

**TRUST LOSS IN TANZANIAN PARASTATAL ORGANISATIONS:
CAUSES AND CONSEQUENCES TO THE GOVERNANCE
MECHANISMS**

Jamal Adam¹

ABSTRACT

Creating and maintaining a culture of trust between individuals and institutions is inevitable for the effectiveness of actors/people aiming toward achieving a common mission. The purpose of this paper is to provide insights on the causes and consequences of loss of trust among actors in the governance mechanisms of Tanzanian parastatal organisations. Based on qualitative data, collected and analyzed through grounded theory procedures, the study reports that four categories namely, fairness of decision makers, competence of actors, neutrality of actors, and contextual factors are the main causes of loss of trust among governance players in the parastatal sector in Tanzania. Increase in monitoring costs, lack of commitment of actors, and absence of free information exchange emerged as the major consequences of loss of trust of actors in the parastatal sector in Tanzania.

RÉSUMÉ

Créer et maintenir un climat de confiance entre individus et institutions est inévitable pour l'efficacité des acteurs/gens qui visent à la réalisation d'une mission commune. Cet article a pour objectif de fournir des aperçus sur les causes et conséquences de la perte de confiance des acteurs à l'égard des dirigeants des organismes parapublics tanzaniens. Se basant sur des données qualitatives recueillies et analysées en utilisant des procédures de la théorie ancrée, l'étude indique que d'une part quatre catégories – à savoir,

¹ Senior Lecturer, Faculty of Economics and Management Science, Institute of Finance Management, Dar es Salaam, Tanzania.

l'impartialité des décideurs, la compétence des acteurs, la neutralité des acteurs, et les facteurs contextuels – sont les principales causes de cette perte de confiance; et que d'autre part, la montée des coûts de surveillance, le manque d'engagement des acteurs, et l'absence de libre-échange d'information sont apparus comme ses principales conséquences.

Introduction

Parastatal organisations defined as semi-autonomous governmental organisations falling outside the mainline of the departmental and ministerial hierarchies with some degree of freedom to run their day to day activities (Loxley and Saul, 1975) occupy an important role in the socio-economic development of the country. The roles of parastatal organisations in Tanzania centre on promoting and securing the benefits of the ultimate owners, the people. The benefits are mainly in terms of delivery of widely available, affordable, and quality essential services; reducing income inequalities; and more importantly contributing significantly to national development through capital accumulation and remitting surplus revenue and profits to the government (Mkulo 2010; URT, 2008).

In addition to the socio-economic roles played by the parastatal sector in Tanzania, the size of the sector, in terms of number of parastatal organisations and invested capital, also signifies its importance and hence a need for effective governance mechanisms. According to the Treasury Registrar's list of parastatal organisations, the government holds investments in 234 parastatal organisations (MoF, 2008; 2010) worth more than TZS 7 trillion which is equivalent to 30 percent of the country's GDP.²

But, it is disappointing to learn that in spite of the socio-economic importance of parastatal organisations, as highlighted in the preceding discussion, and the government's efforts to restructure and invest huge capital to improve operational efficiency of parastatal organisations, most parastatal organisations are still inefficient and ineffective to the extent that their survival largely depends upon government subsidies (Mkulo, 2010).

²Hansard 20th April, 2010, Pg 51

However, limited literature exists on the governance of public institutions in Tanzania (Mwapachu, 1983; Mukandala, 1994), and it fails to answer many of the questions about inefficiency and ineffectiveness of actors in the parastatal sector. This is largely contributed to by the fact that such literature addresses different political and economic contexts from the current environment of parastatal organisations. Mwapachu (1983) and Mukandala (1994) describe the management of parastatal organisations in terms of appointment procedures of board of directors, power for board appointment, board composition, board tenure, board remuneration, and power of various actors in controlling and enforcing accountability in the parastatal organisations in Tanzania. The context of their work, however, during which socialist economic policy was dominant and a single party political system existed, the ruling party being constitutionally recognised as supreme to the Parliament and vested with power to make all policy issues of parastatal organisations, makes such literature less relevant in the current multiparty political system with liberalised market economic conditions.

Indeed, recently, some governance studies have been conducted in various sectors in Tanzania, such as the industrial sector (Melyoki, 2005), and local government authority (Gasper, 2006). Yet no study has been directed toward understanding the causes and consequences of loss of trust between actors on the governance mechanisms of parastatal organisations in Tanzania. This is in spite of the reported low level of trust among community members in Tanzania such as actors in the local government authorities and in the health sector (Gilson, 2006; Jacobsen, 1999; Gasper, 2006). Such limited levels of trust and the great consequences of trust make trust research agenda in the public sector context critical (Pate et al, 2007).

Although, studies exploring the causes of loss of trust in the public sectors exist, there is a lack of context based studies for Tanzanian parastatal organisations. For example, Cheung (2013) observed that rising political distrust and cynicism in Hong Kong are caused by democratic incompetence and the absence of the politics of responsibility. In Finland, a study by Salminen and Ikola-Norrbacka (2010) indicated that citizens have built trust in the public sector organisations and societal institutions due to their ability to deliver quality public services, but do not trust promises given by politicians. Pate et al (2007) reported that long lasting distrust in the public sector senior management in UK is a result of employees' doubt on the integrity of senior management in terms of sincerity, honest, and lack of greedy.

Equally, empirical findings on the consequences of loss of trust in the organisations and interacting actors are documented. Costa (2003) revealed that trust is positively related with cooperative behaviour, continuance commitment to the organisation, team satisfaction, attitudinal commitment, and perceived task performance, but negatively related with monitoring behaviour. Similarly, Ferres et al (2004) provide empirical supports that co-worker trusts lead to positive workplace attitude and perceptions and that when employees are trusted they are less likely to leave the organisation. The Reyshav and Sharkie (2010) observation that the perception of trust in the organisation, encourages employees to engage in discretionary extra-role behaviour is consistency with Colquitt et al's (2007) analysis which revealed that trustworthiness dimensions predict effective commitment of actors.

However, such studies, due to contextual differences, as noted earlier cannot be generalised in Tanzanian parastatal organisation settings. This is because trust judgements are not context free, rather they are biased by social processes through which they are generated (Kim et al, 2013). This paper attempts to answer one central research question: *What are the causes and consequences of loss of trust among multiple governance actors of Tanzanian parastatal organisations?* The rest of the paper is organized as follows: the meaning of the concept trust; methodology and methods; causes of trust loss; consequences of trust loss; and concluding remarks.

The Concept of Trust

The term 'trust' lacks a universal accepted definition (Costa, 2003), but it is mostly perceived as taking risk with respect to uncertainties for the conducts of the trustee who may exploit the trustor (Colquitt et al, 2007; Chow et al, 2012). Doney et al (1998), for example, define trust as a willingness to rely on another party and to take action in situations where such action makes one vulnerable to the other. Similarly, Mayer et al (1995) view trust as a willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action crucial to the trustor, regardless of the ability of the trustors to monitor or control that other party. A number of key features of trust are highlighted in these cited definitions of trust. First, trust is a relational notion; second, it is a voluntary response to a set of expectations about how the person being trusted will behave in

relation to the trustor in the future; third, it involves a certain degree of uncertainty and risk; and finally, trust is rooted in the expectation that trusted people will have concern for trustors' interests (Gilson, 2006).

