

**PRIVATIZATION STRATEGY AND ORGANIZATIONAL
PERFORMANCE OF TANZANIA RAILWAYS LIMITED**

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DECLARATION

“I declare that this thesis submitted to the University of Nairobi, in fulfillment of the requirements for the degree of Masters in Business administration (Strategic Management), is tenaciously a work of mine and to that effect has not previously been submitted for a degree nor has it been submitted as part of a requirement for a degree except as full acknowledged within the text”

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DEDICATION

To my dearly father Kings Gerald Kasimila, a committed and a dedicated civil servant.

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Abbreviation and Acronyms

CDC: Central Development Corridor

DAWASCO: Dar es saalam Water & Sewerage Company

ECA: Economic Commission for Africa

EARH: East African Railways and Harbors Corporation

GOT: Government of Tanzania

IEG: Independent Evaluation Group

IFC: International Financial Corporation

GOK: Government of Kenya

GAPCO: Gulf Africa Petroleum Corporation

KRC: Kenya Railways Corporations

NPM: New Public Management

PRSC: Presidential Parastatal Sector Reform Commission

PSOs: Public Service Obligation

RAHCO: Reli Asset Holding Company

BITES: Rail India Technical and Economic Services

SADC: Southern Africa Development Authority

SUMATRA: Surface and Marine Transport Regulatory Authority

TIC: Tanzania Investment Center

TRL: Tanzania Railways Limited

TRC: Tanzania Railways Corporation

TRAWU: Tanzanian Railways Association Workers Union

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ABSTRACT

Tanzania revitalized its economic policies in early 1990s under the World Bank and the International Monetary Fund (IMF) structural adjustment policies that emphasized on free market economy and privatization of state owned enterprise. On 1991 by an act of parliament, a Presidential Parastatal Sector Reform Commission (PRSC) was set up to carry out the privatization program and suddenly, the country was swindled on a privatization wave. Most public owned companies were handed over to private investors. This research draws insights into the impact of privatization strategy on Tanzania Railways Limited (TRL) performance. Initial public owned, TRL was handed down to a private investor RITES on 2007. Theories such as the principal agent theory and the public choice theory tend to suggest that privatization strategy may actual improve organizational performance. However qualitative data analyzed by the research in accordance with the balance score card's four perspectives on performance, shows a down ward trend on TRL's performance. Subsequently the failure of privatization strategy on TRL is attributed to poor quality of the concession process and the concessionaire, the government incompetence and inpromptness plus a hostile public mood.

Keywords: Structural Adjustment Policies, Privatization strategy, Performance, Balance Score Card, Concession.

CHAPTER ONE

INTRODUCTION

1.1-Background of the study

Under Globalization, the new economic reality on third world countries requires effective and competitive public administration if any of these countries is to remain economically relevant. Globalization has globalized markets, supply chains, human resources and even production technologies pitting developing economies against well managed developed economies. To make developing World economies more competitive, privatization strategy is hoped to improve performance of public institutions in developing countries by ensuring that they manage themselves strategically in a similar manner to well performing private sector organizations.

Privatization strategy is part of public Sector reform strategies that have received a great emphasize from international financial Institution. In its operations the World Bank has devoted about one sixth of its lending and advisory support in developing countries to the reform of central governments (IEG, 2008). With this, the New Public Management (NPM) concept has come to the fore that shifts the emphasis from traditional public administration to an administration that pushes the state towards managerialism. This concept has over seen a great deal of privatization strategy, as many Governments offload non performing public Institutions to the private sector.

However not all has been well with the privatization strategy, some set of Companies have reported minimal results long after privatization. This thesis will seek to establish how privatization strategy impacted on organization performance of Tanzania Railway Limited (TRL). Privatization of the Tanzania Railway Corporation (TRL) was followed by declining state of infrastructure, massive retrenchments, and increase infrequency of locomotive or engine failures and reduced frequencies of passenger services (Phipps, 2009). Apart from TRL, other companies that have experienced very minimal performance long after their privatization are companies such as Telecom Kenya and Dar es saalam Water & Sewerage Company (DAWASCO).

1.1.1-The Concept of strategy

The word strategy is derived from the Greek term *strategos*, meaning a carefully formulated military style plan of campaign (Haberberg & Rieple, 2008). Thus in a cooperate World strategy has come to mean a unified, comprehensive, and integrated plan that relates the strategic advantages of the firm to the challenges of the environment. There fore Strategies are simply the means by which long-term objectives will be achieved. Any successful strategy focuses on three core aspects (refer to appendix 2) namely Competition, financial and investment & resource aspects (Harris, 2006)

According to Tovstiga (2010) a suitable strategy should meet three core qualities. Appropriateness, whether the strategy is consistent with the organization's available and needed resources, skills and competence, values and culture. Desirability, whether the strategy able to satisfy the objectives of the organization in terms of level of expected returns, synergies to be expected, level of risks entailed, and stake holder needs and expectations. Feasibility is the strategy feasible in terms of change that will be required, its ability to fulfill key success factors and the demands on an organization on achieving this.

1.1.2-Privatization strategy

Privatization strategy is part of a broad set of public sector reform strategies adopted with a solemnly purpose of improving performance by ensuring public institutions manage themselves strategically in a similar manner to well-performing private sector organizations. Public sector reforms are conscious efforts derived to ensure efficiency and effectiveness of an acceptable level in the public sector.

Privatization strategy is simply the transfer of State assets to the private sector. It refers to the transfer of control and responsibilities for government functions and services to the private sector – private voluntary Organizations or private enterprises (Economic Commission for Africa, 2003). Privatization strategy in Africa has taken several forms that include contracting out government services to an outside agency, joint ventures between governments and private entities, Sale of some government services or functions such as water supply or telecommunications to the private sector and Management contracts for the private sector to manage specific government functions or services such as postal service (Hope, 2002)

1.1.3-Organizational performance

According to Carton (2004) the entire concept of organizational performance is based upon creation of value. Carton argues that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose. Those providing the assets will only commit them to the organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets. So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the organization and the organization will continue to exist. Verbeeten and Bonns (2009) farther argue that the major objective of every business enterprise is to consistently outperform competition and deliver sustainable superior returns or values to the owners.

An organizational performance can however be well addressed by the Balance Score Card Approach. According to Kaplan and Norton(1992) balance score card provides a framework for translating an organization's objective into a set of performance indicators distributed among four perspectives namely financial, customer, internal business processes, and learning & growth (refer to appendix 3). Financial angle in profit making organization looks at the ability of a firm to meet its financial objectives such as liquidity and solvency, profit levels and financial independence.

The customer perspective captures the ability of the firm to provide quality goods and services, the effective of deliverance and the general customer satisfaction. The organization must be able to determine the answer to the question “how do customers see us? Internal business processes looks at internal business processes that lead to financial and customer perspectives’ success. An organization must be able to answer the question, what must it excel at? Lastly the learning and growth perspective looks on things such as the ability of employees, quality of information systems and the flexibility of an organization.

1.1.4- Tanzania Railways Limited

The Tanzania Railways Limited (TRL) formerly Tanzania Railways Corporation (TRC) is a state-owned enterprise that came into existence after the dissolution of the East African Railways and Harbors Corporation (EARH) in 1977 and its assets divided between Kenya, Tanzania and Uganda. Tanzania has two inland Railway lines that link the coast and the hinterland which were built when the country was under the German colonial rule. The main line (Central Line) runs from Dar es Salaam to Kigoma with a branch to Lake Victoria while the minor line runs from Tanga to Arusha (see Appendix 4). TRC runs these two Tanzanian inland railway networks that are estimated to be totaling more than 2,600 Kilometers with a gauge of 1,000 mm (3 ft 3 ³/₈ in).

Early 1990s, the Government of Tanzania (GOT) formed a Presidential Parastatal Sector Reform Commission (PRSC) which by mid 1997 had initiated work on privatization of TRC. The primary objective of the government was to create a railway that provided efficient and cost effective service to its customers and to be financially viable and not dependent upon funding from the state for its investment needs (Phipps, 2009). The successful bidder was the Rail India Technical and Economic Services (RITES Ltd) of India and by 2007 the agreement was in operation. According to the concession agreement, the now renamed Tanzania Railways Limited (TRL) was leased for 25 years, RITES Ltd taking a 51 percent share of the railway while the Tanzanian government retained the remaining 49 percent share. However through a Reli Asset Holding Company (RAHCO) the Tanzanian government remained the sole owner of the railway infrastructure.

A number of reasons may explain why the Tanzanian government opted for a concession as a privatization mode. Brendan (2002) argues that most governments opt for concessions because; they retain ownership of infrastructure and thus are able to claim that they retain control. This makes it easier for governments to sell the policy politically to skeptical voters and rail workers. Secondly it is claimed that concessions bring a partnership in which the advantages of state ownership can be combined optimally with those of the commercial incentives from the private sector. Lastly, the private sector may actually not be willing to take over ownership of the assets concerned because of the much bigger risk that may be involved. However the TRL concession was terminated in mid 2011 due to the worsening of the TRL performance.

1.2-Research problem

The main objective of privatization strategy has been to turn around the performance of an ailing public organization by either partly or entirely handing it over to private ownership. It has been argued that privatization strategy improves organization performance through three major ways. First, privatization strategy subjects managers to the pressure of the financial markets and to the monitoring and discipline of profit oriented investors. Secondly, the change in the firm's ownership redefines the firm's objectives and the manager's incentives. In most cases state owned enterprises suffer from having multiple objectives, many of which are imposed on them by political masters. Thirdly, privatization strategy releases a firm from government control there fore providing greater entrepreneurial opportunities such as creativity, innovativeness and capital inflow (D'souza, Megginson and Nash, 2001).

In 2007 after RITES' take over, the next four years in Tanzania Railways Limited were followed by a general declining state of infrastructure, massive retrenchments, increase infrequency of locomotive failures and reduced frequencies of passenger services (Phipps, 2009). In fact, the Tanzanian Railways' case is not a unique scenario. Available literature and existing facts tend to suggest that the pre assumed performance benefits of privatization strategy has failed to materialize in many East African parastatals. For example the performance of Telkom Kenya worsened after privatization, the Tanzanian government had to retake the Dar es Saalam Water and Sewarage Company (DAWASCO) after privatization strategy had failed to improve the fortunes of the company.

In the local scene different people have tried to address the issue of strategy and organizational performance. Liti (2011) ascertains that although performance contracting is hindered by factors such as lack of transformative leadership, organizational culture and structure, it can be used to enhance the success of any business strategy (such as privatization strategy). Karanja (2009) ascertains that organizational performance is subject to the ability of a firm to formulate and deploy its competitive strategies effectively and efficiently. Fatma (2010) maintains that managerial skills such as analytical, operational, social and communication competence are key to ensuring success of any business strategy.

To add on, Gitau (2011) argues that for any strategic change (such as privatization strategy), in an organization should adopt a down top approach to ensure success. He argues that junior staffs should be adequately involved during formulation and implementation of a business strategy. This will reduce the level of resistance to a business strategy. Nnko (2008) maintains that an organization will only perform if it is able to use its strategies to properly manage and deploy its critical success factors. Oroni (2006) found out that labor turn over can have a great impact on organization performance, as it may weaken organizational success factors and while strengthening a competitor's.

