

# ANALYSIS OF GOVERNANCE CHALLENGES & ARCHIVEMENT IN GOVERNMENT OWNED PARASTATALS IN TANZANIA: A CASE STUDY OF TANZANIA NATIONAL PARKS AUTHORITY HEAD QUARTERS

Henry Rabi Sawe

School for Human Resource Development, Jomo Kenyatta University of Agriculture and Technology,  
Kenya

Mussa S. Muneja

School of Education, University of Arusha, Tanzania

## Abstract

The debate whether good governance have contribution in the performance of state owned corporation or as remedies for poor performance of corporation in Tanzania and many other parts of the world is still alive. This study undertook a case study approach in order to analyse the effectiveness of good governance principles in relation to state owned corporation archiverments. The objectives were, to identify governance challenges in public corporations with case study of TANAPA, To identify the achievements made by TANAPA in relation to Good Corporate Governance. To propose sustainable approaches in enhancing good corporate governance in TANAPA. The data was gathered through face to face interviews where 30 public leaders were involved. The finding revealed that good governance has impacts on the performance & archiverment, Tanapa has archived economically as well as socially resulted from good corporate governance, there is increase in revenue, and improved sustainable conservations. Different challenges includes poaching, corruption, conflict of interest and in adequate transparency were also mentioned by respondents as the bottleneck for good governance in TANAPA. Conclusively, there is need to enable anti corruption agency, instill COI mechanism within TANAPA, improve transparency as well as accountability.

**Keywords:** corporate governance, case study, governance principles, archiverments & performance, governance challenges.

## 1. Introduction

Corporate Governance in simple words means the extent to which companies are run in an open and honest manner. The Cadbury Committee of U.K. in 2002 defined corporate governance as – the system by which companies are directed and controlled. The essence of the corporate world lies in promoting transparency and accountability and in fulfilling the fair expectations of all the stakeholders in this case (stake holder implies citizens). Corporate governance is one such tool to achieve this goal and to safeguard the interests of various stakeholder groups. It involves promoting the compliance of law in letter and spirit, and demonstrating ethical conduct. The framework of corporate governance encourages efficient use of resources and also requires accountability for the stewardship of those resources. The constituents of good corporate governance are Accountability, Transparency and Openness, Responsiveness, Rule of Law, Integrity/ethics, Internal controls, Social cohesion, Gender balance to mention a few.

## 2. Literature Review.

The area of corporate governance has acquired heightened attention in the last decade because of various notable corporate scandals and collapses, such as Enron, WorldCom, Satyam, etc. which involved unethical business practices. Despite of the growing awareness about importance of governance in contributing to sustainable development goals, things have been different in most of the African countries, where there are few studies about importance of governance and its practice in state owned corporations.

In Africa, corporate governance needs to be improved. The challenge is to take cognisance of the peculiarities of the sub-region and develop mechanisms and strategies to achieve this. Developing unique principles for

corporate governance in Africa does not mean that a different standard of corporate governance applies to Africa. What makes the African situation difficult is the fact that African economies are very much transition economies. Some of the peculiarities include: the existence of a large number of state-owned enterprises, the culture of corruption or the pursuit of easy wealth, the weak nature of businesses environment, and low financial intermediation, among others. At the African Consultative Meeting held in Kenya in 2000 at which 14 African countries were represented, it was agreed that there should be harmonized development of corporate governance standards and practices in the continent taking into consideration the needs of the continent.

In Tanzania, corporate governance practices have been debated in the context of state ownership as well as corporate scandals such as EPA, MEREMETA, DOWANS and RICHMOND from 2000 to 2008. Importance of corporate governance in Tanzania arises from its influence on government and corporation's ability to allocate resources efficiently, attract capital at low cost, and attain long-term sustainability development). Due to these challenges, Tanzania was required to develop corporate governance as an important measure for addressing issues of corruption and poverty alleviation (Norad 2011). Thus, Tanzania has been practicing corporate governance as other African countries also a member of the British Commonwealth, however, there is an adequate information its performance, its contribution to sustainable development and its challenges. This study, aims at understanding the performance and the challenges of corporate governance in Tanzania by studying adherence to twelve principles of Good governance in Tanzania National Parks Authority (TANAPA).

