

**ASSESSMENT OF CHALLENGES FACING HIGHER LEARNING
INSTITUTIONS IN INCOME GENERATION IN TANZANIA: A CASE STUDY
OF SELECTED INSTITUTIONS**

**BY:
BENEDICT TLUWAY BUXAY**

**A Dissertation submitted in partial fulfilment of the requirements for the award of
the degree of Master of Business Administration (MBA-CM) of Mzumbe
University**

Certification

We the undersigned, certify that we have read and hereby recommended for acceptance by the Mzumbe University a dissertation titled “Assessment of the Challenges Facing Higher Learning Institutions in Income Generation in Tanzania: A Case Study of Selected Institutions.”

.....
Major Supervisor

.....
Internal Examiner

.....
External Supervisor

Accepted for the School Board SOB

.....
CHAIRMAN, SCHOOL BOARD, SOB

Declaration

I, *Benedict Tluway Buxay*, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for similar or any other degree award.

Signature

Date

.....

.....

Copyright

This dissertation is copyright material protected under the Berne Convention, the Copyright Act of 1999, and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.

Acknowledgements

In the course of my study I have always felt indebted to many persons for their support and as such I would like to express my innermost heartfelt and sincere gratitude hereunder.

First of all I would like to thank the Almighty God for the blessing of the gift of life and able body that he endowed me during my studies. The fear of the Lord is the source of knowledge and I truly find nothing worth bestowing in return.

This thesis could not have been completed without the assistance of various people. I would First of all like to very sincerely thank my supervisor, Dr. Hawa Tundui, for her guidance, comments, constructive criticisms and corrections of both research proposal and thesis. I really appreciate her valuable assistance in completing this work.

I should also thank Mr Goodluck Mosha, Associate Director, Library and Technical Services, for coaching me on how to use SPSS and Microsoft Excel Spread Sheet programmes in analysis of data and presentation.

I would also like to thank members of staff in four universities in Morogoro Municipality, namely, Mzumbe University (MU), Sokoine University of Agriculture (SUA), Jordan University College (JUC) and Muslim University of Morogoro (MOM), who volunteered to fill-in the questionnaire I sent to them. My special thanks should go to Mr Tulinagwe Mbangula of Sokoine University of Agriculture (SUA) for distributing and collecting the questionnaire I sent to SUA.

Last but not least, I would like to sincerely thank my family members (my wife, sons and daughters) for their moral support, encouragement and prayers.

This study has benefited from innumerable sources and suggestions from many people. Nevertheless, any errors, omissions, shortcomings and patches of ignorance remain the responsibility of the author.

Dedication

I dedicate this dissertation to my dear wife, Gabriela Benedict Buxay, my beloved sons and daughters - Paschal, Pamphil, Andrew, Mary, Martha and Petronila - as they have been my source of inspiration and indeed, I owe them a lot in my life.

List of Abbreviations

DELCE	Directorate of External Linkages and Community Engagement
GAAPs	Generally Accepted Accounting Principles
EUEREK	Academic Entrepreneurship and Private Higher Education in Europe
HESLB	Higher Education Students' Loans Board
HLIs	Higher Learning Institutions
IGAs	Income Generating Activities
IFRS	International Financial Reporting Standards
IAS	International Accounting Standard
JUC	Jordan University College
KISTM	Kigali Institute of Science, Technology and Management
MUM	Muslim University of Morogoro
MU	Mzumbe University
NGO	Non-Governmental Organizations
PPP	Public Private Partnership
SADC	Southern Africa Development Community
SGSRE	School of Graduate Studies, Research and Entrepreneurship
SUA	Sokoine University of Agriculture
SPSS	Statistical Package for Social Sciences
TEA	Tanzania Education Authority
UNES	University of Nairobi Enterprises and Services Limited
UCLAS	University College of Lands and Architectural Studies
URT	United Republic of Tanzania

Abstract

This study is about assessment of challenges facing Higher Learning Institutions (HLIs) in income generation - the case of selected institutions in Morogoro Region namely: Mzumbe University (MU), Sokoine University of Agriculture (SUA), Jordan University College (JUC) and Muslim University of Morogoro (MUM).

The study used a sample of 65 randomly and purposively selected from the said public and private higher learning institutions. A combination of qualitative and quantitative approaches was used in studying the phenomenon. Data was collected using documentary review, questionnaire and interview guides. Quantitative data from the questionnaires were analysed using Statistical Package for Social Sciences (SPSS) and Microsoft Excel Spread sheet programmes, whereas qualitative data from interview guides was analysed descriptively.

It was found that inadequate cooperation between Higher Learning Institutions (HLIs) and private sectors affect Income Generating Activities (IGAs). Inadequate staff capacity and heavy teaching allocated to the academic staff was a major reason for not fully participating in Income Generating Activities (IGAs). The findings also revealed that well designed programmes which reflect labour market requirements will help Higher Learning Institutions (HLIs) in generating more income. Also well established and developed external linkages will enhance income generation activities in HLIs.

The study therefore recommends the following: Income Generating Activities (IGAs) to be given top priority in Higher Learning Institutions (HLIs), partnership between HLIs and private sector should be strengthened; staff capacity should be raised, Higher Learning Institutions (HLIs) should strike a balance between teaching workload and

their other core activities such as consultancies and researches, training and learning resources should be increased and improved so as to increase income in the long run.

Table of contents

Certification	i
Declaration	i
Copyright	ii
Acknowledgements	iii
Dedication.....	v
List of Abbreviations.....	vi
Abstract	vii
Table of contents	ix
List of Tables	xiv
List of Figures	xv
CHAPTER ONE: INTRODUCTION AND BACKGROUND	1
1.0 Introduction.....	1
1.1 Background of Study	1
1.2 Statement of the Problem.....	7
1.3 Objective of the Study	9
1.3.1 The Main Objective.....	9
1.3.2 Specific Objectives	9
1.4 Research Questions	10
1.5 Scope of the Study	10
1.6 Limitations of the Study	10
1.7 Significance of the Study	11

1.8 Chapter Summary.....	11
CHAPTER TWO: LITERATURE REVIEW.....	12
2.0 Introduction.....	12
2.1 Theoretical Literature Review.....	12
2.1.1 Definition of Concepts.....	12
2.1.2 Measurement of Income.....	14
2.1.3 Relevance of Income Measurement.....	16
2.2 Empirical Literature Review.....	17
2.2.1 The Importance of Income Generation in Public Higher Learning Institutions (HLIs)	17
2.2.2 New Trends in Financing Higher Education.....	18
2.3 Categories of Revenue in Higher Learning Institutions in Tanzania.....	20
2.3.1 Students' Tuition Fees.....	20
2.3.2 Donor Funded Projects.....	21
2.3.3 Revenue from Short Courses, Consultancy Services and Researches.....	22
2.3.4 Other Sources of Income.....	24
2.4 The Need for Increasing Revenue in HLIs.....	24
2.5 Efforts Made by some HLIs in Income Generation.....	25
2.6 Competition for Generation of Income in HLIs.....	26
2.7 Partnership with Private Sector and other Government Entities.....	27
2.8 Conceptual Framework.....	27
2.9 Chapter Summary.....	30
CHAPTER THREE: RESEARCH METHODOLOGY.....	31
3.0 Introduction.....	31

3.1 Study Area	31
3.2 Research Design.....	31
3.3 Target Population	32
3.4 Sample and Sampling Techniques.....	32
3.4.1 Sample	32
3.4.2. Sampling Technique.....	33
3.4.3 Purposive Sampling Technique	34
3.5 Data Collection Methods	34
3.5.1 Primary Data Sources	35
3.5.1.1 Questionnaire.....	35
3.5.1.2 Interviews	35
3.5.2 Secondary Data Sources.....	35
3.6 Ethical Issues.....	36
3.7 Data Quality Control	36
3.8 Data Processing and Analysis	36
3.9 Chapter Summary.....	37
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION	38
4.0 Introduction.....	38
4.1 Demographic Information of the Respondents	38
4.1.1 Distribution of Respondents by Institutions	38
4.1.2 Occupations of the Respondents.....	39
4.1.3 Age Groups of the Respondents	40
4.1.4 Distribution of Respondents by Sex	41

4.1.5 Educational Level of Respondents	42
4.2 Reasons for Not Generating Adequate Income	43
4.3 Partnership Between HLIs and Private Sector	44
4.3.1 Adequate Partnership Between HLIs and Private Sector	45
4.3.2 Effect of Inadequate Partnership on IGAs in HLIs	46
4.4 Inadequate Capacity in Running IGAs	47
4.4.1 Reason for Not Undertaking IGAs Adequately	47
4.4.2 Reasons for IGAs' Units Not Performing Well	48
4.5 Insufficient Training and Learning Resources	50
4.5.1 Effect of Training and Learning Resources on IGAs	50
4.6 Impact of Competition on IGAs	52
4.6.1 Competition Among HLIs is One of the Reasons for Low IGAs	52
4.7 Improving Income Generation in HLIs	53
4.7.1 The Choice of Various Programmes in HLIs v/s Market Requirements	53
4.7.2 Regular Review of Curricular	54
4.7.3 Instituting Internal Controls Over Expenditure	55
4.7.4 Improved Rewarding System	56
4.7.5 Capacity Building and Income Generations in HLIs	57
4.7.6 External Linkages and Income Generation	58
4.7.7 Innovation and Creativity in Revenue Generation in HLIs	59
4.8 Other Challenges	60
4.8.1 Mismanagement of Funds in IGAs Units	60
4.8.2 Corruption in Awarding IGAs	61

