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# The politicization of organization development in Tanzania

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### ABSTRACT

This paper is an account to politicization of bureaucracy and its impact on organization development and change in Tanzania. Through a historical approach, it examines the country's political terrain and the way this has affected the ability of managers of public corporations to be the chief architects in managing changes in the organizations. The theoretical postulate of this paper is that the effectiveness and prosperity of public organizations largely depends on limited political influences and interferences in daily operations of these entities. The general observation that is noted, after a documentary analysis of the then public parastatals, privatized entities and other organizations that continue to be under the control of the government is that soon after independence to the era of the introduction of liberal policies in the country there was excessive politicization of bureaucracy which negatively deprived the managers of their presumed decision making autonomy thereby leading to poor performance of these organizations. It is however noted that since the adoption of liberalization policies positive developments that suggest relative managerial autonomy have taken place. It can however not be asserted that politicization tendencies are over as there are some organizations still suffering from this problem.

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### Introduction

The survival and success of any organization depends on its ability to cope with changing environment. It is this ability to change that enables the organization to remould its culture, increase its production level, review its mission and vision and set its future performance targets.

However, changes in organizations are not god-given and therefore inputs from human beings are of great importance. It is thus upon those in charge of organizational affairs to forecast change and development needs and set a path towards the realization of this aspiration.

As Kegan (1971:456) argues, organization development seeks to help organizational members to remove the barriers which prevent the release of human potential within the organization.

On this basis, the management, with support from other stakeholders, is expected to play both leadership and managerial roles towards ensuring that the organization(s) head towards the right direction.

It is nonetheless worth noting that human beings are both the grease and sand of the organization's development and change wheel. This is basically due to the fact that human actions can both be fruitful and detrimental to the survival of the organizations.

On the basis of the arguments above, this study examines incidents of politicization of the bureaucracy in Tanzania and the way they affect organization development and change.

The thrust of this paper is that while politicians hold controls of public organizations as explained by both the politics-administration dichotomy nexus and the overhead democracy thesis, it is the employees and management within public organizations that deserve more power in shaping the way public organizations change and develop. From the organization theory perspective, bureaucrats are said to possess knowledge

power which in fact is in this context treated as very essential in setting a trajectory for organizational development and change in public organizations even if this does not necessarily guarantee complete autonomy from political controls.

The literature on Tanzania's administrative and political systems since independence particularly prior to liberal reforms shows an overarching influence of politics in the management of public organizations.

This inclination for many years had adverse impact on the development and change of public corporations.

Nonetheless, if politicization of bureaucracy was a poison to organizational development and change, it had its possible cure discovered in 1980s when the country adopted liberal policies.

It is however yet to be proved whether this change marked a resurrection of managers' autonomy in influencing organization development and change.

In examining politicization incidents and their effects on organization development and change in Tanzania, the focus is not primarily on the performance of state-owned enterprises and other organizations covered in this paper but rather on the circumstances and environment that may have facilitated or deterred the ability of managers to plan for organization development and change.

Giving less attention to performance in gauging the status of organization development and change is based on the fact that managers' autonomy might not necessarily be the only factor in determining the performance of organizations.

The paper is therefore divided into various sections namely the conceptual and theoretical issues (organization development, theories of organization development and politicization of bureaucracy), organization development during the independence period (1961-75), organization development in the transition period (1976-1992) and organization development from 1992 to 2011, followed by a conclusion.

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## Theoretical and conceptual issues

### Organization development and change

The term Organization Development (OD) has many definitions. As a result, there is no a universally agreed definition of the concept except that there is a general agreement on the nature of the field and its major characteristics (Bell & French 2005:24). The definitions of organization development can be grouped into two categories namely early definitions and recent definitions. Early definitions were provided by scholars such as Beckhard, Bennis and Burke and Hornstein. The definitions of these scholars are provided herebelow by French & Bell (2005).

Beckhard (1969) defines organization development as an effort planned organization-wide and managed from the top to increase effectiveness and health through planned interventions in the organizations' processes using behavioural science knowledge. On the other hand, Bennis (1969) conceives of organizational development as a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organizations so that they can better adapt to new technologies, markets and challenges and the dizzying rate of change. Burke and Hornstein (1972) define organization development as a process of planned change-change of an organization's culture from one which avoids an examination of social processes (especially decision making, planning and communication) to one which institutionalizes and legitimizes this examination.

In the category of recent definitions of organization development there are authors such as Vaill, French and Bell and Cummings and Worley.

Vaill (1989) defines organization development as an organizational process for understanding and improving any and all substantive processes an organization may develop for performing any task and pursuing any objectives. Cummings and Worley (1993) treat organizational development as a systematic application of behavioural science knowledge to the planned development and reinforcement of organizational strategies, structures and processes for improving an organization's effectiveness.