As observed above the ability of a business strategy such as privatization strategy to improve the performance of an organization may be a subject to a number of different factors, some of which have been identified as managerial skills, management styles organizational strength and weakness. There fore, does this mean there could be ways of improving the success prospects of privatization as a business strategy? Shlyk (2009) basically argues that private public partnership (privatization) is hindered by the quality of the concession or partnership agreement. So does this mean the quality of the concession agreement is the sole cause of the minimal performance of some privatized public organizations?

1.3-Research objectives

- i) To draw insights into the privatization strategy adopted as part of a broad spectrum of public sector reform strategies.
- ii) To bring to light the relationship between privatization strategy and organizational performances.

1.4-Value of the study

The research will prove usefully to the policy and decision makers in the public Institutions. Such public Institutions likely to benefit include the Presidential Parastatal Sector Reform Commission (PRSC) that was set up in 1992 by an act of Parliament in Tanzania to carry out the privatization program. The other one is the Tanzania Investment Center (*TIC*) that was developed to facilitate and coordinate private-sector investment for mergers & acquisitions, and to issue certificates of incentives to qualifying investors. This research will provide insights to decision makers on public Institutions on the entire public private partnership intricacies such as who the right investor is, qualities of a good public private agreement, role of the public in the process among many other issues.

Secondly the research is usefully to the public as a key stockholder in any public private partnership. To begin with, the research will offer information to the East African public on how and why privatization does actually took place. It will offer the public insights into the privatization process. It is an established fact that in east African states, privatization strategy has always been misunderstood. The research will help bring to light the reasons behind the failures of some privatization attempts such as the DAWASCO and TRC in Tanzania and Telkom in Kenya.

Thirdly the research will offer some insight to the validity of some theories and common thoughts on privatization and organization performance. For example theories such as principal-agent theory and public choice theory (refer to chapter two) basically support the notation that privatization is bound to bring organizational performance. Just like Hardin (1984) a staunch supporter of privatization once said that "everybody's business is nobody's business"

Lastly the research will be usefully to the academia and students of strategic management in particular. The research offers intriguing findings on the entire privatization strategy that expands the boundaries of knowledge in the field of strategic management. To add on no research is conclusive, this research offers an opportunity for farther studies in the area of concern with a purpose of either validating or invalidating its findings.

CHAPTER TWO

LITERATURE REVIEW

2.1-Introduction

A literature review section will survey scholarly articles, books and other sources such as dissertations and conference proceedings which are relevant to this particular issue or area of research. This section will provide description, summary, and critical evaluation of each work covering the area of study with a sole purpose of offering an overview of significant literature published on this topic. There fore this section addresses literature reviews in respect to the theoretical frame work, privatization strategy and railway lines performance and privatization strategy and organizational performance.

2.2-Theoretical frame work

A theory is simply a set of concepts and the proposed relationships among these concepts. It can also be termed a proposed argument that tries to explain a certain phenomenon in real life situation. This section addresses three theories on business strategy and two theories specifically on privatization and organizational performance. These theories are profit maximization theory of the firm, survival based theory, public choice theory and principal agent theory.

2.2.1-The profit-maximization theory of the firm

This theory holds that firms act to maximize their profits. It is based on the notion that a business organization's main objective is to maximize long term profit and develop sustainable competitive advantage over competitive rivals in the external market place. Lynch (2000), observes that the basic premise of this theory in the field of strategic management is that, strategies will be driven primarily (but not exclusively) by the objective of maximizing an organization's profitability in the long run with an ultimate purpose of developing sustainable competitive advantage over the competitors. The profit maximization theory of the firm has been criticized for long for solely failing to adequately address other non monetary desires for doing business such as power, leisure, and social prestige.

2.2.2- Survival based theory

In his theory of social darwinism, Herbert Spencer once envisaged that following the laws of nature, only the best and fittest of the competitors will win and get to survive (Abdullah, 2007). In business, the concepts meant that only the fittest business that is able to develop strategies to counter environmental challenges on its back yard will prosper. Therefore, this theory is based on the concept that organizations need to continuously adapt to their competitive environment in order to survive (Raduan et al, 2009).

Survival based view in strategic management emphasized on the assumption that in order to survive, an organization has to deploy strategies that should focus on running very efficient operations and can respond rapidly to the changes in the competitive environment, since the one which survives is the one which is fittest and most able to adopt to the environment (Abdullah, 2007)

2.2.3-The resource-based theory

The resource-based view stipulates that, to attain sustainable competitive advantage over rivals, a firm formulates and deploys a strategy that enables it to well utilize its unique resources. A unique resource is a resource that is able to generate competitive advantage for a firm. Such a resource Barney (1991) argues has four attributes; it must be valuable by its ability to exploit Opportunities and neutralizes threats, it must be rare among a firm's current and potential competition, must be imperfectly imitable and it should not have a strategically equivalent substitutes.

Barney (1991) has identified firm resources as all that may include assets, capabilities, organizational processes, firm attributes, information and knowledge that are controlled by a firm. A strategy formulated on the bases of organization's unique resources, makes a firm implement a value creating process that may not be simultaneously implemented by current or potential competitors.

2.2.4-Public choice theory

This theory advocates running of politics/governance based on economic principles, the argument is that poor performance on public sector is attributed to several economic essentials. First is the issue of self interest, contrary to public expectations, public officials' decisions are based on personal gains. One American scholar simply states "Politicians do not devote their lives for your and my benefits anymore than McDonalds does" (Downs, 1967 p.135).

Secondly the bureaucratic model is not cost-consciousness this is attributed to the weak links between costs and outputs. It is argued the rewards systems in the public sector are not oriented towards improving performance and consequently there are no incentives for politicians and bureaucrats to control costs. There is waste and over expenditure, with public managers focusing more on delivery than on productivity and efficiency (Larbi,1999). Thirdly the quality of decision making in public organizations is much fumbled. Public bureaucracies are notoriously slow to respond to changes in the environment (Larbi, 1999). The level of bureaucracy makes decision making slow and cumbersome, this may result to missed business opportunities.

2.2.5-Principal agent theory

The argument here is that the public (as principals), on whose behalf politicians and bureaucrats (as agents) are supposed to govern, is unable to hold the latter accountable and there fore public sector under performs (Larbi, 1999). The inability of the public to hold civil servant accountable is attribute to several factors such as insufficient or information asymmetry about the services, and interests of public employees. The vagueness and incompleteness of employment contracts and the monopoly characteristics of public services. The later makes difficult to extract accountability and good performance from public servants (agents).

It has been argued that the Principal-Agent problem could be solved or minimized through various ways. The first way is to align the interests of the Principal (public) and those of the agents/civil servants by ensuring that agents themselves have an interest in the value of the shares. A second way is by tying some part of their (agent) remuneration directly to the firm's profits such as an annual bonus that is linked to the previous year's profit. A third way is by making promotion subject to the profits of the company as a whole or to the section in which the person is employed.

2.3-Privatization strategy and organizational performance

According to D'souza, Megginson and Nash (2001) privatization is likely to improve organization performance through three major ways. First, privatization subjects managers to the pressure, monitoring and discipline of profit-oriented investors. Secondly, the change in the firm's ownership redefines the firm's objectives and the manager's incentives. In most cases state-owned enterprises suffer from having multiple objectives. Thirdly, privatization may facilitate flow of financial resources into the organization as capital by the investor. This may in return improve organization liquidity and solvency.

Beugre (2002) also supports that it is more likely the lure of financial incentives and the discipline of the capital markets will spur greater effectiveness and efficiency into a newly privatized firm. This in turn can transform to a commendable performance of a firm. The above views are farther supported by the advocates of the Stake holder's theory. A stake holder in a normative way is any individual who is affected by or can affect the achievement of an organization's objectives. Stakeholder theory focuses on owner-stakeholders and suggests that ownership impacts on organizational performance by influencing the management style, strategic orientation, and organizational structure. Farther more, owner stakeholders may have the ability to indirectly influence organizational strategy and structure.

However it has been argued that the simple transfer of ownership from public to private hands may not necessarily enhance performance. Wortzel & Wortzel (1989) argue that the determinants of a firm's success or failure are not on who owns it. But rather on to what extent, and in what direction, its owners exercise the authority that comes with ownership and its managers carry out their jobs. Zakrewski (2005) asserts that there is little evidence to support the presumed benefit of privatization. She in turn proposes that the impact of a privatization should be validated by analyzing performance through the eyes of stakeholders. Cohen & Eimicke (2001) argues that the quality of the privatization process its self may impact on its performance. Overly bureaucratic contracting procedures resulting in delays and high transaction costs, too few bidders/contractor monopolies, political opposition/interference to contracting and flawed contract language are issues which should be addressed.

2.4- Privatization strategy and railway lines performance in Africa

In general majority of available literature seems to be in coherent that the performance of majority of Railways Corporations in Africa especially in Eastern and Southern Africa under privatization has not been commendable. This section reviews three individuals that tried to address railway lines performance and privatization strategy in Africa.

Phipps (2009) while reviewing the effectiveness of rail concessions in the SADC region discusses a list of issues that hinders performance of Railways organizations after privatization strategy is adopted. Such issues include failure to enact enabling legislation, shoddy and incompleteness of the concessions agreements, lack of a sound business plan and the timeliness and sequencing of the concession process from time of announcement of intent to finalization of the concession.

Shlyk (2009) studied the performance of the contractual arrangements of public private partnerships case study on Tanzania Railways Limited. He argues that the quality of the concession agreement may have impact on the organizational performance after privatization. He mentions issues such as information asymmetry during the concession process and the incompleteness of the contract as key causes of a failed public private partnership. For example the TRL concession was incomplete as it failed to envisage all possible scenarios such as labor disputes. .

Irandu (2000) in a research on how to improve Railway transport in Kenya lauds the ongoing privatization of Kenya Railways as the best way forward. He recommends that to increase success prospects of a privatization strategy, major users (the public) should be allowed to form an advisory committee which would take care of the public interests during privatization. Irandu however proposes that the Government of Kenya should have a transport policy that stipulates adequate regulatory aspects among different modes of transport.

The scholars above have laid blame on individual governments on failures of railway concessions and rather ignored the role of concessionaires in the success of such processes. Phipps and Shlyk have criticized governments for their incompetence and inpromptness. Irandu criticises the Kenyan government for lacking a transport policy to protects railway transport from stiff competition from other modes of transport. None of the above scholars has tried to establish the role of a concessionaire or qualified investor to the success of a privatization strategy on railway transport.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1-Introduction

Research methodology has been defined “as the system of explicit rules and procedures upon which the research is based and against which claims for knowledge are evaluated” (Nachmias & Nachmias 1996, p.12). Through the research methodology one comes to understand the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. Having a well designed methodology is the logical sequence that connects the empirical data to a study’s initial research questions and, ultimately to its conclusions (Yin 1989).As part of research methodology, this chapter will address issues to do with the research design, data collection and data analysis.