4. 8.3 Lack of Donor Support and Utilization of Modern Technology	61
4.9 Discussion of Findings	61
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	63
5.0 Introduction.....	63
5.1 Summary of Major Findings	63
5.2 Implication of the Results of the Research Findings	65
5.3 Conclusions.....	65
5.4 Recommendations	66
5.5 Areas of Further Research	68
References	69
APPENDIX I	74
APPENDIX II.....	80

List of Tables

Table 1.1: Amount of Funding for Recurrent Expenditure for UDSM, UCLAS, and SUA, 2001/02-2005/06 ('000 TZS).....	2
Table 1.2 :A List of Government Subsidies from 2007 - 2012.....	7
Table 1.3: Enrolment in Higher Education by Regions 1990–1 and 2001–2	19
Table 1. 4: Income Earned by Mzumbe University During the Past Three Year	26
Table 3. 1: Population and Sample Size for Mzumbe University	33
Table 4.1: Categories of Respondents by Occupation.....	40
Table 4.2: Distribution of Respondents by Sex/Gender (N=65).....	41
Table 4.3: Reasons for Not Generating Adequate Income	44
Table 4.4: Effect of Inadequate Partnership on IGAs in HLIs.....	46
Table 4.5: Reasons for IGAs' Units not Performing well (N=65).....	49
Table 11: Table 4.7: Competition Among HLIs is the Reason for Low IGAs (N=65).....	52
Table 4.8: Regular Review of Curricular (N= 65)	55
Table 4.9: Improved Rewarding System will lead to More Income (N=65)	57
Table 4.10: Establishment of External Linkages will Enhance Income Generation.....	59

List of Figures

Figure 2.1 Conceptual Framework.....	29
Figure 4.1: Distribution of Respondents by Institutions (N=65)	39
Figure 4. 2: Distribution of Respondents by Age (N= 65)	40
Figure 4:3: Educational Levels of the Respondents (N=65).....	43
Figure 4.4: Partnership Between HLIs and Private Sector	45
Figure 4.5: Reason for Not Undertaking IGAs (N=65).....	48
Figure 4.6: Effect of Training and Learning Resources on IGAs (N=65)	51
Figure 4.7: Programmes should be Determined by Market for Higher Income	54
Figure 4.8: Effects of Internal Controls over Expenditure and Income Generation (N= 65)	56
Figure 4.9: Staff Capacity and the Improvement of Revenue Generation (N=65)	58
Figure 4.10: Innovation and Creativity Key to Revenue Generation in HLIs (N=65).....	60

CHAPTER ONE: INTRODUCTION AND BACKGROUND

1.0 Introduction

This chapter presents background information to this study, which is about “Assessment of Challenges Facing Public Higher Learning Institutions in Revenue Generation in Tanzania: A Case Study of Selected Institutions.” The chapter consists of the following components: background of the study, statement of the research problem, objectives of the study, research questions and significance of the study. Other components are: scope of the study, its limitation and research gap.

1.1 Background of Study

Higher education is very important for economic growth of any country and for poverty eradication of its citizens. Through research and increased knowledge, higher education can also help to address the challenges arising from population growth, limited arable land, endemic diseases, urbanization, energy costs, and climate change. However, in order for Sub-Saharan Africa to reap the benefits of this investment in human capital, higher education institutions must have financing to provide quality training and sound professional prospects to their students (The World Bank, 2010).

According to Varghese (2007), universities play a crucial role in generating new ideas, and in accumulating and transmitting knowledge, yet they have remained peripheral to development concerns. Although universities are not sole generators of knowledge for development, through their research and teaching, they contribute to growth by helping to produce expertise, manage development, engineer social transformation, preserve social values and cultural ethos. Also, as observed by Sanyal and Martin (2006), to become active members of the knowledge society, the developing countries – especially those in Africa and Asia – will expand their higher education in spite of the priority given to basic education within the framework of the ‘Education for All’ programme.

At the individual level, higher education guarantees better job and pay. Therefore, not surprisingly, in the recent years there has been high demand for higher education in many countries. The individual benefits of higher education are well known. It ensures better employment, higher salaries and a greater ability to consume and save (Varghese, 2007). Furthermore, according to Sanyal and Martin (2006), higher education benefits the individuals pursuing it monetarily through higher productivity and net earnings, better job opportunities, higher savings and personal and professional mobility; and non-monetarily through educational enrichment, better labour conditions, higher personal status, better job satisfaction, better health and life expectancies, more hobbies and leisure activities and personal development.

Tanzania still lags behind other SADC countries in terms of students' enrolments in higher learning institutions. Despite liberalization of the higher education sector, participation and admission rates and general gross enrolment ratio in higher education in Tanzania are still low compared to neighbouring and other SADC countries. This implies low capacity of the higher education sector to enrol more students because of limited funding. As of April, 2008 there were only a total of 49,967 students in 12 public universities and university colleges and 21 private universities and university colleges Ishengoma (2008).

Williams (2009) observed that throughout the world there has been a gradual evolution in the way universities are funded, as public budgets fail to cater the strain of rapidly growing student numbers. In reality, the detail is more complex and depends upon the mix of funding.

For the case of Tanzania, the Government is also facing declining ability to finance public higher education. This is because it is not only financing public higher education institutions through subventions to cover recurrent and capital development budgets; but

also financing tuition-dependent private higher education institutions. Majority of these private institutions have disguised profit motives manifested by the high tuition fee they charge. This is a burden to the government and specifically to the TEA and HELSB which provide interest-free loans to cover tuition fee and related cost to students enrolled both in public and private higher education institutions in the country. This inability of the government in supporting all students in need of education in the country is the source of inequities in higher education financing (Ishengoma, 2008).

Due to the high demand for accessibility to higher education coupled with high and increasing per-student cost, it has been impossible for many governments of the world, including Tanzania, to bear all the cost of higher education.

In view of this, (Johnstone, 2004), argues:

'The economic, political, and social imperatives for a great expansion of tertiary education in low-income countries that have a large number of education seekers is impossible without finding alternative financing from other NGOs'.

Much of the rapid growth in the higher education sector in developing countries occurred during an era of dwindling government budgets precipitated primarily by the Structural Adjustment Programs imposed by multilateral lending organizations like the World Bank and IMF. In an effort to remain financially solvent, traditional public institutions in developing countries were forced to rely more heavily on student fees and tuition as well as the entrepreneurial activities of their staff (Clifford ,*et al*: 2012).

A report by the World Bank (2010) on Financing Higher Education in Africa indicates that if the current trends continue, total number of students for the entire African continent could reach between 18 and 20 million by 2015. The level of expenditure could be about 75 percent higher than the volume of public resources that may be mobilized.

In the past few years many attempts have been made by the government to move some of the cost of high education costs it has been shouldering to the parents, students and NGOs. This has been termed as cost-sharing. According to Ishengoma (2008) a principal objective of cost-sharing in Tanzania was to increase participation of citizens in contributing to education and its accessibility at all institutions of higher education in the country.

Altbach *et al* (2011) noted that the expansion of student number has presented a major challenge for systems where the tradition has been to provide access to free or highly subsidized tertiary education. In financial terms, this has become unsustainable model, placing pressure on systems to fundamentally restructure the 'social contract' between higher education and society at large. Parents and students are increasingly becoming responsible for tuition and other educational fees.

Additionally, higher learning institutions in different parts of the world have been encouraged to engage in income generating activities to supplement subsidies they receive from governments and contributions from students, parents and other parties. Varghese (2007) argued that public universities should not rely entirely on the state for their funding. The resource allocation policies adopted in several countries indicate that governments encourage entrepreneurial activities, which generate income and a closer interaction between universities and employers.

William, (2007) revealed that English universities have moved further in the entrepreneurial direction than those in other Academic Entrepreneurship and Private Higher Education in Europe (EUEREK) countries. However, universities in Finland and Sweden have become more financially adventurous since the mid-1990s. In Eastern European countries emerging from centrally-planned education systems, which had extreme shortage of funds and faced with innate conservatism of academic staff has

given rise to rapid expansion of private universities seizing market opportunities, especially in such subjects as computing, management and commerce. Governments therefore need to stimulate entrepreneurial behaviour to universities through its resource allocation mechanism. For instance, if universities receive their incomes in the form of payment from students and research, they need to devise strategies of investing in research and attracting students.

Ishegoma (2008) observed that despite the declining ability to finance public higher education, the Government (of Tanzania) remains a major source of funding; followed by external donors. The table below shows sources and amount of funding recurrent expenditure for the University of Dar es Salaam Main Campus, the former University College of Lands and Architectural Studies (UCLAS) and Sokoine University of Agriculture (SUA) from 2001/2002-2005/06.