French & Bell (2005) define organizational development as a long term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of an organization culture-with special emphasis on the culture of intact work teams and other team configurations-using the constant-facilitator role and the theory and technology of applied behavioural science, including action research.

As managers struggle to ensure organizational efficiency they can pursue various change strategies which include changing organizational structure, tasks, technology, attitudes and skills of people in the organization (Dessler, 1986:449). Changing the organization structure involves a change in departmentalization, coordination, span of control, or centralization of decision making in the organization. Technological changes involve changes in the work methods used by the organization to accomplish its tasks. It is on these changes and developments that different theories have been constructed to explain organization development and change.

In the course of examining the effects of politicization of bureaucracy and organization development and change in Tanzania, this paper will use French & Bell's definition of

organization development. While other definitions are also relevant in explaining organization development and change, the above adopted definition is very useful in this paper particularly in two main aspects. The first one is that as it acknowledges the role of top management in coordinating organization development, the paper will examine how top managers have been influencing change and development agenda in public organizations. The second aspect is that like other definitions of organization development that we have earlier highlighted, the definition by French and Bell stresses on the importance of the application of scientific techniques and action research in monitoring organizational development and change and thus this paper will as well seek to establish whether or not OD-related decisions are supported by research-based information.

### Theories of organization development and change

There are various theories that explain change in organizations. Van de Ven & Poole (1995) propose four theories that can explain organization development and change. The first theory identified is the Life-Cycle Theory. They reiterate that according to life cycle theory, change is imminent, that is, the developing entity has within it an underlying form, logic, program, or code that regulates the process of change and moves the entity from a given point of departure toward a subsequent and that is prefigured in the present state. Thus the form that lies latent, premature or homogeneous in the embryo or primitive state becomes progressively more realized, mature and differentiated. The theory further provides that external environmental events and processes can influence how the entity expresses itself, but they are always mediated by the immanent logic, rules, or programs that govern the entity's development.

The Teleological theory on the other hand explains organizational development by relying on teleology or the philosophical doctrine that purpose or goal is the final cause for guiding movement of an entity (Van de Ven & Poole 1995:515-516). According to this theory, development of an organizational entity proceeds towards a goal or an end state. It is assumed that the entity is purposeful and adaptive; by itself or interaction with others, the entity constructs an envisioned end state, takes action to reach it, and monitors progress. From this theoretical perspective organization development is viewed as a repetitive sequence of goal formulation, implementation, evaluation and modification of goals based on what was learned or intended by the entity.

The dialectical theory, on the other hand, is constructed from Hegelian assumption that the organizational entity exists in a pluralist world of colliding events, forces or contradictory values that compete with each other for domination and control. These oppositions may be internal to an organizational entity as it pursues directions that collide with the direction of other organizations. In this theory, stability and change are explained by reference to the balance of power between opposing entities. Change is therefore said to occur when these opposing values, forces or events gain sufficient power to confront and engage the status quo.

The Evolution theory of organization development focuses on cumulative changes in structural forms of populations of organizational entities across communities, industries, or society at large. It provides that as in biological evolution, change proceeds through a continuous cycle of variation, selection and retention.

In discussing changes in organization, Dessler argues that there are three approaches to organizational change. In the first

approach the manager can unilaterally decree that change will take place and hope for the best whereas the second approach involves delegation by telling employees what the problem is and let them come up with solutions and proposed changes. The third one is a shared approach which involves members of the organization in diagnosing organization problems and proposing the solutions to the problem (Dessler 1986:446-447).

As the above theories have clearly portrayed, there are various forces to which changes and development of the organization can be attributed. While some might be positive to the organization, the ramifications of other forces can adversely affect the survival of the organization. One of negative factors to OD is politicization of the bureaucracy. This paper will be guided by the teleological theory of organization development. The choice for this theory rests on the rationale that it sets a basis for an enquiry on the impact of politicization of bureaucracy on organizations' ability and autonomy in determining how the predetermined organizational goals could be attained. As this theory views OD as a repetitive process involving shaping and reshaping of organizational goals, it is the interest of this paper to see who have been/were influencing change process, when and how these changes take place.

#### **Politicization of bureaucracy**

Mallya (1988) points out that a politicized bureaucracy is one in which; in carrying out its official duties involves political activities, it is not value free as per the politics-administration dichotomy, is indoctrinated by the ideology of the ruling party and plays a clients role in a clientelist relation existing in the society it finds itself, the political wing being the patron.

Politicization of bureaucracy is conceived of from different perspectives in which to some it is a vice whereas others consider it virtuous depending on certain contexts. For instance, Sabramaniam (1977) as quoted by Mallya (1988) highlights three rationales for politicization of bureaucracy in Africa. His first argument is that politicization is inevitable in a one party state because after acquisition of independence, liberation movements/parties go on to Africanize the administration so as to raise patriotism among those replacing the colonial servants. The party then uses the bureaucrats to mobilize the masses and in so doing it strengthens itself.