The primary role of Tanzania's national parks is conservation, governed by a number of instruments including the National Parks Act, Chapter 282 of the 2002 (Revised Edition) and the Wildlife Conservation Act No. 5 of 2009. During past five years, TANAPA has been reported to contribute significant amount to national GDP and foreign money. However, despite of the success, different challenges have been reported including the elephant poaching despite of the national and international growing concern (Kidegesho..). Studies elsewhere in Africa suggest that Tanzania National Parks have high potentials to contribute high to the National GDP and attracting more tourists as compared to current situation (Wade *et al.*, 2015). These comparisons have been made with studies conducted in Kenya and South Africa which indicates that Tanzania has more National Parks with more attractive wild life resources but it is ranking number three in tourism industry behind South Africa and Kenya. These failures have been attributed by different challenges, which are categorized in the TANAPA website as operational challenges. On the other hand, there has been inadequate literature on how corporate governance can contribute to underperformance of this organization. Thus, this study aims looking at governance challenges leading to underperformance of corporates in Tanzania with focus to TANAPA, which is among the corporate enterprises in Tanzania.

### **3. Methodology**

Data were collected at TANAPA head quarter offices located in Arusha city. A total of 30 TANAPA staffs were interviewed. A purposive sampling was performed to obtain a targeted sample size of 30 respondents, sampling design aimed to interview staffs in the managerial position as they are important people in maintenance, application and practice of good governance and also they are aware of the organization's position in exercising principles of good governance. The questionnaire targeted to acquire information about the performance of the organization with regard to good governance, the challenges of implementing good corporate governance and their views on way forward to achieve sustainable good governance for sustainable development. Data were then collected during working hours using unstructured questionnaire. This method was preferred to structured questionnaire because it provides an in-depth information and does not limit the respondent to researchers thinking. The replies from respondents were both summarized in a notebook and recorded with a radio for further summarization during data screening. In addition to questionnaire, secondary data were obtained from TANAPA library and website, these included annual news letters, strategy plans and annual progress plans. Data analysis using excel microsoft package and results summarized in table and graphs for easy interpretation.

## **4. Results**

### **4.1. Demographic characteristics of respondents**

The characteristics of respondent were characterized in terms of demographic and social, where by demographic characteristics were based on years of experience and social characteristics of respondent based on gender and position. The study involved 30 respondents who were representing one category namely; Public leaders as defined by leadership code of ethics No. 13 of 1995, Section 4(1), that includes Manager 20(66%), Directors 3(10%) Chief park warden 5(16%) (CPW) and Heads of Department 2(6.66%).

#### 4.1.1. Respondents' working experience

In this study there were three age groups that range between, 20-30 years of experience make total of 15, 10-<20 years of experiences make total of 10, and 5 years of experience to 10 make total of 5 (See table 1).

Table 1: Respondents' working experience

Age Group	Frequency	Percentages
20-30	15	50
10-<20	10	33.33
05-<10	05	16.66
<b>Total</b>	<b>30</b>	<b>100</b>

The findings suggest that all respondents above 5 years of experience were quite aware of governance issues, as most of aged respondents had undergone various capacity building training that have facilitated them to be aware of different governance issue. This is similar to other studies which have also indicated five years is enough time for new recruits to understand about management and company's activities (Kirkpatrick, 2004; Milne & Torsney, 1997). Moreover, they have been working in the management related issue of which governance is part and parcel. So they are capable enough to know the organisation they are working with, achievement and governance challenges facing it.

#### 4.1.2. Gender of Respondents

Differences in Gender is good indicator of unbiased in my study as explained by other scholars (Dickinson, Adelson, & Owen, 2012). In order to analyze the population involved in the study, respondents were categorized by their gender as presented in Table 2

Table 2: Gender of respondents

Gender Group	Frequency	Percentage
Male	25	83
Female	05	16.6
<b>Total</b>	<b>30</b>	<b>100</b>

The study revealed that men and women are aware of causes of dismal compliance of public servants on code of ethics and conduct for public service as it will be shown in the further pages.