Table 1:1 Amount of Funding for Recurrent Expenditure for UDSM, UCLAS, and SUA, 2001/02-2005/06 ('000 TZS)

Institution	Year	Sources of Funding			Total	% Contribution by Source		
		Govt.	EXD	INC		Govt.	EXD	INC
UDSM	2001/02	14602	9972	874	25448	57.4	39.1	3.4
	2002/03	15172	11035	877	27084	56.0	41.0	3.0
	2003/04	15677	6416	895	22988	68.0	28.0	4.0
	2004/05	16869	4069	1996	22934	73.0	18.0	9.0
	2005/06	22680	5938	1000	29618	77.0	20.0	3.0
UCLAS	2001/02	3306691	146236	73630	3526557	93.7	4.1	2.1
	2002/03	2896773	123791	55150	3075714	94.1	4.0	1.8
	2003/04	3216442	176317	182880	357639	89.9	4.9	5.1
	2004/05	3288257	109877	285474	378608	89.5	2.9	7.5
	2005/06	3225885	245936	168216	3640037	88.6	6.7	4.6
SUA	2001/02	9011742	2900790	60000	11972532	75.3	24.2	0.5
	2002/03	10159233	3151954	77497	13388634	75.9	23.5	0.6
	2003/04	11007795	4141154	82611	15231560	72.3	27.2	0.5
	2004/05	11171056	4447904	258424	15877384	70.4	28.0	1.6
	2005/06	11201872	5135151	300000	16637023	67.3	30.9	1.8

Source: URT (2006)

From the above table, it can be noted that the Government of Tanzania is still the main source of funding for public higher education. The other two sources being donor funds and the internally generated funds within the institutions.

Despite the fact that all public universities are undertaking various income generation activities as part of revenue diversification strategy under cost sharing policy, it is still small and insignificant to make these institutions financially autonomous. However, despite public higher education's institutions heavy reliance on government limited budget for funding for basic core functions, these institutions are currently grappling with budgetary cuts by the Government, particularly for recurrent expenditures as summarized in the above table for the UDSM and its former two constituent colleges (Ishengoma, 2004).

The higher learning institutions (HLIS) can increase or maintain the level of their income by raising the tuition fees and other costs incidental to students' training. However, for the past few years, it has not been possible for the HLIs to raise the fees because the Government refused to authorize the fee increases for undergraduate students, who form a large majority in these institutions. This, understandably, is because these students are given loans by the Government through the Higher Education Students Loans Board (HESLB) and as such the increase of fees for these students increases the burden of loan disbursement.

In view of the above, the institutions of higher learning have to mount their efforts of revenue generation since their survival and development largely depends on the size of revenue they generate.

This research study will look at the challenges that face the higher learning institutions in generating more revenue in order to meet their various needs. The researcher believes

that the challenges to be identified can act as a driving force to the studied institutions to devise mechanisms of increasing income generation. Furthermore, that the research findings and conclusions will stimulate further researches on the same subject and thus ultimately solve the problem of inadequate revenue generation in public institutions of higher education.

1.2 Statement of the Problem

This study focuses on challenges facing higher learning institutions in Tanzania in generating income. The importance of income generation in the institutions of higher learning cannot be overemphasized. It is important for both private and state owned institutions providing higher education. The private institutions offering higher education are self-financing, while the state owned higher learning institutions obtain subsidies from the government. These subsidies are in the form of: personal emolument (PE) (staff salaries), others charges for financing the operations and development money for infrastructure maintenance and growth.

In the case of Mzumbe University, for instance, the revenue received from the Government for the past five years, between 2007/2008 and 2011/12 is as shown hereunder:-

Table 1:2 A List of Government Subsidies from 2007 - 2012

	Year	Personal Emolument (PE) – TShs	Other Charges (OC) – TShs	Development Funds- TShs
1	2007/2008	6,971,195,468.00	1,622,992,141.00	400,000,000.00
2	2008/2009	9,075,225,057.00	2,146,867,078.00	1,799,398,000.00
3	2009/2010	10,387,069,247.00	3,281,102,870.00	
4	2010/2011	14,015,616,068.00	1,156,249,700.00	1,783,173,877.00
5	2011/2012	12,746,673,035.00	1,750,948,475.00	2,015,300,000.00
	Total	53,195,778,875.00	9,958,160,264.00	5,997,871,877.00

Source: Mzumbe University Annual Reports

Information in Table 2 above indicates that revenue for other charges and development fund received by Mzumbe University from the government has been fluctuating during the five- year period. This implies there is no certainty as to the amounts of these funds an institution is going to receive for a particular year. The revenue for PE, on the other hand, has been on the steady increase during the period.

Table 1. 3: Revenue Generated by Mzumbe University from Own Sources

INCOME GENERATING ACTIVITY	2009/2010 - T SHILLINGS	2010/2011 - T SHILLINGS	2011/2012 - T SHILLINGS
Short Courses & Consultancy	848,643,735.00	843,191,664.00	600,192,459.00
Investment & Other Income	1,156,778,150.00	1,816,622,077.00	1,688,800,186.00
Other Gains & Losses	57,410,094.00		

Source: MU Annual Reports.

Table 1. 3 above shows the income generated by MU from own sources for the past three years. It shows that income has been fluctuating over these three years.

Table 1.4 Total Revenue for MU between 2009/2010 and 2011/2012

Year	Government Subsidies	MU Own Sources	Total
2009/10	13,668,172,117.00	2,292,027,858.00	15,960,199,975.00
2010/11	16,955,039,645.00	4,662,200,413.00	21,617,240,058.00
2011/12	16,512,921,510.00	57,410,094.00	16,570,331,604.00
Total	47,136,133,272.00	7,011,638,365.00	54,147,771,637.00
%	87	13	100

Source: MU Annual Reports.

Table 1.4 above indicates that the proportion of MU own generated income is still small compared to the income received from the government. This shows that there is a need

of looking for the reasons for low performance in income generation in HLIs. Thus, the study examines in detail the challenges faced by HLIs in income generation activities.

In view of the above, the state- owned institutions of higher learning need to reduce dependence on the government especially when it comes to operational activities and infrastructure maintenance and growth. On the other hand, it is likely that the government will continue to fully foot the wage bill for its institutions' staff, at least in the foreseeable future. Thus, in order to cope with the growing number of student to improve quality of education, efforts in income generation need to be mounted. As already stated this study intends to find out and assess the challenges faced by the institutions of higher education in the generating income.

1.3 Objective of the Study

1.3.1 The Main Objective

The main objective of the study is to assess the challenges facing public higher learning institutions in Tanzania in generating revenue.

1.3.2 Specific Objectives

The specific objectives of the study are as follows:-

- i. To find out if the inadequate partnership between higher learning institutions and the private sector affects the income generating activities of the institutions.
- ii. To establish the extent to which inadequate staff capacity affects the income generating activities of the institutions.
- iii. To examine the extent to which inadequate training and learning resources affects the income generating activities of the institutions.

- iv. To find out the extent to which competition among the HLIs affects the income generating activities of the institutions.

1.4 Research Questions

This study will address the following research questions:-

- i. How inadequate partnership between higher learning institutions and the private sector does affects the income generating activities of the institutions?
- ii. How does inadequate staff capacity affects the income generating activities of the institutions?
- iii. How inadequate training and learning resources affect the income generating activities of the institutions?
- iv. How competition affects the income generating activities of the institutions?

1.5 Scope of the Study

Due to time and financial constraints, this study did not cover all the higher learning institutions in Tanzania. Thus, the study has covered Higher Learning Institutions located in Morogoro region in Tanzania.

1.6 Limitations of the Study

This study was limited in terms of time and financial resources as the researcher was a part time student and self-sponsored. Therefore, it was not possible to cover many higher learning institutions in Tanzania in order to come up with generalized conclusion and recommendations about income generation in HLIS in the whole country. Another limitation is the fact that only 76.5% of the intended respondents returned the questionnaire. The remaining 23.5% were either unwilling or unable to furnish the

requested information. However, considerable thought and care was exercised in making the study as scientific, systematic and objective as possible.

1.7 Significance of the Study

It is envisaged that the findings of this study will contribute in finding solutions to the challenges that are encountered by HLIs in generating income and reducing dependence on government subsidies.

1.8 Chapter Summary

The chapter presents the background information on what the study was all about. It provides an overview of the study areas that was conducted in four institutions of higher learning located in Morogoro region. The chapter included the following components: the introduction, background of the study, statement of the problem, objective of the study, research questions, significance of the study and limitations of the study.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter provides review of literature and conceptual framework used in the study. The resources reviewed covered the period from 1980 to 2013, and they included both current and past records. The chapter provides both theoretical and empirical literature reviews.

2.1 Theoretical Literature Review

2.1.1 Definition of Concepts

Income has been defined in the Framework for the Preparation and Presentation of Financial Statements as an increase in economic benefits during the accounting period in the form of inflows or enhancements of assets or decrease of liabilities that result in increases in equity, other than those relating to equity participants. Income encompasses both revenue and gains. International Accounting Standard (IAS) No. 18 of the International Financial Reporting Standards (IFRS), defines revenue as the gross inflow of economic benefits during the period arising from the ordinary activities of an entity and is referred to by a variety of different names including sales, fees, interest, dividends and royalties.

The primary issue in accounting for revenue is to determine when to recognize revenue. Revenue is recognized in the books of accounts when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. In accordance with the provisions of the standard, IAS 18, revenue is measured at the fair value of the consideration received or receivable:

- i. For a cash sale, the revenue is the immediate proceeds of the sale.
- ii. For a credit sale, the revenue is the anticipated cash receivable.

The categories of revenue are as follows:-

- i. The sale of goods
- ii. Rendering of service
- iii. Interest
- iv. Royalties
- v. Dividends

For a company, revenue is the total amount of money received by the company for goods sold or services provided during a certain period. It also includes all net sales, exchange of assets; interest and any other increase in owner's equity and is calculated before any expenses are subtracted. Net income is arrived at by subtracting expenses from revenue. In terms of reporting, revenue in a company's financial statements, different companies consider revenue to be received, or recognized, in different ways. For example, revenue could be recognized when a deal is signed, when the money is received, when the services are provided, or at other times. There are rules specifying when revenue should be recognized for companies using different accounting methods, such as cash basis of accounting and accrual basis of accounting.