The second justification for the politicization of bureaucracy is that development administration needed civil servants' participation in nearly all aspects of running the state. The political sensitivity of the development administration was here put at the fore front. Sabramaniam (ibid) further argues that since there were very few qualified citizens, the leaders drew freely from the educated few of the middle class for political and administrative positions.

Rouban (2007) conceptualizes politicization of bureaucracy by looking at three aspects. In the first place, politicization is defined as participation in political decision making. He points out that civil servants are political as they are obliged to accomplish works of a political nature that is not limited to the mere application of legal or economic rules. He argues that in industrialized democracies, political class is no longer the sole actor in the decision making process and therefore decisions are often difficult to identify and localize (ibid: 311). For instance, in Japan, the senior civil service controlled the entire political processes up until 1980s, orienting the economic policy through a tight network of influences in the Diet as well as in industry (ibid). Like Subramaniam, Rouban argues that issues of politicization of bureaucracy in the developing world need to be

looked at from a different perspective because the civil service is the only expertise and advisory resource for government and therefore governments rely on them too much.

The second conception of politicization of bureaucracy is that which treats politicization as partisan control over the bureaucracy. This mainly refers to government activities that subject the appointment and career of civil servants to political will. This means that both a civil servant's activity and career depend more on political than professional norms defined by the administration and ruled by law.

The third meaning of politicization as espoused by Rouban is political involvement by bureaucrats as citizens and voters. This mainly refers to the degree of public bureaucrats' political involvement as citizens and voters. The underlying question in this meaning is whether or not these bureaucrats stand as a political force.

From the above conceptualizations, it can be established that politicization of bureaucracy is a counterforce to freedom and autonomy of bureaucrats in carrying out their duties. This is largely due to the fact that it suggests an extension of politicians' supervisory role to administrative and managerial roles, a propensity that is opposed to the ethos of organization development. It is the view of this paper that politicization of bureaucracy is antithesis to OD and that although Sabramaniam's justifications for politicization might have some relevance in some contexts they do not stand convincing enough. This is basically due to the following reasons. As newly independent African countries were struggling to overcome various socio-economic and political challenges, it was the appropriate time that scientific techniques and methods could be applied in trying to look for viable solutions to these compelling challenges rather than opting for politicization of bureaucracy. Furthermore, Sabramaniam's justification for politicization loses meaning in the sense that it does not tally with the envisaged shortage of qualified citizens. One could have for instance expected to see those few available qualified citizens being given freedom to apply their competencies in advising for changes in organizations. On the contrary, most of these people were indoctrinated and subjected to the controls of party.

Basing on the view that politicization of bureaucracy is inimical to organization development and change, this paper will use Mallya's conceptualization of politicization so as to see the extent to which the absence of politics-administration dichotomy affects organization development in Tanzania. From this conceptualization, the paper will study the impact of the political wing (which in this definition is treated as a patron) in affecting organization development and change. The next sections of this paper are thus set to discuss politicization of bureaucracy and organization development in Tanzania.

#### **The independence phase and organizational development and change: The era of visible politicization (1961- 1975).**

As the country got her independence in 1961, the government embarked on nation building project which involved the introduction of various projects and initiatives such as the five year development plans and nationalization to realize this main goal. It was on this basis that many parastatals organizations were established. They were expected to cater for the needs of majority Tanzanians whom by that time were expecting a lot from their government. It should however be noted that the nation's ideology was socialism which was enshrined in the country's constitution in 1967 and this was

preceded by the constitutional declaration that Tanzania was to be a one party state in 1965. This ideology involved an emphasis on self reliance and nationalization of the major economic units of the country including foreign-owned industrial, financial and commercial companies (Picard 1980:443)

The adoption of socialism as the national ideology implied the institutionalization of centralized leadership in which the party had an upper hand in whatever development initiatives that were introduced (Samoff, 1981), Picard, (1980). This centralization was very detrimental to the operations of public parastatals as in spite of the general requirement that they had to carry out their functions within the country's ideology, the managers of state-owned companies were not given a breathing space to ponder on the best ways these corporations could perform their functions effectively and efficiently. The government maintained maximum control of these parastatals to the extent that they generally seemed like the implementation agencies of the ruling party's directives (Mallya, 1988). As organization theorists such as Beckhard (1969), Vaill (1989) and French and Bell (2005) argue, changes within organizations are inevitable as they enable the organizations to cope with the changing environment. Managers of the organizations are thus expected to play a big role in providing the mission and vision of these entities. The Tanzanian experience was however a unique one as managers did not enjoy this autonomy. TANU, later CCM, never developed an environment that could enable public bureaucrats independently carry out their functions and be objectively held accountable for their deeds (Loxley & Saul, 1975:62). It was also weak in developing the organizational capacity irrespective of the fact that its socialist-inclined operations were expected to affect the functioning of the parastatals. Managers were denied of their autonomy specifically in the following respects;

First, decision making autonomy: The managers did not have much power to decide on how their organizations could carry out their presupposed functions. This was a prerogative of the ruling party. For example, the 1971 TANU guidelines (popularly known as Mwongozo in Swahili) granted too much power to the party in controlling public parastatals. Controls of public enterprises were meant to ensure that they met the objectives set by the party such as building socialism. It is on this basis that (Saul et al 1972) reiterate that since ministries were manned by party cadres and because boards of parastatals were appointed by the president or a minister as were the chief executives, there were problems in definitions of the roles of parastatals. There were also confusions on issues such as responsibility, communication and accountability that often led to a failure of these corporations to function efficiently and effectively.