3.2-Research design

A research design at the most general level according to Punch means “all the issues involved in planning and executing a research project from identifying the problem through to the reporting and publishing the results” (2005, p.62). This research being a case study, the research design section describes what a case study is, explains the research method used in conducting this case study research (explanatory study) and discusses why the case study methodology was selected.

A case study is an empirical enquiry that investigates a contemporary phenomenon within its real life phenomenon, especially when the boundaries between the phenomenon and context are not clearly evident (Woodside, 2010). A case study can also be defined as “the intensive study of a single unit wherever the aim is to shed light on a question pertaining to a broader class of units (Gerring,2004, p.344).As Skinner noted “instead of studying a thousand rat for one hour each or hundred rats for ten hours each, the investigator is likely to study one rat for a thousand hours” (Woodside, 2010 ,p.2).

A one shot case study involves an observation of a single group or event at a single point in time, usually subsequent to some phenomenon that allegedly produced change (Nachmias & Nachmias, 1996). For example this research is an observation/study of the Tanzania Railways Corporation (TRC) performance after privatization. This research can also be termed as an explanatory case study because it focuses on a why question. For example the research questions states why does privatization strategy fail to improve performance in some public organization?

Case study designs have been found to be more useful in investigating real-life events such as organizational and managerial processes (Campbell, 1989) this is because it examines a phenomenon in its natural setting. Case study is even more meaningful when these real life events behaviors can not be reasonably manipulated for scientific results. Secondly case study brings the advantage of homogeneity of unity. According to Gerring (2004) Single-unit studies provide cases that are likely to be comparable to one another. Cases drawn from different units in contrast, often force the researcher to make heroic assumptions about the comparability of concepts and causal relationships across the chosen cases. More importantly to note case study design is convenient to apply when the item under study is a single social phenomena or a single unit of analysis, such as a public organization.

3.3-Data collection

Data collection refers to obtaining or gathering useful information with the sole purpose of establishing a factual basis for making decisions. There are three principles of data collection in a case study (Yin, 2003). First it is important to use multiple sources of data, this ensures that any finding or conclusion to be more convincing and accurate. Secondly is the creation of a case study database, here the collected data is organized and documented. This can be achieved for example through case study notes, narratives, case study documents and tabular materials. Lastly is to maintain a chain of evidence to allow an external observer to follow the derivation of any evidence. Research data may be categorized as primary and secondary data, both forms of data were collected in this research. This section describes how both primary and secondary data were collected.

Primary data was collected through two major ways namely interview and observation. An interview can be defined as a face to face, interpersonal role situation in which an interviewer asks participants questions designed to elicit answers pertinent to the research hypotheses” (Nachmias & Nachmias ,1996). There are basically two types of interviews structured and non structured interviews. This research deployed structured interview, here the researcher knows exactly what information is needed and has a list of pre-determined questions he intends to ask respondents to elasticize the required information, and the researcher may elicit additional information by asking additional questions not on his schedule. The researcher planned to interview a total of eighteen (18) senior and junior level TRL staffs from public relation department, engineering department, commercial department, corporate planning department and man power administration & development department.

Direct observation is the second method of primary data collection that was used. Observation can either be formal or causal data collection activity. Formal observation can be done by developing observation procedures as part of the whole case study protocol. A researcher observes certain critical behaviors, their patterns and intensity during certain periods of time in the field such as during meetings, work breaks, traveling time and so on. As part of an observation data gathering strategy, a researcher planned to take a passenger service train trip from Dodoma to Tabora, so that he could have a first hand experience of the current prevailing conditions of the TRL.

There are number of secondary sources of data that will be applied. Masters & Phd thesis, books and journals and company documents such as letters, internal memos, minutes of meetings were also used. Company administrative documents such as proposals and progress reports will to be instrumental. To add on other sources will include, media sources both print and electronics such news papers & video clips, various governmental records and publications, websites. The merits of using secondary data are it offers an historical context of the area of study; it is also cheap and easy to obtain, takes less time to collect and could be of higher quality, an existing data bank is likely to have higher quality data than the lone, inexperienced researcher can hope to obtain (Punch, 2005)

3.4-Data analysis

Data analysis refers to the set of methods and techniques that are used in a research to describe facts, detect patterns, develop explanations, and test hypotheses. This research used qualitative data analysis techniques. Miles & Huberman (1994) transcendental realism technique was widely used in this research. The technique has three main components. First is the data reduction which occurs throughout the research process, for example at early stages of a research it occurs through editing, segmenting and summarizing while at later stages it occurs through conceptualizing and explaining. Secondly is the data display which organizes, compress and assemble information. Lastly is the drawing and verification of conclusion.

Content analysis technique is another method that was used. As a research tool, the technique focuses on internal features and the actual content of data under study. The presence of certain characters, concepts, words, themes or phrases that may derive a certain meaning are noted. Narratives analysis was also very instrumental. Many social science data occur naturally in story form, for example in participant observation research (Punch 2005). In this case, stories that relates to the topic of study told to the researcher during the interviewing process were intensively analyzed .

Discourse analysis was also used, discourse refers “to the general framework or perspective within which ideas are formulated” (Punch, 2005, p.222). According to Jupp there are three features of discourse analysis (Punch, 2005). First there is nothing like a universal discourse, this is because words and their meanings depend on where they are used, by who and to whom. Secondly, there can be different discourses that are in conflict with one another. Lastly discourses can be viewed as being arranged in a hierarchy. Lastly semiotics which is simply a science of signs was used to lay assumptions, concepts and methods for analysis of signs. “An essential idea in semiotics is that surface manifestation derives their meaning from underlying structures” (Punch, 2005, p.225)

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1-Introduction

Using the balance score card approach to gauge the impact of privatization on TRL performance, data collected was grouped into four categories in accordance with the four perspectives provided by the balance score card. The data categories were financial data, customer service data, internal business processes data, and learning & growth data. The four categories of data were then analyzed and discussed to ascertain if they met the threshold of a high performing organization in accordance with the balance score card principles.

4.1.1-Sampled respondents

The researcher managed to interview twelve (12) out of the original planned eighteen (18) TRL staffs, including three senior managers. This translates to sixty six point six percent (66.6%) turn out. The following table shows the number of Interviewees interviewed from various TRL departments

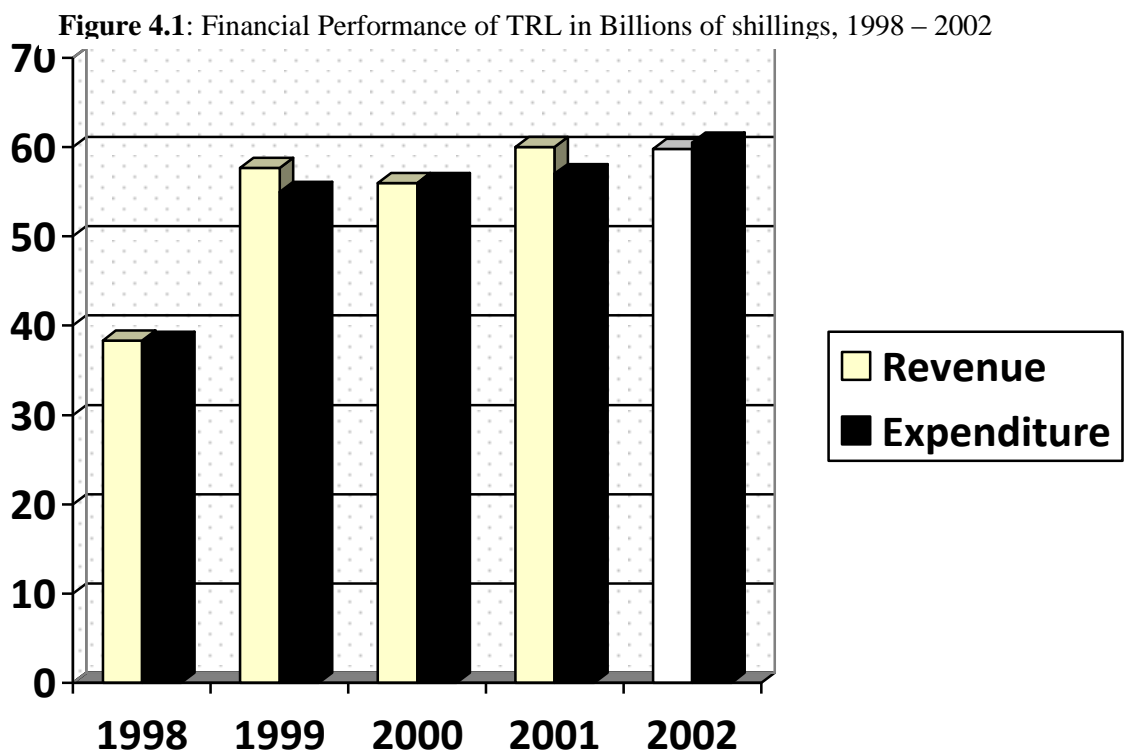
Table 4.1: Number and Departments of TRL staffs interviewed.

Name of department	Number of staffs Interviewed
Public Relation department	0
Mechanical Engineering department	4
Commercial department	5
Corporate Planning & Management Services department	1
Man power Administration & development	2
Total number of Interviewees	12

4.2-Financial performance

According to Kaplan and Norton (1992) financial angle in a profit making organization looks at the ability of a firm to meet its financial objectives such as profit levels, financial independence, liquidity and solvency. Due to underinvestment and the nation's economic peculiarities TRL then TRC had experienced financial distress for along time, between 1979 and 1991 the tariffs were increasing at a rate lower than the inflation rate thus further exacerbating the financial health of the enterprise (Shlyk, 2009). For example the government of Tanzania report on the impact of privatization does specify that over the period 1992 to 1996 the drain/loss on TRC cash flow varied between Tshs 10billion and Tshs 18billion per year.

However a slight increase in investment occurred through a railway restructuring project financed by the World Bank. The World Bank financial support helped alleviate some infrastructural problems and also increase the corporation's liquidity. This may as well offer an explanation for the almost no profit no loss making state of the company in some few years prior to the privatization as shown below. But as revenues increased the operating expenses grew as well.



Source: GoT (2008, 105)

To ensure financial liquidity of the company during privatization, the concession required an investment of US\$84 million in the first five years of operation, of which equity would have provided US\$16 million, an International Finance Corporation (IFC) loan US\$44 million, and the balance of US\$24 million would have been funded through the proceeds of the railway operation (Phipps 2009). However the US\$44 million IFC loan which accounts for fifty two percent (52%) of the total US\$84 million was not disbursed in time until June 2008 due to some technicalities such as the delays by RAHCO to set up US\$ 2million escrow account for environmental remediation. And when it was disbursed, IFC Country lead for Africa department, Dan Kasirye claims that they only gave out US\$ 14million (Wasimbeye, 2011). This must have worsened the short term liquidity of the company making it incapable of meeting its short time financial obligations such as a government mandated salary increase from an average monthly wage of TSh 87,000 (80 US\$) to 150,000 (140 US\$)

The US\$24 million (25.5% of the total capital requirement) that was expected to be raised through the proceeds of the railway operations proved futile to raise, further exacerbating the financial well being of the company. As shown in the table on page 20, the freight services which have been the Company's chief source of revenue had been on sharp decline from the year 2007 onwards. Shlyk (2009) highlights the financial position of the company during that time by noting that, in a revised business plan released in September 2008, TRL had specified an operational deficit of approximately \$83m over the course of 2009 to 2011.

