factors (-0.842).

Sequential or hierarchical linear regression analysis

Further, in order to assess the contribution of each factor to the performance of SMEs, we employed sequential linear regressions, from which we could observe the contribution of each factor to the overall R^2 . From the analysis, autonomy had the largest and significant contribution to the model contributing 6.1% to the performance of SMEs. The rest of the factors were not significant contributors. Thus, our hypothesis *H6a: Each of the five Entrepreneurial Orientation [EO] dimensions affects SMEs performance independently*, could not be supported as the individual dimensions did not show any significant contribution independently, only autonomy was significantly affecting performance.

Table 5. Regression models summary

Model	R	R ²	aR ²	Std. Error	Change Statistics					Model fit	
					R ² Change	F Change	d f	df	Sig. F Change	F	Sig.
1	.011 ^a	.000	-.007	1.00	.000	.016	1	14	.899	.016	.899 ^a
2	.215 ^b	.046	.033	.98	.046	6.758	1	14	.010	3.38	.037 ^b
3	.221 ^c	.049	.028	.98	.003	.411	1	13	.522	2.38	.072 ^c
4	.332 ^d	.110	.084	.95	.061	9.462	1	13	.003	4.26	.003 ^d
5	.332 ^e	.110	.078	.96	.001	.077	1	13	.782	3.40	.006 ^e

a. Predictors: (Constant), innovation

b. Predictors: (Constant), innovation, proactiveness

c. Predictors: (Constant), innovation, proactiveness, risk-taking

d. Predictors: (Constant), innovation, proactiveness, risk-taking, autonomy

e. Predictors: (Constant), innovation, proactiveness, risk-taking, autonomy, aggressiveness

After regression, the standard errors were approaching zero indicating a better performance of the model. The collinearity statistics (VIF; variance inflation factors) were below 5 and the partial correlations were as well very low, both indicating a lack of multicollinearity in our models.

Cluster Analysis (CA)

In an attempt to address the issue of dimensionality in hypothesis H6b (*H6b: Entrepreneurial orientation is a multidimensional phenomenon among SMEs owners.*), the following series of analyses were done. Cluster analysis was performed and the researchers were able to produce three clusters from the data as summarized in Table 6 below. The goal of it was to statistically establish if the data could be profiled into five dimensions. The use of two-step cluster analysis which automatically determines the best number of clusters given the data was used, the silhouette measure of cohesion and separation indicated that the cluster quality was fair (about 0.25), based on a scale of -1 and +1.

Table 6. Clusters frequency summary

Two-step Cluster Number		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	cluster_1	34	23.8	23.8	23.8
	cluster_2	60	42.0	42.0	65.7
	cluster_3	49	34.3	34.3	100.0
	Total	143	100.0	100.0	

MANOVA

Multivariate tests of ANOVAs (MANOVA) was conducted to produce statistics that would tell if the groups or clusters were from three different groups or were statistically different for

that matter, the four conventional statistics were reported in Table 7 indicates that the means for the group were statistically different.

Table 7. Multivariate tests

Clusters tests	Value	F	Hypothesis df	Sig.
Pillai's Trace	1.222	43.030	10.000	.000
Wilks' Lambda	.088	64.464	10.000	.000
Hotelling's Trace	6.837	92.294	10.000	.000
Roy's Largest Root	6.276	171.952	5.000	.000

Discriminant Analysis (DA)

Discriminant analysis was performed to assess the role of the EO hypothesized dimensions in influencing the membership into the three feasible clusters which would represent the suggested ultimate profiles for our SMEs.

Table 8. Box's M test on clusters members' covariance

Test Results			
Box's M			133.579
F	Approx.		4.208
	df1		30
	df2		41445.235
	Sig.		.000

Tests null hypothesis of equal population covariance matrices

The model fits Box'M statistics was significant at 0.01, indicating that the data fitted the model well. About 91.6% of data was correctly classified as clusters one through three by the discriminant function. EO dimensions were correctly classified, 32 (94.1%) into cluster one, 55 (91.7%) into cluster two and 44 (89.8%) into cluster three. The other items and their respective percentages were a result of misclassification (Table 9).

Table 9. Discriminant Analysis Summary

Classification Results^{a,c}						
		Two Step Cluster Number	Predicted Group Membership			Total
			cluster_1	cluster_2	cluster_3	
Original	Count	cluster_1	32(94.1)	0(0)	2(5.9)	34(100)
	(%)	cluster_2	0(0)	55(91.7)	5(8.3)	60(100)
		cluster_3	1(2.0)	4(8.2)	44(89.8)	49(100)

a. 91.6% of original grouped cases correctly classified

The Eigenvalue gives the proportion of variance explained. A larger Eigenvalue explains a strong function. The higher the correlations value, the better the function that discriminates the values. For instance, functions 1 explains 91.8% of the variations with a high correlation of 0.92.9 (Table 10).

Table 10. Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	6.276 ^a	91.8	91.8	.929
2	.561 ^a	8.2	100.0	.599

a. First 2 canonical discriminant functions were used in the analysis.

The hypothesis testing regarding the discriminating power of variables based on Wilks' Lambda indicated that the statistic was significant for both functions indicating that the variables (innovation, pro-activeness, risk-taking, autonomy and aggressiveness) have significant discriminating power on the clusters which we designate as EO profiles (Table 11). We conclude that based on the sample data; there is a statistically significant discriminating power in the variables included in the model.

Table 11. Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1 through 2	.088	335.316	10	.000
2	.641	61.451	4	.000

Using the asterisks in the structure matrix (Table 12), we see that three of the five variables entered into the functions (aggressiveness, risk-taking, and proactiveness) are the most important variables in the first discriminant function, in function two variables were significant (innovation and autonomy). This suggests that there is a possibility of the dimensionality of the EO profiles but it is clear though that it is not the 5 dimensions, there is a possibility of fewer than 5 dimensions possibly 2 or 3 dimensions based on cluster, discriminant and factor analyses. Out of the initial five variables/profiles, three variables namely aggressiveness, risk-taking, and pro-activeness loaded highly in function one while the rest: innovation and autonomy loaded highly in function two. The respective correlations were high in both groups indicating that the first three: autonomy, risk-taking, and pro-activeness, could stand as a separate dimension because they all load high in the same first function. On the other hand, innovation and autonomy are highly loading in function two; they may stand as another second dimension.

EFA pattern matrix indicated the possibility of three dimensions based on merged constructs from the five previous theoretically proposed dimensions. They were composed as follows: Dimension (factor) one: Aggressiveness plus some risk-taking and autonomy constructs. This indicated that aggressiveness is coupled with risk and autonomy behaviour. Dimension (factor) two: innovation plus risk and pro-activeness behaviours. This indicated that innovativeness in products required risk as well as pro-activeness tendencies. Dimension (factor) three: pro-activeness plus risk taking tendencies. This tells us that, to be pro-active one need to also be a risk taker. Conversely, innovation was not a predominant characteristic necessary in one being aggressive or pro-active. But risk-taking was evidently a contributing trait in all three dimensions (aggressiveness, innovation, and pro-activeness).

Table 12. Structure Matrix

Variable	Function	
	1	2
Aggressiveness	.616*	-.202
Risk-taking	.602*	.124
Proactiveness	.533*	.119
Innovation	.372	.894*
Autonomy	.490	-.603*

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions

Variables ordered by absolute size of correlation within a function.

*. Largest absolute correlation between each variable and any discriminant function

Thus, our *H6b* hypothesis: Entrepreneurial orientation is a multidimensional phenomenon among SMEs owners was confirmed indicating that entrepreneurial orientation based on empirical findings is a multidimensional phenomenon and that it can be modelled into three dimensions, namely aggressiveness, innovation, and pro-activeness.

Conclusions, implications, and suggestion for future research

This paper explored the effects of the five EO “dimensions” (innovation, risk-taking, pro-activeness, aggressiveness and autonomy) on SMEs’ performance in Tanzania and later evaluates the viability of multidimensionality of EO. The findings indicate that autonomy seems to play a significant role in influencing performance in a negative way. This indicates that the more, they felt autonomous the less they performed. The other four factors were significant in influencing SMEs performance but at lower levels of significance. Innovation, for instance, is positively related to performance indicating that innovation may be key in promoting SMEs performance. Risk-taking has two possibilities as the literature suggests (Avlonitis and Salavou, 2007), passive entrepreneurs are normally risk-averse while active entrepreneurs are risk lovers, the Tanzanian entrepreneurs are possibly related to the latter group as our data indicate a positive relationship contrary to LeRoux and Bengesi (2014) study who found a negative and significant relationship indicating that they were dealing with passive entrepreneurs. A proactive firm is characteristically a leader, the negative relationship would suggest that these SMEs are not leaders in their markets. A positive relationship in autonomy would suggest that the SMEs personnel when given sufficient freedom tend to enhance performance. However, the negative relationship in our study help to point to the fact that SMEs’ personnel tend to underperform when given sufficient freedom to act. A positive relationship in aggressiveness would indicate a tendency towards responsiveness to market competition, the positive result in our study help to confirm this stance.

Similar to LeRoux and Bengesi’s (2014) three dimensions (pro-activeness, risk-taking and aggressiveness) on their findings, we found high correlations between the five dimensions (pro-activeness, risk taking, aggressiveness, innovation and autonomy), this lend a support to their argument that: “the fact that these correlations existed suggested that the dimensions of EO were interrelated and it was reasonable not to assume independence among factors” (LeRoux and Bengesi, 2014: 616). In exploration as to whether SMEs in Tanzania exhibit divergent EO profiles, we followed the methods of Avlonitis and Salavou (2007), which based on their study; they were able to propose a two dimensions solution to EO. In our case, a cluster analysis was performed that used the five EO dimensions as independent variables

to produce clusters, after examining the cluster solutions, a three automated clusters solution was feasible, indicating that the EO can be designed into three dimensions rather than a five-dimension proposal. Furthermore, a discriminant analysis was performed which revealed that 91.6% of cases were correctly classified giving more support to a three-cluster solution, with an 8.4% misclassification rate. Based on EFA, a further exploration of the three clusters in our findings indicated that the five dimensions converged into three factors or dimensions (aggressiveness, innovation, and proactiveness). Unlike the findings of LeRoux and Bengesi (2014) our findings showed that innovation is clearly a distinct dimension while risk-taking was not and it was rather a trait withing aggressiveness, innovation, and pro-activeness. Thus, it is possible to model EO into three dimensions. The only issue at stake is which combination of constructs will represent the core of EO.

There are three major implications from this study; first Tanzanian SMEs based on our data indicated that EO does play a crucial role in influencing profitability, particularly autonomy which is significant at 1% and negatively related to it. Thus, researchers need to probe more into the matter to see which factors or issues are at stake, especially the study of autonomy and its ultimate effects on SMEs' performance. Policy makers need to observe the role of pro-activeness, risk-taking and autonomy in promoting SMEs performance as these factors though at different levels of significance affects SMEs' performance. Secondly, based on our exploration of EO profiles using CA, MANOVA, DA, and EFA, EO exhibit a possibility of multidimensionality based on a maximum of three dimensions rather than the five dimensions. This position is consistent with many studies reported in Rauch et al. (2009), which have supported a multidimensional position but with less than five dimensions. Lastly, the three dimensions are manifest: aggressiveness, innovation, and pro-activeness; that risk-taking are blended within these three dimensions and that autonomy is mainly adding character to aggressiveness. Thus, studies need to combine factors into three possible dimensions to assess the dimensionality of EO. Studies also need to assess and refine the actual items or constructs that would make up the three dimensions and develop possible labels for such dimensions. And consequently, studies need to be designed that would assess the effects of these dimensions on SMEs performance in various contexts, sectors, and levels for comparative purposes.

Study limitations

Our study was limited in the following ways: we did not seek to find the best combination of factors that affect business performance but rather sought EO dimensions individual contributions to business performance. We did not seek to use control variables in our model because of study scope and data limitations. We did not seek to identify and refine the constructs for the three dimensions solution in our analysis due to the focus of our research. The three dimensions were not used in the regression equations because we decided the dimensions *a priori*. We sought to prove the five EO dimensions argument first and how it affects business performance based on hypothesized prior research to enable comparisons with these studies. Later, we refined the five dimensions into three feasible ones.

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Appendix I. CFA factor loadings

Constructs		Factors	Loadings
i6: We provide a novel business model to create profit	<---	Innovation	.656
i8: The product offers more possibilities to customers	<---	Innovation	.635
i11: Competitors in this market recognize us as leaders in innovation	<---	Innovation	.706
i12: We actively introduce improvements and innovations in our business.	<---	Innovation	.743
i13: Our business seeks out new ways to do things.	<---	Innovation	.695
p2: In dealing with competitors we often initiate to introduce new services	<---	Pro-activeness	.690
p5: We seize initiatives whenever possible in our target market operations.	<---	Pro-activeness	.785
p6: We act opportunistically to shape the business environment in which we operate.	<---	Pro-activeness	.678
p13: We continuously try to discover additional needs of our customers of which they are unaware	<---	Pro-activeness	.669
r2: My enterprise typically adopts bold aggressive posture in exploring potential opportunities	<---	Risk-taking	.796
r8: We encourage people in our company to take risks with new ideas	<---	Risk-taking	.695
r10: To make effective changes to our offering, we are willing to accept at least a moderate level of risk of significant losses	<---	Risk-taking	.637
r12: People in our business are encouraged to take calculated risks with new ideas.	<---	Risk-taking	.731
t1: People in our organization are permitted to think and act without interferences	<---	Autonomy	.583
t2: People in our organization are permitted to communicate without interference	<---	Autonomy	.779
t3: People in our organization are allowed to make decisions for responsibilities that relate to their jobs	<---	Autonomy	.789

g2: We try to outperform similar organization as best as we can	<---	aggressiveness	.715
g4: Even if I launch a new venture and fail many times, I will keep in trying until I succeed	<---	aggressiveness	.779
g6: In launching a start-up business, I am confident that I could make it successful and make profit	<---	aggressiveness	.813
g7: We try to undo and out-manuever the competition as best as we can.	<---	aggressiveness	.796

Influencing public policy in Tanzania: Trials and tribulations of the Tanzania Horticultural Association

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Abstract: *Interest groups aim to influence public policy and, therefore, interest groups representing business advocate improvements to the business enabling environment. Researchers claim that it is difficult to assess the extent to which interest groups influence public policy. Most research in this area focuses on the US and EU and little explores the factors that may determine whether business membership organisations (BMOs) are likely to be successful. This paper addresses those gaps. It explores the attempts by a BMO in Tanzania, the Tanzania Horticultural Association, to influence reform of public policy. It offers evidence that the association was successful, though mostly on issues that might be regarded as technical rather than contentious or political. The paper reviews the factors that have contributed to its success, which include providing good evidence, preparing a persuasive argument, using champions amongst public officials and engaging in dialogue, without confrontation, across government and concludes that this approach makes a difference in whether BMOs are successful.*

Keywords: Public-private dialogue, public sector advocacy, interest groups, business membership organisations

Introduction

Most prior studies in the rapidly growing literature on interest groups focus on activities in the US or EU, with very little research examining their activities in developing countries, despite considerable efforts by donors to encourage and support dialogue and advocacy. As a result, we do not know whether interest groups in developing countries work in the same way as their counterparts in developed countries, whether they form similar relationships with public sector target audiences or even whether the political environments in which they work are similar. And nor do we ever really know the extent to which interest groups are successful, even in developed countries. This paper aims to address that gap by examining the work of a single business association in Tanzania.

Unlike cause groups, business associations have more objectives than solely the influence of public policy. Nevertheless, business associations, effectively interest groups for the private sector, see one of their primary roles being to influence public policy. Business associations seek to improve the environment for business and thus have a similar overall objective to

many governments which see the private sector as the engine of growth (see, for example, International Labour Organisation (ILO) 2007, United Republic of Tanzania (URT) 2010). Improving the investment climate and reducing the regulatory burden is encouraged by the World Bank through its Doing Business scorecard (see for example World Bank 2018). Examining the efforts of interest groups to influence policy leads to debate, *inter alia*, about whether interest groups gain attention (Page 1999) and whether they are successful in influencing policy (Grossman 2012).