The organizations or companies using cash basis of accounting recognize income only when cash is received and record expenditure only when cash is paid. The organizations using accrual basis of accounting, on the other hand, recognize income when it is earned and record expenditure when it is incurred rather than when cash is received or paid. For example, an organization is considered to have earned income when it has provided goods or service to a customer, even though it has not received payment from that customer and under accrual basis of accounting that income can be recorded. Under cash

basis of accounting the income cannot be recognized until payment is received. Also, an organization is considered to have incurred expenditure when it receives goods or services from a supplier even if it has not made the payment for the same. For example, if rent for a leased building is paid on monthly basis, an organization (lessee) should record the rent expense after an expiry of a month even if the leaser has not submitted the invoice and the payment is not to be immediately made.

2.1.2 Measurement of Income

An income of an entity is measured and reported with reference to a specific period. The accounting profession has adopted a periodicity assumption, which holds for reporting purposes, an organization's life can be divided into discrete accounting periods (eg months, quarters and years) (Solomon *et al*, 1991).

Revenue is generally recognized at the time when services are rendered or when goods are sold and delivered to a customer. At this particular point, a company has concluded a major economic activity related to the transaction. This point of sale recognition rule applies whether the customer pays cash on the spot or promises to pay in the future (or even if the customer has paid in advance) (Solomon *et al*, 1991).

Solomon *et al* (1991) revealed that under the accrual basis revenues are recognized when goods are sold or when services are rendered, and expenses are recognized when incurred. Related expenses are thus matched against revenues, regardless of whether such amounts have been paid. With the cash basis of accounting, revenues are recognized in the period of receipt and expenses are recognized in the period of payment.

Generally, revenues are defined differently taking broader or narrower views about the components of revenue. The broader or comprehensive concept of revenue includes all the proceeds from business and investment activities. The narrower view considers revenue resulting from the primary or normal activities and thus excludes investment income, gains and losses on the disposal of fixed assets (Jawahar, 2009).

Because of possible mismatch of revenues and expenses and the resulting misstatement of financial position, few businesses utilize a strict cash basis of accounting. The cash basis is probably employed most often in the preparation of income tax returns for individual taxpayers (Solomon *et al* 1991).

The measurement of income occupies a central position in accounting. Income measurement is probably the most important objective and function of accounting, accounting concepts, principles and procedures used by a business enterprise. Income represents wealth increase and business success: the higher the income, the greater will be the success of a business enterprise.

Income is recognized in the income statement when increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be measured reliably. This means, in effect, that recognition of income occurs simultaneously with the recognition of increases in assets or decreases in liabilities (for example, the net increase in assets arise on a sale of goods or services or the decrease in liabilities arise from the waiver of a debt payable). The procedures normally adopted in practice for recognition of income, (to be earned), are application of recognition criteria in the Conceptual Framework for the Preparation of Financial Statements. Such procedures are reliable and have sufficient degree of certainty (Gwakisa & Msongole, 2010)

On the other hand, Gwakisa & Msongole (2010) emphasized that income is mainly influenced by Generally Accepted Accounting Principles (GAAPs) such as accrual concept, matching principle, and cost concept and realization convention. It should be noted that according to the principle of prudence, losses to be recognized as soon as they are considered to have occurred. Consequently, some of the expenses charged against the revenues of the period are considered as expenses of the period rather than expenses of earning revenues of that period.

2.1.3 Relevance of Income Measurement

Income measurement is relevant to the following decisions:-

- i. For evaluating the business efficiency in terms of profitability.
- ii. A guide to future investment on the basis of future cash flows resulting from different alternatives.
- iii. Evaluating managerial performance both by reference to the effectiveness of managerial decisions and as stewards of business capital.
- iv. A basis on which an annual income tax declaration may be made to the tax authorities. Tax authorities generally accept accounting convention used in measuring business profits when preparing tax assessments.
- v. A guide to credit worthiness, on the principle that if the business is profitable it can pay its debts.
- vi. A guide to socio-economic decisions, for instance, in wage bargaining situations where the ability of the firm to afford bonuses and pay increases may depend upon current profits. Also, government economic policies are guided by levels of corporate profits as one of the key economic indicators.
- vii. A guide to dividend policy due to the ability of the firm to pay dividend depends on the existence of profits, either current or past profits that may justify such dividends. (Gwakisa & Msongole, 2010).

2.2 Empirical Literature Review

2.2.1 The Importance of Income Generation in Public Higher Learning Institutions (HLIs)

In order for the public higher learning institutions to expand their student enrolment to cope with current demand of higher education, they should not only generate their own incomes to supplement those they receive from the Government, but should also diversify income sources. As mentioned by Nigel Thrift, the Vice-Chancellor of the University of Warwick, in the conference organized at the University of Bologna on 13-14 September 2010, income generation and diversification helps the academic enterprise, rather than hindering it. Knowledge transfer, commercial operations, public-private partnerships and philanthropic giving are four main areas of diversified income for his institution. It also helps universities to reduce dependence towards public authorities in relation to its internal management.

According to Shattock (2001), the University that is able to substantially stand on its own feet and to steadily make hard choices that determine its own future is truly an autonomous university. How much better to go this route, with all the hard work involved, than to remain a non-autonomous state dependent university, only sitting in a passive autonomous position, missing out new opportunities and drifting with the changing tides of societal interest, and waiting for directions to finally come from others.

Albatch *et al* (2009) highlighted that countries such as Australia and China have been explicit in asking universities to earn more of their operating expenses by generating their own revenues. Sources of revenue include but not limited to: tuition fees, researches, consultancies and sale of university related products.

2.2.2 New Trends in Financing Higher Education

Sanyal and Martin (2006) list six factors influencing the new trends of financing higher education. These are: massive expansion in higher education, inability of the state to finance this massive expansion leading to the emergence of the private sector, the rationale for cost-sharing with parents and students, the public call for accountability and ‘value for money’,

Ishengoma (2004) proposes a business (or market) model-which has worked very well at the University of Nairobi through the University of Nairobi Enterprises and Services Limited (UNES) and Makerere University (but yet to be adapted vigorously by other African universities). This model first of all assumes that a university through corresponding new organizational forms and institutional governance structures undergoes a significant transformation or evolution from a traditional or development university to an “entrepreneurial or corporate university” without a radical shift from the conventional mission of the university. According to (Ishengoma) transformation in institutional governance from a traditional development university to a corporate model of higher education governance is needed for optimum function of the university.

According to Davies (2001) entrepreneurialism is about financial consciousness, the ability of the institution and its members to exploit commercially the opportunities presented, and to generate surpluses which may be used to invest in further development, or meet deficits incurred from declining government subsidies or declining enrolments or other academic businesses. Indeed, it is no coincidence that entrepreneurial, as distinct from (or in addition to) adaptive responses, are often found in systems where financial reduction has destabilized institutional security. To the characteristics discussed, a consistently strong commercial and financial awareness need to be added. It does not follow that the non-commercially oriented university is bad; it

simply means that it is not entrepreneurial according to this definition, and that its commercial ethos is rather more restricted.

A well-rounded entrepreneurial narrative spells out the defining characteristics, and especially the advantages, of a type of modern university that stands on its own feet in order to adapt, its own terms to a highly complex and highly uncertain world (Clark, 2000).

There was a massive expansion of higher education in the nineties. Forrest, (2004) noted that according to latest available statistics, total enrolment in higher education increased from 68.6 to 110.7 million approximately between 1990–1 and 2001–2. Developing countries doubled their total enrolment from 29.3 to 58.3 million, while the countries in transition and the developed countries increased their enrolment from 8.5 to 12.2 million and from 30.8 to 40.3 million respectively. Interestingly, five of the countries having more than one million additional students belong to the countries having the largest number of illiterates in the world, the countries of UNESCO initiative launched in 1993.

Table1.3 Enrolment in Higher Education by Regions 1990–1 and 2001–2

Enrolment in higher education by regions 1990–1 and 2001–2 (thousands)			
Group of countries	Enrolment		Gross enrolment ratio 2001/2
	1990/1	2001/2	
Countries in transition	8,481	12,168	36.5
Developed countries	30,837	40,273	54.6
Developing countries	29,326	58,290	11.3
World	68,644	110,731	23.2

Source: Forrest (2004)

Higher learning institutions need to have different income generating activities (diversification) rather than depending on only one or two sources of income. According

to the European University Association (2011) integrating income diversification in the university's strategy requires the following steps:

- i. Identification of strengths and specificities to develop a branding strategy
- ii. Analysis of perspectives for income generation of the university's activities
- iii. Investment in people, leadership and management
- iv. Communication to the university's community and towards external stakeholders
- v. Adaptation of structures and organization
- vi. Provision of internal incentives.

2.3 Categories of Revenue in Higher Learning Institutions in Tanzania

For the Tanzanian universities and other institutions of higher learning the major categories of revenue sources are as follows:-

- i. Students' tuition fees;
- ii. Donor funded projects;
- iii. Income from short courses, consultancy services and researches.
- iv. Other sources of Income

2.3.1 Students' Tuition Fees

Tuition fees charged by the higher learning institutions would usually differ between different programmes. For instance, the tuition fees for PhD programmes would be higher than those charged for masters' programmes, which in turn would be higher than those charged for undergraduate programmes. Although tuition fees objectively represent a large potential for income generation, this matter remains largely out of the hands of universities, and raises a number of specific issues concerning access and student support schemes, which are not addressed by the (European University Association (2011: 2).