This implies that trust is a kind of expectation that alleviates the fear that one's exchange partner will behave opportunistically (Gulati, 1995). In other words, it is a positive confident expectation regarding another's conduct in term of his words, actions, and decisions that he/she is willing to act on the basis of another's interest (Lewicki et al, 1998). From this perspective, trust leads to a set of behavioural expectations among actors, allowing them to manage the uncertainty or risk associated with their interplay and interactions. The risk in an exchange derives from actors' uncertainty about the motives, intentions, and prospective actions of the trusted agent whose behaviour is beyond trustor's control (Kramer, 1999; Chow et al, 2012).

However to create trust among actors, there is a need to understand trust building processes. The most discussed trust building process models are calculative, prediction, intentionality, capability, and transference processes (Doney et al, 1998; Gulati, 1995; Fisman and Khanna, 1999). *Calculative process* is built on the rational choice theory assumptions of opportunistic behaviour of human beings. From this perspective, decisions about trust are similar to other types of risky choice because individuals are motivated to make rational, efficient choices to maximise expected gains or to minimise expected losses from their transactions (Kramer, 1999). In other words, trust is built through calculative process whereby one actor calculates the costs and benefits of another party acting in untrustworthy manner (Doney et al, 1998).

Thus trust can be created when untrustworthy behaviour by a partner can lead to costly sanctions or deterrence penalties that are greater than potential benefits associated with opportunistic behaviour (Gulati, 1995). In Tanzania, as argued in the subsequent sections, one of the reasons for the decline in the level of propensity to trust is incapacity of behavioural constraint institutions such as Prevention and Combating of Corruption Bureau (PCCB), the Commission of Human Rights and Administrative Justice, the Ethics Secretariat, and the Inspectorate of Ethics to enforce established norms, standards, and laws to punish untrustworthy behaviours in a country (WB, 2002).

The form of punishment can include both cost of violating trust which exceeds the benefits from cheating and perceived benefits of future collaboration that are higher than potential advantages obtained from practising opportunism (Chow et al, 2012).

This implies that trust may result from the belief that there are strong governance mechanisms or institutions for accountability in a society in that should a trustee violate accepted norms, he/she can be held accountable through formal or informal mechanisms that protect the interests of the trustor (Murphy, 2002).

Trust creation through *prediction process* emerges via a forecast process whereby the trustor believes that the trustee's past actions provide a reasonable basis upon which to predict the future behaviour (Doney et al, 1998). In Tanzania, predicting the behaviour of a trustee through prediction process is difficult. This is due to past experiences establishing a lack of integrity of public servants and cultural support for immoral deeds accelerated by the existence of neopatrimonial politics in the country (Kasala, 2002; Sandbrook, 1997). The key feature of neopatrimonial politics is that it creates personalised networks of loyalty to grant undue favour to selected kinship, ethnic, religious and regional groupings (Bratton and Van de Walle, 1994). High level of corruption in Tanzania reflected by betrayal of public trust for public benefits through engaging in rent seeking behaviour including signing dubious contracts, embezzlement of public funds, and nepotism behaviour (Melyoki, 2005; Kikwete, 2005; Pepinsky, 1992) also cast doubt for trust building through prediction process. This is because trust creation through prediction is a knowledge-based trust which occurs when a partner has enough information to accurately predict the behaviour of another partner (Fisman and Khanna, 1999). For example, predictability of partners' behaviour has been the biggest concern of companies entering alliances (Gulati, 1995). The consistency of trustee's past actions and the degree to which the trustee's conducts are congruent with his words affect the extent to which a trustor judges the predictability of the trustee (Doney et al, 1998). This implies that there is a need to maintain a high level of integrity to increase the chance of predictability of the trustee. Integrity is based on the sound and moral ethical principles of fairness, justice, consistency, and promise fulfilment (Colquitt, 2007).

Intentionality process for trust creation is grounded on the assumption that parties involved in exchange are motivated by mutual benefit. According to this perspective, trust is built when each actor has fully internalised the other's preferences, so that one actor may serve as the other's agent, with other being certain that his interests will be taken care by his partner (Fisman and Khanna, 1999). Thus trust is established once the trustor perceives the trustee to be benevolent, genuinely interested in the trustor's welfare, and geared towards others by seeking joint benefits (Doney et al, 1998).

Benevolence, defined as the extent to which a trustee is believed to be willing to do good to the trustor, as opposed to egocentric profit motive, is mentioned to be one of the key characteristics of trusted people (Mayer et al, 1995).

Transference trust is built through referral by third party having knowledge about the trustee. To establish trust through transference process, trustors must be able to identify trustworthy proof sources and to establish links between the known and trusted entity and the unknown one (Doney et al, 1998). The Controller and Auditor General's opinions on the financial statements of parastatal organisations in Tanzania published annually give a good example of trust building through transference process. The CAG's audit opinions are categorised into five types: unqualified opinion referred to as a clean report, indicating that the accounts presented are free from material mis-statement; unqualified opinion with an emphasis on highlighting issues affecting the accounts; qualified opinion, which points out matters of objection in the accounts; adverse opinion which states that the accounts do not give a true and fair view of the accounts; and disclaimer opinion where the auditor fails to form opinion due to various factors including lack of enough evidence (Gasper, 2006; CAG, 2009). Caution however needs to be taken when transference process is used for trust creation. This is because third parties always tend to make incomplete and skewed information about the trustworthiness of others (Kramer, 1999).

Capability process for trust creation is based on the assumption that no one can be trusted if such a person lacks skills, competencies, and characteristics that are required for certain outcomes or to enable him to have influence within some specific domain (Mayer et al, 1995). As argued in the subsequent sections of this article and as evidenced by extant literature, the neopatrimonialism and nepotism practices in Tanzania which encourage the appointment of actors for the key positions in the public sector on the basis of friendship, homeboy ties and comradeship rather than competency (Sandbrook, 1997; Melyoki, 2005) reduce the propensity to trust based on the capability trust building model. From this perspective, trust refers to a belief in a person's competence to perform a specific task under specific circumstances (Sitkin and Roth, 1993). Thus, trust is likely to emerge in societies where social actors perceive a competence gap and show respect for individual qualifications, expertise, and accomplishment (Doney et al, 1998).

In this paper, trust is addressed from institutional level perspective, referring to the extent to which multiple governance actors in the parastatal sector in Tanzania have

confidence in each other in performing the governance function of parastatal organisations.

Research Methodology and Methods

Data presented in this paper originated from a large research project conducted over three years from 2009 to 2012 and the issue of trust was observed as one important theme in the interaction of the multiple governance actors of Parastatal organisations. Procedures suggested by grounded theory methodology (Glaser and Strauss, 1967; Corbin and Strauss, 2008; Charmaz, 2006; Creswell, 2007) were used flexibly in writing this article. The methodology shows how the researcher can generate a theory from data that has been systematically gathered and analysed from the social research (Glaser and Strauss, 1967). It is an inductive research method for building a theory that is grounded and faithful to the area of the study (Strauss and Corbin, 1990). The researcher is committed to analyse what was seen in the field or present in data to ensure that the built theory is grounded in the words and actions of individuals being studied (Charmaz, 1990; Goulding, 2005).