This paper describes the work of a single business association, the Tanzania Horticultural Association (TAHA), based in Arusha in northern Tanzania. As explained in more detail below, this case has been selected because horticulture is an important contributor to the economy of Tanzania and because TAHA is held up as an exemplary business association (Kelsall 2013; TPSF2016). During this time, TAHA was supported financially by a donor-funded support programme known as Business Environment Strengthening Tanzania (BEST) Advocacy Component (AC), now renamed BEST-Dialogue.

The findings make two important contributions. Firstly, I offer evidence that at least sometimes, business associations are capable of putting an issue on the political agenda and pursuing it all the way through to reform of policy and sometimes reform of legislation as well. Achieving the occasional success may be regarded as luck rather than design, so it is important to understand what it is about the business association – its characteristics and actions – that lead to repeated success. Secondly, therefore, I contribute to the debate about the nature and characteristics of what it means for a business association to be professional.

This paper is structured as follows. A brief review of the interest group literature on access, influence, success and what it means to be competent is followed by the case study, which draws out case specific lessons, and then concludes with an assessment of the key attributes that led to TAHA's success.

Access, influence, success

Whilst some researchers question whether interest group and their lobbying activities contribute to the democratic process, others argue that interest group participation in policy-making can improve the quality of both the policy and the decision making (see, for example, Dür and de Briève 2007). Participatory democracy requires widespread participation in policy formulation and interest groups broaden citizen involvement (Saurugger 2008). Furthermore, involving the private sector in the process of formulating public policy builds legitimacy and secures private sector buy-in (Bettcher 2011: 2; Dür and Mateo 2012). In principle, the Government of Tanzania is keen on this approach since it joined the Open Government Partnership in 2011 and is committed to “transparency, accountability and public participation in the governance of Tanzania” (URT 2012: 1).¹

Associations engaging in dialogue and advocacy tend to choose between two strategies: working “inside” government – seeking directly to influence officials and politicians – or “outside” government – essentially through mobilising public opinion (Walker 1991: 103). In countries such as Tanzania, where there are comparatively few business associations compared to a developed country, and where public officials need help to acquire good research evidence, it makes sense to follow the insider approach. Start and Hovland argue

¹In 2017, it withdrew again, arguing that it was already subject to other review mechanisms and that it was not necessary to be part of OGP (Buguzi 2017) though it is not yet clear what, if any, difference this will make in practice.

that "two important dimensions to consider [...] include the balance between confrontation and co-operation and rational evidence versus values or interest-based argument" (2005: 5). Collaboration, and working with public officials, rather than being confrontational, resonates with the consensual culture of Tanzania (Chazan *et al.* 1999).

Public sector policymakers need information, knowledge and opinions, and many researchers argue that there is a resource exchange mechanism at work – and thus a theory to explain policy maker and interest group interaction – in that public agencies need policy goods – technical expertise, research information, implementation support, political support, legitimacy, even support in implementing government policy – and interest groups need access to policymakers (Poppelaars 2007; Braun 2012; Dür and Mateo 2012; Beyers and Braun 2014.) Indeed, Braun (2012) argues that the main predictor of access is the level of policy goods offered to policymakers. The need to provide information, expertise and opinion hints at several competencies required of the BMO, including the ability to collate evidence and prepare a persuasive argument.

However, whilst many associations have access, access is not the same as influence (Bouwen 2002; Eising 2007), leading commentators to lament the lack of knowledge of "which groups are influential and to what extent" (Pedersen 2013: 28) and that "we look for [influence], but rarely find evidence of it" (Lowery 2013: 1). Page (1999) suggests that interest groups that pursue an insider strategy are likely to have better access, are more likely to be consulted and so are more likely to be able to influence policy than outsider groups. Braun (2012) observes that consultation provides an opportunity for interest groups to exert influence; she reports that business interests have a higher degree of success in influencing rules and regulations than other interest groups.

Mahoney (2007) notes that success does not prove that a business association has influence: simply being on a 'winning' side is not a success. A trade association may see a change in public policy that accords with their wishes but which they did not bring about. Woll (2007) suggests that often what appears to be a lobbying success is not an indication of victory in a business-government conflict, but rather of the convergence of business and government objectives. It does seem, however, that focusing on issues that might be considered 'technical' rather than politically contentious makes them easier to address (Michalowitz 2007) and gives an increased chance of success (Dür 2008).

If business associations are successful, that poses a question about the factors that lead to success. Mahoney (2008) argues that the characteristics of an advocate affect their chances of lobbying success – and suggests key characteristics are financial resources, membership size and organisational structure. Success, at least in Tanzania, does not derive from the size of a business association (or its members) or its ability to threaten the economy. It might, however, derive from its credibility and professionalism.

Broadly speaking, there are four ways in which interest groups may seek reform of public policy. Firstly, they may propose a change in the administrative arrangements through which a policy is implemented. This does not change the policy but may reduce the burden imposed on business. Secondly, they may argue for a changed interpretation of the existing regulation. This may change the policy at the margin, but the underlying policy imperative is retained. Thirdly, they may seek a change in policy which does not require a change in legislation. Lastly, they may seek a change in policy which does require legislation. In general, persuading governments to introduce or reform legislation is the most challenging way of bringing about policy reform.

Often the choice comes down to one of how the BMO frames the issue. Careful framing is the start of effective argumentation and justification for a different approach to solve or address a particular issue. Baumgartner *et al.* (2009), only partly in jest, say that ‘framing’ is the political science word for spin. Entman (1993) explains that framing involves selection and salience, that is, the selection of some aspects of an issue and then making them more salient through appropriate communication which promotes a problem definition, a causal interpretation, a moral evaluation and a recommendation to solve the issue (1993: 52). Framing an issue in a clear and simple way can make a difference in the way in which it is then perceived by the government (Mahoney 2008; Baumgartner and Mahoney 2008; Klüver *et al.* 2015).

Jones and Villar (2008), despite their observation that it is politics that matters most, go on to suggest that there are two requirements to influence policy: the political context and quality evidence. They suggest that careful framing provides a shared definition of an issue and quote Keck and Sikkink (1998) who suggest that framing problems carefully can make their solution come to appear inevitable.

Interest groups will not be successful every time, so there is an argument that it makes sense to aim to build long-term relationships with public officials: indeed, such may be one of the key features that lead to effectiveness. If interest groups are particularly helpful, it is easy to see that public servants will develop a positive relationship with them and then be proactive in consulting them. Policymakers have limited time both to gather the information that they require and to meet with interest groups. So, Braun (2012) argues that public officials will work with selected interest groups based on the quality of their policy information.

This aspect raises a question about what will happen when the interest group does not provide information of sufficient quality and, indeed, Braun (2012) observes that this scenario ought to lead to interest groups being dropped. However, she argues that this reaction is often overridden by two logics: of “habitual” behaviour (ie, because they have always had a relationship) and of “anticipatory” behaviour (ie, in case they are useful in the future). If these logics are always evident, it might suggest that becoming one of the select few is difficult but that once a group has broken through it is relatively easy to maintain a relationship.

Thus, Klüver (2012) argues, interest groups need to organise themselves in such a way that they are abreast, even ahead, of public sector thinking and can respond quickly to a need for information, though Klüver *et al.* (2015) argue that interest group activities are shaped by policy-related factors, viz. complexity, policy type, status quo, salience and degree of conflict characterizing legislative proposals and associated issues.

Sometimes BMOs seek to form alliances, either with other BMOs or, on occasion, with a government agency which shares the same goal: Baumgartner *et al.* (2009) found government officials who, far from being neutral, were acting as advocates, often collaborating with others regarded as sharing similar views, and actively lobbying others to adopt a particular position. Some BMOs seek to cultivate champions – people from both the public and private sectors who invest in the process and drive it forward – and they can make a real difference (Public Private Dialogue 2006). As Baumgartner *et al.* (2009) observe, this approach may need to be nurtured over a long period and through a variety of interactions in order to build mutual respect, trustworthiness and credibility.

The literature thus appears to suggest that effective business associations need to be competent in their approach, with objective research and evidence that will inform policymakers and with compelling policy positions that will persuade politicians and officials. They need to develop and sustain relationships with ministries, departments and agencies so that they can adopt an insider approach.

Methodology and methods

This paper is based on a single case study, though is one of several case studies of business associations in Tanzania. This case follows TAHA over a period of around six years. The starting point was a decision by the UK Government's Department for International Development to commission a five-year longitudinal impact assessment (LIA) of the work of BEST-Dialogue. For that assessment, seven cases were selected on the basis of four entry criteria (features that all case studies should have) and six portfolio criteria (features that needed to be exhibited by at least one of the selected cases). The methods included interviews with the BMOs and others, the undertaking annually of an advocacy competence diagnostic assessment and a survey of around 50 of their members. The Agricultural Council of Tanzania was chosen for the group of seven but because they are primarily an apex for the agricultural sector, suggested that we survey members of TAHA. As a result, we interviewed TAHA each year as well and it effectively became an eighth case study. Single case studies are justified if the study is longitudinal (Yin 2009).

This case has been chosen for this paper for two reasons. Firstly, horticulture, whilst not as important as gold or tourism is still an important sector in Tanzania. Kelsall (2013) sees horticulture as a small sector but with big potential. In Tanzania, agriculture accounts for around 25 per cent of GDP (with its main crops including coffee, sisal, tea, cotton, pyrethrum, cashew and cloves) and 75 per cent of employment (World Bank 2015). Agriculture accounts for 50 per cent of exports, including two of Tanzania's top three exports of gold, coffee and cashew. Zanzibar's biggest export is cloves (just over one per cent of total exports). In 2004 total horticultural exports were just \$64m; by 2015 they had risen to \$500m (Citizen 2016) – 38 per cent of agricultural exports (Ihucha 2015) – and growing at the rate of around 11 per cent per annum. TAHA has a vision at least to double horticultural exports by 2019. Tanzania's main agricultural sectors have, to a large extent, been captured by "patronage, cronyism and rent-seeking" (Cooksey 2011: s59) but horticulture has largely escaped this, avoiding state institutions seeking control (TPSF 2016). Thus, it is becoming an important contributor to the economy and, given its ability to earn foreign exchange and its tax contribution, one might expect the government to listen to its representatives. Secondly, at least outwardly, TAHA appears very successful. It has good relations with the Ministry of Agriculture. It is represented on several government committees. It appears to be successful in its advocacy. Its subsidiary, TAHA Fresh, supports its members and makes a profit. It raises significant funds from donors. As a result, it is held up by other Business Membership Organisations (BMOs), donors and BEST-Dialogue as an exemplary (TPSF 2016; Kelsall 2013).

I met with TAHA at least annually to quiz them about their issues, activities, progress and successes. The case study does not include all of their dialogue and advocacy activities but it does include a representative sample and all those considered by TAHA to be significant. I also interviewed people in the public sector who might be expected to know the BMO, particularly in the Ministry of Agriculture and in the Prime Minister's Office. The interviewees are listed in the appendices for the period 2010 to 2016. In general, access was not a problem, and on most occasions, I interviewed the chief executive, though I

occasionally interviewed other staff, usually in addition rather than instead. It was always easy to follow up interviews with correspondence or calls.

The case takes a process tracing approach using interviews, histories, government documents etc, as far as possible, to trace and describe links (and triangulate and, as far as possible confirm the evidence) between causes and observed outcomes (George and Bennett 2005: 6). Being able to revisit regularly turned out to be extremely beneficial as there is a tendency in countries such as Tanzania for interviewees to tell you what they think you want to hear, rather than giving an accurate answer to the question. Being able to go back and reassess events, timings and outcomes, and to triangulate through interviews with the public sector, made it much easier to pin down what actually happened.

An introduction to the Tanzania Horticultural Association

This case study highlights the work of the Tanzania Horticultural Association (TAHA) during the period 2010 to 2016. TAHA is one of several agricultural business associations.²TAHA, like every other business association in Tanzania, works in an environment that is not wholly supportive of the private sector. Following colonialism, and then a period as a one-party state and a failed experiment with African socialism, Tanzania is now nominally a multi-party state with free elections – although the Party of the Revolution (Chama Cha Mapinduzi, CCM) has never lost an election. Furthermore, the boundaries of the state, the bureaucracy, the military and the party are blurred (Temu 2013). The country went through a period when voluntary organisations were constrained though now anyone can start an interest group and can seek to influence public policy. Access to policymakers is not always easy and building a positive relationship takes time and effort. The civil service is prone to corruption and fails “to articulate and implement private-sector friendly policies” (Temu and Due 2000: 704). Representatives of business are often regarded as suspect, though the business elite and political elite are intertwined and yet, as noted earlier, the government sees the private sector as the engine of growth (URT 2010).

TAHA was founded in 2004, largely by Dutch ex-patriate horticulturalists who dominated the flower sector and with funding from the Government of the Netherlands (Cooksey 2011) and became operational in 2005. Chamanga (personal correspondence 2017) explains that TAHA has three categories of members – commercial large-scale horticulturalists (producers, exporters, processors), associates (mainly small farmers and farmer co-operatives) and allied members (service providers such as suppliers of fertiliser or pesticide etc). Its focus initially was on helping companies locally, with issues like land ownership, registration of inputs (that is agri-chemicals for use as fertiliser and pesticide) and fiscal regimes – it secured representation on the Arumeru District Development Council in 2009 (Cooksey 2011) – and providing services to help its members – it created TAHA Fresh Handling in 2007 (Cooksey and Kelsall 2011). The sector suffered following the global credit crisis in 2008 with many small flower and seed companies becoming bankrupt and a 15 per cent decline in flower sales. TAHA responded by trying to help firms overcome difficult economic conditions including, for example, persuading the Tanzania Investment Board to reschedule loan repayments (Cooksey 2011). Its advocacy at this time focused on activities such as attempting to reduce the costs of freight and eliminating multiple testing of chemicals.

² The other associations prominent in the agricultural sector are the Agricultural Council of Tanzania (ACT), which is the apex body, and the Agricultural Non-State Actors' Forum (ANSAF), but there are many commodity associations as well.

The current CEO, Jacqueline Mkindi, was appointed in 2005 and found an association that she described as "weak and without credibility" with either the government or the sector and that "the relationship with the government was at rock bottom" (int. 2011a). As a result, she had to work hard to rebuild it. By 2010, however, she perceived that "TAHA has an excellent relationship with government" (int. 2011a) as will be described further below. This narrative makes Mkindi look good. It may be, however, that until Mkindi started to make an effort, there simply was not a relationship, because TAHA's focus was elsewhere.

By 2011, it had six staff but still had just 26 members. By 2016, it had grown to 727 members (including some groups of farmers), representing about 25 per cent of the horticultural sector by value, with Mkindi trying hard to diversify the membership. It now has 70 directly employed staff – including an advocacy manager (originally funded by BEST-AC) and a policy officer and it now has the funding to recruit a policy analyst as well – and utilises a further 90 indirectly employed staff. It touched more than 40,000 farmers in the four years to 2016. With the support of the Government of Tanzania, through the Small Industries Development Organisation, which gives \$1m a year, and development partners, especially USAID, currently also giving \$1m per annum, it has grown from one office in Arusha to having offices also in Dar es Salaam, Mbeya, Morogoro, Iringa and Zanzibar.

Mkindi (int. 2011b) explained that "advocacy and lobbying is the number one reason for TAHA's existence", though she draws a distinction between them in which 'advocacy' describes all activities associated with influencing policymakers and 'lobbying' refers to the actual act of influencing, usually face to face. TAHA advocates both on its own and in alliance with ACT and other associations depending on the issue and whether it cuts across more than one agricultural association. Dig deeper, however, and it seems that most of TAHA's advocacy efforts are focussed on relatively technical issues and indeed it does appear to have been successful in securing reforms on these issues. It has not, on the whole, secured reform where the issue has been rather more contentious, such as biological control agents. On taxation, it has had mixed results.