As mentioned above, it has been difficult for the higher learning institutions to raise fees for undergraduate programmes, particularly in the past few years. The only avenue for the institutions to increase their revenues is to increase fees for postgraduate programmes and enrolment of more students.

Major constraints for increasing the number of students in institutions of higher learning include the following:-

i. Academic staff: Lecturers and Professors

According to Mzumbe University Third Strategic Plan (2012/2013 – 2016/2017), senior lecturers cannot not be easily obtained in the labour market.

ii. Training and Learning Resources:

These include infrastructure (such as Lecture theatres, class rooms, libraries, computer labs and Students' halls of residence); ICT equipment and internet. The above mentioned constraints differ from one institution to another. For instance, according to Mzumbe University Third Strategic Plan (2012/2013 – 2016/2017), accommodation (students' halls of residence) is an important factor for increasing enrolment at the University, which had the capacity to accommodate 2,824 students against the total students' population of 6,165 during the year 2011/2012. Thus, there is a need to construct additional halls of residence and rehabilitate the existing ones in order to cope with the increased demand for the university programmes.

2.3.2 Donor Funded Projects

According to the World Bank Report (2010), on average international aid to Sub-Saharan Africa amounts to US\$ 600 million annually. This represents a quarter of all international aid given to the region for the education sector. This shows the emphasis

that the donors place on basic education and achievement of education for all (World Bank, 2010). Out of the mentioned amount (US\$ 600 million), about 26% goes directly to higher education in African universities. The remaining amount is provided through scholarships abroad or is accounted for by directly imputing to student costs in the donors' universities.

Additionally, aid is highly fragmented, due to the lack of donor coordination. Furthermore, aid is currently provided in the form of overall or sector budget support. Thus, governments have leeway to make budgetary allocations to education. Given the economic or financial hardships prevailing in the African countries, aid to higher education is likely to be competing with other priorities such as poverty alleviation, food subsidies, or energy (World Bank, 2010).

2.3.3 Revenue from Short Courses, Consultancy Services and Researches

This source of income has potential for growth. However, the institutions of higher learning will need to increase their capacity for undertaking short courses, consultancy services and research works. More academic staff, particularly the junior members of staff, are in need of training in the provision of these services. The institutions also need to increase their efforts in seeking and seizing available opportunities in this area.

As observed by Oliver *et al* (2006), training at the University of Technology (UTech), Jamaica, involves the delivery of short courses, workshops, seminars and conferences. They are often administered through continuing education and professional development units. Public and private sector entities often require professional development in specific areas.

Oliver *et al* (2006) further notes that UTech relies heavily on the School of Graduate Studies, Research and Entrepreneurship (SGSRE), in expanding its income generation; through graduate studies programmes, consultancy, training, applied research, grants/donor support.

For short courses and consultancy activities to be effective there must be short courses and consultancy policy in place, clearly stating its objectives, so that various parties involved will know responsibilities expected of them. For instance, Mzumbe University Short Courses and Consultancy Policy (of 2011) had the following objectives:-

- i. Building academic staff capacity as they undertake the roll of facilitation in short courses and consultancies, enriching theory with practice and vice versa.
- ii. Delivery of high quality, customer driven short courses and consultancy services.
- iii. To ensure sustainable generation of income for the University.
- iv. To enable the University to fund its activities, projects and programmes which would otherwise not be funded due to lack of funds.
- v. To motivate members of staff to be more aggressive in soliciting courses and consultancies to increase their earnings.
- vi. To ensure equal opportunities for all members with an emphasis on gender equity.
- vii. Prescribing operationalization of short courses and consultancy activities by the University.

Research is another important area of income generation in higher learning institutions. Smilor *et al*, 1993 (as cited in Rodrigues *et al*, 2006) argue that a new paradigm is emerging of the 'entrepreneurial university' which encompasses a more direct

involvement in the commercialization of research activities, and a more proactive approach to the role of academic research in the market place. This paradigm emphasizes that the environmental forces of a hyper-competitive global environment are altering the university's research, teaching and service mission.

2.3.4 Other Sources of Income

Other sources of revenue include interests from investment of surplus funds in -fixed deposits, usually with short maturity (one year or less), application fees, publication of books and articles, letting out university buildings to third parties, and disposal of old non- current (fixed) assets.

2.4 The Need for Increasing Revenue in HLIs

As mentioned above, the amounts of subsidy disbursed by the Government to the institutions of higher learning over the past few years has been decreasing due to budgetary constraints. With the exceptions of Personal Emolument (PE) (Staff Salaries), budget has been on the decline during the past few years. Thus, for their sustainability and developments, the institutions of higher learning have to increase income from their own sources.

The Higher and Technical Sub Master Plan directs institutions of higher learning in the country to improve and strengthen their earnings generation capacity through enhanced research, investment and professional consultancy functions. (Mzumbe University Short Courses and Consultancy Policy: 2011). If a higher learning institution generates more income, the surplus revenue can be used in infrastructure and staff development. The surplus income may also be used in improving the quality of education provided.

2.5 Efforts Made by some HLIs in Income Generation

Most universities worldwide are already making efforts towards income generation with a view to supplementing the revenue they receive from their respective governments. However, since the subsidies paid by governments to higher learning institutions do not suffice their financing needs, taking into account the ever-increasing student population, they have to mount efforts to increase the internally generated incomes. For instance, Kigali Institute of Science, Technology and Management (KIST), has taken the lead in the entrepreneurial activities. In 2002 KIST generated 35 per cent of its budget from its various entrepreneurial activities (Butare, 2004).

From its inception, KIST has combined conventional teaching with technology transfer initiatives. Particularly successful have been projects like renewable energies, waste water management and food processing. Products developed have included, for example, low cost hand – and foot – power water pumps, rain water harvesting systems, a crop dryer that uses either sunshine or biomass (such as rice husks, sawdust or firewood) (Butare, 2004).

University of Dar es Salaam started income generating activities that include dual track degree programmes (students sponsored by the government and private sponsored students). Various extra professional courses like diploma and certificates are provided. The students undertaking these courses are charged higher fees than those of the same courses provided in the same premise during morning sessions. Other income generating activities undertaken by the university include commercial research, consultancy, leasing chairs, halls (Kamugisha, 2009 as cited in Orungi, 2012).

Mzumbe University, besides enrolling private sponsored students (those not sponsored using loans issued by the HESLB) also earn income from the following sources: short courses and consultancy, investment as well as other gains and losses. The University

runs evening master's degree programmes as projects in the following centres: Morogoro (Ujenzi), Mwanza, Tanga, Mbeya and Dar es salaam. The Table below shows the income the University has earned from its income generating activities (excluding the private student fees) during the past three years.

Table 2. 1: Income Earned by Mzumbe University During the Past Three Year

INCOME GENERATING ACTIVITY	2009/2010 - T SHILLINGS	2010/2011 - T SHILLINGS	2011/2012 - T SHILLINGS
Short Courses & Consultancy	848,643,735.00	843,191,664.00	600,192,459.00
Investment & Other Income	1,156,778,150.00	1,816,622,077.00	1,688,800,186.00
Other Gains & Losses	57,410,094.00		

Source: MU Annual Reports.

2.6 Competition for Generation of Income in HLIs

According to Ishengoma (2004), Tanzania with the total population of around 37.6 million people has (as of November 2008) a total of total of 44 higher education institutions offering degrees in professional fields as shown below:

- i. Twelve (12) public universities and university colleges/institutes
- ii. Twenty one (21) private universities and university colleges and
- iii. Eleven 11 non-university higher education institutions (including technical colleges, but excluding non-university institutions in Zanzibar).

In 2006/07 total student enrolment in both private and public universities and university colleges and institutes were 49,967, with public universities enrolling a total of 39,218 students' equivalent to 78.4%. Private universities, despite of the fact that they outnumber public universities, enrolled a total of 10, 749 (21.5%) of the total student population. The number of new universities and other higher learning institutions,

particularly the private ones, keeps on increasing. This poses a higher competition to the existing institutions for student enrolment and other income generating activities, such as short course, consultancy and research works.

2.7 Partnership with Private Sector and other Government Entities

In undertaking revenue generation activities partnership with the private sector (industry and business) is of crucial importance. However, in most cases this is lacking in developing countries. According to Butare (2004) there has always been a gap between academic institutions and private sector undertakings in most of the developing countries. Partnership with the private sector should be a key institutional strategy.

In the case of Mzumbe University, one of the important undertakings to be pursued during its third strategic plan (2012/2013 to 2016/2017) is to explore the possibility public private partnership (PPP) while intensifying linkages with business and industry.

2.8 Conceptual Framework

A concept is a word or phrase that symbolizes several interrelated ideas. A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation, Reichel and Ramey (1987) as cited in Kombo and Tromp, (2006).

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this (Kombo and Tromp, 2006).

This study was guided by conceptual framework developed by the researcher after reviewing a number of related literatures. The assumption of the framework is that the existence of various challenges facing Higher Learning Institutions (HLIs) hinders the

generation of adequate income in those Institutions. The inadequacies referred to in the conceptual framework concerning partnership between HLIs and the private sector, staff capacity and training and learning resources as well as competitions in IGAs opportunities have been mentioned emphatically by authors of the reviewed literature, On the other hand, if the said challenges are overcome, coupled with appropriate strategies there will be improvement in generation of income in HLIs. The framework clearly shows that the challenges are the independent variables whereas income generation is the dependent variable (See Figure 2.1 below).