Grounded theory methodology has essential properties which distinguish it from other qualitative research methods. First, the generated theory must *closely fit* the substantive area studied; second, it must be *understandable* and *usable* by those in the situation studied; and third, be *sufficiently complex* to account for a great deal of variation in the domain examined (Locke, 1996). Suddaby (2006) argues that grounded theory is built upon two concepts: *theoretical sampling* in which decisions about which data should be collected next are dictated by the theory being constructed and *constant comparison* whereby data collection and analysis are concurrently performed. Although, the grounded theory methodology aims to develop theory systematically from data, in this paper the focus was to use the approach to deeply understand the phenomenon of trust. A detailed discussion on the methods used for sample selection, data collection and analysis is provided in the following subsections.

i. Selection of the research sites and case studies

Multiple governance actors and institutions were chosen for data collection in this research project. These are the Treasury Registrar (TR), the Parliament, the Controller

and Auditor General (CAG), the Parent Ministries, and the Prevention and Combating of Corruption Bureau (PCCB). The criteria used for selecting these institutions included the role each institution played in the governance system of parastatal organisations, relevance of the institution in extending the emergent theory, and accessibility in the sense that all institutions used in this study provided either written or verbal permission to the researcher to conduct interviews with different actors, observe various institutional activities and access to non-confidential sources of secondary data.

Similarly, the selection of the cases from parastatal organisations was guided by specific criteria. First, was accessibility in term of formal permission for data collection. This means that the choice for the case studies was limited to those parastatal organisations which provided either verbal or written formal access for data collection. Although, both the use of single and multiple cases have been reported to generate impressive theoretical insights (Eiseinhardt, 1991; Dyer and Wilkins, 1991), this research adopted a multiple cases approach. This was to permit replication and extention among individual cases which is important for better constructs of the theory (Eiseinhardt, 1991).

However, for a number of reasons including limited access, financial and time constraints, only four (4) parastatal organisations were selected for this study. For confidentiality purposes, the specific names of the selected parastatal organisations are kept anonymous. Instead, throughout this paper, the parastatal organisations included are referred to as cases A, B, C, and D. In terms of actual selection of the cases, theoretical sampling procedure recommended for grounded theory study was used. Parastatal organisations not accountable to the Parliamentary Parastatal Organisation Accounts Committee (POAC) were excluded as they have different accountability arrangements. Also, because the overall aim of the study was to examine the trust of the public corporations, parastatal organisations categorised as public parastatals, were also excluded. Finally, four (4) parastatal organisations out of 98 available in the sample were selected.

Cases were not chosen in advance, but were selected during the data collection and analysis to replicate previous cases, or extend emergent theory through filling theoretical categories and providing examples of polar types or extreme cases (Eisenhardt, 1989). Thus, the use of theoretical sampling in this study aimed at collecting data from places, people, and events that could maximise the opportunity of

concept development in terms of their properties and dimensions, uncover variations, and identify relationships between concepts (Corbin and Strauss 2008).

ii. Data collection methods

The key property of the grounded theory method of concurrent data collection, coding, analysis, and memoing was observed throughout the research process. Multiple sources of data (interviews, observations, and documents) from different group of participants were used for better understanding and theoretical saturation of categories in terms of their properties and dimensions. The use of different groups of participants was necessary because different participants in different positions provide different information about the same subject, and they vary that information considerably when talking to different people (Glaser and Strauss, 1967).

In most cases the review of the relevant documents such as Parliamentary Standing Orders, strategic plans for ministries, audited accounts of parastatal organisations, Hansard reports, and nontechnical documents (letters, files, circulars, reports, and newspapers) was done in advance to give insights prior to interview and observation sessions. A total of 68 respondents from different groups of participants were interviewed. Interviews were held with Members of Parliament (MPs), parliamentary committee secretaries (clerks), board of directors, management members and staff of parastatal organisations, and with participants from the ministries, TR, PCCB, and CAG offices (Table 2). Most of the interviews were tape recorded, but some respondents declined taping for fearing it would jeopardise their anonymity. Interviewees were informed that tapings were undertaken to enhance data gathering and analysis.

Formal and informal observations were made of the Parliament, parliamentary committees, Treasury Registrar's office, Controller and Auditor General, and to the selected parastatal organisations. Observations were used to capture the information which could not be obtained by using either interviews or documentary reviews. Examples of the information which could not be easily comprehended by using other methods of data collection include attendance of MPs in parliamentary committee meetings, timing and bulkiness of the information supplied to multiple governance actors, and legalisation of *takrima* (a kind of corruption practiced through gifts giving to influence the actions of decision makers).

Table 2: Different groups of interviewees

<i>Group of participants</i>	<i>Number of interviewees</i>
Prevention and Combating Corruption Bureau	2
Parliamentary Staff	9
Treasury Registrar Office	7
National Audit Office	4
Members of Parliament	11
Ministerial officials	10
Board chairpersons	2
CEOs of Parastatal Organisations	4
Employees of the case studies	19
Total	68

The process of data collection ended after achieving theoretical saturation. Morse (1995) defines saturation as *data adequacy*, operationalised as collecting data until no new information is obtained. It occurs when categories are saturated so that collecting fresh data no longer produces new theoretical insights (Charmaz, 2006). At this point a category has been developed in such a way that no new properties, dimensions, and relationships emerges during analysis (Strauss and Corbin, 1998).

iii. Data analysis

For the purpose of this paper, data analysis was limited to the causes and consequences of trust loss among governance actors in the parastatal sector in Tanzania. Procedures recommended for grounded theory studies of starting with open coding and ending with selective or theoretical coding (Strauss and Corbin, 1990; Glaser and Strauss, 1967) were compiled for the large research project; such procedures are not explicit in the narration of this paper. The conditions which shaped the way this paper is presented and analyzed as advised by Corbin and Strauss (2008), are space in terms of pages provided for a paper and the theme '*Causes and Consequences of Loss of Trust*'.

To pull the pieces of data scattered in the whole research report/thesis together, the suggestions given by Charmaz (2006) were followed. First, I positioned the analysis

to a specific purpose, i.e., relevant themes were transcribed and then coded from the interviews, documentary reviews and observations to understand *the causes and consequences of trust loss to the governance of Tanzanian parastatal organisations*. Second, memos relating to the purpose of the paper were carefully sorted and selected and ordered according to the logic of the story being narrated. Third, memos were studied and then put together in a first draft that integrated the memos and demonstrated the relations between them. Fourth, introduction and conclusion were written, though reworked several times. Lastly, the whole draft paper was revisited, corrected and distributed to colleagues for feedbacks.

Findings: Causes of Loss of Trust

This section presents causes of loss of trust as one of the major findings of the study under consideration. Causes of loss of trust are presented below in four broad headings, namely, fairness, competence of actors, neutrality of governance players, and contextual factors. Each of these as emerged in the raw data is presented here under.

i. Fairness

Perceived lack of fairness or procedural justice of those in power was indicated to be one of the main reasons for distrusting culture between actors in the parastatal sector in Tanzania. Murphy (2004) argues that the key to creating trust is for the trustees to act in ways that trustors will perceive to be fair or observing procedural justice. Murphy (2004) defines procedural justice as the perceived fairness of the procedures involved in decision making and the perceived treatment one receives from an authority or decision maker.