In addition to its advocacy activities, TAHA provides services to members. This includes TAHA Fresh Handling, a logistics and transport business, which now turns over \$3m per annum and, in 2014, made a profit of \$100,000. This perhaps begs a question of whether TAHA is still seeking to make a real difference to the enabling environment to support all its members or whether too much energy is going into securing its existence by developing services and undertaking work for donors. Many BMOs attempt to offer services as a way of supplementing their income and encouraging businesses to become members. However, few are as successful as TAHA has been with TAHA Fresh.

Policy novice 2010-2012

In 2009, the Board decided to do more to lobby government nationally, when TAHA successfully argued that there was no need for the Tropical Pesticides Research Institute to test and register chemicals that had already been registered for agricultural use by the UN Food and Agriculture Organisation (Cooksey 2011).

By 2011, Mkindi thought that TAHA had "built a relationship with the Ministry of Agriculture and had created a feeling of mutual trust" (int. 2011b). She explained that she developed relationships with people in all the appropriate Ministries, but especially focussed on the Ministry of Agriculture from the Minister down to desk officers, reflecting the assertion of Baumgartner *et al.* (2009) that developing a relationship with a named individual can make a difference. She knew the Permanent Secretary well enough to secure a meeting

whenever she needed one – but recognised the importance of working with desk officers as well, rather than always going straight to the top. Indeed, Mkindi and her team worked to develop and maintain relationships with people whom they could regard as champions within the Ministries and in the Prime Minister's office. TAHA kept these champions informed – through sending them the monthly newsletter, letting them know when they were seeking to achieve particular objectives and through occasional face to face meetings – and involved – for example by inviting them to events. They also asked for their advice when doing research or formulating policy.

TAHA does not have a formal bilateral dialogue mechanism with the Ministry of Agriculture, though the champions meant that it was largely unnecessary; and the Ministry of Agriculture had set up the Horticultural Development Council of Tanzania (HODECT) in 2008 to provide a forum for a more formal but wider dialogue. Cooksey reports that about this time TAHA requested "the government should come up with initiatives to support this infant industry and to ensure that it is competitively positioned in the global markets" (2011: 19). HODECT subsequently was instrumental in pulling together the sector to agree a horticultural development strategy (HODECT 2010) and TPSF (2016) implies that this was at least in part in response to TAHA's lobbying. Mkindi, however, suggests that HODECT was ineffective because it lacked the revenue promised by the Ministry of Agriculture and the Ministry of Industry and Trade (int. Mkindi 2012) and it no longer exists. Importantly for TAHA, all along it worked with the Ministry of Agriculture. Indeed, the Ministry reported that it worked closely with TAHA, especially on tax issues (int. Mibavu 2011) and that frequently the Ministry agreed with TAHA's (and ACT's) positions and then together lobbied other parts of government (int. Mibavu 2011).

In addition to developing and maintaining direct relationships with key staff in the Ministry of Agriculture, Mkindi explained that she sat on several government committees – largely dealing with technical issues such as the way in which regulation is implemented or reformed rather than political committees determining the policy in the first place – and was thus able to convey a sector view, including

The National Technical Committee of the Sanitary and Phyto-Sanitary Committee;

The National Technical Committee of the Tanzania Trade Integration Strategy;

Ministry of Home Affairs Doing Business Road Map Task Force on Trade Across Borders

Technical Committee to review the Plant Protection Act

Northern Zone Technical Committee on Agriculture and Livestock Research and Development (which she chairs)

TAHA has been good at framing issues as public problems and could be regarded as one of Knaggård's(2015) problem brokers, in that they have put issues on the agenda, despite a belief by researchers that this can be hard (Kimball *et al.* 2012). Often, they have then been able to influence the government to address the issue as well. Indeed, for many of their issues, their careful framing has implied an obvious solution. In 2010, for example, the government suddenly and unexpectedly imposed value-added tax (VAT) on air freight, making all goods sent by air immediately less competitive. Most exporters are supposedly able to recover the VAT, but Kelsall (2013) described it as a long and futile task and suggested that bureaucracy such as this added 20 per cent to the cost of doing business. The Tanzania Revenue Authority confirmed that VAT rebates to most businesses were delayed

because of their cash flow problems (int. Maganga 2014). The argument, then, is not really about competitiveness, but about bureaucracy and the need to charge VAT and then secure a rebate at a later date, meaning that the government actually gains no revenue. TAHA, working in alliance with ACT, within three months, persuaded the government to waive it again (int. Mkindi 2011a). It was too late, however, to save the air freight service from Kilimanjaro International Airport which had been withdrawn when the farmers switched to road transport to Nairobi and air freight from there.

TAHA worked again with ACT when the government also imposed VAT on 'deemed capital goods'. The position was that if a capital good (such as a greenhouse) or a deemed capital good (such as the plastic sheeting to make a greenhouse) was imported there was an exemption from VAT. The government changed this arrangement to impose VAT on deemed capital goods. Again, for VAT registered businesses, this would not be a problem, except that securing rebates took too long. The Government agreed once again to exempt deemed capital goods from VAT as a result of the action by TAHA and ACT (int. Mkindi 2011a).

An issue related to zoosanitary and phytosanitary standards arose when members started complaining about the government inspectors. Their role was to uphold the standards at the farm level – and that was important to the farmers because they need to meet the standards to export – but the farmers described the inspectors' approach as one of looking at fields, giving the impression of not knowing what they were doing and wasting the farmers' time. TAHA discovered *inter alia* that the inspectors did not have an operations' manual, discussed this with the Ministry of Agriculture, drafted a manual, then persuaded the Ministry that farm produce should be inspected only once, rather than several times, and then persuaded them to endorse and implement the manual (int. Mkindi 2011a). This shows how TAHA was able to influence the Ministry to ensure that it performed its inspection role professionally.

An issue of phytosanitary certification arose in 2011. Farmers complained that the UK had suddenly stopped the import of flowers but seemingly did not know why. To understand the issue, Mkindi had to telephone the UK Department for Environment, Food and Rural Affairs and discovered that Tanzania's phytosanitary certification did not comply with international requirements. There were several problems, but the main one seemed to be that the system was not secure and that certificates were too easy to forge. TAHA worked with the Ministry of Agriculture, reviewed the requirements, identified some areas where the certification was inadequate and proposed revised certification in line with international standards. This was adopted by the government and exports to the UK resumed (int. Mkindi 2011b). An issue such as this is unlikely to be contentious and indeed the government is likely to be as keen as the BMO to resolve it since they would also have been losing revenue. But, nevertheless, it is an example of TAHA both working closely with the Ministry and being able to influence their approach to regulation.

It is notable that these issues are all fairly technical. On occasion, TAHA has also influenced other governments, though again on narrow, technical issues. For example, in May 2011, the Government of Kenya (GoK) banned the import of cut flowers, supposedly to protect Kenya from pests and diseases. Many Kenya traders mix cut flowers from Tanzania with cut flowers from Kenya in order to deliver the specific requirements of their European buyers. So, the effect of the ban was that some farmers lost good contracts. TAHA persuaded GoK to implement its own farm inspection regime in Tanzania which resulted in the ban being lifted (int. Mkindi 2011b).

There is one area that has seemingly been contentious, though the Government claimed that it saw it as technical. Starting in 2010, TAHA has tried to influence government policy in relation to the use of biological control agents. Essentially these provide a substitute for pesticides, using insects to control insects, resulting in less harmful residues. It is easy to see how this could be regarded as a contentious issue since some people might object to the idea of introducing new insects into the environment. The government had clearly been working on this having set up the National Biological Control Programme in 1990 (NBCP 2016). NBCP (2016) explained that the import of biological control agents was guided by the Plant Protection Act 1997 and Regulations, 1998 and that importers needed to present a dossier to the Secretary of the Biological Control Agents' Subcommittee. It was however rather more complicated than that, with the need then to go to another committee and then to the Registrar of Pesticides and Biological Control Agents which is appointed by the Minister but based at TPRI. NBCP claimed to have approved 20 agents since 1988, though they only listed 8 in their brief, and TAHA claimed that they were not approved for commercial distribution (int. Chamanga 2016). Minutes of meetings in 2012 and 2013 suggested that TAHA was making progress, albeit slowly. It is worth noting that the NBCP brief was only published in 2016, possibly in response to TAHA's lobbying.

TAHA tried to frame the issue, not as one of accepting the principle of use, which they argued had been settled, but as being a simple one of putting in place a system to register these agents. Mkindi (int. 2013) explained, however, it took more than five years of discussions before the Government admitted that a registration system was required. TAHA and the Ministry of Agriculture then worked together, and involved academic and other experts, to design a registration system. The Government then did not convene a meeting of the committee until 2016, though has now done so, and it has approved the first three agents for commercial use.

Mkindi described the secret of her success at this time as "leadership and management, networking widely and being a go-getter" (int. 2011a). All she meant was that TAHA was proactive. Being proactive, and being seen to be proactive, is almost certainly helpful when it comes to persuading donors to support TAHA's activities. However, TAHA also put a lot of effort into gathering data and, as Mkindi puts it, "doing hardcore research", in line with Berry's dictum that "only the facts count" (1997: 99) and the assertion of Nownes and Newmark (2016) that lobbying is about information. She stressed that it is "important to have a clear understanding of the issue" and a mastery of the details but also noted the importance of seeing the bigger picture (int. Mkindi 2011b). She explained that if she went to the government without having done her homework, she would not have the facts and figures to back up her position and thus weaker argumentation. Generally, it appears that TAHA has been able to do this well. It seems that on the issue of biological control agents, they may have been less well informed, and that may explain why they struggled. So TAHA collects detail, drafts policy positions, sends them back to their members to ensure that everything is accurate and reflects their concerns, finalises policy positions. They then build a good story and then seek validation from the members before going to the government. They send a copy of the final position to members for reference, so that, if they are quizzed by someone from the Ministry, they will all communicate the same message – and the Ministry does send staff out to talk to farmers.

Mkindi explained that she also networks widely, aiming to create strategic alliances and partnerships (int. 2011b). As well as ACT, with whom TAHA works closely, they collaborate with the Agricultural Non-State Actors' Forum (ANSAF), Tanzania Seed Trades'

Association (TASTA), Tanzania Association of Tour Operators (TATO) and Tanzania Private Sector Foundation (TPSF). Often TAHA will take the lead on lobbying, but sometimes they follow others such as ACT or TPSF, particularly where the issue is wider than simply horticulture.

Mkindi claimed that the staff in the Ministry appreciated the evidence that TAHA could provide but noted that it was “essential to master the details” (int. 2011). Originally, explains Mkindi, the Ministry thought that TAHA was simply “making a lot of noise for big guys” which, given Tanzania’s history, is not always effective, but they understood that TAHA was “working on behalf of whole sector” (int. 2014) – and most of the sector is small indigenous farmers. This is confirmed by the Ministry of Agriculture (int. Mibavu 2011, int. Msambachi et al. 2013). Indeed, Mibavu (int. 2011) explained that the Ministry often agrees with TAHA and that they then lobby together. He cited occasions when, for example, they had lobbied together on road tax for tractors not used on public roads and on crop cess.

When it comes to lobbying, Mkindi stressed that it is necessary “to engage with the whole system and not just with one or two people; to pressurise the government at all levels” (int. 2011b). The point here is that whilst they may have developed champions who can take up their cause, they also recognise that they need themselves to influence people across Agencies and Ministries. Mkindi is both personable and articulate, so well able to do this.

A good tactic in dialogue and advocacy is to raise awareness and understanding amongst stakeholders. Berry (1997) makes the point that interest groups have a role to educate and TAHA does this well. For example, each year they do a programme with the Parliamentary Committee on Agriculture, including taking them on a field trip. TAHA works closely with the media and has worked hard to build good relationships with key journalists who have now become ‘good friends’ of TAHA. It organises field visits for them too, so journalists can go to farms and see them for real. They also offer training (awareness raising) courses for journalists. They never pay ‘facilitation’ fees – but still get good coverage (int. Mkindi 2011b).

This combination of providing good research evidence, success in policy reform, even on technical issues, being seen to be active not least through the media, and raising awareness raised TAHA’s credibility – which Berry (1997) notes as a priority – and which then makes it easier to continue to secure access (and reflecting Braun’s (2012) logic of habitual behaviour).

Whilst TAHA appeared to be adept at communicating with its members it was not always so. Indeed, the Ministry of Agriculture said that it would like to see more business people and more farmers involved in dialogue (Mibavu 2011, int.). The implication seemed to be that associations in general, and TAHA in particular, did not consult enough with their own members, so did not know what was happening on the ground and sometimes that their members do not even understand the issues.

Until December 2011, Mkindi was responsible for all TAHA's advocacy. However, with financial support from BEST-AC, TAHA was able to appoint Anthony Chamanga as its first policy officer and thus have someone focused full time on policy and advocacy as well as freeing up Mkindi to manage all TAHA's other activities and to seek sponsorship. He has a background in agricultural economics and the international trade. He worked at the Ministry of Agriculture and is still well networked, to the extent that he could request meetings with the Minister, but also ensured that he received good intelligence, including draft legislation,

often before it went to other stakeholders. Mkindi says that recruiting a former official made an enormous difference to TAHA's effectiveness, though she also says that she had to work hard to keep reminding Chamanga that he now worked for the private sector. She wonders "why other BMOs do not also recruit people with inside knowledge" (int. Mkindi 2012).

Early in 2012, Mkindi was invited to join the National Permanent Secretaries Committee (driving the so-called Doing Business roadmap) alongside TPSF and CTI and thus giving a greater chance to influence policy and the implementation of policy (int. Mkindi 2012). Until this point, TAHA was represented on committees that were largely focused on narrow technical issues. The Doing Business roadmap was the Government of Tanzania's attempt to improve the country's ranking in the World Bank's annual Doing Business league table. This provided an opportunity for much greater dialogue between public and private sectors and to propose reforms on a wide range of policies and regulations, some of which would certainly have been regarded as contentious (such as land reform) – and thus an opportunity to break out from influencing solely technical issues.

Policy entrepreneur 2013 - 2015

Several changes occurred around mid-2012. A number of mundane but important issues that had been pending for a long time were resolved. TAHA started to seek reform on more contentious issues, such as reducing the level of produce cess (local tax) and persuading the government to set up bonded warehouses (int. Mkindi 2012). This appears to be about the time that TAHA reflected on its approach to advocacy, recognising that it was delivering reform on narrow technical issues, but aiming to address broader issues as well, often by carefully reframing issues to have two steps. Perhaps not surprisingly, these changes coincided with Chamanga having worked out his role and started to make a difference. TAHA appointed an advocacy manager and gave him a 'to do' list of outstanding issues and anticipated issues (int. Chamanga 2016). Chamanga notes that whilst government was 'attentive' at this time, it was often also inactive. Chamanga had the luxury of being able to analyse the issues and then to work out ways to resolve them. His background in the Ministry helped him to understand the issues and to identify the key people to lobby. Two issues, albeit still technical, on cut flowers and on packaging, for example, were each resolved in just one meeting.

TAHA also became more proactive in areas where once they might have taken their time, such as with finding new champions in the Ministry of Agriculture after staff changes. Mkindi and Chamanga stressed that TAHA does not "expect the government to create an enabling environment if the private sector is sleeping" (int. 2013). And, away from advocacy, TAHA aimed to expand its services to members, with funding from USAID, the EU and the Aga Khan Foundation.

TAHA also responded to the question of whether it was involving members effectively by being demonstrably more business oriented and by ensuring that all the issues that they took to government reflected the needs of the business community, which they did through improving their consultation with members and by ensuring that they were all briefed on the policy positions adopted by TAHA (int. Mkindi 2014).