Another indicative aspect of party's influence in parastatal affairs was the presidential circular number 2 of 1969 which among other things stated that broad policy matters were TANU's responsibility and that parastatal organizations were instruments of execution (Mukandala 1988). The same control provisions were provided for in the TANU guidelines of 1971 which provided that the conduct and activities of the parastatals were to be looked into so as to ensure that they helped furtherance of the policy of socialism and self reliance (Mukandala, 1988). It is no wonder that managers therefore had to design informal insulation strategies that could at least enable them escape an upper hand of the state and the party. As Mukandala (1988) argues, these managers resorted to

establishing subsidiary organizations whose operations were mainly informal. The most effective strategy which the government used in making sure that managers were thoroughly controlled was to make them part of the ruling party machinery. As the politics-administration dichotomy was non-existent, whoever served in these corporations needed a party blessing. As the ruling party (TANU) was well established at all levels, the conducts of managers were therefore closely monitored as per the performance standards laid down by the party.

What was surprising was that in spite of these tight controls, too much was expected from the managers. Coulson (1982) reiterates that while the number of parastatals was increasing, the government paid little attention to their efficiency. He shows that parastatals such as Wazo Hill and Mtwara cashewnut-shelling plant were performing poorly and no discern measures were taken to rescue them. What the government did was to sack the management and replace it with another which however did not show any difference in terms of performance (ibid: 283). Coulson further argues that the government concentrated in limiting the freedom of parastatal management by making sure that their decisions were made in accordance with government objectives but that in so doing they undermined the ideal commercial freedom with which the parastatals were set up in the first place. Similar observation was made by Hyden (1984) whom in labelling Tanzania's policy making style as we must run while others walk points out that public bureaucrats were subjected to excessive expectations from both the politicians and the public than what they could really achieve. Political leaders did not seem to acknowledge the fact that excessive control of the managers denied them of the opportunity to apply their professional skills in managing public corporations. As the performance of these corporations dwindled, all the blames were on managers.

Managers were further denied of their functional autonomy. As Moshi correctly observes, most projects were initiated and enunciated by political leaders who had no trade or industrial experience but with assertive authorities on business matters. He further points out that because of excessive political interference most of the decisions that were made were costly. For instance, having nationalized filling stations in Mbeya, a decision that did not yield the expected results, the government still refused a proposal to hand them back to their former owners. A similar case of denial of functional autonomy happened in 1974 in which the manager of Mpwapwa DDC was summoned by the district commissioner and accused of being profit minded (Ibid). Moshi further argues that to most of the politicians and some managers, profit making in socialist economy was evil.

In spite of the fact that parastatals were formed for the purpose of serving the socialist state, there was no justification to deny the managers the opportunity to independently decide on how these corporations were to carry out their functions. Controlling the functioning of public parastatals involved various measures as put forward by Mukandala. The government made the opening of party branches at the place of work mandatory from 1967, TANU central committee decided to post political commissars to various parastatals and their functions included conducting all party functions at the work place, attending meeting of the board of directors, sending reports directly to party headquarters etc. Other control measures included the creation of a special subcommittee of the party's central committee to supervise parastatal activities and the

tendency of sending members of the managerial elite to the party ideological college for ideological purification. While the party could have still retained its ideological hegemony on the functioning of these parastatals, managers deserved some freedom to employ their knowledge and skills in determining how different functions within the organizations were to be carried out. This wasn't however the case in Tanzania. Similarly issues like administrative autonomy particularly on the ability of the managers to hire and fire was politically constrained hence making state-owned enterprises to retain more labour than what was economically required (Kim 1981:477). Managers had no opportunity of changing government orientation towards employment as one of the political excuses in a mismatch between labour and productivity was that given high level of unemployment in developing countries, public parastatals were like shock absorbers in minimizing the employment crisis (Haile-Mariam & Mengistu, 1988:1575)