A number of examples of unfair practices amounting to trust loss among actors in the parastatal sector were highlighted by the participants. One of them is for the ministers' failure to observe established rules for board members' appointment and diverting parastatal organisations' and sectoral resources to their constituencies for either political reasons or personal use. According to the Public Corporation Act, 1992, ministers are obliged to consult the TR prior the appointment of an individual to a board of parastatal organisation. This is to control multiple board membership by

ensuring that no one individual is appointed to more than three boards of parastatal organisations at the same time. The following observation extract is a proof that the TR is sidelined in the communication network of board appointment in Tanzania.

Honorable chairperson, what is very bad is that ministers appoint board of directors of parastatal organisations without consulting the owner of the assets. Legally the owner of all government assets invested in parastatal organisations is the Treasury Registrar (TR). But in the morning the TR reads in the newspapers that a certain minister has appointed Mr. X as a board member of organisation Y! TR has no X's CV, does not know where X come from, probably is a ward councillor, as some ministers appoint councilors from their constituencies into boards of parastatal organisations for political reasons (observation, MP's contribution during the parliamentary session debates on 20th April, 2010)

About the diversion of resources for personal gains, it was stressed by one of the board chairpersons of parastatal organisations interviewed that ministers are unjust when it comes to financial resources allocation. He said:

...Ministers just aim at winning the election at the expense of the general public. They draw resources from parastatal organisations to their constituencies for that purpose. Instead of utilising resources as per plan, boards are forced to endorse decisions to favour ministers (interview, board chairperson 1)

Other incidents of unfairness, noted in this study, include management of parastatal organisations firing employees unjustly without following established procedures, *changing goal posts* (established rules) to favour or disadvantage some members of staff, and management members and boards allocating financial resources and/or making decisions to meet their personal interests rather than the interest of the general public. Pate et al (2007) observed that to win employees' trust in the public sector in UK, the integrity of senior management in terms of sincerity and honest is of particular concern. Similarly, Sørensen et al (2011) observed that for trust repair, strong management actions that symbolize integrity and benevolent actions are needed to counteract reduced trust.

In one of the case studies (case C) participants questioned the trustworthiness of the CEO and the board for spending a lot of money on overseas trips while the organisation owed a lot of money to suppliers, contractors, employees and it had failed to pay terminal benefits to the retired staff. In another case study (case A) employees said that it was hard to trust management due to the existence of a culture of double standards. In this case study (case A), incidents where some employees were promoted by using a set of criteria, but *the goal posts* being changed for other employees meeting the same criteria were pointed out by participants to argue why it is hard to build trust on the management of parastatal organisations in Tanzania. Similarly, incidents where some employees were given incentives or allowances using a particular policy while others with the same qualifications were denied the right were narrated by the participants in this parastatal organisation (case A).

In case B, employees lost trust in the management members on the ground that a large number of employees have been terminated unjustly. It was learnt that by 2012, nine (9) employees had filed complaints to the Commission for Arbitration and Mediation (CMA) against the management decision on the ground that their contracts were unfairly terminated. One of the cases was concluded in favour of the employee to be reinstated to the work, but the management declined and appealed against the ruling of CMA. At the end of data collection, there were no rulings for the other eight cases.

Furthermore, the access granted to the researcher to scrutinise personal files of terminated employees (case B) revealed abnormalities on the part of management toward dismissing some of the employees. For example, one of the employees was terminated without benefits for '*insubordination*'. He was alleged to have refused to appear to the disciplinary meeting convened by the management. The employee was informed in writing about the meeting, but no reason was given for attending the meeting. The employee requested the management in writing to be served with reasons for the meeting, but the management refused. The management refusal is contrary to the Employment and Labour Relations Act, 2004 and Government Notice no. 42 of 2007 which requires a manager to inform an employee the reasons for disciplinary meeting so that such an employee could prepare for his defense.

ii. Competence of actors

Incompetence, or lack of required skills and expertise, was also perceived by the participants to contribute to a distrust culture among interacting actors in the parastatal organisations in Tanzania. It was argued that the problem of having incapable actors in the parastatal sector in Tanzania is contributed to by political appointment culture where actors are appointed for political defense or harmony and on the friendship bases rather than merits. One of the CEOs (case D) interviewed who did not trust his board due to incompetence of board members said:

Board members including the chairperson are incapable. They have no contribution on strategic matters because they know nothing about the industry. We have to change. A culture of appointing people for political harmony should come at an end. There is a need to select members who are well informed, who can put in ideas (interview, CEO-1)

Likewise, the role of capability in trust creation was stressed for trust building between the management members and employees of parastatal organisations. It was argued that some of the management members of parastatal organisations in Tanzania cannot be trusted because they are placed in wrong places due to lack of required trainings or qualifications, experience and competencies. Mayer et al (1995) argue that placing someone in the right domain or industry where he has the skills and competencies is important as a person may be highly competent in some technical areas, affording him trust on the tasks related to that area, but may have little aptitude training or experience in other areas. In other words, trust is judged based on the extent to which the trustee possesses technical and interpersonal skills required for a job (Kim et al, 2013).

Two out of four case studies used in this research (case B and C) had interesting examples of non-trusted CEOs due to questionable education qualifications. In one of the case studies (case C), participants said that the CEO had no industry knowledge and was suspected to have forged the certificates. It was narrated that the human resource personnel tasked to work on the authenticity of the certificates ended up in trouble for recommendations which casted doubts on the genuineness of the CEO certificates.

In the second case (case B), participants said that though the CEO's initial trainings were congruent with the organisation's activities he lacked qualifications for the CEO position. This is because as per the scheme of service of that particular parastatal organisation (case B), the top leader (CEO) is required to hold a PhD from an accredited university. It was learnt that the PhD certificate of the CEO was not recognised by the Tanzania Commission for Universities (TCU). It was also established through interviews and nontechnical literature that TCU as a corporate body mandated to recognise awards given by higher education institutions inside and outside Tanzania had nullified the PhD award for that CEO since 19th December, 2008. The ground used by TCU to nullify his PhD was that it was obtained from non-accredited institutions classified under the '*diploma mills universities*' operating in USA.

iii. Neutrality of governance players

The other factor perceived to create an environment of distrust among governance actors in the parastatal sector in Tanzania is the *lack of neutrality* in the decision-making processes. Neutrality encompasses evaluation of impartiality, integrity, and the use of facts rather than personal opinions in decisions making (Murphy, 2004). For example, in one of the case studies (case C) employees indicated a lack of faith with the board of directors in addressing their problems. This was due to perceived lack of impartiality of board chairperson (who was a tribe mate to the CEO) and due to a lot of financial benefits extended to board members by the management to impair their objectivity. It was observed in this particular parastatal organisation (case C) that the highest administrative cost had been directors' fees and expenses.³

Likewise, participants had no confidence in the MPs, ministers, and board members in respect to enforcing desired behaviour vis a vis the parastatal organisations and this is due to lack of impartiality brought about by the appointment procedures. It was argued that the common practice in Tanzania whereby the CEOs play a big part in the process of appointing board members, and the culture of ministers to appointing MPs into boards of parastatal organisations from parliamentary committees which hold the ministers accountable leads to lack of neutrality of MPs, board members and ministers in decision making. The extreme case

³Annual reports for case study C for the financial year 2006/2007 and 2007/2008

observed in one of the parastatal organisations selected for this study (case C) was for the minister to appoint a chairperson of the parliamentary committee holding the minister accountable to the board of parastatal organisation.