Although TAHA did not spot it at the time, the Fertilisers' Act of 2009 made it difficult for farmers who wanted to use specialist fertiliser, often specified by European buyers, with the threat of the loss of their contract if they did not comply. Nothing happened with the passing of the Act (int. Chamanga 2016) but the Government approved the Fertiliser Regulations in 2011 (URT 2011) and then created the Tanzania Fertiliser Regulatory Authority in 2012.

Before the law changed, many of these specialist fertilisers were easily available but the Act required that all fertilisers had to be registered (or re-registered) and the process was slow. Whilst the fee was a modest \$50, there was a requirement for three seasons of trials at a rough cost of \$10,000 per season. So, it was simply not economic for the input suppliers to register many of these fertilisers as the demand for each was low. In this case, TAHA aimed for a two-track approach. Firstly, it started lobbying the Government. Early in 2013, Mkindi wrote to the Ministry of Agriculture and thought that the best outcome might be that the Permanent Secretary would invite them to Dar to discuss the issue – but instead, the Permanent Secretary went to TAHA in Arusha with a team of four officials (int. Mkindi 2013). In October 2013, the government agreed on a fast track registration process whereby some 75 fertilisers that had been tested and proven elsewhere could be registered without further trials. This was expected to have a considerable impact – not just the 75 x \$30,000 but the increase in yield or quality and thus in incomes from using the different fertiliser. Secondly, the Government agreed to review the legislation – and, in 2016, finally agreed to amend the Regulations, which will reduce though not eliminate the cost of registration (int. Chamanga 2016). The amendments were finally published in Feb 2017 as the Fertiliser (Amendments) Regulations 2017 (URT 2017).

TAHA has now adopted this two-pronged approach for much of its advocacy: look for an immediate solution through a waiver or derogation, which could be argued is a technical solution, and then look for a longer-term review, perhaps more likely to require a political solution.

TAHA's success in Tanzania has made it more confident to work across borders as well. An example, though again on a narrow issue, was when in 2012 the Government of Kenya introduced a levy of KES4 per kilo on all fruit and vegetables imported into Kenya, irrespective of whether Kenya was the final destination. An agreement between traders and farmers resulted in this being split equally – though in reality, the farmer bears the cost because the price goes down. TAHA has worked with GoT and GoK which has resulted in GoK agreeing to abolish this levy with effect from February 2013. More than 80 per cent of fruit and vegetable exports go via Jomo Kenyatta International Airport (in Nairobi) so this is important. TAHA estimated this at about 25 tonnes per day. Assuming a six-day week and KES2/kg, this saved about \$200,000 which went back into farmers' incomes (int. Mkindi and Chamanga 2013).

When asked in 2013 to pinpoint reasons for TAHA's success, Mkindi characterised it all in terms of what TAHA does. She explained, again, that they "do their homework" and "ensure that we have sound evidence" saying that if they "have a weak case or poor evidence, it will backfire" (int. 2013). When they go to the government, they always take members, that is, farmers, as well as staff so that they can describe their experiences at first hand. Mkindi argued that they had built a good brand as evidenced by the fact that they are trusted and consulted by the government. The Ministry of Agriculture confirmed this view and reported not only that they perceived TAHA to be a "strong organisation" but also that they had worked together on a review of taxes and submitted joint proposals to the Cabinet Secretary (int. Msambachiet *al.* 2013).

Mkindi also explained that whilst financial resources were not the whole picture, clearly, they made a difference (for example, to bring together a group of experts to talk about biological control mechanisms or a group of MPs). And she repeated her point that TAHA does not just engage with one body but engaged "across the system", that is, they aimed to bring on board

the civil servants in any Ministry that might have a view and the Parliamentary Committees as well as the Ministers (int. 2013).

When it seems appropriate, TAHA will work with others. It does take care, even when it is working alone, not to alienate other business associations though it does sometimes find itself, even with a generally collaborative approach, arguing head-on with government agencies. Chamanga (correspondence 2017) confirms that TAHA has not experienced objections from other interest groups but have had cases where a government institution objected. Indeed, he cites the case of fertiliser registration, where the Tanzania Fertiliser Regulatory Authority (TFRA) objected to their position, while the Prime Minister's Office supported their position.

Evidence of TAHA's ability to build relationships, but also of their luck, came in early 2014. Staff changes at the Ministry of Agriculture including the departure/retirement of the Permanent Secretary Mr Mohamed Muya and of Geoffrey Kirenga, a director who had been helpful to several BMOs, as well as of two other key directors, left a void and caused a short interruption. Chamanga explained that the new people did not understand so well what TAHA was trying to do (int. Chamanga 2014). TAHA had to work hard to rebuild the relationship and encouraged two new directors to visit. This resulted, in April 2014, in the new director for Crop Development, TwahirNzalawahe, and the new director for Policy and Planning, NkurulilwaSimkanga, coming to TAHA. The luck came about in that Simkanga had been Chamanga's first supervisor when he joined the Ministry of Agriculture. Chamanga reported that both seemed impressed by TAHA. To some extent, however, TAHA creates its own luck. It was not simply a coincidence that TAHA appointed as its first advocacy manager someone who had worked in the Ministry. And TAHA deliberately seeks out junior members of staff to become champions so that as they rise through the ranks, they can become more influential on TAHA's behalf. A consequence of impressing the two directors, according to Chamanga, was that the new Permanent Secretary seemed also to be increasingly on side. He suggested that "the relationship has resumed" (int 2014).

Cooksey (personal correspondence 2016) notes, however, that TAHA sticks to cultivating champions amongst the bureaucracy and not amongst politicians, since the opposition party, Chadema, holds many of the constituency seats where horticulture flourishes. Remen explains this differently, noting that MPs come and go rather faster than officials and so they deliberately target officials. Furthermore, he explains, "when you have not fed the government with enough information [parliamentary] committees are not interested. In some meetings, the central government officers present to committees. So we invest a lot in directors in the government and have a list of champions" (int. 2015).

Conclusion

Researchers argue that it is difficult to find clear cases where business associations have influenced government. However, TAHA has clearly put issues on the agenda – often through careful framing – reflecting the dictum of turning problems into issues (Berry 1997). It appears that TAHA has also influenced the way that policy has been implemented but has been less successful in changing policy imperatives. Indeed, TPSF (2016) suggests that TAHA is credited with addressing many co-ordination constraints and that this has resulted in the sector's rapid growth. As TAHA grows and delivers more services and support to farmers, the government can see the association bringing in resources from elsewhere that are intended to develop the sector in line with government policy. The Ministry of Agriculture had, for example, signed a memorandum of understanding to work together on post-harvest

losses (int. Msambachi et al. 2013). Mkindi claimed that the Director of Policy and Planning at the Ministry of Agriculture (appointed in mid-2014) was later asking TAHA for more ideas on what could be done (int. 2014).

Horticulture has many expatriate farmers and a high level of foreign investment. It is possible that this may dominate TAHA and shape its policy. Mkindi explained, however, that the member profile had changed considerably since she joined. It used to be dominated by foreign and expatriate businesses but is now dominated by local businesses. The two groups, however, did not always see eye to eye, said Mkindi, so she often found that she had to strike a balance between the demands of each group. For example, the bigger, and the foreign, businesses want advocacy and the services of TAHA Fresh (smallholders, if they export at all, probably do so alongside a bigger farm). This helped to bring members along. She did recognise, however, that having foreign investors and expatriate farmers had conferred some advantages, in that they were better able to work with TAHA to develop coherent and persuasive positions.

Neither access (Eising 2007) nor success (Mahoney 2007) proves that a business association has influence. A trade association may see a change in public policy that accords with its wishes but which it did not bring about. However, where a trade association puts the issue on the agenda and then seeks to reform the policy, it provides rather more evidence to support the view that it brought about the policy reform. The change to the phytosanitary certification provides a good example, as does the revised regulation on fertilisers.

TAHA tends to focus on quite narrow and often rather technical issues, perhaps unlikely to be highly salient to anyone outside the sector, and which on the whole do not require a change in policy. It also frames issues to focus on outcomes that are important to the government, like export revenue, tax and employment creation, rather than anything related to the performance of their members, such as competitiveness or profitability. Beyers (2008) distinguishes between 'particularistic' issues (issues that are quite technical, usually focused on a narrow sector and do not conflict with the political objective), 'dividing' issues (issues that divide business sectors because of different interests) and 'unifying' issues (issues that are perhaps more political in nature and where the private sector adopts a more cohesive position). Addressing particularistic issues requires what Michalowitz (2007: 136) describes as a technical influence; addressing unifying issues requires directional influence, that is, an influence that changes the direction of the policy (Michalowitz 2007). TAHA has been less good at this. For example, the work on fertiliser aimed to split the issue into two parts: one that was very much a technical issue to be overcome in the short term, and then a longer-term issue that might have been more politically contentious, though TAHA was not arguing against the fundamental principle of registering fertiliser. Now, when they go to the government, they always have two proposals e.g. (a) to review an Act and (b) to adopt short-term measures to ameliorate the worst problems whilst the Act is reviewed (int. Mkindi 2014). Mkindi says that she always tries to convey a sense of urgency in her dealings with government and the likely loss to members (and by implication) to the government if it delays, which possibly explains why the government is willing, at least on occasion, to agree to the short-term solution.

“TAHA has worked hard to build trust with the government and to demonstrate its credibility and, as a result, the government is always willing to listen to its ideas in relation to horticulture policy” (int. Mkindi and Chamanga 2013). However, it is generally unwilling to act on issues that might be considered more political such as tax and cess, as Mkindi admits

(int. Mkindi and Chamanga 2013). Even for these, it seems to be able to secure support from the Ministry of Agriculture.

This suggests that TAHA is more a problem broker than a policy entrepreneur. Knaggård (2015) explains that problem brokers frame issues as public problems, that they are independent of policy entrepreneurs (though there is no reason why that should be) and that they have access, persistence and credibility. It does appear that TAHA is good at doing this, always reminding the government of the contribution that horticulture makes to the economy, not least in terms of jobs and tax revenue.

Knaggård (2015) further suggests that when interest groups communicate with civil servants they need to be 'knowledge heavy' but that when they talk to politicians, or the public, values and emotions become more important. The implication is that both are important. The knowledge provides the evidence that will persuade the civil servants; the narrative will provide the argument that convinces the politicians. TAHA seems to have recognised this to the extent that they avoid dealing with politicians, "because we know that politicians come and go" (int. Remen 2015). TAHA has generally found it more effective to work through officers, and leave them to persuade the politicians: "we invest in a lot in directors in the government and have a list of champions" (int. Remen 2015) reflecting the assertion of Herzberg and Wright (2006) that champions are needed to sustain PPD and that backing the right champions is important. In Tanzania, this is especially important to overcome "hierarchical silos, top-down powerhouses and lines of command along government ministries, departments and agencies (MDAs) which may impair cross-cutting or inter-ministerial work relations" allied with "weak capacity in the civil service" (Temu 2013: 63).

So, TAHA not only works closely with the government but also aims to ensure that they are recognised for what they do. Kelvin Remen, TAHA's assistant advocacy officer, notes that other BMOs "wonder why we say our first partner is the government" (int. 2015). He explains that TAHA has not only "established a very close relationship with the government but also gives them credit" (int. 2015). He continues: "the government respects us; we don't work like an activist group, criticising the government; we try to address issues diplomatically and credit them for the forums they have given us and the progress" (int. 2015). TAHA is, it claims, "very good at using the network" (int. Mkindi and Chamanga 2013). Chamanga goes on to say that often TAHA has government departments "on our side" (ibid.). For example, if TAHA is going to lobby the Tanzania Bureau of Standards, it ensures that it has first informed its champions at the Ministry of Trade and Ministry of Agriculture.

Whilst a high level of resource may not be necessary, Mkindi explained that it is impossible for BMOs to influence government if they do not have enough capacity in terms of people and resources. She talked, for example, of the need to bring together a group of experts to talk about biological control mechanisms or to bring group of MPs on a field trip (int. Mkindi and Chamanga 2013) or to get on plane to Dar or even Washington at a moment's notice (int. Mkindi 2014). Mkindi perceived that the government was changing, was becoming more responsive and was more likely now to listen. However, success, Mkindi explained, requires compelling policy proposal, partnership (especially with the government) and ability to mobilise resources – and "TAHA is good at this" (int. 2014).

TAHA takes care of building relationships. It is careful about who they engage, how they engage and when they engage (int. Mkindi 2014). When the government does agree to reform, TAHA keeps pressing, until an agreement to change is actually implemented (int.

2011), unlike some BMOs who fail to follow up (Lutabingwa and Gray, 1997) and then wonder why nothing has changed.

To summarise, it seems that TAHA is good at putting issues on the agenda, frames issues both so that they appear to be technical rather than political and so that solutions present themselves, seeks access effectively, raises awareness of issues, builds coalitions for reform and is very persuasive. There seems little doubt that TAHA has achieved repeated success. The Citizen reports James Parson, Managing Director of Africado saying: “TAHA has helped a lot in creating an enabling environment for the industry ... the association works round the clock to maintain dialogue and good rapport with the government of Tanzania, development partners and farmers” (Ihucha 2015a). Ihucha (2015b) also reports that Mkindi received the Tanzania Women’s Achievement Award for agriculture in 2015 in recognition of her achievements. TAHA appears to be very professional – which Klüver (2012) argues is a sine qua non for success – reflecting the view of Mulder (2014) that being professional requires the competence to act responsibly and effectively. It does this through employing staff who are knowledgeable, competent and well-networked and through its unremitting focus on the use of evidence, good framing, compelling argument, champions and recognition of the need for enough resource to do what it needs to do. It also helps that Mkindi empowers the staff to take the initiative. The consequence of all this is that they make a difference for horticulturists in Tanzania.

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The Effects of Job Satisfaction on Employees' Turnover Intention in Commercial Banks in Tanzania

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Abstract: *Employee turnover is a costly work outcome to any organization. Knowledge of the antecedents of turnover intentions helps managers design and implement turnover reversal strategies and practices to curb actual turnover. Scanty research evidence exists on antecedents of employee turnover intention in developing countries. This study investigated the effect of job satisfaction on the turnover intentions of employees of a leading commercial bank in Tanzania. A structured questionnaire was administered on a sample of 235 employees. Descriptive statistics were used to assess the level of job satisfaction and turnover intentions. Independent sample t-tests and ANOVA, with post hoc comparisons, were used to compare turnover intentions across employees' demographic characteristics. Hierarchical multiple regression techniques were used to assess the effect of job satisfaction on turnover intention after controlling for the effects of demographic variables. Turnover intention was significantly higher among the younger, inexperienced and urban-based employees but significantly lower for the married. Overall job satisfaction, and satisfaction with pay, promotion, supervision, fringe benefits, and communication, significantly predicted employees' turnover intentions beyond the effects of the four demographic variables investigated. Commercial banks should give a considerable attention to individual differences, overall job satisfaction, and its facets, to manage turnover intentions among their employees.*

Keywords: turnover intention, job satisfaction, commercial banks, hierarchical regression

Introduction

Development and sustainability of businesses depend on, among other things, access to capital, to which banking institutions play a pivotal role, through financial intermediation. The quality of the services of the banking sector is highly dependent on the quality of its human resource which in turn depends on the policies of the bank. Such policies should include those that foster both job satisfaction and retention of employees. Employee turnover is one of the challenges facing organisations world over, the banking sector included. This calls for managers to design and implement human resource management policies and corresponding practices to keep employee turnover as low as possible. Employee turnover is a vital behavioural outcome that challenges human resource managers in their quest to contribute to organizations' performance (Davidson *et al.*, 2010).