The challenges mentioned in the conceptual framework are as follows:-

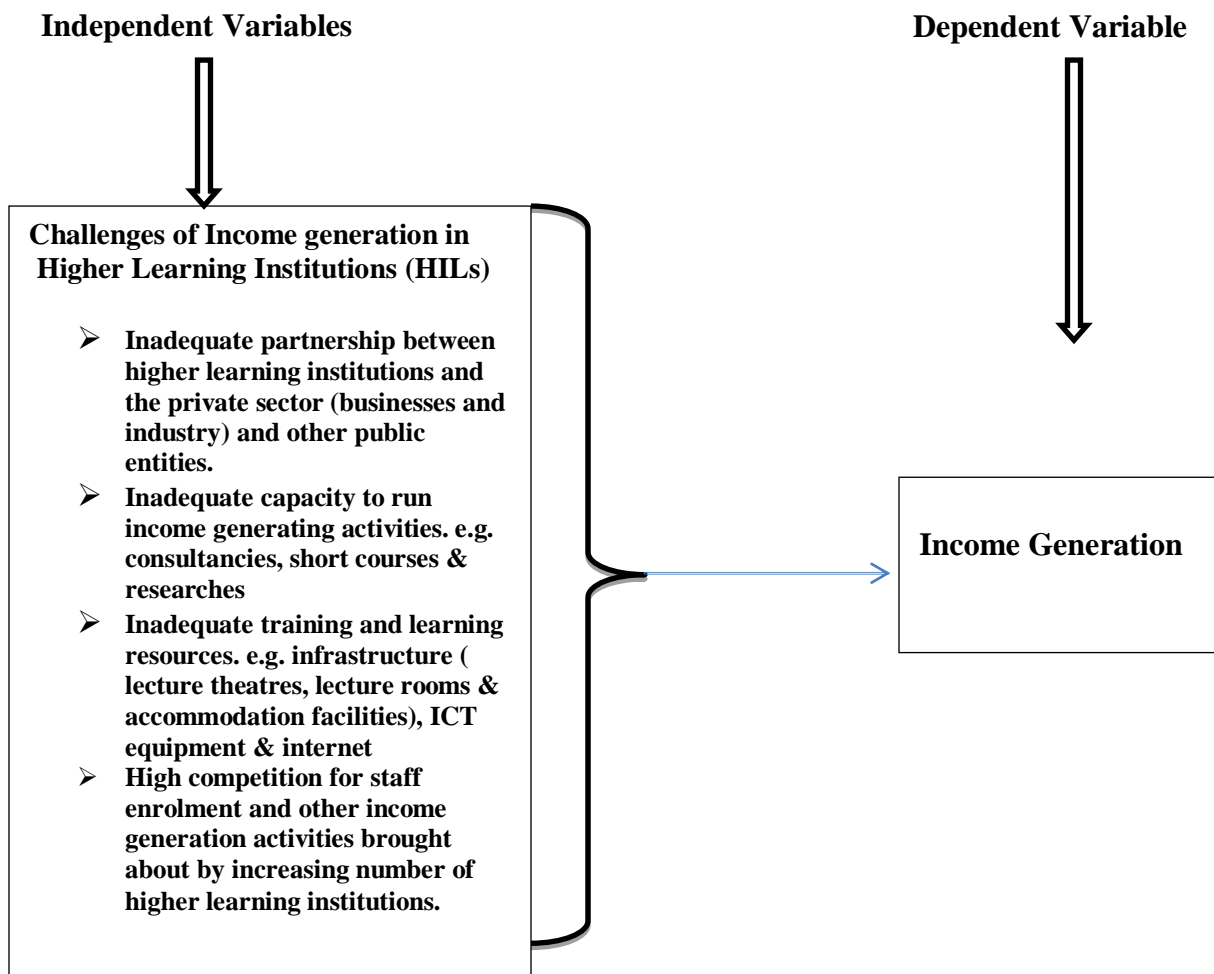
- (i) Inadequate partnership between higher learning institutions and the private sector (business and industry): In order for the institutions of higher education to succeed in income generating activities they have to establish and maintain links with the private sector such that they become aware/conversant with the problems facing the private sector (business problems) and Government entities with a view to solving them and thereby raising their income.
- (ii) Inadequate capacity to run income generating activities: The institutions of higher learning need to increase the capacity of their academic staff, through training (both long term and short- term training), particularly in the areas of consultancy service and research.

Inadequate training and learning resources: These include infrastructure (lecture theatres, rooms & accommodation facilities), ICT equipment & internet.-Lack of the above mentioned resources hinder the income generation activities of many institutions of higher learning in that their students' enrolments are constrained.

High competition for staff enrolment and other income generation activities: As mentioned above, currently there is a large number of higher learning institutions

in Tanzania and their number is bound to increase. The increasing number of these institutions poses competition to the existing ones.

Figure 2.1 Conceptual Framework



Source: Researchers Construct 2013

2.9 Chapter Summary

The chapter reviewed relevant literature on income generation in higher learning institutions worldwide, and Tanzania in particular. It culminated with designing of a conceptual framework having an independent and dependent variables about challenges facing higher learning institutions in generating adequate income for their daily operations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

The research methodology chapter defines various means and ways of acquiring data and information. Research methodology refers to the ways that are used in conducting research. Research methodology enables the researcher to collect relevant information about the research topic. This chapter provides the description of the methodology that was employed in this study. In this chapter the area of the study, study design, research area, population of the study, sampling procedures and sample size, data collection methods and data analysis methods are outlined.

3.1 Study Area

This study was carried out in the Higher Learning Institutions (HLIs) in Morogoro region. The selected higher learning institutions are: Mzumbe University, Sokoine University of Agriculture, Muslim University and Jordan University. The mentioned four universities were chosen because of financial and time constraints, as already mentioned above. Since all the four selected universities were easily accessible by means of a road, it was easier for the researcher to visit them for data collection, as he resides in Morogoro Municipality.

3.2 Research Design

A case study design is appropriate for the research topic selected. This case study has been selected due to the fact the nature of the problem requires deep analysis to be made in order to arrive at a valid conclusion and to put forward appropriate recommendations. Due to financial and time constraints the researcher mainly focused on three academic faculties/schools and two administrative directorates/departments of each institution

surveyed. The administrative directorates involved in the study are those which deal with financial matters and income generation at the universities.

3.3 Target Population

The target population comprised of employees of the selected higher learning institutions in Morogoro region. These are the employees working in the Directorates of Finance and Planning as well as three faculties/schools. Units directly involved in the generation of revenue like a Short Courses and Consultancy Directorates/Department were also included in the study.

Population is a group of individuals, objects or items from which samples are drawn for measurement. It refers to the entire group of persons or elements that have at least one thing in common (Kombo and Tromp, 2006). In this study, the population consisted of employees in the Directorates of Finance and Planning; three faculties/schools and any unit that directly deals with generation of revenue in the selected universities in Morogoro region.

3.4 Sample and Sampling Techniques

3.4.1 Sample

A sample is defined as a group of individuals, objects or items drawn from a population for conducting a study. The sample should be representative of a population. The sample size that was used in this study is four percent of the population. The population was categorized into different strata. In the case of Mzumbe University, for example, the sample size was obtained from different strata as follows:-

Table 3. 1: Population and Sample Size for Mzumbe University

S/No	Category	Population	Sample Size	Percentage of Population
1	Directorate of Finance	45	5	11.1
2	Directorate of Planning	5	1	20
3	Directorate of External Linkages and Community Engagement (DELCE)	3	1	33.3
4	Deans/Directors/Principals and Their Associates	24	7	29.2
5	Heads of Academic Departments	41	4	20
6	Other Members of Staff in the University	479	7	9.8
	Total	597	25	4.2

Source: Pre-Field Survey 2013

The population of members of staff in Mzumbe University seems to be quite large (597) but those with information that meet the requirement of the study were relatively very few. These are mainly found in the Directorates of Finance and Planning as well as the unit that deals with income generation. Besides, this was intended to be a case study, which allows usage of smaller sample for in-depth studies of the phenomenon in question. For this reason only 25 members of staff at Mzumbe University were involved in this study.

Likewise, in the other universities the population was first stratified as shown in the above table and from each stratum a similar proportion of elements (members of staff) was selected and included in the sample. Thus, the sample size is 65 for all institutions in which the study was carried out,

3.4.2. Sampling Technique

Sampling is a procedure a researcher uses to get people, units or other elements for a study. It is a process of selecting a number of individuals or objects from a population

such that the selected group contains elements representative of the characteristics found in the entire group (Kombo and Tromp, 2006).

In selecting the respondents, who were administered with the questionnaire, the sampling technique that was used is purposive sampling.

3.4.3 Purposive Sampling Technique

Purposive sampling technique was applied to all staff in the selected faculties/schools and directorates of the universities. The selected faculties and directorates were considered to have relevant information for this study. This is emphasized by Coyne (1997), who noted that purposive sampling is very useful for situations where a researcher needs to reach a targeted sample quickly and where sampling for proportionality is not the main concern.

Another reason for using purposive sampling is that it is suitable for both quantitative and qualitative methodology (Kombo and Tromp, 2006). Purposive sampling is also capable of selecting information-rich cases for in-depth analysis like in the case of challenges faced by the public higher learning institutions in their efforts to generate revenue.

3.5 Data Collection Methods

In order to get the required information for this study, both primary and secondary data were collected. Primary data were collected using questionnaire and interviews. Secondary data were gathered through documentary review.