Likewise, *neutrality* of decision makers in the parastatal sector in Tanzania was judged to be low due to perceived lack of *integrity* of the actors. Mayer et al (1995) argue that the degree to which the trustee is judged to have integrity is influenced by factors such as belief that the trustee has a strong sense of justice, his/her actions are congruent with his/her words, credible communications about the trustee from other parties, and the actions of the trustee being consistent. Some of incidents highlighted in this study signifying the lack of integrity of actors in the parastatal sector in Tanzania included actors' syndicate in *takrima* (corrupt practice), misappropriation of public resources for personal benefits, and MPs' absenteeism in parliamentary committee meetings or arriving at the meeting venue only to sign to qualify for allowances without participating in decision making. One of the parliamentary committee chairpersons (MP) interviewed said:

The MPs' attendance to the parliamentary committees sometimes is not good. But what is very unethical is when the Member of Parliament report [sic] to the meeting venue; sign to qualify for sitting allowances and then disappears without participating in the discussion. It is better not to come (interview, MP 9, a parliamentary committee chairperson)

Lack of credible communications about the trustee from the other parties emerged to be one of the factors affecting integrity of social actors in the parastatal sector in Tanzania. For example, PCCB officials interviewed argued that trust loss to MPs by the office responsible for preventing and combating corruption was as a result of incredible communication that MPs were involved in the corrupt practices known as *takrima in Tanzania*. The participants elaborated that what prompted PCCB investigation on the *takrima* saga was information received from different parties alleging MPs receiving multiple allowances from different government institutions (parliament, ministries, and parastatals) for the same work. The sources of communication also included a formal communication from the parliamentary office requesting PCCB to investigate the MPs' accusation for corruption and to find a permanent solution for the problem (see PCCB, press release, November 2, 2009).

See the section on unfairness of actors as a source of trust loss for more cases of actors' lack of integrity. It was also found that some actors, who are responsible for distributing particular services/products to the public at subsidized price, were involved in opportunistic behaviour by selling such services/products to private companies (observation, POAC meeting on 31st March 2010). Such examples of opportunistic behaviours of trustees experienced in the past by the trustors were mentioned to contribute to trust loss between actors in the parastatal sector in Tanzania. Wicks et al (1999) caution that management members who do not refrain from opportunism will find their capacity to generate trust substantially diminished.

Similarly, Rousseau et al (1998) indicates that both history and the nature of interaction between parties shape the form that trust takes. The premise is that when people work together to achieve certain objectives they tend to understand each other (Kootz, 1961). In other words, trust is a social construction: not simply given to trustors, but made by them as well (Child and Möllering, 2003). This implies that elements that contribute to the growth and decline of trust and/or distrust breed and develop through an individual's experiences with another in the various facets (Lewicki and McAllister, 1998).

iv. Contextual factors

It has been documented that trust is influenced by the confidence actors have on the established norms and structural constraints in a particular context. Pfeffer (1997) argues that historical context not only affects how causes for behaviour are perceived, but also there is accumulating evidence that the attribution of causes of behaviour is significantly affected by cultural norms and values. Child and Möllering (2003) in a study to test whether the level of confidence that foreign managers and investors have in the Chinese context has an effect on their trust on the staff that are located within that context found a positive relationship between contextual confidence and trust.

In this study, participants lost trust in the Tanzanian context due to lack of strong institutions to enforce expected behaviour and legal framework. For example, interviewees argued that fines imposed on individuals caught in *takrima* (corruption) scandals cannot prevent someone from engaging in corrupt practices. The argument was that such fines are too low by comparison to the expected gains from *takrima*. In fact, the decisions about trust are similar to other forms of risky choices; individuals

make choices rationally to maximise their expected gains or to minimise anticipated losses (Kramer, 1999). That is why it is important to consider contextual factors for predicting actors' behaviour to prevent trustors from trusting blindly or foolishly (Wicks et al, 1999).

Incidents cited by participants for their lack of confidence in the Tanzanian context contributed to by the absence of institutional mechanisms to deter immoral acts included silence of the parliamentary standing orders on how to handle *takrima* cases and lack of provisions on how to deal with MPs who arrive at the Parliamentary committee meeting venues, sign to qualify for sitting allowances and then leave without participating in decision making. It was also argued that the absence of legal back up to empower the parliamentary committee responsible for the accounts of parastatal organisations to prosecute actors suspected for embezzlement of public funds limits the committee's power to enforce discipline in the parastatal organisations in Tanzania. In this regard, participants were of the view that a committee responsible for public accounts in Uganda has been able to reduce opportunistic behaviour of CEOs and management members of public enterprises due the power granted to the committee to take legal actions against actors caught in fraudulent deeds.

More importantly however, it was noted that lack of confidence in the context of trust creation in Tanzania originated from participants' perception that governance institutions are incapable of enforcing established norms and standards. The study revealed that most of the governance institutions of the parastatal sector, such as the TR and the board of directors and behavioural constraint institutions, in particular the oversight bodies for top leaders and politicians, lack institutional capacity for law enforcement. It has been noted that crime prevention and law enforcement agencies in Tanzania have failed to influence desired behaviour of actors in the public sector due to lack of actual powers. These agencies perceived to lack power for law enforcement include the Prevention and Combating of Corruption Bureau (PCCB), the Permanent Commission of Inquiry (now the Commission of Human Rights and Administrative Justice); the Ethics Secretariat for political and administrative leaders; and the Inspectorate of Ethics within the Civil Service Department responsible for monitoring the conduct of all other public servants (WB, 2002).

In addition, participants felt no trust towards governance actors, believing that in Tanzania institutions for controlling and combating corruption are weak. Heilman and

Ndumbaro (2002) argue that bringing corrupt suspects to trial in Tanzania has been a daunting activity. For example, from January 1995 to May 2007, 24,299 cases of corruption were reported to PCCB, 12,695 cases out of reported cases were investigated, 528 cases were prosecuted and only 91 convictions were recorded (Hoseah, 2008).

On the cultural aspects: it was noted that actors in the parastatal sector in Tanzania hesitated to trust each other due to the existence of cultural support for corrupt practices and favouritism encouraged by neopatrimonial politics of the country. Therkildsen (2010) indicates that, as it is in other African countries, in Tanzania neopatrimonialism dominates the relationship between the state and societal actors. Heilman and Ndumbaro (2002) write that corruption in Tanzania is embedded in the society, tolerated, negotiated and supported by both ordinary citizens as well as high ranking government officials.

Similarly, Sandbrook (1997) observed that neopatrimonialism practices in Tanzania, as reflected by clientelism and reliance on personal loyalties, are deeply rooted in the culture and history of the country as it is the case for other African countries (Sardan, 1997; Fadiman et al, 1994). It has also been noted that misuse of public resources in Tanzania is contributed to by rampant corruption, a characteristic of neopatrimonialism which has permeated the society to the extent that justice is bought (Brockington, 2008).

For example, it was argued by the participants interviewed that a public servant, let say the CEO or the minister who diverts resources from parastatal organisations back home to his family or constituents, is regarded as more accountable than the one who holds the principle of integrity. Incidents of MPs and ministers perceived most corrupt at the national level, but being treated as heroes to their home towns due to their ability to redistribute acquired wealth back home were given in this study. This is because in neopatrimonial regimes public and political leaders maintain their authority through patronage, rather than through ideology or rules of law (Bratton and Van de Walle, 1994). In other words, in neopatrimonial politics, democracy is traded like a commodity in a market place, in which votes are exchanged for material benefits (Bates, 2008).