In the same period, TRL also had to revise its previous performance targets for 2008 from an estimate of about 1 million tons to be carried to 650,000 tons. This was done regardless of the fact that it was widely assumed that TRL needed to carry approximately 1,5 – 1,7 million tons per annum to break even. Although the World Bank had approved an additional US\$33 million loan on top of the original envisaged US\$84 million, (Phipps 2009), the now chief corporate planning manager of TRL argues that, the World Bank money alone wasn't enough to address the company's woes considering the state of infrastructure and the level of the internal wrangles such as labor disputes that had rocked the corporation by then (F.M, Sahani, personal communication, January 9, 2013)

Table 4.2: Tanzania Railways Traffic Performance 2006-2010

COMMODITY	2006	2007	2008	2009	2010
Cement	71,801	62,828	19,625	8,880	22,600
coffee	12,020	780	249	1,196	–
cotton	352	5,024	10,507	106	48
Cotton cake	2,687	727	240	10	1,422
Fertilizer	13,565	22,209	16,495	6,007	39,180
General Cargo	200,518	133,168	70,262	50,418	35,510
Grains	16,328	21,055	18,479	12,687	8,725
Gypsum	3,186	3,312	2,440	2,560	1,119
Livestock	8,013	3,400	1,352	516	223
Maize	56,106	22,029	7,346	31,624	20,460
POL	96,146	70,010	60,292	52,416	23,743
Salt	13,925	9,297	11,243	5,890	4,080
Sugar	17,234	8,622	9,828	2,760	760
Timber & Logs	5,279	9,328	1,386	2,302	2,014
Tabacco&Cigarettes	10,828	9,697	11,413	4,695	–
Parcel& Luggage	6,783	6,651	3,497	8,310	1,540
Total in Tones	534,771	388,137	244,654	190,377	161,424

Source: TRL 2010

The financial position of the company worsened to the point that the company could not meet its short time financial obligation; the financial liquidity of the organization became non cosmos. The company failed for example to pay workers' wage bill for the November 2009 which amounted to about 1.6 billions shillings, the then TRL managing director Chaudhary confirmed that indeed there were no financial resources to settle workers' legitimate claims. As a result chores ensued as workers went on the rampage deflating tires of the senior management's vehicles, and then rocking them in at their offices (Nkolimwa, 2009). One employee remembers how furious they were then and how this even farther increased their distrust on RITES (F.S.Mzekwa, personal communication, January 16, 2013).

The organization's liquidity was so bad that the government was forced on several times to meet the organization's short time financial obligations. One seemingly agitated journalist couldn't understand the role of RITES if the Tanzanian Government was still footing 1.1 billion of the 1.7 billions shilings required TRL monthly wage bill (Mwangulumbi, 2011). The situation was even worsened through accusation by media and political personalities who either accused RITES' of misusing or siphoning TRL money to offshore accounts. For example, during the 2009 budget session in parliament, an MP from Igalula constituency wanted an explanation for a nearly 10 billion shillings that he claimed had vanished from the major TRL account (Ondigo, 2009).

By the time the Tanzanian government took back TRL, it has been noted that the financial situation was so dare that the company required a total of over US\$ 300 million (approximately 450bn/-) for infrastructure rehabilitation (Wasimbeye, 2011). The government of Tanzania is also required to pay US\$ 7 million of the US\$ 14 million loan that RITES had failed to service, if it is to acquire cash for any railway project from the International Finance Corporation (Wasimbeye, 2011). There fore, the financial performance of the TRL during the concession period was contrary to the public choice theory argument that suggests organizations are more likely to perform better under private ownership because of cost consciousness and promptness in decision making.

4.3- Customer service performance

A balance score card approach provides that the Customer perspective captures the ability of the firm to provide quality goods and services, the effective of deliverance and the general customer satisfaction (Kaplan and Norton, 1992). To begin with, according to the current chief mechanical engineer at TRL, contrary to the wide expected arrival of new coaches and engines, the new TRL owners instead imported used coaches and 1960/1970 model engines from India (P.J.Mafikiri, personal communication, January 10, 2013)

According to Mafikiri the locomotives proved to be unreliable and this farther explains the increased instances of locomotive failure. It has been claimed that engine failures nearly doubled in the year 2008 alone (Shlyk, 2009). To add on, the number of working locomotives declined from 79 in 2007 to only 40, and coaches dropped from 97 to only 37 (Saiboko, 2010).With the questionable quality of these newly acquired locomotives, the quality of service offered to customers was not very satisfying. Frequent locomotives failures delayed cargo deliverance and some times forced travelers on passenger trains to spend extra several days enroute. Engines failures farther reduced the operations of TRL, for example train trips to Kigoma from Dar es Salaam went down from four per week in 2007 to only one by year 2010 (Saiboko, 2010)

The dilapidated TRL infrastructure farther worsened service quality that was being given to customers. It is argued that Railways concessions in Africa address infrastructure rehabilitation only on first years of the concession and there after negligence has been rampant (Emmanuel, 2009) .In the years that followed the TRL privatization, the condition of the rail infrastructure had worsened to an astonishing level. Speaking to the then minister of Infrastructure development Shukuru Kawamba, TRL interim managing director, Mr Kipallo Kisamvu had observed that since RITES took over the company, the quality of railways infrastructures had deteriorated highly reducing the train's maximum speed from 60km/h to 30km/h, he also added that the bigger area of railways had no signal systems (Saiboko, 2010). The current chief mechanical engineer at TRL claims that during RITES's tenure no meaningful infrastructure rehabilitation were ever carried out (P.J.Mafikiri, personal communication, January 10, 2013).

Another example on the impact of infrastructure dilapidation on customer service is shown in early 2011, when all trains trips both freight and passenger trains heading to Kigoma and Mwanza through Tabora had been suspended for ten days following the collapse of a bridge between Bahi and Kintinku stations in Dodoma (Tambwe, 2011). The cause of the collapse was said to be lack of maintenance and general repairs that the bridge had never gotten. A popular political figure, chairman of NCCR-Mageuzi, Mr James Mbatia also raised alarm on the conditions of a bridge in the Malagarasi River saying it was on the verge of collapsing (Mjasiri, 2011). As shown below, while the level of TRL services to customers was declining possibly because of the dilapidated infrastructures, the demand for TRL services was increasing.

Table 4.3: TRC Freight and Passenger Performance 2002 -2007 (‘000)

	2002	2003	2004	2005	2006	2007
FREIGHT						
Demand in Tones	1,986	2,090	2,200	2,310	2,448	2,596
Actual in tones	1,446	1,443	1,333	1,129	775	570
% Actual/Demand	73%	69%	61%	49%	32%	22%
PASSENGER						
Demand in Number	1,852	1,908	1,964	2,020	2,078	2,137
Actual Number	685	685	628	674	594	611
% Actual/Demand	37%	36%	32%	33%	29%	29%

Source: GoT (2008, p.97)

Constant labor disputes also hugely affected the quality of services that were offered to customers. On 5th of June 2009, TRL workers started a strike demanding an immediate signing of a retrenchment payment contract with the company's management (Njonanje, 2009). Through Tanzania Railways Association of Workers Union (TRAWU) the workers accused the management of plotting to float a completely new contract without input from the workers. As a result passenger and cargo services between the city and upcountry stations stood cancelled indefinitely leaving hundreds of customers stranded. Many of these travelers disembark with some thereafter storming the TRL offices in protest (Njonanje, 2009)

Again from 2nd of August 2009 another strike hit the TRL with workers complaining of non responsiveness of the new management to their grievances and demanding the removal of the top management brass. With the strike on, hundreds of passengers/customers at Dar es Saalam railway station remained stranded. Chaos ensued as hundreds of stranded passengers rejected plans by the TRL management to refund them their fares and instead demanded the TRL provide them with an alternative means of transport plus a compensation for the time they had lost (Shame, 2009).

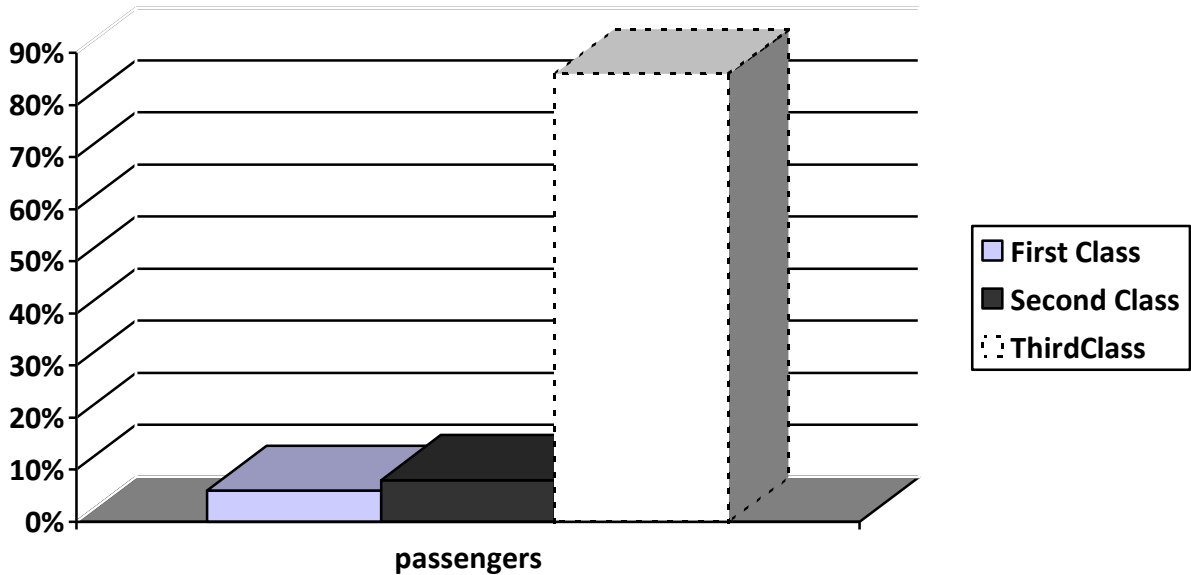
In early September 2009, RITES decided to suspend passenger trains indefinitely. This greatly hampered the access of TRL services by the public and also brought panic and uncertainty as TRL workers become afraid of losing their jobs. Consequently, the TRL staffs staged a strike that started on 6th of September 2009 that only ended on 9th of September when workers were addressed by the then minister for infrastructure development, Dr Shukuru Kawambwa (Correspondent, 2009).