Turnover rates in financial services, particularly in commercial banks, have great impact on service quality, productivity, and profitability, due to loss of knowledge and technical skills. Employee turnover rate in any organization impacts on its operational costs, which in turn impact on its profitability and consequently, affects its sustainability and growth in the long run. Research has identified several costs associated with employee turnover. These include, but not limited to, pre-departure costs such as severance costs, recruitment costs, selection, orientation and training costs, and productivity loss costs (Tracey and Hinkin, 2008). Aldhuwaihi *et al.* (2012) adds to the list by pointing out the cost associated with disruption of working teams, knowledge loss, and loss of motivation by the remaining employees, as well as the individual costs associated with loss of seniority and disruption of social life. Conversely, it can also be argued that employee turnover can be a positive organisational outcome as it allows the organisation to hire new, sometimes better trained and talented employees, as a replacement.

Previous studies have used turnover intention as a proxy for actual turnover mainly because it has been identified as the most important predictor of voluntary turnover (Griffeth, Hom, and Gaertner, 2000). This is also because of its practical advantages some of which are discussed in Olabimitan, Ilevbare, and Alausa (2012). The practical advantages of turnover intention include being easier and more accurate to measure, less prone to the difficulties associated with gaining access to employees who have already left to determine why they really left, and also are less prone to the difficulties associated with accessing administrative records which, in many cases, are either closed to outsiders, incomplete or inaccurate. Elsewhere, it is also argued that employees who have already left the organisation may not be willing to give an account of what pushed them out of the job or organisation, and even if they do, the economic value of such information to the organisation may be minimal. Knowing the existing employees' level of intention to leave is therefore more economically valuable for the sustainability of the organisation because management can take corrective measures to enhance retention.

While research linking turnover intention to job satisfaction has pre-occupied social scientists for decades, such efforts have been skewed towards Western contexts and recently toward Middle East and Asia. Similar efforts are now emerging in Africa, but the distribution remains uneven, with the substantial number of publications emerging from Western and Southern Africa. Studies on the subject in Tanzania have been scant and cover a few industries – mainly in education (Amani and Komba 2016; Johnathan *et al.*, 2013), in health (Blaauw *et al.*, 2012) and in banking sector (Kweka and Sedoyeka, 2014; Ramadhani, 2014). Of these, Johnathan *et al.* linked turnover intention to organisation commitment. Blaauw *et al.* compared turnover intention and job satisfaction across employees of three countries – Malawi, Tanzania and South Africa. Kweka and Sedoyeka compared turnover intention between a telecommunication company (Vodacom) and a bank (NIC bank). On the other hand, Ramadhani (2014) using a sample of employees from NBC Bank Ltd, job satisfaction scale (JSS) (Spector, 1994), and a 4-item turnover intention scale (three of which were adopted from Camman *et al.*, 1979), only assessed effect of overall job satisfaction on turnover intention, leaving out the effect of the facets of job satisfaction.

It is therefore evident that research linking turnover intention to job satisfaction in Tanzania, particularly in the banking sector, is lagging despite of the significance of the sector's contribution to the country's economy. The banking sector in Tanzania by December 2014 consisted of 53 banking institutions, 34 of which were commercial banks, 12 community banks, four development financial institutions and three deposit-taking microfinance

institutions. Its asset value was 22.5 trillion TZS (up 15.4% from 2013) and deposits were worth 17.5 trillion TZS (up 13.6% over 2013). Five of these banking institutions were state-owned whereas 48 were privately owned. Of the institutions, 25 were locally owned while 28 were foreign owned. The sector provided credit to private sector amounting to 12.4 trillion TZS in 2014 (up 19.4% over 2013 figures). The sector employed 15,883 employees in 2014, 7.5% up from 14,770 employees in 2013 (BOT, 2014). In 2012 the banking sector contributed 2.36% of the GDP up from 2.2 % reported in 2011 (BOT, 2012). As the above scenario demonstrates the sector is crucial in the sustainability and development not only of the country but also of businesses. It is also a labour-intensive sector, providing a fertile ground for assessing various human resource practices and theories.

The purpose of this study was therefore to assess the effect of job satisfaction on employees' turnover intention in commercial banks in Tanzania. Specifically, it sought to (i) establish whether employees turnover intentions in commercial banks is predicted by job satisfaction and its different facets; (ii) establish and compare the level of turnover intention across employee groups based on selected demographic characteristics such as age, marital status length or service (tenure) and workstation; and to (iii) establish whether employees turnover intentions are predicted by job satisfaction and its facets after controlling for the effects of demographic characteristics such as age, marital status length of service and workstation. This study therefore contributes evidence of the effects of job satisfaction and its different facets on turnover intention of employees of a large, listed commercial bank. The next section reviews related studies.

Review of literature

Job satisfaction and turnover intention

While employee turnover is defined as the "movement of employees out of an organization" (Bohlander and Snell, 2009: 93, cited in Aldhuwaihi *et al.*, 2012), employee turnover intention refers to the "the intention to voluntarily change companies or to leave the labour market altogether (Karin and Birgit, 2007: p.711). Turnover is among the critical behaviours that managers should keep an eye on. It has been associated with such devastating effects on both organisations and individuals some of which include but not limited to reduced productivity, disruption of teams, raised recruitment, training, development and related cost and loss of knowledge. To the employee, loss of seniority, loss of expectations, and disruption of social life (Mobley and Fisk, 1982; Roseman, 1981) are some of the negative effects. Thus, predicting turnover would give managers an edge in curbing it and avoid the associated cost because turnover intention has been identified as the most important predictor of voluntary turnover (Griffeth, Hom, and Gaertner, 2000). Thus, studying turnover intention is more valuable than actual turnover. In addition, there are other methodological benefits such as difficulties related to reaching employees who have turned over, getting the actual reasons of turnover from them, and the value of such information in terms of whether managers can use it to reverse the event.

Turnover intention has been linked to many antecedents, job satisfaction being one example. Numerous definitions of job satisfaction are available in the literature. Examples include "an emotional state related to the positive or negative appraisal of job experiences" (Locke, 1969); and "how people feel about their jobs and different aspects of their jobs" (Spector, 1997: p.2) One of the well-known theories of job satisfaction is Locke's (1976) affect theory, which suggests that job satisfaction is determined by a discrepancy between

what one wants in a job and what he/she actually has; and that dissatisfaction will occur when a person receives less than what he/she wanted and vice versa. Another theory is Herzberg's (1959) Two Factor Theory which identifies two basic factors that affect job satisfaction - hygiene factors (supervision, salary, company policy and administration, relationship with and peers, working conditions, personal life, and security), and motivating factors (recognition, responsibility, achievement, and the work itself).

The link between job satisfaction and turnover intention has also attracted theoretical conceptualization as well as empirical research. One theory that provides the conceptual link between the two is the social exchange theory (Blau 1964; Homans, 1958; 1961;). Homans (1961 cited in Cook and Rice, 2003, p.54) for example, defines social exchange as "the exchange of activity, tangible or intangible, more or less rewarding, or costly between at least two persons". The theory views employee – employer relationship as a set of reciprocal exchanges between the two parties. It proposes that "individuals will engage in reciprocal behaviours and support those from whom they benefit" (Adams, 1965). Put differently, "when favourable experience is perceived by one party, the other party feels obligated to reciprocate" (Rhoades and Eisenberger, 2002). When employees perceive that they are satisfied with the job they perform in their organization as well as with its subdimensions, the norm of reciprocity compels them to return favourable forms of attitudes towards the job and the organization, such as low turnover intention. Thus, employees would support their employer by sticking around (less turnover intention) as a reciprocation for the satisfaction they draw from the job, and from its facets such as pay, promotion, benefits rewards, supervision, etc. From this theory, therefore, the present study hypothesises that satisfied employees would tend to have less turnover intention. Similarly, employees' satisfaction with pay, promotion, benefits, ..., etc. (Spector, 1994) will be negatively related to turnover intention. This theory has been used in other studies, e.g. Hoffman (1992), to explain the relationship between overall satisfaction, and its dimensions, and customer-oriented behaviours and proposed a positive relationship.

Previous studies on the job satisfaction – turnover intention link

A number of studies in Nigeria, examples of which are Bamidele and Koleoso (2016), Olusegun (2013), and Ucho, Mkavga, and Onyishi, (2012), covering a number of industries, namely, civil servants (Benue State), estate surveyors, and valuers (Lagos state), and employees of universities (South-West Nigeria), yielded consistent results that job satisfaction significantly negatively affected turnover intention. In addition, Ghayas and Siddiqui (2012) found a significant negative impact of job satisfaction on the turnover intentions of employees of the pharmaceutical industry in Karachi, Pakistani. Furthermore, Hellman (1997), in a meta-analytic study reported that the relationship between job satisfaction and intent-to-leave was consistently negative. This result was also consistent with an earlier study by Tett and Meyer (1993). Other studies include Abu Raddaha *et al.* (2012), Ali (2010), Tian-Foreman (2009), and Westlund and Hannon, (2008) (on Jordanian nurses), and Masum *et al.* (2016) (on Turkey nurses). They all reported significant negative relationships between job satisfaction and turnover intention.

In Tanzania, several studies are recorded. Examples include Amani and Komba (2016), Blaauw *et al.* (2013), Johnathan *et al.* (2013), and Kweka and Sadoyeka (2014). Blaauw *et al.* compared turnover intentions of different categories of nurses in Tanzania, Malawi, and South Africa. They found significant differences in turnover intentions across the three countries. It was significantly higher in South Africa than in Malawi and in Tanzania with South African health workers more than twice as likely to report intentions to leave than

those from Malawi and Tanzania. Overall, the intention to leave was negatively correlated with job satisfaction. Amani and Komba (2016) used a sample of 66 lecturers from three public universities in Tanzania and reported a significant negative relationship between job satisfaction and turnover intention and that in addition, lecturers were highly satisfied with all facets of their job. Therefore, the present study hypothesises that:

H₁. Job satisfaction will be significantly negatively related to turnover intentions

Job satisfaction facets and turnover intentions

Different studies have disaggregated job satisfaction into different facets. Of particular focus to this study is the Job satisfaction survey (JSS) by Spector (1994) with nine different facets; namely, pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-worker, nature of work and communication. Pay, which is compensation to an employee for his/her work in a form of salary, is one of the most cited factors for job satisfaction. The more satisfied employees are with pay the less they tend to think of leaving the job. In addition, employees also look at fringe benefits – medical, housing, education assistance, training, pension, welfare, etc., they enjoy from their jobs. The more they are satisfied with them, the lesser they think of leaving their jobs. Promotion provides employees with opportunities to grow and advance in their careers. Employees tend to view higher positions positively because they come with opportunities for advancement, money, respect from top management, power, etc. Hence employees would tend to stay at a job that provides greater promotion opportunities, other things remaining constant.

Supervision refers to the relationship with employees' superiors who are in a reporting relationship with the employee based on the chain of command (Spector, 1997). An employee's relationship with his/her supervisors is associated directly with his/her success and growth at work. Hacker (2003), for example, has shown that IT employees tend to change jobs more often when they do not feel comfortable with their supervisors. It is also argued that supervisors who develop a positive relationship with employees may be more likely to learn of their employees' strengths and weaknesses, making it easier for these supervisors to use their employees' talents for the good of the organization. Furthermore, employees tend to build allies with colleagues (Co-workers) in an organisation which in turn helps them accomplish their work and the organization's goals. Positive relationships at work make the workplace and work more enjoyable which in turn increase job satisfaction and engagement. Thus, the more employees are satisfied with the relationship with co-workers the less they intend to quit the job or organization. An employee's attitudes towards the organisation are influenced by operating procedures (policies, rules, regulations). Employees' satisfaction with operating procedures, for example, the feeling that organizational policies and procedures regarding pay, rewards, recognition, etc., are fair, tend to underpin their commitment to the organization, thereby reducing their intentions to leave it.

Furthermore, the nature of work which may entail the type of work or tasks that employees are engaged in, and how such works or tasks are interesting and enjoyable, will influence the degree to which they like the job and also their overall performance. This, in turn, reduces their desire to quit the job or the organization. Organisational communication is essential for managers not only for detailing what needs to be accomplished but also why and how. A good communication between the immediate supervisor and his/her subordinate would therefore enhance job satisfaction of the latter, leading to both job performance and less intention to quit the job.

Several studies have provided evidence on the link between job satisfaction facets and turnover intention. One of the proponents of the importance of research on this link is Kerber and Campbell (1987), who argued that measurements of job facet satisfaction may be helpful in identifying which specific aspects of a job require improvements. Examples of earlier studies on this link are summarised in the meta-analytic studies of Cotton and Tuttle (1986) and Griffeth *et al.* (2000). While Cotton and Tuttle provided evidence of a significant negative relationship between satisfaction with pay and turnover, Griffeth only found a weak negative relationship. Moreover, while the former found a significant negative relationship between satisfaction with supervision, work itself (nature of work), and turnover, the latter found a moderate relationship between these variables. Later studies, e.g. Ali (2010), Masum *et al.* (2016), and Westlund and Hannon (2008), used the nine-facet job satisfaction survey tool (JSS) (Spector 1994) while Tian—Foreman (2009) used a five-facet job satisfaction scale.

Westlund and Hannon found satisfaction with contingent rewards, communication, and supervision to have significant and strongest bivariate negative correlation with turnover intention while satisfaction with benefits and working conditions had a significant but weakest bivariate correlation with turnover intentions of software developers. Tian-Foreman (2009) reported a significant negative relationship between satisfaction with each of the facets of work itself, pay, promotion opportunities, immediate supervisor, and turn over intention, but a weak negative relationship between satisfaction with each of the facets of the work environment, fringe benefits, and co-worker and turnover intention. Ali (2010) found all nine facets of job satisfaction to have a significant negative bivariate correlation with turnover intentions of lecturers of private sector colleges in Pakistan and that satisfaction with pay promotion, contingent rewards, co-worker and nature of work were significant predictors of turnover intentions. Masum *et al.* (2016) using logistic regression reported Turkish Nurses' satisfaction with supervisor support, work environment, and co-workers to be significant negative predictors of turnover intention. It is therefore hypothesised that:

H₂: Each of the facets of job satisfaction, (a) – (i), will be significantly negatively related to turnover intentions.

Demographic characteristics and turnover intentions

Age and turnover intention

Olabimitan *et al.* (2012) argues that younger employees are more collaborative or accustomed to working in teams, better educated, less hierarchical, more entrepreneurial, and more technologically skilled, and are likely to move more from one job to the other. They further argue that older employees have more economic responsibilities for their family and may feel that they would have difficulties managing their family if they could not get a new job immediately after quitting the present one. Empirical evidence, however, is mixed. For example, while Akove, Cetin and Cifci (2015) found no significant age differences in turnover intention of employees of six 5-star pre-opening hotels in Istanbul, an earlier study by Simon *et al.* (2010) found that age was related to nurses' turnover intention; younger employees showing more turnover intention than their mature colleagues. In addition, deGieter, Hoffmans and Pepermans (2011) found that determinants of turnover intention vary with age. Similar results are also reported in Emiroğlu, Akova, and Tanrıverdi (2015). Lewin and Sager (2010) found age (in years) to be significantly negatively related to turnover

intention. A more recent study by Masum *et al.* (2016) reports a significant and negative correlation between intention to quit and age. Therefore, the present study hypothesizes that:

H₃. There will be significant age differences in the turnover intentions of commercial bank employees

Gender and turnover intention

Olabimitan *et al.* (2012), revisiting previous studies, stated that differences exist between women's than men's intent to turnover where female employees are shown to have a higher rate of turnover than male employees. They also showed that female employees have a tendency of leaving organisations, such as banks, for a less risk-prone employment due to their commitment to home management. Akova *et al.* (2015) reported significant gender differences in which male employees indicated more turnover intention than female employees. Conversely, Emiroğlu, Akova, and Tanriverdi (2015), using a convenient sample of ten five-star hotels in Istanbul, reported female employees to have higher turnover intention than their male counterparts. In addition, female nurses in Turkey had a higher intention to quit the present workplace than male nurses (Masum *et al.* 2016). Conversely, Lewin and Sager (2010) found no such gender differences in turnover intentions in sales personnel working for a chemical manufacturer. Insignificant gender differences were also found in turnover intentions of private secondary school teachers in Tanzania (Johnathan *et al.*, 2013). It is therefore hypothesized that:

H₄. There will be significant gender differences in turnover intentions of commercial bank employees

Marital status and turnover intention

Almalki *et al.* (2012) found evidence to suggest that employees who never married were more likely to indicate turnover intention. They argued that unmarried employees (who may also be younger) may not have the required job related and life skills to cope with their new working environment in case it differed from their expectations. Conversely, married employees may have family responsibilities such as moving families, school transfers, transfer cost, and high settlement cost in new places. They also have financial commitments to their children such as pressure to fund their university education. In addition, they may also have a sense of the emotional turmoil that their children might go through from leaving their environment and friends and the uphill task of settling in a new school and place. All these considered, married employees may be less likely to indicate an intention to leave. However, previous research provides mixed evidence on the effect that marital status has on turnover intention. For example, Almalki *et al.* (2012) report significant differences in turnover intention across the groups of married, never married and widowed/divorced primary health care nurses in Saudi Arabia (the never married group having the highest turnover intention). Similarly, Emiroğlu *et al.* (2015) report higher turnover intention for single than for married employees of five-star hotels in Istanbul. In the same vein, Masum *et al.* (2016) found significantly lower intention to quit their present workplace for the married than for the singles. On the contrary, Akova *et al.* (2015) find no such significant differences, and in Tanzania, Johnathan *et al.* (2013) did not find significant differences in turnover intention among private secondary school teachers based on marital status. The present study, therefore, hypothesizes that:

H₅: There will be significant differences in the turnover intentions of commercial bank employees across groups based on their marital status.