The managers of parastatal organizations were as well denied the powers of managing the processes of organizing or reorganizing the corporations. Parker (1979:52) indicates that on 1st July 1969 the government initiated a third phase in the development of National Development Corporation which involved the transfer of a number of NDC subsidiaries to other parastatals. As a result, the Tanzania Tourist Corporation (TTC) took over NDC's hotel projects and investments and the National Agricultural and Food Corporation (NAFCO) took over NDC's agricultural projects and investments. Moreover, following what the government considered to be poor performance of public corporations, it decided to have them broken into smaller units. As a result, NDC was split into the Tanzania Tourist Corporation, Tanzania wood industry, the National Agriculture and Food Corporation, the National Textiles Corporation, the Tanzania Cashewnut Authority and the Tanzania livestock Authority. The State Trading Corporation (STC) was also broken into independent regional trading companies (RTC) serviced by various firms such as Domestic appliances and Bicycles companies, National pharmaceutical company and general Agriculture Company. One could therefore learn from these practices that the underlying belief was that it was the politicians who knew how organizations could best carry out their functions than the managers. For instance, Svendsen (1973:90) points out that on January, 15th, 1965, the then president of Tanzania, Julius Nyerere in his speech to NDC board justified excessive involvement of politicians in the affairs of parastatals by arguing that without politicians, decision making and planning within parastatals was impossible. It on this basis that six out of 10 members of NDC board were ministers (Ibid).

In connection with the denial of managerial autonomy, a lot of doubts were cast on the way managers were appointed. Irrespective of the fact that in this period the country was in acute shortage of educated personnel, the modality of appointment seemed to be more partisan as loyalty to the party was one of the main criteria in appointment. It was on this basis that some of the appointed managers were party cadres. Mukandala (1988:318) indicates that Clement George Kahama who was member of the party's National Executive Committee was appointed by the president in 1966 as the chief executive of NDC. Some of the managers did not even possess managerial skills. Mwase (1985:710) shows that with an exception of one manager who had relevant training and experience, the National Road Haulage Corporation (NRHC) was being managed by

general administrators. As a result, they were unable to properly administer the company's garages and vehicles. Sharing similar views, Kim (1981:480) argues that management in the public sector was less efficient than that in the private sector. Lack of such skills was worsened by poorly trained staff that could not complement managers' weaknesses. In the NRHC's garage in Dar es Salaam, for instance, only 27 of the 126 'grounded' N.R.H.C vehicles in February 1977 were being repaired, despite the presence of facilities that could service 80 vehicles at a time (ibid.:710). In the same tone Moshi points out that one of the factors that contributed to poor performance of DDCs was lack of cost-benefit consciousness on the part of the management and political leaders in procurement, allocation, administration and evaluation of resources. It was also noted that in NDC and other parastatals the budgets prepared were often incomplete, late or inadequate and that the reporting on the progress of implementing a budget and follow up action to rectify deviations from the budget was poorly executed due to acute shortages of skilled accountants and finance staff (Loxley & Saul 1975:69). Mukandala (1988:318) likewise shows that many workers of Tanzania Housing Bank (THB) lacked proper qualifications as out of 171 workers, only three were qualified in 1974. By 1976 those qualified had increased to six out of 301 employees. By 1938, 38% of employees had a seven year education and 18% had a grade 12 education and 18% had finished high school. Only 3% had university diplomas (Ibid). Majority of Branch managers were also unqualified (Mukandala 1988). An observation of similar kind is made by Mwase (1985:711) who maintains that most of public enterprises lacked managerial efficiency.

One could thus easily learn that most of the managers of state-owned enterprises lacked a business culture that could have affirmed the survival of these organizations. An illustrative case to this observation is Mbozi district that employed twelve bar maids, an accountant and a cashier in its bar business despite the fact that sales did not exceed three cases of beer per day. On the contrary, private bars of the same capacity employed one or two bar maids. The same problem also was eminent in the boards of directors that had the mandate of overseeing the operations of these parastatals. As Swai (1995:168) observed, one of the problems that affected the efficiency of the boards (of the studied corporations) was the fact that there was no controls over the calibre and qualifications of those who were appointed. Consequently, some candidates of lower educational background slipped into the board room (Swai 1995). The operational philosophy in the functioning of public parastatals seems to have been that these corporations were mainly for public services and had nothing to do with profit maximization. The efficiency implications were to be noted later as the next section indicates.

#### **Organization development and change in the transition period: confusion versus optimism (1976-1992)**

Since mid 1970s various incidents that affected the way the government was running its business took place. These included a serious drought, the increase of oil prices and the war between Tanzania and Uganda (1978 – 79). Drought conditions that prevailed throughout the country reduced grain production by as much as 30%. Furthermore the increase in oil prices led to significant increase in the balance-of-trade deficit (Kahama, et.al, 1986:40). In explaining the effects of these problems on the ability of the state to provide services (Norman 1990:17) maintains that the rise of oil prices made the state to spend the most part of its budget in oil importation while the war with

Uganda led to a doubling of defence expenses. As a result of that crisis, industrial production registered a massive fall from 1979 and agricultural production continued to decline. For instance, GDP growth stood at 2.1 per annum in 1979 – 81 and only 0.6 per annum in 1982 –1984 (Gibbon 1995:11).