It was stressed that the existence of a strong culture supporting illegal enrichment, and wealth accumulation in view of redistribution make it hard to trust those in control of public resources. It was argued by the participants that MPs who do not

redistribute their wealth in favour of their voters in forms of contributions to the orphans, meeting hospital bills, school fees for voters' children, funeral and wedding ceremonies, and in other forms of patronage are regarded as irresponsible leaders by the electorates. Lawson and Rakner (2005) also observed that in Tanzania, a leader who struggles to uphold the principles of good governance, but does not materially provide, may be rejected by his society and regarded as an unaccountable leader.

Kasala (2002) writes that societies in Tanzania have so decayed to the extent that wrongdoing has become the norm and the standard accepted behaviour necessary to accomplish personal and sometimes institutional objectives. This is consistent with observations made in many other African countries, where neopatrimonialism is rooted in a culture of extended family, with the dominance of older males and strong interpersonal interplays (Therkildsen, 2010). In Africa, a public servant who has got positional power, must, in sight of his relatives, profit from this position and spread the benefits to his extended family, his village, and his dependents by means of numerous and visible signs of aids and by his lifestyle and abundant luxuries at the expense of the general public (Sardan, 1999; Mapuva, 2010). Thus, 'it is not at all uncommon in Africa that a person who can demonstrate generosity at public expense is not only forgiven by his people but also seen as having acted correctly' (Hyden, 1983:37-38).

It has been written that patrimonialism in Tanzania allows public officials to uphold the value of appropriating resources from the state to further the collective interests of their families, clans, ethnic groups, regions and religions (Heilman and Ndumbaro, 2002). This implies that disapproving of a leader who redistributes misappropriated public resources back home to his followers and family is a daunting and difficult task in Tanzania (Kelsall, 2008). The worse incidents narrated by participants which show the extent to which wrong doings have become part of the social fabric in Tanzania include religious institutions or leaders to use tax exemptions extended to the religious institutions to import goods for personal use or for business purpose. Thus, in Tanzania, a leader who acts as a patriarch, providing material benefits to the society may enjoy a greater deal of legitimacy, even if the benefits distributed were corruptly acquired (Lawson and Rakner, 2005).

Consequences of Loss of Trust

Trust loss among actors in the public sector in selected parastatal organisations and governance institutions was perceived by participants to have impacted on the governance mechanism of parastatal organisations in Tanzania. The specific incidents demonstrating the consequences of trust loss on the governance of parastatal sector, which emerged from the study, include increasing monitoring costs, lack of commitment, and lack of free information exchange.

i. Increasing monitoring costs

Oversight institutions for the parastatal organisations in Tanzania largely depend on the information supplied by management or by other third parties. This is contributed to by physical distance and lack of expertise limiting the overseers' collection of firsthand information. However, lack of confidence on the information received from other parties was mentioned as a factor responsible for the increasing monitoring costs of parastatal organisations. It was revealed that costs are incurred for parliamentary committees and ministerial officials on physical site visits to validate the information provided by the trustees or third parties, on special audit reports and on expenses related to resubmission of reports to the parliamentary committees for re-hearing.

Interviews conducted with TR's desk officials indicated that the essence of current initiatives of the TR's office banking on site visits for management audit is due to trust loss. It was narrated by the TR's officials that the management audit is intended to curb cheating culture and unreliable information supplied by the management members including fake names in the payrolls. Similarly, interviews held with MPs suggested a need to increase parliamentary committees' budgets to facilitate physical site visits on the ground that information supplied by managements and/or by third parties are sometimes unreliable. Likewise, ministerial officials interviewed argued that parent ministries budget reasonable amount of money to facilitate physical site visits.

In connection with the above, it was also observed that lack of trust pushes monitoring costs up through the requirements for the CAG to re-audit the accounts of public institutions or to carry out special audits in case of suspected mismanagement

of public resources. POAC members said that sometimes CAG is asked to re-audit the financial statements of parastatals in case of doubt. One of the POAC members said:

As an oversight committee, we approve the accounts of parastatal organisations already audited and recommendations made by the auditors. We first examine if the CAG has done the job well and faithfully. We cannot blindly trust CAG as he is also a human being with his own interests. In case we are not satisfied we ask him to repeat the exercise (interview, MP-1).

Incidents were also noted where hearings on the accounts of parastatal organisations were rejected by the parliamentary committee and management members of parastatal organisations asked to reappear for hearing after correcting perceived financial anomalies. In all of these cases costs are incurred for repaying the auditing firms, in extraordinary board meetings to endorse the reports, and in allowances and per diems for attending parliamentary committee meetings for the second time. It has been found that trust is negatively related with monitoring behaviour implying that trust excludes the deliberate control of others (Costa, 2003).

ii. Lack of commitment

The culture of distrust was also associated with low commitment of governance actors in performing their routine responsibilities. Incidents demonstrating actors' unwillingness to work hard or to cooperate with trustors who doubted their integrity or built negative attitude toward them emerged in this study. Participants said that trust loss reduced employees' commitment and hence poor performance of the actors. This is consistent with Costa's (2003) observation that trust is positively correlated with cooperative behaviour, continued commitment to the organisation, team satisfaction, attitudinal commitment and perceived task performance. This is because employees' higher perceptions of trust in the management and the organisation make them more willing to engage in discretionary extra-role behaviour (Reychar and Sharkie, 2010).

It was clearly indicated, by this study, how power abused by actors in terms of violating established rules contributed to a lack of trust and as a consequence, a lack of cooperation in fulfilling core responsibilities. For example, it was argued that in most cases ministers marginalised their deputy ministers and the TR in the cycle of

board appointments for fear that such involvement might interfere with ministers' intentions to appoint *homeboys* and MPs to further personal interests. One of the deputy ministers interviewed said that lack of cooperation between the ministers and the deputy ministers in the process of board appointment reduced deputy ministers' power to enforce accountability upon CEOs. Lack of trust contributes to poor cooperation, because team members can best work together as unified whole in a trusting environment (Chow et al, 2012).

Furthermore, it was indicated that trust loss between management and employees leads to negative impacts upon the employees' commitment. Most of the employees interviewed who either experienced a situation of not being trusted or did not trust the management members due to lack of integrity and unfairness indicated that they reduced their commitment in performing their duties. In one of the case studies (case A) employees said that top management syndicate for financial embezzlement had reduced their commitment to some extent. For example, participants said that they were demoralised by the management culture of authorising their own payments for the assignments or works they never did under the heading of '*overall supervision*' (case A).

iii. Lack of free information exchange

Lack of trust was perceived by participants to affect free information exchange between actors within the organisations and/or among different governance institutions. Incidents where parliamentary committees hesitated to provide information to the executive and/or the executive hid relevant information to the parliamentary committees were observed during the field study. In one of the meetings convened by the parliamentary committee to discuss the ways for resolving conflicts among the parliamentary committee, the ministry, and the CEO and employees of one parastatal organisation, it was revealed that trust loss hindered free exchange of information.

Despite the fact that the meeting was formal, there was no agenda or information sent in advance by the committee to the ministerial officials for preparation purpose. The meeting agenda, minutes of previous meeting, and other documents including newspapers and cartoons detailing the conflict between the ministry, parliamentary committee and the CEO of that parastatal organisation were kept secret by the

committee until the meeting was declared open by the committee chairperson (observation, Parliamentary committee meeting on 25th June, 2010). The minister was asked by the committee to provide answers on the spot for the allegation that the ministerial officials were interfering with CEO performance and spreading propaganda that the CEO and committee were violating established norms and procedures.