Education and turnover intention

Research evidence has consistently shown that employees with higher educational qualification report significantly more turnover intention than those with lower educational qualification. Early studies include Cotton and Tuttle (1986), Chen, Kuo, Cheng, Hsai and Chien (2010), Khatri *et al.* (2001), and Lambert (2006). Khatri *et al.*, for example, reports that level of education is positively associated with turnover intention while Lambert (2006) reports that employees with college degrees were more likely to report higher turnover intention than those without. These findings are supported by subsequent studies. For example, Emiroğlu, Akova, and Tanrıverdi (2015) report that employees with lower levels of education such as primary school, secondary school, and high school education have lower turnover intention compared to people who have higher levels of education such as university level or higher. Furthermore, Masum *et al.* (2016) found that nurses holding master degree recorded significantly higher intention to quit than nurses holding either diploma or bachelor degree. The present study, therefore, hypothesizes that:

H₆ There will be significant differences in the turnover intentions of commercial bank employees across groups based on educational qualifications.

Job position and turnover intention

Research on the link between job position and turnover intentions has yielded contradictory results. For example, Khatri *et al.* (2001) reported evidence that suggested that managerial relative to non-managerial employees were significantly more likely to report turnover intention. These results are opposite of the results reported in earlier studies like Price and Mueller (1986) and Wai and Robinsons (1998), in which non-managerial employees were more likely to quit than managerial employees. This study, therefore, hypothesizes that:

H₇: There will be significant differences in the turnover intentions of commercial bank employees across groups based on job positions/ranks.

Length of service and turnover intention

Puran and Sahadev (2008) posit that experienced employees have the abilities to analyse and interpret an organisation's situation more rigorously and come up with a better evaluation of job attributes than inexperienced employees. Their level of satisfaction with the job is, therefore, an outcome of such an informed evaluation, and it leads them to strongly resolve to stay compared to their less experienced counterparts. This view is supported by Khan, Nawaz, and Khan (2013) who argues that as an employees' length of service with an organisation increases he/she may develop an emotional attachment to it making it difficult to consider quitting. A couple of studies are available in the nursing industry offering support to this position. Cameron, Horsburgh, and Armstrong-Stassen (1994) reported that registered nurses with more years of work experience were less likely to leave their position. A subsequent study by Masum *et al.* (2016) reported a significant negative correlation between nurses' intention to quit and experience, implying that more experienced nurses in Turkey reported less intention to quit than the inexperienced. Furthermore, Farkas, Johnson and Foleno (2000) cited in Shah and Jumani (2015) also reported a negative relationship between the tenure of teachers and their turnover intention. It is therefore hypothesized that:

H₈: There will be significant differences in the turnover intentions of commercial bank employees across groups based on the length of service

Workstation and turnover intention

It is argued that rurally based employees may report less turnover intention because of the quality of life and community connectedness that the rural communities offer them. See for example Baernholdt and Jennings (2007 cited in Baernholdt and Mark (2009). However, there is paucity of empirical evidence on this comparison. Liu and Onwoegbuzie (2012) share some light based on studies from Chinese teachers. They reviewed several studies - two by Chen and Yang (2009) and Wang (2009) both presenting evidence that rural teachers in China had lower job satisfaction than their urban counterparts. Two other studies reviewed were Lin and Teddlie (2009) and Sargent and Hannun (2005), both presenting evidence to the opposite. They then argued that since these results are based on job satisfaction, one interpretation could be that if job satisfaction is found to be a significant predictor of turnover intention then one would expect to find differences in turnover intention based on employees' workstation (rural vs urban location). Moreover, Liu and Onwuegbuzie (2012) themselves found that urban-based teachers in China were more likely to stay on (less likely to quit) the teaching profession than their rural counterparts. This study, therefore, hypothesises that:

H₉: There will be significant differences in the turnover intentions of commercial bank employees based on the location of duty/workstation (rural vs. urban)

Controlling for demographic characteristics

Several demographic variables have been identified in the literature as variables that might have an impact on turnover intentions. Age, gender, education, and length of service have been explored in Khatri, Fern and Budhwar (2001), Koh and Goh (1995), and in Masum *et al.* (2016), to mention but a few. Koh and Goh added marital status, and total years of experience, while Khatri *et al.* (2001) added job position and income level. Field (2013) advises that in order to control for other aspects in a study that might influence the relationship under investigation, the existence of control variables must be taken into consideration to show the amount of additional variance in the dependent variable that is explained by the independent variable(s). Examples of studies that have controlled for the effect of demographic variables in the relationship between job satisfaction and turnover intentions are Delobelle *et al.* (2011), Masum *et al.* (2016) and Ramoo, Abdullah and Piaw (2013). Delobelle *et al.*, using a sample of primary health care nurses in rural South Africa, found that nurses' satisfaction with supervision was the only facet that significantly explained turnover intention when controlling for age, education, years of nursing experience and tenure. Ramoo *et al.* found that job satisfaction explained additional 17 per cent of the variation in turnover intention of registered nurses in a teaching hospital in Malaysia using logistic regression model, after controlling for age, working experience, education and workstation (department). Masum *et al.* using a sample of nurses in Turkey found that satisfaction with supervisory support, work environment, co-worker facets significantly explained nurses' turnover intent when controlling for the effect of gender, age, marital status, education and experience. Therefore, the present study hypothesizes that:

H_{10a}: There will be a significant effect of job satisfaction on the turnover intentions after controlling for the effects of age, marital status, length of service and workstation

H_{10b} : There will be a significant effect of individual job satisfaction facets on turnover intentions after controlling for the effects of age, marital status, length of service and workstation

Conceptual Framework.

The conceptual framework (Figure 1.) shows the hypothesized relationships between job satisfaction overall and turn over intention (H_1) and also between individual job satisfaction facets and turn over intention (H_{2a-i}). Nine facets are involved leading to nine sub-hypotheses. It also portrays hypothesized relationships between each of the seven demographic characteristics and turnover intention ($H_3 - H_9$). Finally, it shows the relationships between job satisfaction H_{10a} , and its facets H_{10b} , and turnover intention having controlled for the effect of the demographics.

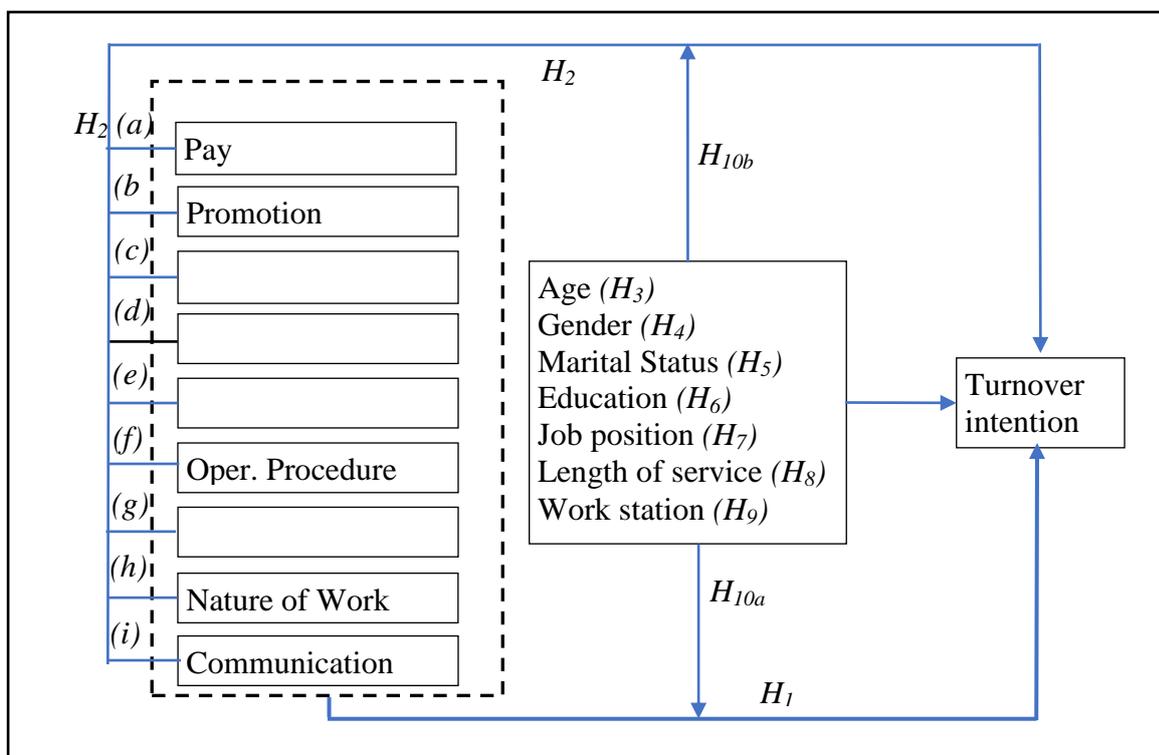


Figure 1. Conceptual framework

Research methodology

Study design

A descriptive quantitative research design was used with a cross-sectional survey strategy. One of the leading commercial banks was selected and used in the study's context. The bank was endowed with a total of 3,884.9 billion shillings worth of assets (17.3 per cent of total value of the banking industry), deposits worth 3,016.63 billion shillings (17.2 per cent of the total industry's deposits) and 3,004 employees (18.9 per cent of total industry's workforce). It operated 165 branches (23.5 of the industry's branches) and 526 ATMs (32.7 per cent of the industry's ATM network) by 31st December 2014 (BOT, 2014). Its history dates to the privatization era of the 1990s. The rurality of some of its branch locations was preferred as it provided a means for extending the comparison of turnover intentions of employees of urban- and rural-based branches.

Participants

Despite the total population of over 3,000 employees, the study covered only selected branches from two zones i.e. the Eastern zone with a total of 195 employees in twelve branches and the Dar es Salaam zone with a total of 454 employees in both its 18 branches and the head office. In each zone, four branches were selected conveniently. The Eastern zone's branches, with the number of employees in brackets, were Kilombero (20), Ifakara (23), Kilosa (18), and Wami (35). Dar es Salaam zone's branches were Temeke (25) Ilala (25), Magomeni (32) and the head office (135). The total survey population was therefore 313 employees. All 313 employees were targeted with a questionnaire through their respective branch's HR officers. Employees were given a questionnaire based on their availability and willingness to participate. Follow-ups were made by phone calls and emails through the HR officers. Finally, 235 usable questionnaires were collected and used in the analysis. However, controlling for outliers, using satisfaction of at least two out of the three outlier statistics (Mahalanobis Distance, Cook's Distance, and Centered Leverage Value), the sample was reduced to 230 questionnaires for the final analysis. Details of the sample (Table 4) indicate that youth (35 years or less) constituted about a third of the sample. There were more female employees (61 per cent) than male. Over three quarter held bachelor's degree qualification and about the same were married. Employees in the managerial cadre formed 41 per cent of the sample while those with more than 10 years of service with the bank formed two-thirds of the sample. Over 80 per cent of the employees were from urban-based branches.

Variables and their measurement

A four-item scale was used to measure employee's turnover intention. Two of the items – "I will probably look for a new job in the next year" and "I often think about quitting" were adopted from the Michigan Assessment Questionnaire (Camman, Fichman, Jenkins, and Klesh, 1979). The item "Presently, I am actively searching for another job" was adopted from Jenkins (1993). The last item "The first pages of a newspaper I read daily are the job advertisement pages" was adopted from Ramadhani (2015). Respondents were asked to rate their agreement to each of the statement on a scale of 1 to 7 ranging from 1 = Strongly Disagree to 7 = Strongly Agree. A scale test for reliability analysis on the four-item scale returned a Cronbach's $\alpha = .85$.

Spector's (1994) 36-item Job Satisfaction Survey (JSS) was adopted to measure employees' overall job satisfaction. The scale is subdivided into nine facets, namely pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of work, and organizational communication, each with 4 items. Respondents were asked to rate each item on a six-point rating scale ranging from 1= disagree very much to 6= agree very much. The negatively worded items were reverse-coded. A scale test for reliability analysis returned a Cronbach's $\alpha = .84$. The scale had been used and validated with very good internal consistency. See, for example, Aldhuwaih *et al.* (2012) with $\alpha = .87$.

Seven control variables – namely, age, gender, education, marital status, job position, length of service and work station – were measured categorically. Using frequency distributions, respondents were regrouped into fewer groups. The final groups were therefore age (1= 35 or less years, 2 = 36 – 45; 3 = 46 + years); gender (1 = male, 0 = female), education (1 = less than bachelor; 2 = bachelor, 3 = Master), marital status (1 = married, 0 = others), job position (1 = managerial cadre, 0 = lower cadre), length of services (1 = 10 or less years, 2 = 11-15 years, 3 = 16+ years) and work station (1 = urban, 0 = rural). For the correlation and

regression analyses, the variables of age, education, and length of service were dummy-coded (1, 0), to enhance the interpretation of the results.

Data Analysis

Total scores were first computed on the turnover intention scale and then the percentage of cases scoring above mean score was computed and used as a proxy for the extent of turnover intention level in the population. Total scores were also computed on the JSS and the individual facets. While the sum of scores in each of the nine facet subscales could range from 4 to 24, the scores for the total job satisfaction scale based on all 36 items could range from 36 to 216, where higher scores represented a higher level of job satisfaction. To judge the level of employees' satisfaction overall and with each facet, Spector's (1994) guide was used. Following this guide, scores of each subscale ranging from 4 to 12 represented dissatisfaction, 16 to 24 represented satisfaction, and 12 to 16 represent ambivalence. Scores of the overall job satisfaction scale ranging from 36 to 108 represented dissatisfaction, 144 to 216 represented satisfaction, and between 108 and 144 represented ambivalences.