#### 4.2. TANAPA's achievements with regard to good governance

Achievement is the one of objective of this study, to address this objective I aimed at acquiring information on the following;

##### 4.2.1. Opinion on the Aspect of Good governance at TANAPA

Table 3. Respondent's opinion on Aspects of Good Governance in TANAPA

Item no	Indicators of good governance	Number of Respondents
1	Improved tourism services	20
2	Increased community benefit sharing	17
3	Improved working environment	12
4	Improved organization profile	12
5	High contribution in National Revenue	12

#### 4.2.2. Increase in conservation efforts

Expansion of conservation areas, mlomazi etc etc

#### 4.2.3. Increase in number of tourist

Table 4. Trend of number of tourist from year 2007 to 2012

YEAR	2011/2012	2010/2011	2009/2010	2008 /2009	2007/2008
ARUSHA	65,759	65,645	52907	56393	56076
GOMBE	7,557	1,708	2261	1393	1012
KATAVI	2,563	3,128	2137	2359	2041
KILIMANJARO	88,719	52,641	46856	41967	42715
KITULO	5,809	229	503	340	175
L/MANYARA	162,597	171,606	146573	143504	158019
MAHALE	18,968	1,239	710	1048	1293
MIKUMI	39,909	42,292	35539	34912	33574
MKOMAZI	4,432	1,175	833	887	0
RUAHA	21,388	22,703	17374	19786	20958
RUBONDO	3,203	1,156	643	593	432
SAADANI	9,388	7,490	4564	4159	3711
SAANANE	4398	4,591	4356	826	0
SERENGETI	313,621	507,432	271901	262122	288185
TARANGIRE	171,623	130,041	80927	104864	122631
UDZUNGWA	7,337	5,976	4475	4734	3602
<b>TOTAL</b>	<b>927,271</b>	<b>1,019,052</b>	<b>672,559</b>	<b>679,887</b>	<b>734,424</b>

#### 4.2.4. Increase in revenue collection

Table 7: Revenue Collection Trend From Year 2011/2012 to 2015/2016

	Year	Revenue (TAS)	PAX
1	2015/2016	175,031,278,572	996,563
2	2014/2015	149,331,199,496	958,234
3	2013/2014	150,507,501,745	957,350
4	2012/2013	124,321,946,615	901,892
5	2011/2012	118,151,983,810	947,797

#### 4.2.5. Corruption prevention measures

Table 8: Respondent`s Corruption Prevention Measures Taken

Item no	Corruption prevention Measures	No of Respondents
1	Improved Electronic payment Systems	22
2	Improved human Resources employment System	19
3	Disciplinary Measures	13
4	Improved working conditions	9
5	Sensitization and Educations	6
6	Established Code of Ethics	4
7	Gift registration and public available	2

### 4.3. Challenges

#### 4.3.1. Fairness, representation and participation

Table 9: Respondent`s measure of Fairness, Reprerentation and Participation

Item no	Indicators of representation and participation	No of respondents
1	Budget participation	28
2	Male representation	25
3	Workers parttion	24
4	Female representation and participation	6
5	Community participation	4

#### 4.3.2. Compliance to rule of Law

Table 10: Responses on indicators to rule of law compliance

Item No	Indicators of compliance to rule of law	Frequency of the respondent
1	Effective Auditing	30
2	Effective use of Legal Unit	28
3	Codes of Conduct and Ethics	22
4	Disciplinary committee	19
5	Staff Regulation	11

### 4.4. Wayforward

#### 4.4.1. Improve rule of law

Table 11: Respondent`s Suggestion on Rule of Law Improvement

Item no	Tools to Improve rule of law	Number of Respondents
1	Education/Sensitization	23
2	Leader as Role Model	4
3	Effective Disciplinary Measures	13
4	Review laws, procedures and Regulation	4

#### 4.4.2. Improve Fairness in employee promotions

Table 12: Respondent`s Suggestion on employee promotion

Item No	Criteria to be considered to promote employee	No of Respondents
1	Education level	21
2	Outstanding performance	24
3	Experience	4
4	OPRAS	4
5	Professionalism	6
6	Integrity	9

#### 4.4.3. Fight corruption

**Table 13:** Respondent`s Suggestion on employee promotion

Item No	Strategies To fight corruption	No of Respondents
1	Anti-corruption Education	22
2	Improved Internal Control System	13
3	Improved Working Condition	6
4	Effective Disciplinary Measures	12
5	Improved Intelligence Unit	8