The Minister talked of the ongoing efforts to review the concession agreement, assured TRL workers their jobs were safe and insisted that RITES had no mandate to take such a decision without prior consultation to the government as a key shareholder in TRL. Talking of the decision by RITES to suspend the passenger trains, the current Chief Corporate planning Manager criticized RITES for being insensitive to the public demand and TRL workers' inputs on matters that have direct bearings on their career (F.M, Sahani, personal communication, January 9, 2013)

Finally service delivery was also hampered by the public’s opposition to privatization strategy in TRL. Some controversial decision taken by RITES had worsened public hunger on the investor. On several occasions such as on early September 2009, RITES had issued suspension of passenger trains to inland Tanzania, much to the detriment of the public. Bullock (2009) argues that bus fares are normally typically about 30 % to 50 % higher than railway line fares. With this, passenger trains have offered a relief to majority of Tanzania’s poor people. For example in 2010 when bus fare from Dar es Saalam to Mwanza was sh.50, 000, a third class passenger train ticket was being sold at Sh. 19,000 (Millanga, 2012).

There fore, RITES’ failure to honor passenger trains as a public service obligation, hungered many people. Tanzania’s passenger trains offer three classes of travel, first, second, and third class. The third class (the cheapest) has average load factor of around 70%, with 80% to 90% of passengers traveling by third class (Bullock, 2009) as show below.

Figure 4.3: Passengers by Travel class on Tanzania Railways Limited



Source: Bullock (2009, p.31)

The public's opposition to privatization strategy was even worsened by the country's political history that had given much attention to the public sector rather than the private sector. There is clear indication that RITES was operating on a harsh public environment that never believed on the promise of privatization. The media became more and more coercive on the termination of the concession agreement. One columnist in a local daily questions the morality of partnering with a bankrupt Investor, while the main objective of privatization was to get an investor who would have brought capital inflow to the Corporation (Kirobo, 2008). Another columnist went farther to claim that RITES accepted to take over TRL, in order to make away with a US\$ 40 million loan that was being expected from International Financial Corporation (Benjamin, 2010)

Another columnist wrote indicating how irrational and comical the decision to privatize TRL was. Kuhenga (2010) wrote that not even the Indians (referring to RITES), to whom the Tanzanians had handed their railway network, have ever dared privatize such a strategic national asset. He stresses that the Indians were even running a whole ministry called the 'Ministry of Railways'. One seemingly agitated journalist couldn't understand the role of RITES if the Tanzanian Government was still footing 1.1 billion of the 1.7 billions TRL monthly wage bill (Mwangulumbi, 2011). In fact my observation is that no one in the entire nation supported the privatization process, a gleam picture is given by the fact that not even a single TRL employee that I managed to interview had a positive word for the privatization. Workers too retorted to vandalism of TRL infrastructure as a way of sabotaging the new RITES management (Mrindoko, 2011).

Contrary to Phipps (2009) and Shlyk (2009) who tend to blame governments for most concession failures, there is evidence that suggests that the success of a privatization strategy may as well depend on the quality of the concessionaire. For example, TRL's capacity to serve customers satisfactory was greatly hampered by RITES' decision to import poor quality used locomotives and its inability to solve labor disputes amicably. The 4th Joint Infrastructure Sector Review (JISF) report summarized TRL performance by indicating that the company was below targets by moving 70.2 million tone/km of freight against 918 million tone/km that was targeted for 2009/10. The same report indicated that for passenger traffic, TRL transported 16.9 millions passenger/km against 884 million passenger/km that was set (Saiboko, 2010)

4.4- Internal business processes performance

Internal business processes looks at internal business processes that lead to financial and customer perspectives' success. Managers need to focus on those critical internal operations that enable them to satisfy customer needs (Kaplan & Norton, 1992). An organization must be able to answer the question, what must we excel at?

On the first place, the lack of a sound business plan that would support capital investment deeply affected TRL operations (Phipps, 2009). As a popular quote from Alan Lakein goes “failing to plan is planning to fail” this proved to be the case for TRL. The chief corporate planning manager of TRL argues that, there was no any viable business plan that would have guided the internal operations of the company post the privatization period. (F.M, Sahani, personal communication, January 9, 2013). As a result, he argues that even when there was an inflow of capital such as the US\$33 million from the World Bank, the money was either impropriated or misused because there was no internal directives on the way forward. To add on, it is claimed that the lack of a viable business plan also scared potential creditors who had shown interests into funding the organization (Phipps, 2009)

The managerial cost cutting measures also proved to be futile and counter productive. The chief corporate planning manager of TRL says to reduce costs, the management decided to eliminate a technical team that had stationed bulldozers in a flood prone area at Kitendegurwe in Morogoro region that helped safe guard the railway line against seasonal floods. As a result the railway line was washed away by floods paralyzing TRL operations for weeks (F.M, Sahani, personal communication, January 9, 2013).

A special mechanism on traffic control, regular patrols on the railway line, four stations between Dar es Salaam and Soga in costal region where the trains went for mechanically examination before being let off to the country side, were all abolished to cut costs (Ondigo, 2009). Consequently, one junior employee recounted on how this led to increases on major incidences such accidents, engine failures and infrastructural vandalism (J.K.Shija, personal communication, January 10, 2013).

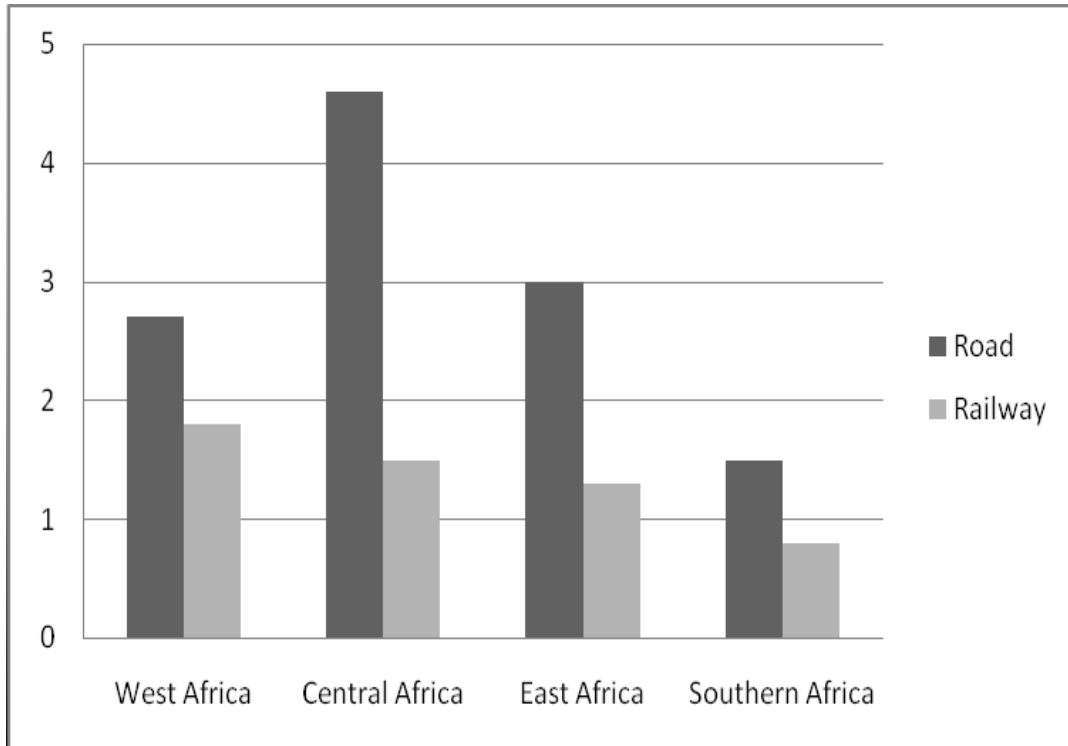
The management's quality assurance measures were questionable too. Their decision to import used engines has been widely criticized. The chief mechanical engineer at TRL says the locomotives were unreliable (P.J.Mafikiri, personal communication, January 10, 2013). It has been claimed the number of engine failure almost doubled in 2008 (Shlyk, 2009). Consequently TRL operations greatly reduced, for example the then minister for transport Mr Nundu was disappointed when he visited TRL headquarters on 21 of December 2010, only to find out that the train trips to Kigoma from Dar es Salaam have gone down from four per week in 2007 to only one by 2010 (Saiboko, 2010). To make matters worse, it has been claimed that, these used engines were being leased to TRL at a much exaggerated costs of which as a result, TRL now owed RITES lease fees totaling US\$10.42 million (Ondigo, 2009).

The internal wrangles and schisms that had engulfed the company seemed to be affecting the company's decision making process. Due to the workers' acrimonious relationship with their new management (RITES), workers would mount a serious opposition to any executive decision that was made. As a result of this, the organization's decision making mechanisms were in jeopardy. One junior staff captures the rebellious nature of the then TRL staffs when he said that as workers they felt it was their duty to protect their mother land from foreign exploitation (M.T.Juma, personal communication, February 9, 2013).

Another example of rebellion to executive decision is demonstrated when the management having been cleared by the government, disposed scrap metals at Morogoro work shop by selling them to Hans Nails Manufacturers Limited at the cost of Tsh 452,000,000 (Daily news reporter, 2011). But since September 2008 when the deal was done, the buyer failed to collect the scrap materials as workers denied him entry into the workshop. Regardless of that, workers continued selling the scrap metals to private buyers without the consent of either the government or their management (Daily news reporter, 2011). The government is claimed on the same tabloid to have written to the TRL management complaining of indiscipline by the TRL staffs. At the same time the buyer Hans Nails Manufacturers Limited, had requested immediate delivery of the materials sold to it or effect payment of the sum of 699,066,000 being the principal sum plus 26 months interest.

The internal business processes of TRL were ill equipped to deal with stiff competition that was being presented by Road transportation sector. This was even worsened by the internal wrangles and TRL’s dilapidated infrastructures. Most road transportation companies are small to medium size private companies. In such companies there is efficiency and quick decision making processes. Road transport is also quick in terms of speed and deliverance, Bullock (2009) observes that it is very expensive to maintain a rail track and signaling that may allow speeds that are marginally competitive with a sealed road maintained in average condition of about 70 km/hr commercial speed. It also requires large capital expenditures to construct new medium-speed railway for example for 200 km/hr. The following figure shades light on the performance of the Railway sector against the road transport in Africa.

Figure 4.4: Freight Rate of 12 meter containers in every Kilometer in Sub Saharan Africa



Source :Bullock (2009, p.41)

4.5- The learning & growth

This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement. Kaplan and Norton (1992) emphasized that learning is more than training as it may also include things like mentors and tutors within the organization, as well as that ease of communication among workers that allows them to readily get help on a problem when it is needed.

With the current rapid technological change, it is necessary for company workers to be in a continuous learning mode. However this wasn't the case in the TRL during the privatization period. The management's decision to close railways training institute located at Tabora brought adverse impact into TRL employees' learning and development. The chief of Man power, development and administration claims that for decades, the institute had filled knowledge gap within TRL staffs whether newly recruited or existing serving staffs (P.J.Kabelege, personal communication, January 8, 2013). The institute trained staffs on technical courses and also offered middle level management courses. Since the closure of railway training institute that used to be the major source of experts, no formal training for TRL staff has ever taken place (Ondigo, 2009)

With the railway institute closed, TRL resorted to hiring expatriates especially from India. It has been observed that a salary paid to a single foreign expert, could pay several local experts with similar qualifications (Ondigo, 2009). The wage gap between these expatriates and the local staffs further infuriated local staffs and fueled the company's troubles. One TRL staffs noted that the wage gap farther demoralized local staffs some of which had served the company diligently for several years (A.N.Mtimwa, personal communication, January 16, 2013). To add on, local staffs could not comprehend the inability of the TRL management to implement the Government of Tanzania mandated salary increment for local staffs from the average monthly wage of TSh 87,000 (80 US\$) to 150,000 (140 US\$). As a result of this wage dispute, TRL staffs went on strike on early April 2008 paralyzing TRL operations country wide (Shlyk, 2009).