Descriptive statistics were used to describe the levels of turnover intention, job satisfaction (and its facets), and distribution of the other categorical predictors. Independent sample t-test was used to compare mean turnover intention scores across gender, marital status, workstation and job position, while the analysis of variance (ANOVA) with *post hoc* comparison (Games-Howell) was used to compare mean turnover intention scores across age, length of service, and education groups. Bivariate correlation technique was used to assess both multicollinearity in the independent variables and linearity between the independent variables and the dependent variable. Standard multiple linear regression analysis (SMRA) was used to test for the relationship between the total job satisfaction, its facets, and turnover intentions. Variance inflation factors (VIF) statistics were used to confirm multicollinearity. Finally, hierarchical multiple regression analysis (HMRA) was used to re-estimate the uniqueness of the effect of job satisfaction and that of its facets, on turnover intentions, having controlled for the effects of age, marital status, length of service, and workstation – variables which were shown to have significant differences. ΔR^2 statistics were used to assess the incremental effect of job satisfaction and its facets on the turnover intention.

Results

Descriptive statistics

Table 1 presents descriptive statistics for turnover intention, job satisfaction overall and its facets. The average turnover intention of the bank's employees was 12.48 with slightly less than half (49.1%) of the employees scoring above this average. Overall, 64.3 of employees were satisfied with their work (M = 153.80, SD = 14.91). However, employees were only satisfied with nature of work (M = 20.80, SD = 2.06), organisational communication (M = 21.76, SD = 2.46), relationship with supervisor (M = 21.03, SD = 2.43), and relationship with co-workers (M = 19.94, SD = 2.10). They were ambivalent with all the remaining facets of job satisfaction.

Table 1. Descriptive Statistics

	Mean	S.D.	TITL	Dissatisfied	Ambivalent	Satisfied
TI	12.48	4.73	113(49.1)	-	-	-
JSAT	153.80	14.91	-	-	82(35.7)	148(64.3)
Pay	15.40	3.04	-	60(26.1)	58(25.2)	112(48.7)

Prom	14.38	2.13	-	60(26.1)	137(59.3)	33(14.3)
Sup	21.03	2.43	-	1(0.4)	12(45.2)	217(94.3)
Ben	12.65	2.75	-	112(48.7)	104(45.2)	14(6.1)
Rew	13.65	3.05	-	103(44.8)	79(34.3)	48(20.9)
Opr	14.20	2.77	-	48(20.9)	125(54.3)	57(24.8)
Cow	19.94	2.10	-	1(.4)	12(5.2)	217(94.3)
NoW	20.80	2.06	-	-	12(5.2)	218(94.8)
Com	21.76	2.46	-	1(0.4)	12(5.2)	217(94.3)

N = 230.

TI = Turnover intention; *JSAT* = Job satisfaction; *Pay*, *Prom*, *Sup*, *Ben*, *Rew*, *Opr*, *Cow*, *NoW*, *Com* = satisfaction with the facets of Pay, Promotion, Supervision, Benefits, Rewards, Operating Procedures, Co-Worker, Nature of Work, and Communication, respectively. Figures in parenthesis are percentages.

Regression Diagnostics

Initial tests were carried out to check for outliers, normality, linearity, multicollinearity and other assumptions of regression analysis. Outliers were checked based on satisfaction of at least three outlier test cut-offs (Mahalanobis Distance, Cook's Distance and Centred Leverage Value) leading to loss of five cases from 235 to 230. Although the normality assumption (using Shapiro-Wilk Statistics) was violated on turnover intention scores, Field (2013) advises that comparison would work well even when normality is not assumed, especially with large enough sample. Sampling adequacy was checked in two ways. First, the formula suggested in Tabachnick and Fidell (2007, p. 123), $N > 50 + 8m$ (where m = number of independent variables) was used. The regression analysis was designed to use the nine facets as independent variables plus four control variables which were shown to have a significant effect on turnover intentions. Two of these variables (age and length of services) were dummy-coded. The study's final sample of 230 respondents was higher than the 170 which would be suggested by the formula. Second, the yardstick is suggested in Stevens (1996, p. 72) was used, where it is recommended that "for social science research, about 15 participants per predictor are needed for a reliable equation". Again, the study's sample of 230 was higher than the 225 which would be suggested by Stevens.

Correlation was used to test for linearity and multicollinearity problem (Table 2). There must be some linear relationship between the dependent and the independent variables. This condition was met as the bivariate coefficients r ranged from .02 to .7. Bivariate correlation coefficients among the independent variables should not exceed .7 in one analysis (Pallant, 2013) to avoid multicollinearity problem. Minor exceptions to this rule were between length of service1 and age1 ($r = .82$) and between education2 and education3 ($r = .78$). Both were control dummy variables. Collinearity diagnostics (tolerance and variance inflation factor (VIF)) were used to check for multicollinearity problems beyond what may be evident in the correlation matrix. The results show VIF values that were lower than 10.0 (Table 3). Multicollinearity was therefore of less concern in the study's data.

Results of the standard multiple regression results

The first regression results involved turnover intention total scores as dependent variable and job satisfaction total scores as independent variable (Table 3, Model 1). Job satisfaction explained 49 per cent of the variation in turnover intentions. The regression model had power to predict turnover intention score using job satisfaction scores. ($F(1, 228) = 220.02$, $p < .001$). Job satisfaction statistically negatively affected turnover intentions ($b = -.22$, $p < .001$).

Table 2. Correlation Matrix

	1	2	3	4	5	6	7	8	9	10	11
1 TI											
2 JSAT	-.701**										
3 Pay	-.610**	.747**									
4 Promotion	-.582**	.710**	.546**								
5 Supervision	-.326**	.476**	.147*	.135*							
6 Benefits	-.586**	.686**	.646**	.590**	-.025						
7 Rewards	-.531**	.834**	.688**	.624**	.267**	.647**					
8 O/Procedures	-.451**	.695**	.450**	.401**	.148*	.525**	.561**				
9 Coworker	-.246**	.489**	.168*	.223**	.390**	.113	.305**	.201**			
10 N/Work	-.332**	.673**	.331**	.350**	.413**	.250**	.459**	.483**	.357**		
11 Communication	-.359**	.487**	.174**	.264**	.449**	.057	.161*	.178**	.294**	.423**	
12 Age3	-.301**	.181**	.182**	.164*	.252**	.053	.060	.165*	.018	.035	.119
13 Age2	.074	-.092	-.164*	-.123	-.060	.003	-.124	-.049	.057	-.012	-.026
14 Age1	.207**	-.075	-.001	-.027	-.175**	-.053	.072	-.105	-.076	-.021	-.085
15 Gender	-.050	.089	.042	-.013	.024	.009	.030	.151*	.121	.039	.122
16 Marital status	-.202**	.147*	.124	-.054	.086	.155*	.036	.199**	.047	.069	.157*
17 Education 3	.061	-.152*	-.018	-.111	.025	-.172**	-.237**	-.190**	.018	-.211**	.038
18 Education 2	.021	.089	-.081	.028	.073	-.020	.130*	.129	.076	.203**	.024
19 Education 1	-.116	.066	.154*	.108	-.150*	.267**	.118	.055	-.146*	-.035	-.090
20 Job position	.109	-.228**	-.168*	-.079	.038	-.320**	-.342**	-.290**	.062	-.223**	.096
21 Length of service3	-.285**	.107	.146*	.167*	.156*	.001	.052	-.003	.066	-.058	.098
22 Length of service2	.039	.012	-.047	-.127	.100	.023	-.103	.087	.011	.055	.092
23 Length of service1	.201**	-.103	-.075	-.012	-.234**	-.024	.060	-.086	-.067	-.007	-.176**
24 Work station	.194**	-.315**	-.250**	-.170**	.070	-.380**	-.361**	-.251**	-.271**	-.205**	.037

Table 2. Continued

	12	13	14	15	16	17	18	19	20	21	22	23
13 Age2	-.492**											
14 Age1	-.431**	-.574**										
15 Gender	.216**	-.066	-.135*									
16 Marital status	.203**	.120	-.315**	.074								
17 Education 3	.214**	.009	-.210**	.085	.079							
18 Education 2	-.188**	.016	.160*	-.073	-.028	-.781**						
19 Education 1	.005	-.037	.033	-.001	-.064	-.128	-.520**					
20 Job position	.167*	.170**	-.333**	.015	.036	.474**	-.296**	-.179**				
21 Length of service3	.450**	-.052	-.369**	.040	.117	.177**	-.231**	.125	.297**			
22 Length of service2	.073	.413**	-.496**	.113	.217**	.093	.010	-.143*	.093	-.433**		
23 Length of service1	-.454**	-.374**	.815**	-.148*	-.319**	-.244**	.185**	.040	-.345**	-.406**	-.648**	
24 Work station	.110	-.101	.001	-.013	-.107	.146*	.052	-.281**	.305**	-.084	.095	-.026

*, $p < .05$; **, $p < .01$; N = 230; TI = Turnover intention; JSAT = Job satisfaction.

Hypothesis H1 of significant negative relationship between job satisfaction and turnover intention was therefore supported.

The second regression results involved the nine facets of job satisfaction as independent variables (Table 3, Model 2). The nine facets together, they explained 58 per cent of the variation in turnover intention scores. The regression model had power to predict turnover intention using the nine facets together $F(9, 220) = 33.8, \rho < .001$. Satisfaction with pay, promotion, supervision, and benefits significantly negatively affected turnover intention at $\rho < .001$. In addition, satisfaction with operating procedures and communication significantly negatively affected turnover intentions at $\rho = .042$ and $\rho = .004$ respectively. Satisfaction with benefits was the best predictor of turnover intention ($\beta = -.30, t = -4.33, \rho < .001$), followed closely by satisfaction with pay ($\beta = -.29, t = -4.40, \rho < .001$). Thus, hypothesis H_2 of significant negative relationship between job satisfaction and turnover intention could not be supported in three facets only, namely: satisfaction with rewards, relationship with co-workers and the nature of work.

Table 3. Regression Analysis

	Model 1: JSAT				Model 2: JSAT Facets			
	<i>b</i>	SE <i>b</i>	β	ρ	<i>b</i>	SE <i>b</i>	β	ρ
(Const.)	46.67 (42.11, 51.24)	2.32	–	< .001	46.32 (40.67, 51.96)	2.86	–	< .001
JSAT	-0.22 (-0.25, -0.19)	0.01	-0.70	< .001	–	–	–	–
Pay					-0.45 (-0.65, -0.25)	0.10	-0.29	< .001
Prom					-0.52 (-0.79, -0.25)	0.14	-0.23	< .001
Sup					-0.45 (-0.66, -0.25)	0.11	-0.23	< .001
Ben					-0.51 (-0.74, -0.28)	0.12	-0.30	< .001
Rew					0.19 (-0.04, 0.43)	0.12	0.12	= .104
Opr					-0.2 (-0.39, -0.01)	0.10	-0.12	= .042
Cow					-0.05 (-0.27, 0.17)	0.11	-0.02	= .670
NoW					0.2 (-0.06, 0.47)	0.13	0.09	= .128
Com					-0.3 (-0.50, -0.10)	0.10	-0.16	= .004

Notes:

N = 230; JSAT = Job satisfaction; Pay, Prom, Sup, Ben, Rew, Opr, Cow, NoW, and Com = satisfaction with JSAT facet of pay, promotion, benefits, rewards, operating procedure, co-worker, nature or work and communication, respectively. Figures in parenthesis in the table are 95% confidence intervals.

Model 1: $R^2 = .49$; $F\text{-Stat.}(1,228) = 220.02$ ($\rho < .001$)

Model 2: $R^2 = .58$; $F\text{-Stat.}(9,220) = 33.81$ ($\rho < .001$); $VIF = 1.30 - 3.05$

Differences in Turnover intention across groups based on demographic characteristics

Independent-samples t-tests were conducted to compare the employees' turnover intention scores between gender, work station, job position and marital status groups. There was no significant difference in scores for males (M = 12.19, SD = 4.49) and females (M = 12.67, SD = 4.88; $t(228) = -.754, \rho = .451$, two-tailed). The difference in the means ($\bar{d} = -.483$, 95% CI: -1.74 to 0.78) had an insignificant effect (eta squared = .002). For job position, there was no significant difference in scores of turnover intentions between employees with managerial position (M = 13.09, SD = 4.33) and employees in the lower cadre (M = 12.05, SD = 4.96; $t(228) = 1.652, \rho = .10$, two-tailed). The magnitude of the difference in the means ($\bar{d} = -.104$, 95% CI: -.20 to 2.29) was small (eta squared = 0.01). However, for marital status, there was significant difference in scores of turnover intentions between married employees (M = 11.95, SD = 4.75) and employees in the "others" group (M = 14.18, SD = 4.28; $t(99.2) = -3.28, \rho = 0.001$). The magnitude of the difference in the means ($\bar{d} = -2.23$, 95% CI: -3.58 to -0.88) was medium (eta squared = .10). There was also a significant difference in scores of turnover intentions between employees in urban-based branches (M = 12.91, SD = 4.41) and employees in rural-based branches (M = 10.55, SD = 5.64, $t(228) = 2.98, \rho = .003$, two-tailed). The magnitude of the difference in the means ($\bar{d} = 2.37$; 95% CI: -.80 to 3.93) was small (eta squared = .04).

Table 4. Comparison of turnover intentions

	N	%	Mean	SD	t/F
Turnover intentions	230	100	12.48	4.73	
<i>Age ($\eta^2=.10$)</i>					
35 or less years (a)	77	33.5	13.86 c***	4.56	12.3 ***
36-45 years (b)	91	39.6	12.91 c***	5.13	
46 + years (c)	62	27	10.15	3.32	
<i>Gender ($\eta^2=.002$)</i>					
Male	90	39.1	12.19	4.49	-0.75
Female	140	60.9	12.67	4.88	
<i>Education ($\eta^2=.04$)</i>					
Less than Bachelor	18	7.8	10.61	5.29	1.78
Bachelor	175	76.1	12.54	4.72	
Master	37	16.1	13.14	4.37	
<i>Marital status($\eta^2=.10$)</i>					
Married	175	76.1	11.95	4.75	-3.28 ***
Others	55	23.9	14.18	4.28	
<i>Job position ($\eta^2=.01$)</i>					
Managerial	95	41.3	13.09	4.33	1.65
Lower cadre	135	58.7	12.05	4.96	
<i>Length of service ($\eta^2=.09$)</i>					
10 or less years (a)	87	37.8	13.70 c***	4.79	11.22 ***
11-15 years (b)	94	40.9	12.70 c***	4.86	
16 + years (c)	49	21.3	9.90	3.21	
<i>Work station ($\eta^2=.04$)</i>					
Urban	188	81.7	12.91	4.41	2.98 **
Rural	42	18.3	10.55	5.64	

** $\rho < .05$, *** $\rho < .001$ (two tailed), N = 230

A one-way between groups analysis of variance (ANOVA) with *post hoc* comparison was used to compare the turnover intention scores across groups of education, age and length of service. There were no differences in the scores of turnover intentions among the three education groups (below bachelor, bachelor, and master), $F(2, 228) = 1.78, \rho = .170$. The eta squared was .04 indicating that although the difference was insignificant; its effect was notable but small. However, there was a statistically significant difference in turnover intention scores for the three length of service groups: $F(2, 228) = 12.219, \rho < .001$ and for the three age groups, $F(2, 228) = 12.297, \rho < .001$. The eta squared statistics were 0.09 and 0.10 for the length of service and age groups respectively, indicating a medium effect size for both variables.

Post-hoc comparisons on length of service using the *Games-Howell* test (homogeneity of variance assumption was not supported), indicate that the mean score for 16+ years group ($M = 9.90, SD = 3.21$) was significantly lower than that of 11-15 years group ($M = 12.70, SD = 4.82; \bar{d} = -2.804, \rho < .001$), and significantly lower than that of the "10 or less years" group ($M = 13.70, SD = 4.79; \bar{d} = -3.803, \rho < .001$). The mean score for 46+ years group ($M = 10.15, SD = 3.32$) was significantly lower than that of the 36-45 years group ($M = 12.91, SD = 5.13, \bar{d} = -2.767, \rho < .001$) and also significantly lower than the 35 or less years group ($M = 13.86, SD = 4.56, \bar{d} = -3.712, \rho < .001$).