These developments had also an implication on organization development and change. Following a serious drought, the oil crisis in late 1970s and the war between Tanzania and Uganda in the same period, the ability of the government to provide social services was seriously shaken (Samoff 1981:294-295). This horrifying experience forced the government to look for external assistance from international financial institutions particularly the International Monetary Fund (IMF) and the World Bank. Nonetheless, prior to providing financial assistance, Tanzania was required to comply with various conditionalities such as devaluation of currency, increase in producer prices and decreasing the number of controlled price items. In complying with the requirements of these financial institutions, Economic Recovery Plan (ERP) was launched and an agreement was signed with the IMF leading to an IMF standby credit. Their assistance was conditional as among other things Tanzania was required to adopt the Structural Adjustment Programme (SAP) which entailed the liberalization of the economy. Even the operational philosophy of public organizations had to be reoriented towards organizational efficiency and cost effectiveness. The honeymoon of state coddling of parastatals was coming to an end as donors could not allow their financial assistance to be used in maintaining public organizations that were making loss.

When the second phase government took office in 1985 the pace of liberalizing the economy increased significantly. The only challenge however was that the government did not seem poised and well prepared to monitor the liberalization process. It is on this basis that the then president Mr Ali Hassan Mwinyi is popularly known as “Ruksa” the name echoing his decision to let liberal market philosophy dictate the terms of the country’s socio-economic affairs. This minimalist role of the state in the economy had significant implications as, for instance, macroeconomic stability was not achieved mainly due to the government’s inability to control credit expansion to public enterprises, massive tax exemptions, poor revenue collections, and tax evasion (Muganda, 2004:5). During this period, various aspects regarding organizational development could be noted.

The first one was the decreasing role and power of the ruling party in dictating the operations of public corporations. While liberal policies were introduced at a time when the country was still under single party system, it was clear that liberalization was antithesis to excessive party control and thus the party was impliedly forced to relax its centralization predisposition which had subjected the operations of both private and public corporations to the control of the single-party state. Centralization of the economy entailed that the state was the main producer and provider of goods and services. On the contrary, liberalization of the economy aimed, among other things, at doing away with policies that perpetuated centralization of the economy into the hands of the state as they were provided for in the 1967 Arusha Declaration.

A related significant change was the saturation of the country’s ideology. It should be borne in mind that the constitution of the united republic of Tanzania of 1977 (article 9) states that Tanzania is a socialist state. While the country constitutionally retained socialism as the national ideology

following the adoption of liberal policies, the ensuing developments such as an emphasis on the minimal role of the state in the economy and deregulation were more inclined to capitalism. The positive implication of liberalism to OD is that it paved way for managers of public corporations to apply their professional skills in running public parastatals. It was nonetheless too late as unprofessional management of public parastatals had become a tradition to both the politicians and managers. One could therefore note the perversion of the organizations’ operational logic from pro-public to self aggrandizement.

Apart from many illusions surrounding the expected effects of liberalism, this period signalled a sense of optimism as well. As we pointed out earlier, the single party period was indeed an era of excessive control of both individual and organizational freedom. The introduction of liberal policies meant at least minimizing or abolishing unprofessional interferences in managing organizational affairs. As French and Bell (2005) aptly maintain, organization development is a very important process that requires not only individual competencies but also the application of proper methods. Basing on the fact that the adoption of liberal policies in Tanzania went hand in hand with an appeal for the observance of meritocracy and professionalism in the management of both private and public corporations, it is realistic to treat this phase as a foundation in the transition towards depoliticization as discussed in the subsequent section.

#### **Organization Development from 1992 to 2011: Autonomy versus Control**

While various events such as the liberalization of the economy that took place in the 1980s ushered in new ingredients in the management of public corporations, the period from 1992 to date has been a significant landmark in the history of public parastatals and OD. As the liberal philosophy was progressively being internalized by including political liberalization which involved the reintroduction of multiparty politics in 1992, parastatals were no more to be managed the way they used to since the country’s attainment of political independence. With the influence from the donor community, it was realized that most of public corporations had turned out to be a very unbearable burden. The most plausible rescue option was privatization which entailed that public parastatals were to be sold so as to enable them operate on market basis. The Presidential Parastatal Sector Reform Commission (PSRC) was established as an instrument to facilitate the privatization exercise. With the coming in power of the third phase government under the leadership of Benjamin Mkapa in 1995, the pace of privatizing public parastatals gained momentum. The privatization process had significant implications on organization development and change in many ways as discussed hereunder.