3.5.1 Primary Data Sources

3.5.1.1 Questionnaire

In this study the questionnaire was pre-tested at Mzumbe University on selected few staff before being used as a major data collection tool. The feedback received from the pretested questionnaire was used in improving various items in the questionnaire. Questionnaire was distributed to purposively selected respondents in the four universities in Morogoro region during March and April 2013.

The questionnaire contained closed ended as well as open-ended questions, whereby the respondents were given an opportunity to express their opinions on various questionnaire items. The respondents were expected to provide answers in the form of figures and narration. This type of questionnaire provides both qualitative and quantitative information on challenges faced in the generation of revenue in higher learning institutions. The questionnaire format appears as an appendix in this study.

3.5.1.2 Interviews

This method was employed in collecting data from deans of faculties/schools, the directors of finance and planning and heads of income generating units of the four selected universities. Before meeting these leaders of the earmarked organs of the selected universities, the researcher prepared questions, which guided him in getting data in the form of responses from them.

3.5.2 Secondary Data Sources

Secondary data were collected from records of the four selected the universities. The records consulted include various statistics, strategic plans, books, journals (both published and unpublished), research reports and conference proceedings, theses and

dissertations; and income generation policies of the universities. Other sources of secondary data included materials from recognised and reputable websites and internet.

3.6 Ethical Issues

In undertaking a research study, the issue of respondents' confidentiality is critical. Thus, when communicating with respondents they need to be assured that information obtained from them remains confidential and it is to be used for academic purposes only and not otherwise, 'to avoid harming participants', 'avoid lack of informed consent', 'invasion of privacy', and 'avoid deception' (Diener and Crandall, 1978 as cited in Bryman and Bell, 2007:132). The respondents who participated in this study were thus informed of the purpose for which the data is being collected before their involvement in the study. Majority of them were cooperative such that the researcher was able to get useful data for the study.

3.7 Data Quality Control

The questionnaire was developed by preliminary interviewing employee from the Mzumbe University, one from each of the schools/faculties and directorates, to identify challenges of income generation (independent variables) in HLIs. Respondents' suggestions were taken into account in developing the main questionnaire used in the field. This helped to maintain the reliability and validity of the data collected.

3.8 Data Processing and Analysis

Data analysis as defined by (Kombo and Tromp 2006: 117) is the examination of what has been collected in survey and experimenting in making deductions and inferences. It involves uncovering underlying structures, extracting important variables, detecting any anomalies and testing any underlying assumptions.

Before analysis, data were organized and processed. First, the researcher edited, coded and classified the raw data collected from the field. Secondly, the researcher entered all the gathered data in the questionnaire into a computer to facilitate tabulation and analysis. After processing, data were stored in both electronic and non-electronic format. The data obtained in this study were then subjected to thorough content analysis, whereby frequencies and percentages were taken as measures of importance. The programmes used were the Statistical Package for Social Sciences (SPSS) and Microsoft Excel Spread sheet. The data obtained through unguided open ended questions and responses from interviews were categorized and converted into qualitative data. Tables, histograms, pie charts and other figures were used for data presentation.

3.9 Chapter Summary

In summary, this chapter was intended to portray how the study was conducted. This was a case study design research conducted in four purposively selected Higher Learning Institutions located in Morogoro region. Different data collection methods were employed included: questionnaire, interviews and documentary review. The interviews produced quality replies to the questions, although some respondents were unable or unwilling to provide needed information. Interviews were gentle and friendly, thereby maintaining of research ethics, and leading to critical findings.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents key findings of this study according to the four research questions shown in Chapter One. It includes data presentation, analysis and discussion of the findings. Quantitative data were analysed using SPSS and Microsoft Excel Spread sheet programmes. In most cases, descriptive statistics were derived and shown in frequencies and percentages.

Data analysis is the process of moving from raw data to evidence-based interpretations which is the foundation for published reports (Creswell, 1998:201). Since numbers from quantitative information by themselves do not give adequate meaning, qualitative information which is relevant to the issue being studied was used to supplement them. There are different ways of analysing qualitative data as argued by different authors such as Gill and Johnson, (2002). Direct quotations were used to show what respondents said about the issue being analysed, thereby supporting the statistical information.

4.1 Demographic Information of the Respondents

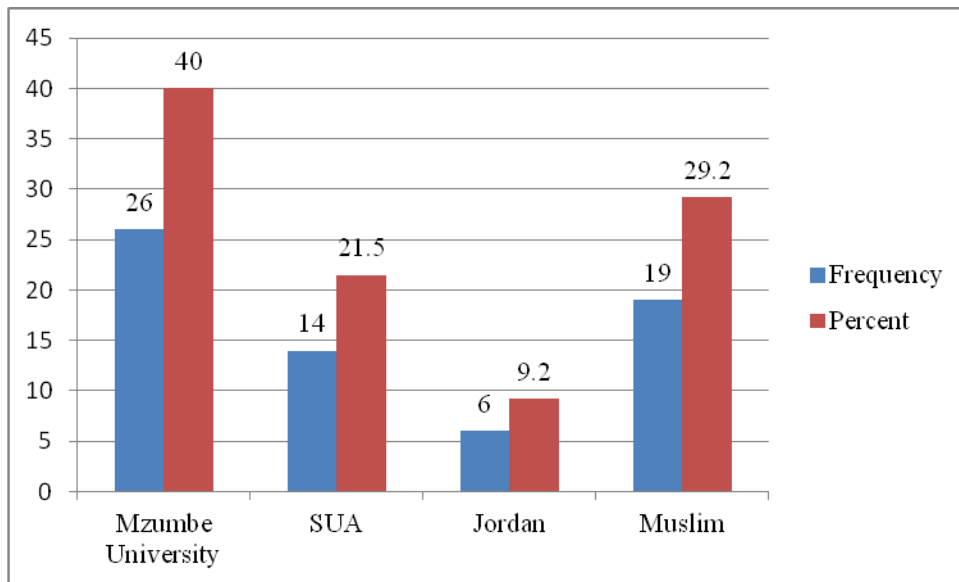
This study has examined personal characteristics, such as occupation, age group, sex and the level of education, of sixty five (65) respondents. The demographic information referred to above are shown in the subsections below.

4.1.1 Distribution of Respondents by Institutions

Questionnaires were sent to four universities in Morogoro region. The largest number of respondents came from Mzumbe University, who were 25. This is because it has a largest number of staff (40%) of all the respondents as compared to respondents from other institutions. Muslim University of Morogoro (MUM), comprising of 19 (29.2%), Sokoine University of Agriculture (SUA) 14 (21.5%) and Jordan University College

(JUC) 6 (9.2%). Summary of the distribution of respondent is as depicted in Figure 4.1 below.

Figure 4.1: Distribution of Respondents by Institutions (N=65)



Source: Field Survey 2013

4.1.2 Occupations of the Respondents

The respondents of this study mainly comprised of the following professionals and cadres: accountants, planners, personnel dealing with income generating activities, deans and directors, heads of departments and other members of staff in the universities. Deans and directors formed the largest proportion of the respondents (35.4%), followed by other staff (27.7%). The cadre with the smallest number of respondents is the Directorate of Planning (3%). Table 4.1 below indicates the Titles/Occupations/Directorates from which the respondents were drawn including their number and percent.

Table 4.1: Categories of Respondents by Occupation

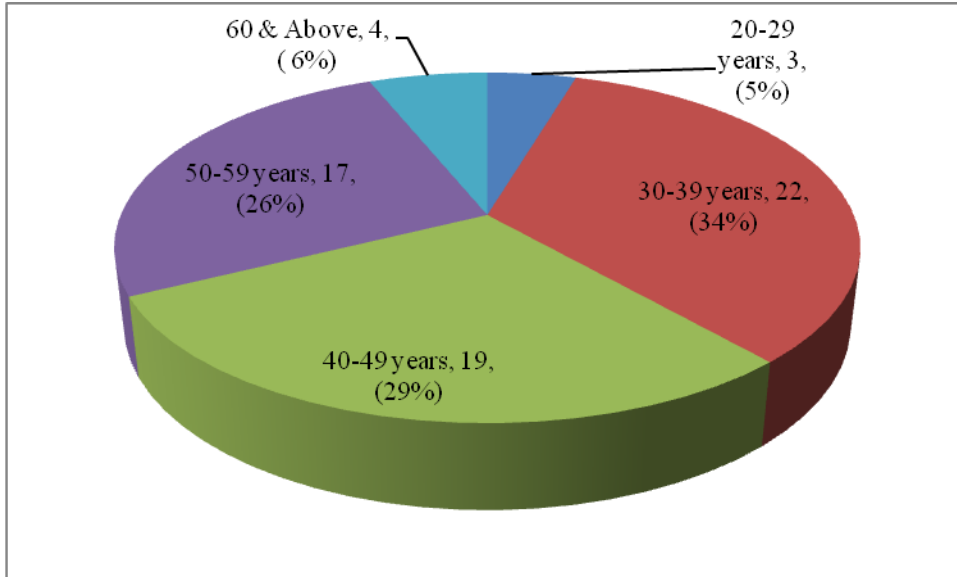
Category of responses	Frequency	Percentage
Directorate/Dept. of Finance	9	13.8
Directorate/Dept. of Planning	2	3
Deans and Directors	23	35.4
Heads of Dept.	13	20
Other Staff	18	27.7
Total	65	100

Source: Field Survey 2013

4.1.3 Age Groups of the Respondents

It was necessary to get extract of information relating to age in this study so as to get views from people with different age groups. According to Figure 2 below majority of respondents belonged to the following age groups 30-35 years were 22 (34%), 40- 49 years were 19 (29%), 50-59 years were 17 (26%). The age group with smallest number of respondents was 60 years and above, which had 3(5%) of all the respondents. The reason is that this age group accounts for a very small minority in the universities in which the study was conducted. The different age groups are depicted in Figure 4.2 below:-

Figure 4. 2: Distribution of Respondents by Age (N= 65)



Source: Field Survey 2013

4.1.4 Distribution of Respondents by Sex

The total number of all respondents was 65, which included staff from 4 public and private universities in Morogoro region. Majority of respondents were males who were 54 (83.1%) whereas 11(16.9%) were female. Table 4.2 below indicates the statistical data of the sex of respondents in frequencies and percentages.