### 5. Discussions

#### 5.1. Achievements

TANAPA which was established on 1964 with the role of conservation, has now become among the important corporate organization in Tanzania. According to the results from this study, TANAPA has managed improve onervation efforts. When it was established TANAPA had only Serengeti as a National Park, in 2010 we had 8 national parks and todote we have 16 national parks covering approximately 57,024 square kilometres with Kilimanjaro and Serengeti being among the seven wonders of Africa. Results from respondents are also supported with iformation from TANAPA aannual reports (SCP, 2015). Moreover, apart from expanding in conservation and conservation efforts, the Organization continues to embrace tourism as its main source of revenue for its operations, (see table 7). For that reason, TANAPA continues to ensure that more tourism products and activities are developed and promoted to diversify the tourism experience in the parks. Analysis indicates that newly developed tourist attractions have a significant annual average growth in popularity, park value and visitor experience and hence visitor satisfaction. As one of the marketing strategies, the Organization in collaboration with other stakeholders continues to aggressively promote the country's tourist attractions both locally and internationally. In order to promote domestic tourism, TANAPA continues to build affordable accommodation facilities in the parks and encourages the private sector to invest in the provision of logistic services targeting the local market. Respondents as the functions of good corporate governance practice (Table 3) (supporting literature) mentioned these achievements.

#### 5.2. Challenges

According to (CIPE, 2009) Fairness, representation and participation, ensures equitable treatment of minority shareholders, employees, managers, and other agents. Rules and mechanisms of good governance in the private sector seek to eliminate discrimination and establish a clear, predictable environment conducive to long-term investment planning. Results from this study indicates that, representation and participation which is among principles of Good governance is well observed in TANAPA. However, women prticipation was low 6 (20%) also community participation in various conservation activities was low 4 (13%) (see Table 9). High repreasentation of male to female was mentioned to be casued by general high number of males than female and should not be unterpreted as poor representation of gender. Poor representaion of community in conservation acivities migthave some implication to conservation activities, as the power of community in conservaiton can facilitate growth or decline in tourisim and conservation efforts, this has also been shown by different studies in South Africa and Botswana (Mensah, *et al.*, 2003; Reiger, 2005)

These findings indicate that TANAPA has done extremely well in compliance to rule of law as compared to many organizations in Tanzania as well as in Africa (Johnston, 2006; VonDoepp, 2013) aslo see table 10. However, weak adherence to guidelines, procedures and rules during implementation of plans were also stated. With my observation lack of necessary legal, laws, procedures educations may have contributed to noncompliance in some incidence, for instance during the interview many respondents were even not aware of organization staff regulations (table 10) as well as standing order, to me this sound like codes of conduct and ethics are not familiar to organization staffs.

#### 5.3. Wayforward

Majority of the respondents responds that, to improve corporate governance, TANAPA should improve rule of law, improve fairness in promotion and to fight corruption see table (11,12,13). In all questions, education was

mentioned as the important/common to improve all of the three. Regarding fairness for promotion, respondents also mentioned individual performance should be considered for promotion. Moreover, anti corruption committee and having an effective disciplinary measures against corruption should be established to combat corruption problem. The finds are comparable to studies conducted in various places along the globe about how to improve governance in corporate governance (Grobler and Joubert, 2004).

## 6. Conclusions and Recommendation

Though some efforts have been made toward improving performance of corporation, world wide, Africa as well as in Tanzania, still there are poorly performing. Different challenges particularly related to governance is hindering corporate performance. So, I propose, that government to enhance oversight & integrity monitoring institutions like PCCB, Ethics Secretariat, NAO and with budget, skilled manpower, as well as effective law. I recommend that TANAPA must improve internal controls mechanism, Internal control should be inculcated in the daily activities of the organisation. like corruption preventives measures. Moreover Leaders must openly, and with confidence, declare that corruption is a problem deserving dedicated attention and then act accordingly. I also recommend for future research to look for a broader population sample. It may use a mixed methods approach because it offers the best from quantitative and qualitative paradigms. This study will explore a broader topic of corporate governance performance in relation to principles of good governance at a national wide level.

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**Notes**

Mr Henry Rabi Sawe, the first author of this article, works with the Government of Tanzania, in the Commission for Good Governance. He is currently pursuing a Master of Science Degree in Governance and Leadership from the Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya.

Dr. Mussa S. Muneja, is the second author of this article, he works a lecturer in the school of Education at University of Arusha. He is also a Director of Research and Publication at the same University. He has published numerous academic articles in issues of policy and curriculum studies