But the wage gap was less infuriating as compared to lack of payment of employees' salaries. The delay of or lack of payment of workers' wages does no good at all on the worker's career growth or development. The month of November 2009, the TRL workers were not paid their salaries. A Tanzanian tabloid, the Guardian of the 2nd of December 2009 reported on how enraged workers of Tanzania Railways Limited had stormed offices of their management, deflating tires of vehicles of the company's senior staff over delay of November month's salaries. The same news paper quotes the then TRL managing director Chaudhary confirming that a total of 1.6 billions shilling was needed to settle November salaries, but there was no money to pay the workers.

The way in which the process of privatization was carried out had a negative impact into the employees' career development too. According to Phipps (2009) the intention to concession was well known and it dragged on for years. As a result, it did have a harmful impact on employee morale and performance. One junior employee of TRL claims the length of time the process took brought panic and fear to them especially when they thought of the impending retrenchments (E.J.Kembe, personal communication, February 9, 2013).

Again the retrenchment of about 5000 was very detrimental, the retrenchment came in two phases with the first phase covering 1800 employees and Phase two came at the time of concession covering the remaining 3200 employees (Phipps, 2009). The process demoralized employees creating panic and fear as one could not exactly tell of whether he/she will be on the first or second butch (M.T.Juma, personal communication, February 9, 2013). Some of the employees selected for retrenchments carried away with them their length of service and experience hence depleting TRL of its most valuable assets in highly trained and experienced workers (P.J.Kabelege, personal communication, January 8, 2013).

The resource based theory argues that to attain sustainable competitive advantage, a firm formulates and deploys a strategy that enables it to well utilize its unique resources. Contrary to this, privatization strategy is seen to have hampered the well utilization of TRL's human resource. Privatization strategy was followed by retrenchment in which many skilled TRL employees lost their jobs. The closure of the railway training institute affected staff development and training. The hiring of expatriates and the labor disputes farther demoralized employees thus impacting on their productivity.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1-Introduction

This chapter summarizes the research findings on TRL performance from year 2007 onwards as discussed in chapter four. Here important or key issues that vindicate the researcher's findings on four perspectives of performance as recommended by the balance score card are summarized. The research then as a conclusion addresses key issues or areas of concern, which might have hindered the performance of TRL after privatization strategy was adopted. Subsequently recommendations of possible remedies on issues that were discussed in the conclusion are mentioned and discussed in details. Finally the chapter ends by suggesting areas for further research, addresses the research limitations and the contribution of the research on policy, theory and practice.

Several researches that have been done, show that many Railway Organizations in Sub Saharan Africa have always been underperforming, this is in regardless of whether their under private hands. A Tanzanian government report shown in chapter four (refer to Table 4.3) shows declining performance of the Railway line for years prior to and after the concession. The major reason behind the trend has been attributed to lack of investments on railway infrastructures by the respective governments. Because of out dated infrastructures, Rail networks in Sub Saharan Africa are of low standard with low axle load and low speed and therefore, they are ill suited to modern requirements.

However this chapter will present and discuss other mitigating factors other than the lack of government investments that may affect performance of a railway line after privatization. In its subsequent sections, key issues on the role and impact of the general public, the quality of the concession, the role of the government and the concessionaire are brought on board.

5.2-Summary of findings

In accordance with the balance score card's four perspectives, the performance of the TRL during the time of privatization was simply worse in all direction. In the financial perspective, the company had almost become bankrupt, failing sometimes to even pay workers' salaries. For example on December 2009 workers staged a strike for not having been paid November salaries. The then TRL managing director Hundi-Lal Chaudhary maintained that the company could not raise 1.6 billion shillings that was needed to settle November salaries for the workers. The company was also an able to meet the government of Tanzania mandated salary increment for local staffs from the average monthly wage of TSh 87,000 (80 US\$) to 150,000 (140 US\$).

It is noted that in a revised business plan released in September 2008, TRL had specified an operational deficit of approximately \$83million over the course of 2009 to 2011. The financial problem was even worsened by the lack of a viable business plan that would have ensured the available financial resources were well utilized. The company's financial woes was best captured by the 18th of January 2009 Sunday citizen newspaper caricature, showing the then financial distressed TRL asking for hand outs from the government of Tanzania (refer to appendix 10)

Internal business processes of the company were in rambles. The corporation was rocked by many industrial actions. Workers would sometimes strike over delay or lack of payment of their salaries, other times it would be salary increment or unfavorable work contracts that they deem exploitative. These industrial actions paralyzed the organization's operations sometimes for weeks. The situation was even worsened by the lack of an effective and reliable conflict resolution mechanism. Some managerial decisions were also questionable; the decision to eliminate a bulldozers brigade stationed in a flood prone area at Kitendegurwe in Morogoro proved cost fully. The railway line was washed away by floods soon as the rains had started, there fore paralyzing TRL operations for weeks.

The level of learning and growth on employees was not pleasing. The new management's decision to close down the railway training institute was said to be detrimental. For decades the institute had been offering trainings to TRL staffs on different levels, suddenly the organization was deprived of its services. Again, employees' career development was in tantrums. The decision to hire foreigners for some posts at the expense of locals received wide condemnation, some times even adding the political angle to the whole equation. The wage gap between the local staffs and these expatriates fueled farther TRL problems. It has been observed that a salary paid to a single foreign expert, could pay several local experts with similar qualifications.

The customer service and satisfaction perspective was the worst hit. The imported used engines proved to be unreliable and this farther explains the increased instances of locomotive failures. On several occasions, customers were forced to spend more days enroute as a result of engine failures. The number of locomotives declined from 79 in 2007 to only 40 and coaches dropped from 97 to only 37, with this in mind it is difficult to imagine customers' demand for the TRL services was met. To add on, several industrial actions that were taken by workers impacted on the quality and level of service that was given to clients. In several occasions it has been noted, clients remained stranded with no one to serve them after workers had gone on strike.

To the detriment of customers, the condition of the infrastructure during privatization even worsened. It has been noted that in 2010, the then TRL Interim Managing Director Mr Kipallo Kisamvu told the then minister of Infrastructure development Shukuru Kawamba, that since RITES took over the company, the quality of railways infrastructures had deteriorated highly reducing the train's maximum speed from 60km/h to 30km/h, he also added that the bigger area of railways had no signal systems. In early 2011, all trains both freight and passenger trains heading to Kigoma and Mwanza through Tabora were suspended for ten days following the collapse of a bridge between Bahi and Kintinku stations in Dodoma. The bridge was said to have never been serviced since its inception.

5.3-Conclusion

The research concludes that the performance of the Tanzania Railway Limited (TRL) under privatization strategy was not pleasing; as a matter of fact it even worsened. The 4th Joint Infrastructure Sector Review (JISF) had indicated that TRL had failed to meet its annual operational objectives. This research concludes that there were several factors that might have caused the minimal performance of TRL after the privatization strategy was adopted. These factors are discussed below.

Firstly the quality of the concession process was not up to the standards. The timeliness and sequencing of the concession process from time of announcement of intent to finalization of the concession was very detrimental. The process took too long consequently ended up having an adverse impact on employee morale, asset deterioration and business shrinkage. It also appears that the contract was shoddy and incomplete. The concession or contract language did not anticipate every circumstance and eventuality that might arise. For example an increase of wages was neither envisaged nor guarded against in the contractual arrangement; consequently labor disputes become a norm. The concession also failed to stipulate clear roles and responsibilities of the concessionaire and government as relates to infrastructure rehabilitation and investment. While the government maintained it was the role of the Investor RITES to shoulder the expenses of infrastructure rehabilitation, the investor argued it was the government's responsibility.

Secondly the quality of the investor (RITES) in terms of ability and capacity to run and operate the railway line has too been in the limelight. Established in 1974, RITES' main line of business has been to provide consultancy services in rail transport management. There fore, the company has never had tangible experience on operating a railway line. This is farther vindicated by some of the managerial decisions under taken by RITES, which have been widely criticized as detrimental to the TRL. The closure of the Railway Training Institute and hiring of foreign experts at the expense of local experts received wide condemnation. RITES' conflict resolution mechanisms also proved to be obsolete as demonstrated by its inability to solve wage disputes amicably.

Thirdly the lack of a viable working relationship between key stakeholders is also partly to blame. The relationship between the government and the investor (RITES) was very acrimonious. RITES complained that the government had misled RITES officials by indicating that the TRL (TRC then) was in possession of 92 working locomotives when in actuality only 55 existed, this RITES argued impacted much on its ability to operate TRL. On the other hand, the Tanzanian government was unimpressed by the Indian investor's failure to pay over US\$ 6 million in concession fees to the government for the year 2008.

RITES' proposal for the cancellation of the concession fees for the first 5 years until 2011 (about US\$58 million) was not well received by the Tanzanian government. RITES also requested an exemption from fuel levy of TSh200 per liter of fuel plus the government's commitment to shoulder all infrastructure investments. With these propositions the Tanzanian government threatened contract cancellation altogether. The opposition to the concession agreement within the government grew with the publication of the parliamentary committee on infrastructure development report that called for the termination of the concession agreement.

The relationship between workers and the Investor (RITES) was not cordial. The Workers through their union Tanzania Railway Workers Union (TRAWU) had opposed the privatization of the railway line from the beginning. The chief of Man power, development and administration, Mr Kabelege had claimed that on the workers' view, the decision to privatize the railway line was rather a political strategy than a business strategy. Workers' opposition to privatization was so large that in early 2011, when TRL commenced an enquiry into the vandalism of its workshop in Morogoro, the then head of railways police Ms Ruth Mkeremo claimed that vandalism of railway equipment was a form of sabotage by the workers against the new TRL management. Workers' opposition and acrimonious relationship to the investor was even fueled by the investor's inability to solve the wage disputes that had rocked the corporation.

Fourthly there was a stiff competition from road transport sector. This was even worsened by the internal wrangles and TRL's dilapidated infrastructures. Rail networks in Sub Saharan Africa are of low standard characterized by low axle load and low speed therefore they are ill suited to modern requirements. These networks such as the TRL network face a major handicap when competing against the modern road networks being constructed in major corridors. As observed earlier it is very expensive to maintain a rail track and signaling system that may allow speeds that are marginally competitive with a sealed road maintained in average condition of about 70 km/hr commercial speed. It also requires large capital expenditures to construct new medium-speed railway for example for 200 km/hr.