The first implication was that privatization of state-owned corporations meant a shift of responsibility of taking care of these corporations from the government to new owners. With new owners in control, professionalism in managing these corporations came to be of great essence though with a different orientation. While for almost three decades the orientation of public corporations was collective benefits, the orientation of privatized forms changed to be individualistic with limited or no concern about corporate social responsibility. It is thus no wonder that some corporations that were alleged to be performing poorly prior to privatization are now a success story. Tanzania Breweries Company Limited (TBL) and Tanzania

Cigarette Company Limited (TCC) are the most cited ones. For instance, in explaining the performance of Tanzania Breweries Company Limited, Joseph (2003) argues that before privatization the company faced critical problems such as obsolete machinery and brewery plants, low quality of products produced, difficulty in obtaining raw materials just to mention some. He however shows that after privatization the performance of the company both in terms of productivity and profit making has significantly increased. Some of the recorded achievements include; the increase of production capacity from 4.2 million crates per year in 1993 to 12.2 million in 1998 and close to 20 million crates in 2002, increase in barley production from 6,000 tons to 18,000 tons per year, improvement in beer market from 40% in 1994 to more than 84% in 2003 and the increase of profit from Tshs 11,285 million in 1995 to Tshs 31,022 million in 2003 (Joseph 2003:59). The mentioned factors that are attributed to this performance are change in firm ownership, introduction of capital market, change in top management, modern technology, competent employees, good marketing strategies and enough capital.

Furthermore, the criteria in assessing managers' performance changed from loyalty to outputs. Managers in privatized corporations are thus obliged to play a crucial role in making sure that their firms survive and prosper in current competitive environment. This practise is supported by an increasing emphasis on meritocracy both in running the corporations which also includes the recruitment exercise that is based on open competition.

In instances where the government decided not to privatize, significant changes have been also witnessed. For instance, the creation of executive agencies as one of the initiatives brought about by public service reforms, marks the government's recognition of the fact that managers need to be given freedom in planning for organization development and change. Unlike parastatal organizations that were strictly controlled, agencies have autonomy in their operations. As the state of the public service report 2004 points out, executive agencies were formed for reasons of "freedom, finance and performance and to adopt many management practices from the private sector. Although the chief executives of these agencies report periodically to a ministerial advisory board, they have higher degree of independence in areas such as finance.

Furthermore, unlike during the parastatals era in which most of the managers were not recruited on merit, the establishment of executive agencies went hand in hand with extensive training of personnel, competitive recruitment of key managers which was accompanied with the creation of commercial system of accounts (URT-PO-PSM, 2005:17). Furthermore, performance assessment within the executive agencies is based on merit as the board establishes a series of performance criteria for the agency to reach and then monitors them on the basis of outputs (ibid:17).

Similarly, most of public organizations such as Tanzania Revenue Authority (TRA), social security funds such as National Social Security Fund (NSSF), Local Authorities Provident Fund (LAPF) and other authorities have been operating on market principles. It suffices to establish that irrespective of some political interferences and influences, managers in most of public organizations have relatively more decision making autonomy in supervising and monitoring the performance, growth and development of these organizations.

The examples mentioned above clearly show that there are positive improvements that are related with organization development and change in public organizations in Tanzania. As managers progressively continue to regain their presupposed powers in managing these entities, it is imperative to look at the factors that are responsible for these changes.

The first factor is the decrease of government autonomy in managing the public sector. Since the government embarked on public sector reforms, donors' influence has significantly increased to the extent that they are the ones dictating the implementation processes. Donors' exercise of influence in the country's public sector can be traced since the period of the adoption of Structural Adjustment Programmes and it has extended to the current implementation of public sector reforms. Harrison (2004) reiterates that the influence of donors in the public sector is due to the fact that they are the financiers of the reform programme. Some of the programmes that have been funded by donors are the Civil Service Reform Programme (CSRP) of 1991 and the Public Service Reform Programme (PSRP) which commenced in 2000. In the maxims of the English saying that the one who pays the piper calls the tune, the government has had no option but to fulfil the interests of the so-called development partners.

The second factor is associated with the expansion and growth of the private sector. During the parastatals era, the private sector was very weak such that it could not serve as a mirror with which the public sector could reflect. Since the adoption of liberalization policies the private sector has been growing steadily. Most of private firms that are profit and output oriented have been performing well in a competitive atmosphere. This new environment forced/is forcing the change in government's style of doing business so as to catch up with the pace of new developments. The introduction of public sector reforms such as Public Service Reform Programme (PSRP) and Sector-specific reforms which are based on the principles of new public management are the indicatives signs that the government recognized inefficiencies in the public sector. It is also in the dictum of new public management that new employees' performance assessments such as Open Performance and Review Appraisal (OPRAS) and client-service charters were introduced.