The minister was not able to provide written evidence when responding to the committee's concerns on the ground that his ministry was not given the agenda of the meeting in advance. But also the committee members had not been privy to the information disclosed by the minister and the permanent secretary during the meeting about the reality of the conflict. It was clearly observed that lack of free exchange of information between the committee and ministry was contributed to by the lack of trust among the two institutions. It was learnt that the committee members were perceived by the ministerial officials to be untrustworthy for having been corrupted by the CEO to protect his interests. Such negative attitudes not only acted as obstacles for free information flow between the parliamentary committee and the ministry, but also as barriers to decision making.

In addition, participants said that trust loss hindered free exchange of information between employees and management of parastatal organisations. Employees of parastatal organisations interviewed in this study said that lack of free information exchange and sometimes information leakages in parastatal organisations were contributed to by the lack of trust between management and employees. Participants emphasized that most of the confidential information was disclosed to the mass media and to other institutions by employees who had lost trust in their leaders. It was further argued by the participants that gossiping in the parastatal organisations was nurtured by lack of free information flow between the employees and management due to the distrusting culture. Ferrante (2006) found that sharing information, in particular accounting information, is positively related to employees' trust in management as well as workers' performance.

Incidents where employees/actors sent information to external governance institutions, such as parliamentary committees, ministries and board members, registering their grievances for management's unfairness were narrated by the participants in this study. In one of the case studies (case B), the author observed a number of communications from staff to the Prime Minister, Board Chairperson,

Minister for Finance, and to the President's Office reporting management problems requiring immediate solution. One of the outcomes of such communication made by staff (case B) to external stakeholders was a directive from the Prime Minister to the Minister for Finance. The directives required the minister to organise a meeting between the ministry of finance, management members and staff representative of that parastatal organisation (case B) in order to find solutions for the raised problems. The meeting was held on 18th June 2008 in Dodoma under the leadership of the Ministry of Finance.

Concluding Remarks

The analysis made in this article suggests that for trust creation among actors in the parastatal organisations in Tanzania, policy makers should address the sources of trust loss namely, unfairness, lack of neutrality and competence of actors, and more importantly the contextual factors. To increase the neutrality and competence of actors, clear criteria for recruiting actors in the parastatal sector must be set and observed. This will ensure that competent, independent and trustworthy actors with appropriate knowledge, skills and experiences required by their roles are appointed to various positions in the parastatal sector. Adherence to clear and meritocratic appointment criteria will solve one of the problems borne out of neopatrimonial politics whereby appointed officials are not held accountable for their action, or inaction, with regard to public matters due to the fact that accountability in neopatrimonialism relies on the provision of socio-economic benefits in personalised networks (Linderberg, 2003).

Finally, the analysis also implied that contextual factors, which have been perceived to contribute to trust loss and power imbalance between actors in Tanzania, must be considered regarding any measure thought necessary for trust creation between actors and strengthening checks and balances in the parastatal sector in Tanzania for effective accountability. Measures should aim at building integrity of actors and strengthening institutions to constrain a strongly supported culture of opportunism. Thus, deliberate measures shall be found to strengthen institutions such as the Parliamentary Standing Orders, the Public Corporations Act, 1992, the PCCB Act, 2007 and the TR (Powers and Functions) Act, 2002 (R.E) and to include clauses which prevent corruption. The implication of the findings on future research is that

inquiry aimed at providing solutions to corrupt practices in Tanzania is needed. The outcomes of such studies shall aim at sending a clear message to the individuals that immoral deeds and neopatrimonial politics do not pay.

References

- Bates R. (2008) *When Things Fell Apart: State Failure in Late-century Africa*, Cambridge University Press
- Bratton M and Van de Walle N. (1994) Neopatrimonial Regimes and Political Transitions in Africa, *World Politics*, 46(4) 453-489
- Brockington D. (2008) Corruption, Taxation, and Natural Resource Management in Tanzania', *Journal of Development Studies*, 44(1), 103- 126
- CAG (2009) 'Annual general report of the Controller and Auditor General on the Audit of Public Authorities and other Bodies for the Financial Year 2007/2008', National Audit Office, Tanzania
- Charmaz K. (2006) *Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis*', London: SAGE
- Charmaz K. (1990) Discovering Chronic Illness: Using Grounded Theory, *Social Science and Medicine*, 30, 1161-1172
- Cheung A. (2013) Public Governance Reform in Hong Kong: Rebuilding Trust and Governability, *International Journal of Public Sector Management*, 26(5) 421-436
- Child J and Möellering G. (2003) Contextual Confidence and Active Trust, Development in the Chinese Business Environment, *Organization Science*, 14, 69-80.
- Chow P, Cheungs S, and Chan K. (2012) Trust Building in Construction Contracting: Mechanisms and Expectation, *International Journal of Project Management*, 30, 927-937
- Colquitt J, Scott B, LePine J. (2007) Trustworthiness and Trust Propensity: A Meta-Analysis Test of their Unique Relationship with Risk Taking and Job Performance, *Journal of Applied Psychology*, 92(4) 909-927

- Corbin J and Strauss A. (2008) *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, SAGE
- Costa A. (2003) Work Team Trust and Effectiveness, *Personal Review*, 32(5) 605-622
- Creswell J. (2007) *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, Thousand Oaks: Sag Publications
- Doney P, Cannon J, and Mullen M. (1998) Understanding the Influence of National Culture on the Development of Trust, *Academy of Management Review*, 23(3) 601-620
- Dyer W and Wilkins A. (1991) Better Stories, Not Better Constructs, To Generate Better Theories: A Rejoinder to Eisenhardt, *The Academy of Management Review*, 16(3) 613-619
- Eisenhardt K. (1989) Building Theory from Case Study Research, *Academy of Management Journal*, 14(4)532-550
- Eisenhardt K. (1991). Better Stories and Better Constructs: The Case for Rigor and Comparative Logic, *The Academy of Management Review*, 16(3) 620-627
- Fadiman J, Henckollas A, and Kimbouri J. (1994) *Your Son is my Son: Black Management Principles: An Overseas Marketing Guide*, 13th annual EMU Conference on Language and Communication for World Business and Professions, April 16-16, Ypsilanti, Michigan
- Ferrante C. (2006) Innovative Sharing: Shared Accounting Information as a Facilitator of Trust and Performance, *Journal of Engineering and Technology Management*, 23, 54-63
- Ferres N, Connell J, and Travaglione A. (2004) Co-worker Trust as a Social Catalyst for Constructive Employee Attitudes, *Journal of Management Psychology*, 19(6) 608-622
- Fisman R and Khanna T. (1999) 'Is trust a Historical Residue? Information Flows and Trust Levels, *Journal of Economic Behaviour and Organisation*, 38, 79-92
- Gasper A. (2006) *Accounting, Accountability and Governance in Local Governments in Tanzania: A Grounded Theory*, Unpublished PhD Thesis, University of Southampton
- Gilson L. (2006) Trust in Health Care: Theoretical Perspectives and Research Needs, *Journal of Health Organisation and Management*, 20(5) 359-375
- Glaser B and Strauss A. (1967) *The Discovery of Grounded Theory: Strategies for Qualitative Research*, New York: Aldine de Gruyter