Fifthly the level of infrastructure dilapidation of the TRL was so dysphemistic before, during and after privatization. For years it has been observed the Tanzania Railways had suffered from under investment in both infrastructure rehabilitation and the rolling stock. Probably because of the costs involved, the Tanzanian government had never carried out any major infrastructure review and update process. As shown earlier, it is claimed that rebuilding an existing railway line for which earthworks already exist may cost a stunning \$350,000 per km. The lack of government investment on the Railway line is further vindicated by the Chief Mechanical Engineer of TRL, who claimed that the government has done little to improve the dilapidated railway system. With the then conditions of the Railway infrastructure and the rolling stock, it would have been an uphill task for the investor more so of RITES' caliber to turn around the organization's performance.

The infrastructure condition even worsened during the privatization period. It has been noted that a well run railway should inspect its network at regular intervals using sophisticated high tech equipments such as the track-recording vehicle. It is also paramount that routine maintenance including high attention to earthworks and drainage is carried out. But this was not the case with TRL during the privatization period. It has been noted that a special mechanism of traffic control that had been in place plus regular patrols on the railway line were abolished to cut costs soon after RITES took over the organization. The investor also abolished about four stations between Dar es Salaam and Soga in Coastal Region where the trains went for mechanically examination before being let off to their final destinations.

To reduce costs also, the management decided to eliminate a technical team that had stationed bulldozers in a flood prone area at Kitendegurwe in Morogoro region. The bulldozers brigade it has been claimed helped safe guard the railway line against seasonal floods. As a result of its termination, the railway line was washed away by floods paralyzing TRL operations for weeks. It is also my observation that the TRL infrastructures and rolling stock, has never improved even after RITES left. Very recently on 19th of September 2012, hundreds of passengers were stranded for more than seven hours after an engine failure in Morogoro.

Lastly lack of a viable business plan that would have guided and steered the organization after privatization was crucially. Alan Lakein once envisaged that “failing to plan is planning to fail”. A business plan would have helped identify several potential creditors to the concession in advance. But with a lack of a viable business plan, TRL was forced to relay on a single creditor the IFC. And when the IFC could not deliver on its financial promises, TRL was in problems. Worse still, it has been established that the lack of a viable business plan scared potential creditors who had shown interests into funding the organization. To add on, a viable business plan would have guided the internal operations of the company post the privatization period. The lack of a business plan ensured that even when there was an inflow of capital such as the US\$33 million from the World Bank, the money was either impropriated or misused because there was no internal directives on the way forward.

5.4-Recommendations of the study

As outlined above, the performance of the Tanzania Railway Limited wasn't to the standards. A number of possible factors have been identified as possible causes for the minimal performance as discussed in the conclusion. To ensure that there is satisfactory performance after privatization, it is here recommended that the following should be considered as remedies.

First there should be adequate formulation and implementation of laws that may act to govern the entire privatization process. In Tanzania it seems there were enough legislations but implementing them effectively proved futile. Since a private operator by nature tends to prioritize achievement of financial goals to the expense of safety and environmental protection, the railways act (Act No. 4 of 2002) reinforces the Surface and Marine Transport Regulatory Authority's (SUMATRA) role as the economic and safety regulator of rail transport.

The Law (Railways Act, 2002) requires SUMATRA grant license to an investor after the applicant submits a Safety Plan and an environmental impact assessment report for approval. The question which lingers in mind is, did the used locomotives, coaches and wagons imported by the investor (RITES) meet the safety standards as stipulated by law? It seems not. It is claimed the instances of engine failure almost doubled in the year 2008 alone. Then why was the investor allowed to import used locomotives? Was there laxity on law implementation by SUMATRA? Definitely that was the case.

Secondly the public should actively be involved during the entire privatization process. It is difficult for the public including the railway line staff for example, to be antagonistic about a private investor if they actively took part on the entire process. It is recommended that to increase success prospects of a privatization strategy, major users (the public) should be allowed to form an advisory committee which would take care of the consumer or public interests during privatization. But this wasn't the case in Tanzania, the process dragged for years while TRL workers and the public were kept in the dark. Workers were not certain about their features, proper plans and procedures were not laid down regarding the impending retrenchments. The concession agreement again did not honor the Passenger service train as a public service obligation there fore it ignored the general public's key interest.

Thirdly the ability and the capacity of the investor to operate the business he or she is interested should be thoroughly examined. RITES' ability to run a railway line has been questionable. RITES' main line of business has been to provide consultancy services on railway transport management; therefore it had no experience on running and operating a railway line. This is further vindicated by some managerial decisions under taken by RITES that were widely criticized as detrimental. RITES' conflict resolution mechanisms also proved to be obsolete as demonstrated by its inability to solve wage disputes amicably. RITES financial muscles were also unfit for the Tanzania Railways project. It failed to pay concession fees and workers' wages several times. But off all the shortcomings of RITES, the most devastating was the lack of a viable business plan that would have guided the operations of the TRL after privatization.

Lastly a quality concession agreement is paramount to the performance of a privatization strategy. A RITES versus the Tanzanian government concession has been widely critiqued as not to the standard. The concession agreement did not anticipate every circumstance and eventuality that might arise. For example an increase of wages was neither envisaged nor guarded against in the contractual arrangement. The concession agreement again failed to honor the passenger service train as a public service obligation; this made the concessionaire (RITES) focus more on the freight services and having de facto abandoned or gave little attention to the passenger service trains.

The concession also failed to stipulate clear roles and responsibilities of the concessionaire and government as relates to infrastructure rehabilitation and investment. Therefore, while the government and RITES threw blows at each other on who was absconding on her duties, deterioration of infrastructure worsened. For example it is on record that on late December 2010 speaking to the then minister of infrastructure development Shukuru Kawamba, the then TRL interim managing director, Mr Kipallo Kisamvu said that since RITES took over the company, the quality of railways infrastructures had deteriorated highly reducing the train's maximum speed from 60km/h to 30km/h.

5.5-Suggestions for further research

For long, the ability of a privatization strategy to improve an organization's performance has been solemnly attributed to the work of two key parties namely the government and the investor. The government's major role has been to enable legislations that would govern and support the privatization process, choose the right investor, ensure a right concession is reached and ensure the public's interests are well guarded in the entire. On the other hand, an investor's major duty has been to carry out his/her objectives as agreed upon in the concession agreement.

However this research identified two more parties that may also hold a key to the success of privatization strategy or any other business strategy. Firstly it is here by recommended that a farther research be done on the role of staffs or employees of a just privatized firm on their impact on the success of such a business strategy. It has been established here in that some actions done by the TRL employees were consciously detrimental to the effectiveness of the investor (RITES) hence detrimental to the entire privatization process. TRL employees had a bad taste on the privatization process from the begin, hence entered the marriage on the wrong foot. There are many actions of theirs (employees) that may be accounted as sabotage on the investor's (RITES) performance in particular and organizational performance as a whole.

The acts of vandalism of Railways infrastructures by employees have been widely reported. Such actions as the widely reported vandalism at the TRL work shop in Morogoro, was difficult to comprehend especially at a time when the investor (RITES) together with the government were working so tirelessly to rehabilitate the TRL infrastructures. Again workers prevented the disposition of scrap metals to a successful bidder Hans Nails Manufacturers Limited as agreed upon by the government and RITES. But instead, it is reported the workers earned revenues by opting to sell the scrap metals to individual buyers. TRL Workers also in mid October 2010 staged an eight-hour stand-off to end RITES and the government through Sumatra's planned tests to identify the quality of locomotives and coaches.

Farther research could also be done on the role of the general public in regard to the success of any business strategy such as privatization. There is clear indication that RITES was operating on a harsh public environment that never believed on the promise of privatization. The situation was even worsened by the country's political history that had given much attention to the public sector rather than the private sector. Could any one run a business successfully in a public that neither trust nor does believe in you? Perhaps that could be a question that may need an answer in the future. The media was all over talking tough on RITES with thousands of blames and unsubstantiated accusations. From siphoning of cash to overseas accounts, to exploitation of innocent local workers, the company was always on the receiving end. One columnist went farther to claim that RITES accepted to take over TRL, in order to make away with a US\$ 40 million loan that was being expected from IFC.

My observation remains that RITES never received support from the general public in any way. The then prevailing public mood seems to be, RITES was the sole cause for the TRL woes. This is in regardless to the fact that the state corporation was in problems long before RITES came on board. RITES just like any other organization could have been having its own weaknesses, but did this warrant much attention from the public? Would the fortunes of the Railway line change if the attention being given to RITES by the public was given to other key stake holders too? Was the government doing every thing right after the concession? What about the TRL employees? Was their attitude and actions right? Perhaps the public should have unsegregatory brought the key stake holders on line, the TRL fortunes would have been brought on line too.

5.6 - Research Limitations

The researcher was unable to get information from any of the representatives of the then investor (RITES) to explain some of the controversial decisions they are claimed to have made. This is attributed to the fact that the firm left the country immediately after the termination of the concession agreement by the Tanzanian government. The researcher's efforts for example to get RITES's chief point man the then TRL managing director Hundi-Lal Chaudhary even through email, proved futile.

The researcher was unable too, to collect data from officials of the ministries of infrastructure development and transport and communication. Consequently, the researcher was unable to get information and insights on some of the controversial decisions undertaken by the government at the time. For example the decision by the government to pay salaries of the TRL workers while under the concession agreement, it was firmly the duty of RITES. There fore the views and conclusions presented on this research findings are influenced by a single source of primary data, the TRL employees. There fore the findings may be one sided.

To add on the researcher faced time and financial constrains, and these may have impacted on the integrity of the final document. The research has been done in a period of over three month and half. This may not be an appropriate length of time for extensively and exhaustively collection of data from all required sources. The research was also done on a shoe string budget. This necessitated the cancellation of some of the data gathering exercises such as a planned field trip from Dodoma to Tabora.

5.7-Implications on policy, theory and practice

Contrary to what is suggested by advocates of Principal-agent theory and Public Choice theory, privatization strategy may not necessarily improve an organization's performance. As established by this research, the Tanzania Railways Limited's performance further declined after privatization. The company's financial performance was not health; the liquidity of the company was not very pleasing. As a matter of fact the company even failed to meet its operation costs several times such as paying workers' wages and paying concession fees to the government. The Company's internal processes also declined as it was faced by increased waves of industrial actions and fatal infrastructures deteriorations. On the other hand, there are number of public institutions which continue to perform well under the public helm. A good example of this in Africa could be the Ethiopian Airlines which has continued to rack in convincing results regardless of the fact that it has never been privatized.

As a policy, it is important to note that privatization strategy may not necessarily change an organization's fortune for the better. Its ability to bring the required results may be directly subject to several mitigating factors. The existence of infrastructures such as enabling registrations and capable institutions to enforce them is vital. But most importantly, a competent and prompt government, a highly qualified concessionaire and a positive public mood; are a must be present ingredients.

On the practice level, the way privatization strategy is implemented or carried out, may determine its effectiveness to deliver expected results. Just like any other change in an organization, the process should be domesticated by letting employees take an active role during the process. This helps nullify opposition to the process while enhancing cooperation on the said process. In the TRL's case, employees' were never involved on the process and as such open opposition to the privatization process become a norm. With this in mind, sabotage to the investor by the employees as demonstrated by infrastructure vandalism was rampant. This study as proposed an establishment of an employees' advisory committee that will ensure employees' interests are well guarded during the privatization process. To add on, apart from choosing an appropriate investor; policy makers should ensure privatization process does not drag on for so long and there fore ending up having detrimental effect on the employees' morale.