It should however be noted that although this phase is marked by the government's drive towards adopting management principles in running its business, there are some public organizations that are still claimed to be highly politicized. These include the National Electoral Commission and Tanzania Broadcasting Corporation's TV and radio stations, all of which are state-owned. Chief executives of these organizations seem to possess very limited powers in objectively carrying out their functions. The impartiality and independence of these organizations is highly questioned by opposition parties and the civil society. The main accusation directed to the National Electoral Commission is that it favours the ruling party mainly due to the fact that its top officials are all appointed by the president who is also the chairman of the ruling party. Opposition political parties have been calling for the reconstitution of NEC by taking away from the president the powers of appointing its top leadership. Related concern has been that most of these officers are silent cadres of the ruling party. This proposition is supported by an incident in which one of NEC commissioners, judge Mark Bomani resigned and sought presidential nomination through CCM in 1995 (Makulilo,

2009:442). These officials are therefore accused of acting in favour of the ruling party particularly during the elections times. TEMCO identifies various factors prejudicing the commissions' independence namely;

a) All members of the commissions (NEC and ZEC), including their chief executives are appointed by incumbent presidents who are also the chairpersons and vice chairpersons of the ruling party. The composition of NEC is provided for in article 74 (1) of the union constitution, as amended by Act No. 4 of 1992 and Act No 7 of 1993.

b) The dependence of both NEC and ZEC on government financing as they have no special vote in the government budget, which is voted for and approved by parliament ( TEMCO 2001:20). In order for NEC to operate objectively, there has been an appeal for constitutional changes that could provide a different and objective mechanism through which these officials can be obtained.

Tanzania Broadcasting Corporation is also blamed of being biased in favour of the ruling party especially during the elections. Statistics from observation reports show that CCM has been receiving much air coverage during the election period than other political parties. For instance, monitoring of the Swahili news bulletins of Radio Tanzania Dar es Salaam (RTD) showed that the CCM and its presidential candidate dominated the bulletins in the first two weeks of the campaign. In week two, 63 percent of the news stories were on CCM and 53 percent for its presidential candidate, against 25 percent for the NCCR-Mageuzi and 20% for its presidential candidate during the 1995 general elections (Commonwealth 1996:18). In 2000 elections, public media were still biased in favour of the ruling party. As TEMCO report indicates, CCM presidential candidate in Zanzibar Amani Abeid Karume was given more coverage than his CUF counterpart Seif Shariff Hamad. For instance, on Television Zanzibar (TVZ) in October 2000 Karume received 3867 seconds of news coverage compared with 1082 seconds for Seif Shariff Hamad ( TEMCO 2000:184). Similarly during campaigns for 2010 general elections, media bias in favour of the ruling party was documented. According to synovate weekly reports (Reports No 11 of 9th-15th August, 2010, No14 of 30th August-5th September, 2010 and No 16 of 13th-19th September, 2010) on Tanzania Media Coverage, CCM had an average of 43% of media coverage while CHADEMA and CUF had 23% and 12% respectively.

TEMCO report for 2010 aptly states that even editors in state-owned media are still appointed to positions of responsibility by the president. The report further explains that because of the nature of this appointment these officials are expected to pay allegiance to the appointing authority than to their professional ethics (TEMCO 2011:77). A proof of impartiality was an editorial in the state-owned Daily News of 24th September 2010, which contained a defamatory language against CHADEMA's presidential candidate Dr Wilbrod Slaa and a conclusive note that he was not going to win the 2010 presidential race.

### Conclusion

Organization development and change in Tanzania seems to be in tandem with the country's political history. As immediately after independence the country adopted socialism as the national ideology, its implementation seriously affected the performance of all public corporations. One of the effects of the adoption of socialism was excessive control of public organizations which eventually denied their managers the

autonomy in determining their development. The status of managers was thus reduced to that of mere agents of implementing socialist policies that were orchestrated by the ruling party. On the other hand, the adoption of liberalization policies following the country's economic crisis from late 1970s brought new changes that have had positive impact on organization development and change in Tanzania. One of the notable developments is the adoption of an operational philosophy that requires corporations to operate on the basis of the principles of management as a mechanism towards ensuring organizational efficiency and cost effectiveness. This shift is a result of a myriad of factors such as privatization and the growth of private sector in Tanzania.

As French and Bell (2005) correctly observed, the survival and efficiency of any organization depends to a great extent on its ability to cope with the new changes that take place within the environment it is located. Such flexibility is possible if the top management of the organization has the power to use its knowledge and skills in determining the destination of the organization.

The adoption of liberalization policies in Tanzania has to a great extent created a conducive environment through which managers can apply their competencies in fostering the development or organization. Basing on the teleological theory which treats organization development as a repetitive process of reshaping organizational goals, the presence of the environment that is conducive for top management of the organization to make OD-related decisions is a positive sign for improved performance of both privatized and state-owned enterprises. This conclusion is affirmed by the fact that most of state-owned enterprises that were poorly performing such as TBL have made significant improvement in terms of performance since they were privatized. Although a significant progress has been made towards depoliticization of bureaucracy, there are still some organizations that are subjected to politicization. Some of these institutions include the Tanzania Broadcasting Corporation (TBC) and the National Electoral Commission.

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