

**Factors influencing supplier opportunism: an empirical study of contract farming scheme
in Mwanza Region**

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Principal-Agent and Transaction cost theories provide foundation for several studies in reference to factors that may enhance opportunistic behaviors in an exchange relationship. Based on the two theories, this study attempted to develop and test supplier opportunism model. This study examined factors that influence supplier opportunism in contract farming scheme. Specific objectives included to determine effect of external uncertainty, information asymmetry, output monitoring and sanctions on supplier (farmer) opportunism. In order to achieve these objectives, a structured questionnaire was used to collect data from seventy three staff members from eight cotton companies, which practice contract farming scheme. Descriptive statistics and multiple regression method were used for data analysis using statistical package for social sciences (SPSS) version 23.0. The study findings revealed that external uncertainty and information asymmetry have a positive effect on supplier opportunism, while output monitoring and sanctions have a negative effect on supplier opportunism. Significance of the study lies on the fact that it addresses reasons behind supplier opportunism behavior and mechanisms required to solve the problem. The study recommends that the government should establish a strong legal framework that will ensure enforcement of contract farming scheme. Furthermore, companies are recommended to develop proper monitoring systems so as to provide close supervision to suppliers (farmers) and invest more on timely dissemination of information to suppress or lower opportunism traits in constrict farming. Finally, the study suggests areas for future research