- Goulding C. (2005) Grounded Theory, Ethnography and Phenomenology, A Comparative Analysis of Three Qualitative Strategies for Marketing Research, *European Journal of marketing*, 39(3/4), 294-308
- Gulati R. (1995) Does Familiarity Breed Trust? The Implications of Repeated Ties for Contractual Choice in Alliances, *The Academy of Management Journal*, 38(1) 85-112
- Heilman B and Ndumbaro L. (2002) Corruption, Politics, Societal Values in Tanzania: An Evaluation of Mkapa's Administration's Anti-corruption Efforts, *African Journal of Political Science*, 7(1)
- Hyden G. (1983) No shortcuts to Progress: African Development Management in Perspective, University of California Press
- Hoseah E. (2008) Corruption in Tanzania: The case for Circumstantial Evidence, Amherst, NY: Cambria Press
- Jacobsen D. (1999) Trust in Political-administrative Relations: The Case of Local Authorities in Norway and Tanzania, *World Development*, 27(5) 839-853
- Kasala C. (2002) From Corruption of Good governance to Good governance of Corruption in Tanzania, A paper Presented at the Debate on Corruption in Tanzania at Karimjee Grounds, Dar Es Salaam, Tanzania on 29th January
- Kelsall T. (2008) Going with the Grain in African Development? *Development Policy Review* 26(6) 627-255
- Kim P, Cooper C, Dirks K, and Ferrin D. (2013) Repairing Trust with Individuals vs. Groups, *Organisational Behaviour and Human Decision Processes*, 20, 1-14
- Kikwete J. (2005) Speech by the President of the United Republic of Tanzania, his excellence Jakaya Mrisho Kikwete, on Inaugurating the fourth Phase Parliament of the United Republic of Tanzania, Parliament Buildings, Dodoma, 30 December
- Kootz H. (1961) The Management Theory Jungle, *The Journal of Academy of Management*, 4(3) 174-188
- Kramer R. (1999) Trust and Distrust in Organisations: Emerging Perspectives, Enduring Questions, *Annual Review of Psychology*, 50(1) 569-598
- Lawson A and Rakner L. (2005) Understanding Patterns of Accountability in Tanzania, Oxford: Oxford Policy Management, UK
- Lewicki R and McAllister D. (1998) Trust and Distrust: New Relationships and Realities, *Academy of Management Review*, 23(3), 438-458

- Linderberg S. (2003) It's Out Time to Chop: Do Election in Africa Feed Neopatrimonialism, *Democratisation*, 10(2) 121-140
- Locke K. (1996) Rewriting the Discovery of Grounded Theory After 25 Years? *Journal of Management Inquiry*, 5(3) 239-245
- Loxley J and Saul J. (1975) Multinationals, Workers and Parastatals in Tanzania, *Review of Africa Political Economy*, 2, 54-88
- Mapuva J. (2010) Challenges of Democratisation Process in Africa, *Journal of Sustainable Development in Africa*, 12(2) 368-389
- Mayer R, Davis J, and Schoorman D. (1995) An integrative Model of Organisational Trust, *The Academy of Management Review*, 20(3), 709-734
- Melyoki L. (2005) Determinants of Effective Corporate Governance in Tanzania, PhD thesis, University of Twente
- Mkulo M. (2010) Speech by the Minister for Finance and Economic Affairs to The National Assembly (the estimates of government revenue and expenditure for the financial year 2010/2011), Dodoma: URT
- MoF (2008) Treasury Registrar Statements as at 30th June, 2008, Dar es Salaam
- MoF (2010) Treasury Registrar Statements as at 30th June, 2010, Dar es Salaam
- Morse J. (1995) The Significance of Saturation, *Qualitative Health Research*, 5(2) 147-149
- Mukandala R. (1994) State Enterprise Control: The Case of Tanzania, (eds.) in in Grosh B and Mukandala R (1994). State Owned Enterprises in Africa, Colorado: Lynne Rienner Publishers, Inc
- Murphy K. (2004) The Role of Trust in Nurturing Compliance: A study of Accused Tax Avoiders, *Law and Human Behaviour*, 28(2), 187-209
- Murphy J. (2002) Networks, Trust, and Innovation in Tanzania's Manufacturing Sector, *World Development*, 30 (4) 591-619
- Mwapachu J. (1983) Management of Public Enterprises in Developing Countries: The Tanzania Experience, New Delhi: Oxford and IBH Publishing Co
- Pate J, Beaumont P, Stewart S. (2007) Trust in Senior Management in the Public Sector, *Employee Relations*, 29(5) 458-468
- Pepinsky H. (1992) Corruption, Bribery and Patriarchy in Tanzania, *Crime, Laws, and Social Change*, 17, 25-51
- Pfeffer J. (1997) New Directions of Organisation Theory: Problem and Prospects, Oxford: Oxford University Press

- Reychav I and Sharkie R. (2010) Trust: An Antecedent to Employee Extra-Role Behaviour, *Journal of Intellectual Capital*, 11(2) 227-247
- Rousseau D, Sitkin S, Burt R, and Camerer C. (1998) Not So Different After All: A Cross Discipline View of Trust, *Academy of Management Review*, 23 (3), 293-404
- Salminen A and Ikola-Norrbacka R. (2010) Trust, Good Governance and Unethical Actions in Finnish Public Administration, *International Journal of Public Sector Management*, 23(7) 647-668
- Sandbrook R. (1997) Economic Liberalisation versus Political Democratisation: A Social Democratic Resolution? *Canadian Journal of African Studies*, 31(3)482-516
- Sardan O. (1999) A moral Economy of Corruption in Africa, *Journal of Modern African Studies*, 37(1) 25-52
- Shapiro S. (1987) The Social Control of Impersonal Trust, *American Journal of Sociology*, 93(3) 623-658
- Sitkin S and Roth N. (1993) Explaining the Limited Effectiveness of Legalistic 'Remedies' for Trust/Distrust, *Organisational Science*, 4(3) 367-392
- Sørensen O, Hasle P, and Pejtersen J. (2011) Trust Relation in Management of Change, *Scandinavian Journal of Management*, 27, 405-417
- Strauss A and Corbin J. (1998) *Basics of Qualitative Research: Techniques and Procedures for Doing Grounded Theory*, Thousand Oaks, CA: SAGE
- Strauss A and Corbin J. (1990) *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Newbury Park, CA: SAGE
- Suddaby R. (2006) What Grounded Theory is Not', *Academy of Management Journal*, 49(4) 633-642
- Therkildsen O. (2010) Working in Neopatrimonial Settings: Perceptions of Public Sector Staff in Tanzania and Uganda, Johannes Mainz Universität, Working Paper no. 117 Available at http://www.ifeas.uni-mainz.de/working_papers
- URT (2008a) Study on Due Diligence Work on the Mechanism Used by the Office of the Treasury Registrar to Manage Government Investments in Public Institutions and Parastatal Organisations, Dar es Salaam: Ministry of Finance and Economic Affairs
- Wicks A, Berman S, and Jones T. (1999) The Structure of Optimal Trust: Moral and Strategic Implications, *The Academy of Management Review*, 24(1) 99-116
- WB (2002) 'Tanzania at the Turn of the Century: Background Papers and Statistics', Washington DC: The World Bank