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APPENDICES

Appendix 1: Interview guide Questions

1-What are your views on the government’s decision to privatize TRC?

.....

2-What is your opinion on the way the entire privatization process was carried out?

.....

3 -What are your views on the retrenchment that followed the concession and its impact on the organizational operations?.....

4-What are your views on the concessionaire (RITES) and the employees (TRAWU) working relationship?

.....

5-Do you think the nature of (TRAWU) and RITES relationship did affect the TRL operations?

.....

6-What are your views on the quality & performance of the new locomotives that were brought by RITES in relation to their reliability, durability, serviceability and capacity?

.....

7- a)-Do you think TRC staffs and management were adequately consulted during the privatization process?

.....

b)- Did the level of consultation have impact on the commitment of TRC staffs to the concession agreement?

.....

8- What are your views on the new owner’s (RITES) decision to hire foreign experts (workers) in preference to local experts/workers?

.....

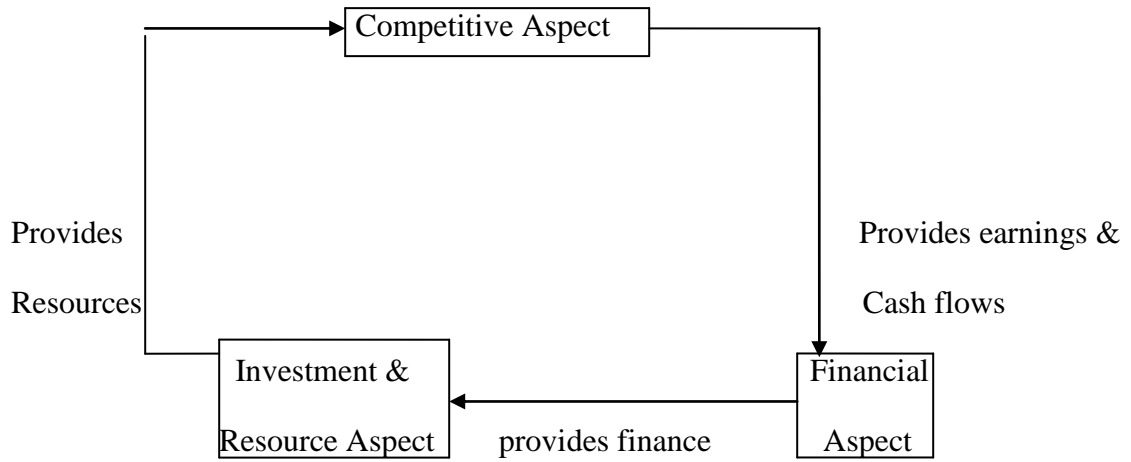
9-Did the length of time at which it took for the concession agreement to be completed affect TRC Operations?.....

10 a)-What are your views on the new owner (RITES) decision to close down the Tanzania Railway Training Institute as cost reduction measure?.

.....

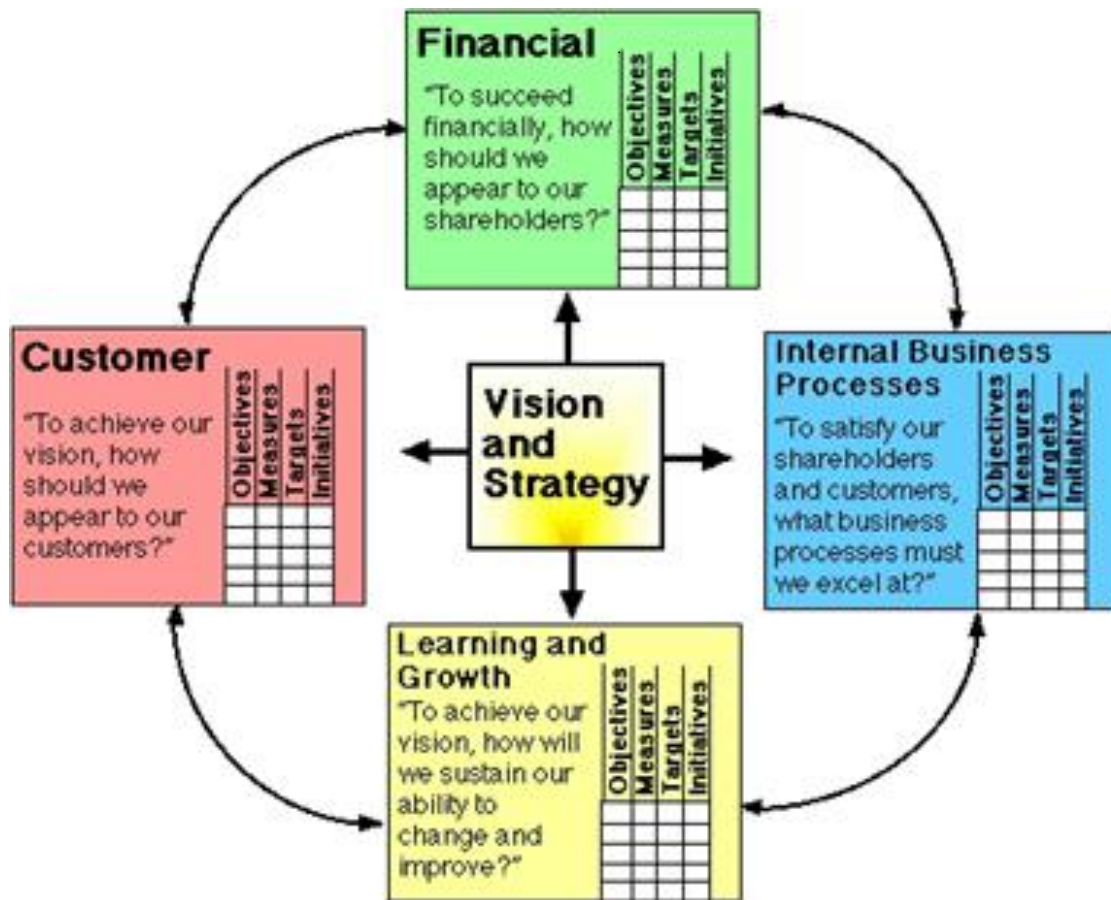
b) On your views, on what ways could the RITES’s action as mentioned in part A, impacted on the quality of employees that you eventually had to work with?.....

Appendix 2: Three Aspects of a strategy.



Sourced: Harris (2006 p.3)

Appendix 3: Balanced Score Card Strategic Perspectives.



Source: Kaplan & Norton(1996 ,p.76)

Appendix 4: Tanzania Railways Corporation (TRC) major & minor lines



Source: CDC, 2008: p.10

Appendix 5: University of Nairobi student letter of introduction



UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 14/12/2012

TO WHOM IT MAY CONCERN

The bearer of this letter KASIMILA JULIUS KALU

Registration No. D61/02937/2010

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

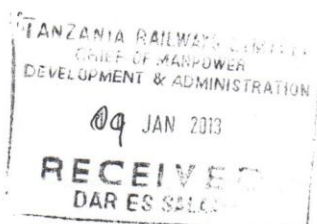
The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE



Appendix6: Cover letter to TRL



Julius Kaluli Kasimila
Tel: +255767063500/255767063500,
P.o.Box 1088,
Dodoma, Tanzania.
Email:juliuskasimila@yahoo.com
gkasimila@gmail.com,
Date: 09/ 01/2013

Chief of Manpower Development & Administration,
Tanzania Railways Corporation/Limited,
Sokoine Drive/Railway Street
P.O.Box 70364 Dar Es Salaam, Tanzania
Phone: +255 (0) 22 211 0599

Dear

Sir/Madam

RE: Masters' Thesis Research

I am a Tanzanian student at the University of Nairobi pursuing a Master's degree in business administration (MBA), as part of my academic curriculum I am supposed to carry out a practical business research (thesis). In relation to that and my duly acknowledgement of the importance of the railway sector on the economy of my country, I have decided to do a research on the impact of privatization (ubinafshaji) on the TRL performance. There fore I am writing to ask for your permission to carry out data collection on your organization. Be assured there fore that Data collected will be used for the above mentioned academic purpose only. Your assistance and cooperation on this will be highly appreciated.

Yours in National building.


Julius Kaluli Kasimila

Appendix 7: Research authorization letter TRL department of corporate planning & management Services

Tanzania Railways Limited

Telephone: 2110599 Ext. 2738
Fax: 2115509

In reply please quote:
Ref. No. P1/3/10



Chief of Manpower Dev. &
Administration's Office
P.O. Box 70364
DAR ES SALAAM

Date: 9th January, 2013

The Chief Corporate Planning & Mgt. Services
DAR ES SALAAM


RE: **JULIUS KALULI KASIMILA**

The above named is pursuing MBA at the University of Nairobi. In order to fulfill the requirements of the MBA programme, he is supposed to carry out practical business research (thesis).

Mr. Kasimila has chosen railway sector being his area of study due to the fact that railway transport contributes to the economy of the country.

He has chosen the imparity of privatization on TRL performance being the area of study. I hereby send him to you for the purpose of carrying out data.

Please assist.


J.P. Kabelege
Ag. Chief of Manpower Dev. & Administration

Appendix 8: Research authorization letter TRL department of mechanical engineering.

Tanzania Railways Limited

Telephone: 2110599 Ext. 2738
Fax: 2115509

In reply please quote:
Ref. No. P1/3/10



Chief of Manpower Dev. &
Administration's Office
P.O. Box 70364
DAR ES SALAAM

Date: 10th January, 2013

The Chief Mechanical Engineer
DAR ES SALAAM

RE: JULIUS KALULI KASIMILA

The above named is pursuing MBA at the University of Nairobi. In order to fulfill the requirements of the MBA programme, he is supposed to carry out practical business research (theses).

Mr. Kasimila has chosen railway sector being his area of study due to the fact that railway transport contributes to the economy of the country.

He has chosen the imparity of privatization on TRL performance being the area of study. I hereby send him to you for the purpose of carrying out data.

Please assist.


J.P. Kabelege

Ag. Chief of Manpower Dev. & Administration

PME
Deed
Mwambi 11/01
13

Appendix 9: Research Authorization letter TRL department of commercial services

Tanzania Railways Limited

Telephone: 2110599 Ext. 2738
Fax: 2115509

In reply please quote:
Ref. No. P1/3/10



Chief of Manpower Dev. &
Administration's Office
P.O. Box 70364
DAR ES SALAAM

Date: 11th January, 2013

The Principal Commercial Manager
DAR ES SALAAM

RE: JULIUS KALULI KASIMILA

The above named is pursuing MBA at the University of Nairobi. In order to fulfill the requirements of the MBA programme, he is supposed to carry out practical business research (thesis).

Mr. Kasimila has chosen railway sector being his area of study due to the fact that railway transport contributes to the economy of the country.

He has chosen the imparity of privatization on TRL performance being the area of study. I hereby send him to you for the purpose of carrying out data.

Please assist.


J.P. Kabelege

Ag. Chief of Manpower Dev. & Administration

Appendix 10: A Caricature on the TRL's financial troubles



Source: SundayCitizen, January 18, 2009.