

Factors hindering the effectiveness of private sector management in privatized business organizations in Tanzania: The case of Tanzania Telecommunication Company Limited (TTCL)

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This research has looked at the theory of privatization, different factors that are involved in the process and impact of private sector management in the privatized firms and drug out if at all it has brought efficiency and met contractual obligations. TTCL as a case study is examined to see the effectiveness of private sector management and how its performance has changed since privatization in 2001. The study process has been both analytical and descriptive including an extensive review of relevant literatures, reviews as well as administering questionnaires to selected respondents. Both statistical and inferential methods were used. Collected data have been presented in text, tables and graph forms for easy of interpretation. This study has shown that the GoT has ineffectively privatized its telephony company as after privatization TTCL had dramatically decreased its performance effectiveness as per MoU targets. One of the noticed event is the failure of strategic investor to increase customer base from 13,591 to 810, 000 customers in four years after privatization (2001-2005). Finally, this study recommends that, failure of private sector management of the divested TTCL to prospectively meet the predetermined privatization goals of improving company performance on one land and, employees' welfare on the other might have been caused as well by other economic and political factors which is explained party by the unfavourable sectoral and business environments before and after privatization of the single giant fixed telephony company.