In summary, turnover intentions were significantly lower for the older, married, and experienced employees. They were also lower for employees whose duty stations were in rural locations. Thus, hypotheses $H_3, H_5, H_8,$ and H_9 were supported. No significant differences were found based on gender, education and job position categories. Hence, Hypotheses $H_4, H_6,$ and H_7 were not supported.

Hierarchical multiple regression results

The aim of this part of the analysis was to estimate the effects of job satisfaction, and its facets, on turnover intentions having controlled for the effects of demographic variables. For brevity reasons, the test in this section included only the demographic variables shown in the present study to have effects on turnover intention, i.e. age, marital status, length of service, and workstation. These variables were dummy-coded and entered in step 1 of the analysis; while job satisfaction (Model 1) or its facets (Model 2), were entered in step 2 of the analysis.

In model 1 the objective was to assess the ability of overall job satisfaction to explain additional variation in the turnover intention scores after controlling for the influence of the four demographic variables (Table 4). These control variables entered in Step 1 explained 17.1 per cent of the variance in turnover intention scores. Entering job satisfaction at Step 2 the total variance explained by the model as a whole was 55 per cent $F(7, 222) = 39.20, \rho < .001$. Overall job satisfaction explained an additional 38 per cent of the variance in turnover intention scores, after controlling for the effects of age, marital status, length of service and workstation ($\Delta R^2 = .38, F\text{-change}(1, 222) = 188.05, \rho < .001$). In this model, both job satisfaction and age dummy3 were statistically significant, with overall job satisfaction recording a higher beta value ($\beta = -.67, \rho < .001$) than the age dummy3 ($\beta = -.18, \rho = .046$). H_{10a} was therefore supported that job satisfaction has an independent and significant negative effect on turnover intention of the bank's

employees after controlling for the effects of their age, marital status, experience and workstation.

Table 4 . Hierarchical regression results with JSAT as predictor variable [Model 1]

	Step 1.				Step 2			
	<i>b</i>	SE <i>b</i>	β	ρ	<i>b</i>	SE <i>b</i>	β	ρ
Step 1								
Const.	12.63 (10.79, 14.47)	0.93	-	< .001	46.85 (41.75, 51.95)	2.59	-	< .001
Age3	-2.78 (-5.25, -0.30)	1.26	-.26	= .028	-1.86 (-3.70, -0.03)	0.93	-.18	= .046
Age2	-0.37 (-2.46, 1.73)	1.06	-.04	= .731	-1.03 (-2.58, 0.52)	0.79	-.11	= .191
LoS3	-1.50 (-3.94, 0.95)	1.24	-.13	= .229	-1.18 (-2.98, 0.62)	0.92	-.10	= .199
LoS2	0.23 (-1.86, 2.3)	1.06	.02	= .832	0.73 (-0.81, 2.27)	0.78	.08	= .351
M/S	-1.26 (-2.68, 0.17)	0.72	-.11	= .083	-0.70 (-1.75, 0.35)	0.53	-.06	= .192
W/S	2.36 (0.86, 3.87)	0.76	.19	= .002	-0.38 (-1.56, 0.80)	0.60	-.03	= .524
JSAT	-	-	-	-	-0.212 (-0.24, -0.18)	0.02	-.67	< .001

Notes:

N = 230; JSAT = Job satisfaction; Age and LoS are Age and length of service dummies respectively; M/S = marital status, W/S = work station. Figures in parenthesis in the table are 95% confidence intervals.

Step 1: $R^2 = .17$; $F\text{-Stat.}(6,223) = 7.83$ ($\rho < .001$)

Step 2: $R^2 = .55$; $F\text{-Stat.}(7,222) = 39.20$ ($\rho < .001$); $\Delta R^2 = .38$; $F\text{-Change}(1, 222) = 188.05$; $\rho < .001$.

In model 2 the objective was to assess whether the nine facets of job satisfaction had independent and significant effect on the turnover intention score, after controlling for the influence of the four demographic variables Table 5). Entering the control variables in Step 1 explained 17.1 per cent of the variance in turnover intention. Moreover, entering the nine facets of job satisfaction at Step 2, the total variance explained by the model as a whole was 62 per cent ($F(15, 214) = 23.0$, $\rho < .001$). The nine facets explained an additional 44 per cent of the variance in the turnover intention scores, after controlling for the effects of age, marital status, length of service and workstation ($\Delta R^2 = .443$, $F\text{-change}(9, 214) = 27.52$, $\rho < .001$). In this model, satisfaction with the facet of pay, promotion, supervision, benefits, and communication and Age dummy3 were statistically significant, with satisfaction with benefits recording the highest beta value ($\beta = -.305$, $t = -4.29$, $\rho < .001$), followed closely by satisfaction with pay ($\beta = -.25$, $t = -3.80$, $\rho < .001$). H_{10b} was therefore supported that the job satisfaction facets have an independent and significant negative effect on turnover intention of the bank's employees after controlling for the effects of their age, marital status, experience and workstation.

Table 5. Hierarchical regression results with JSAT facets as predictor variables

	Step 1				Step 2			
	<i>b</i>	SE <i>b</i>	β	ρ	<i>b</i>	SE <i>b</i>	β	ρ
Step 1 (Const.)	12.63 (10.79, 14.47)	0.93	–	< .001	45.43 (39.52, 51.34)	3.00	–	< .001
Age3	-2.78 (-5.25, 0.30)	1.26	-.26	= .028	-1.81 (-3.60, -0.02)	0.91	-.17	= .048
Age2	-0.37 (-2.46, 1.73)	1.06	-.04	= .731	-1.19 (-2.71, 0.32)	0.77	-.12	= .122
LoS3	-1.50 (-3.94, 0.94)	1.24	-.13	= .229	0.57 (-2.37, 1.23)	0.91	-.05	= .533
LoS2	0.23 (-1.86, 2.31)	1.06	.02	= .832	1.04 (-0.47, 2.54)	0.76	.11	= .175
M/S	-1.26 (-2.68, 0.17)	0.72	-.11	= .083	-0.56 (-1.60, 0.48)	0.53	-.05	= .293
W/S	2.36 (0.86, 3.87)	0.76	.19	= .002	-0.03 (-1.26, 1.20)	0.63	-.002	= .962
Pay					-0.39 (-0.59, -0.19)	0.10	-.25	< .001
Prom					-0.43 (-0.71, -0.15)	0.14	-.19	= .003
Sup					-0.36 (-0.58, -0.14)	0.11	-.18	= .001
Ben					-0.52 (-0.76, -0.28)	0.12	-.31	< .001
Rew					0.11 (-0.12, 0.35)	0.12	.07	= .344
Opr					-0.15 (-0.34, 0.05)	0.10	-.09	= .140
Cow					-0.04 (-0.26, 0.18)	0.11	-.02	= .720
NoW					0.11 (-0.15, 0.38)	0.13	.05	= .399
Com					-0.30 (-0.50, -0.10)	0.10	-.16	= .003

Notes:

N = 230; JSAT = Job satisfaction; Age and LoS are Age and length of service dummies respectively; M/S = marital status, W/S = work station.

Pay, Prom, Sup, Ben, Rew, Opr, Cow, NoW, and Com = satisfaction with JSAT facet of pay, promotion, benefits, rewards, operating procedure, co-worker, nature or work and communication, respectively. Figures in parenthesis are 95% confidence intervals.

Step 1: $R^2 = .17$; F -Stat. (6, 223) = 7.83 ($\rho < .001$) $VIF = 1.06 - 3.77$

Step 2: $R^2 = .62$; F -Stat. (15, 214) = 23.00 ($\rho < .001$); $VIF = 1.27 - 4.07$; $\Delta R^2 = .44$; F -Change (9, 214) = 27.52; $\rho < .001$

Discussion

The purpose of the study was to investigate the effect of job satisfaction on employees' turnover intention. The study first established that 49 per cent of the bank's employees reported "above

average" turnover intention. This result is notably high, and it should attract the attention of management. It further established that over 64 per cent of the bank's employees reported job satisfaction scores within the satisfaction range, implying that employees were generally satisfied with their job. While more than 94 per cent of these employees indicated satisfaction with each of the facets of organizational communication, nature of work, relationship with supervisor and relationship with a co-worker, only 20 per cent or less indicated satisfaction with each of the facets of contingent rewards, promotion opportunities and benefits. Low satisfaction with these facets had also been reported elsewhere (e.g. Tlaiss, 2013) from a sample of women bank managers. It can be concluded that these three facets are critical job attributes to be considered if the bank is to have satisfied employees.

The first objective was to determine the effect of job satisfaction on turnover intentions. The first hypothesis of significant negative relationship between job satisfaction and turnover intentions (H_1) could not be rejected, indicating that job satisfaction significantly negatively predicted turnover intentions of employees of the commercial bank involved in the study. The results are consistent with those reported in Aman and Komba (2016) on a sample of lecturers of public universities in Tanzania, and also with results reported in earlier studies elsewhere on the job satisfaction-turnover intention link summarized in the literature review of this study, covering several other industries but not banking. Thus, while the findings lend support to the predictions in the previous literature, it adds evidence from the commercial banking sector in general and from Tanzania's context in particular.

The same objective was extended to test the relationship between individual facets of job satisfaction and turnover intentions. Support was found for the hypotheses of significant negative relationship between the individual facets and turnover intention ($H_{2, a-i}$) except for three – namely satisfaction with rewards (*e*), relationship with a co-worker (*g*), and nature of work (*h*). Of the nine facets, the best predictor of turnover intention was satisfaction with benefits followed closely by satisfaction with pay. Overall these results lend support to the social exchange theory which posits that employees will exert positive work behaviour (lower turnover intention in this case) as reciprocation for the satisfaction they draw from the job or from the various aspects of it (the individual facets).

The second objective of the study was to test for the differences in turnover intention score in groups of employees based on their demographic characteristics. Seven demographic characteristics were examined, namely age, gender, education, marital status, job position, work experience and workstation. The study found insignificant differences in the mean turnover intention scores based on groups of gender. These results were consistent with those reported in previous studies. See, for example, Lewin and Sager (2010) and Johnathan *et al.* (2013). The study also found insignificant differences in the mean turnover intention scores based on groups of education qualification and job position. These results contradicted those reported in previous studies. See, for example, Emiroğlu *et al.* (2015), Khatri *et al.* (2001), and Masum *et al.* (2016) for education and Khatri *et al.* (2001), Price and Mueller (1986), and Wai and Robinsons (1998) for job position. Thus, hypotheses H_4 , H_6 and H_7 were rejected. However, significant differences were found in turnover intention based on age groups offering support to hypothesis H_3 . Older employees reported significantly lower turnover intention than the middle-aged and younger employees, suggesting a negative relationship between age and turnover intention. These results

are consistent with those reported in earlier studies, e.g. Lewin and Sager (2010), and Masum *et al.* (2016) but contradict those that are reported in Akove *et al.* (2015). The results are also consistent with the notion discussed in Olabimitan *et al.* (2012) that older employees have more family and economic responsibilities such that they fear disturbing family stability if they do not find alternative jobs immediately after quitting the present job, increasing their desire to stay.

The study found significant differences in the turnover intention scores based on marital status lending support to Hypothesis H_5 . Married employees, recorded significantly lower turnover intention than those who were in the group of singles, divorced or widowed. These results were consistent with those reported in previous studies of Almaki *et al.* (2012), Emiroğlu *et al.* (2015), and Masum *et al.* (2016), but contradicted those reported in Akova *et al.* (2015) and Johnathan *et al.* (2013). They also lend support to the notion that married employees have family responsibilities related to moving locations such as children's school transfers and costs related to family transfer and resettlement. Similarly, children would endure emotional turmoil associated with leaving their environment and friends and settling into a new place and school. All these put together, trigger lower turnover intention among married employees.

The study further found significant differences in the mean turnover intention scores based on length of service groups, supporting hypothesis H_8 . Experienced employees reported significantly lower turnover intention than that of the middle and less experienced employees. These results are consistent with those reported in the studies of Cameron *et al.* (1994) and Masum *et al.* (2016). They also lend support to the notion that the experienced employees are more able to evaluate job attributes against the alternatives arriving at true satisfaction levels which in turn triggers lower turnover intention (Puran and Sahadev, 2001). They further lend support to another notion in Khan *et al.* (2013) that employees develop an emotional attachment to an organisation the longer they stay with it, making it difficult for them to quit.

Finally, the study found significant differences in the mean turnover intention scores between groups based on the location of employees' workstations, supporting hypothesis H_9 . Employees in rural-based branch locations reported significantly lower turnover intention scores than those in urban-based branch locations. These results contradict those reported in Lin and Onwuegbuzie (2012) based on Chinese teachers in which lower turnover intention was reported for teachers in urban-based schools. However, the results of the present study lend support to the notion in Baernholdt and Jennings (2007) cited in Baernholdt and Mark (2009), that employees in rural-based workstations enjoy the quality of life as well as support and appreciation of the community members for the services they provide to them. More importantly, the urban locations involved in the present study are characterised by high cost of living and challenges related to traffic jams, etc., while the rural locations are characterized by a relatively lower cost of living, rich agricultural land, and agriculture-related opportunities. Employees in these rural-based locations, therefore, tend to report lower turnover intentions.

The third objective was to test for an independent effect of job satisfaction total scores (H_{10a}), and of the individual facets (H_{10b}), on turnover intention having controlled for the effects of age, marital status, length of service, and workstations. The study found a significant additional effect of job satisfaction total scores as well as of satisfaction with pay, promotion, benefits, supervision and organisational communication. Thus, both hypotheses were supported. The

results were consistent with previous studies with two exceptions. First, the additional effect in the present study (38% for job satisfaction and 44% for its facets) was higher compared to the 17% reported in Malaysia (Ramoo *et al.*, 2013) based on a sample of registered nurses in a teaching hospital. Second, while Delobelle *et al.* (2011) and Masum *et al.* (2016) found satisfaction with supervision the most important predictor of turnover intention after controlling for the demographic variables, the presents study found satisfaction with benefits the most important predictor.

Conclusion and implication

The study concludes that job satisfaction is a significant negative predictor of turnover intention on commercial bank employees consistent with the existing literature based on other industries. It also concludes that satisfaction with pay, promotion, supervision, benefits, operating procedures and workstations are important job attributes affecting employees' turnover intention, led by satisfaction with benefits. It further concludes that the turnover intention of the commercial bank's employees differed depending on their age, marital status, work experience and their branch location (rural vs urban). Finally, the study concludes that while job satisfaction has an additional contribution in explaining the variation in the turnover intention, satisfaction with benefit is the most contributor when controlling for the effects of age, marital status, work experience and workstation. These results have important implications for bank managers striving to retain employees in that they should take into consideration their age, marital status, working experience and workstation differences. They should consider improvements in pay, promotion opportunities, supervisory relationships, benefits and organisational communication.

Limitations and future research

The present study contributes to the limited body of knowledge on the "job satisfaction – turnover intentions" link in Tanzania. However, it suffers from several limitations. First, it relied on self-administered questionnaire, some of which were distributed through HR managers in the branches. While the method has well-known shortcomings (Crossman and Abou-Zaki, 2003), the distribution of some of them through HR managers might have induced a degree of response bias. It was expected that requesting the respondents to return the filled questionnaires directly to the researchers might have mitigated this potential problem. Second, the sample was limited to one commercial bank, covering only about 10 per cent of its workforce and was from very few of its branches. While it is believed that the branch network is modelled around the same concept, and uniformity around the country, this may not rule out the possible impact of the differences based on the socio-economic differences across the regions. This is a case-based study. The one commercial bank sample threatens generalizability of the results both within and outside the industry. Heterogeneity of responses is at risk. To overcome these shortcomings therefore further research on the job satisfaction-turnover intentions link in commercial banks should use a larger and more inclusive sample of employees across the commercial banks industry. A multi-industry sample could also improve our understanding of the link. Finally, future studies need to consider the other antecedents and consequences of turnover intention in the Tanzanian context.

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