Table 4.2: Distribution of Respondents by Sex (N=65)

Category of responses	Frequency	Percentage
Male	54	83.1
Female	11	16.9
Total	65	100

Source: Field Survey 2013.

Inclusion of sex variable in this study enabled the researcher to extract information from these two groups, whose views needed to be included in the findings of this study.

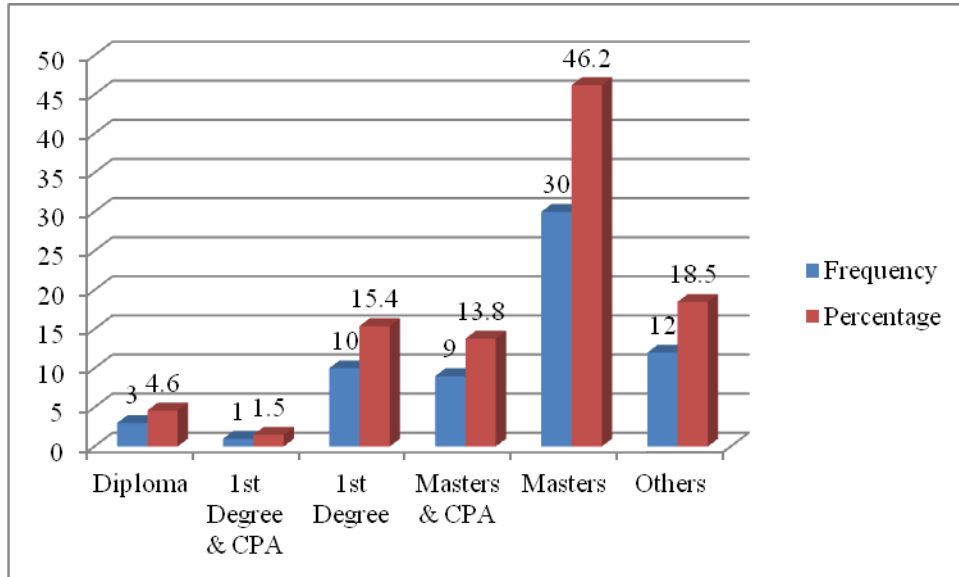
4.1.5 Educational Level of Respondents

The levels of education in any study are of crucial importance, since generally people with high level of education have more understanding of issues under the study as compared to people with low level of education. Thus, information furnished by educated people will generally have more quality than those furnished by people with no or little education.

The findings revealed that majority of respondents in this study fall in the category of those with masters 30 (46.2%), others 12 (18.5%). The category of others includes respondents who are PhD holders and professors. Category of respondents with master's and CPA had 9 (13.8%) respondents; first degree respondents were 10 (15.4%). There was only 1(1.5%) respondent with first degree plus CPA whereas diploma holders were 3(4.6%).

The combination of the respondents with a mixed level of education enabled the researcher to extract quality information from collected data with a high level of reliability and validity. The different educational levels of the respondents are depicted in Figure 4.3 below:

Figure 4:3: Educational Levels of the Respondents (N=65)



Source: Field Survey 2013

4.2 Reasons for Not Generating Adequate Income

Internal revenue generation is becoming an increasingly important source of income for Higher Learning Institutions (HLIs) all over the world. This study focused on challenges encountered by Higher Learning Institutions in generating income, the intention being to get insights as to why some universities are not generating adequate income. The answer to this research question are as presented in Table 8 below whereby 37 (56.9%) respondents indicated that HLIs are not adequately undertaking income generation activities. A total of 7 (10.8 %) respondents stated that the reason why sufficient income is not generated in HLIs is that income generation activities are not advertised. Other reasons given include heavy teaching workload and poor planning which were supported by 15 (23.1%) of all respondents who participated in the study.

Table 4.3: Reasons for not Generating Adequate Income

Category of responses	Frequency	Percentage
Not undertaking IGAs	37	56.9
IGAs not advertised	7	10.8
Other IGAs opportunities Not available	6	9.2
Others	15	23.1
Total	65	100

Source: Field Survey 2013

The above findings concur with those of Di Gregorio and Shane (2003) which revealed that most of the higher learning institutions in different parts of the world do not adequately engage in income generation activities because such activities are normally not known to the public and inadequate capacities in initiating income generation activities. The findings of Di Gregorio and Shane (*ibid*) also support the conceptual framework guiding this study.

4.3 Partnership Between HLIs and Private Sector

Research Question 1: How inadequate partnership between higher learning institutions and the private sector affects the income generating activities of the institutions?

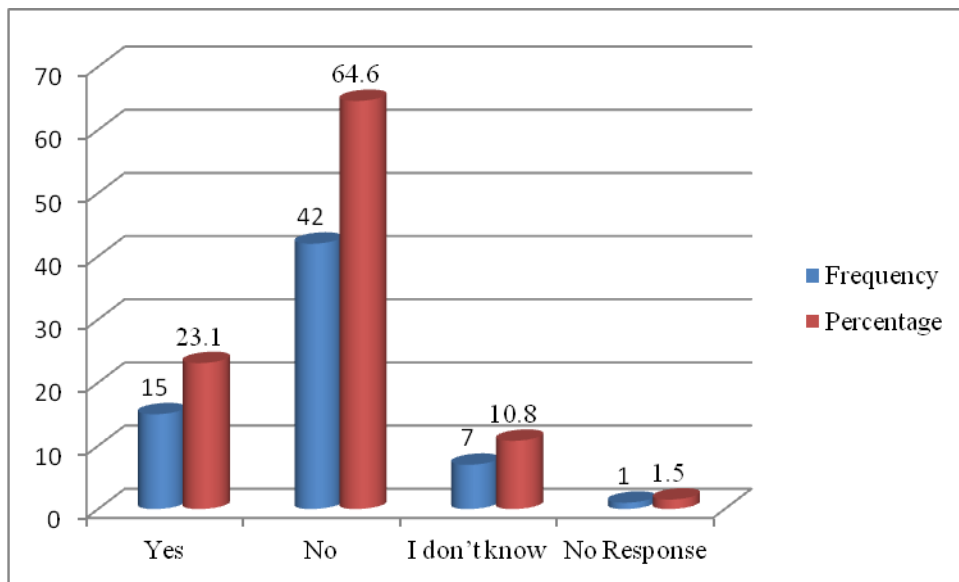
Partnership in the context of this study refers to the cooperation between the HLIs and the private sector such that the former become aware of the business problems of the latter with a view to solving them by providing their services such as researches, consultancies and publications and thereby earning income.

This research question is addressed by the responses to the under mentioned questions sent to the respondents in 4.3.1 and 4.3.2 below.

4.3.1 Adequate Partnership Between HLIs and Private Sector

On the question of adequacy of partnership between HLIs and the Private Sector, 42 (64.6%) of the respondents said that partnership between the former and the latter is not adequate while 15 (23.1%) were of the view that adequate partnership exists and 7 (10.8%) indicated that they do not know. Thus, according to the findings, the partnership between higher learning institutions and the private sector is still inadequate. The findings therefore support one of the variables in the conceptual frame work, which states that “inadequate partnership between higher learning institutions and the private sector (business and industry) and other public entities” is a hindrance in the generation of income in HLIs. The number and respective percentages of respondents for the responses on this question are as summarised in Figure 4.4 below.

Figure 4.4: Partnership Between HLIs and Private Sector



Source: Field Survey 2013

4.3.2 Effect of Inadequate Partnership on IGAs in HLIs

Respondents in this study were provided with an item in the questionnaire, which required them to state whether the inadequate cooperation between higher learning institutions and the private sector affects the income generating activities (IGAs) in their institutions. The findings revealed that 38 (58.5%) of the respondents were of the view that inadequate cooperation affects IGAs. On the other hand, 7 (10.8%) stated that that inadequate partnership does not affect IGAs in their institutions. Surprisingly enough, 16 (24.6%) of the respondents did not answer this questionnaire item. The results of the findings indicate that partnership between HLIs and private sector has an impact on the generation of income

Table 4.4: Effect of Inadequate Partnership on IGAs in HLIs

Category of response	Frequency	Percentage
Yes	38	58.5
No	7	10.8
I don't know	4	6.2
No Response	16	24.6
Total	65	100

Source: Field Survey 2013

One of the respondents who participated in an in-depth interview on the relationship between inadequate partnership and IGAs had the following remarks:

“...although there have been initiatives to establish partnership with business and industry, but a lot needs to be done in order to improve income generation in HLIs”.

Another interviewed respondent argued that:

“...partnership with the private sector is crucial since HLIs would be in a better position to sell their expertise in management and other sciences and conduct problem oriented researches and consultancies”.

The partnership between the HLIs and Private Sectors so far done is a step in the right direction towards improvement of IGAs. However, HLIs need to do much more in order to realize the objective of increased income through IGAs.

4.4 Inadequate Capacity in Running IGAs

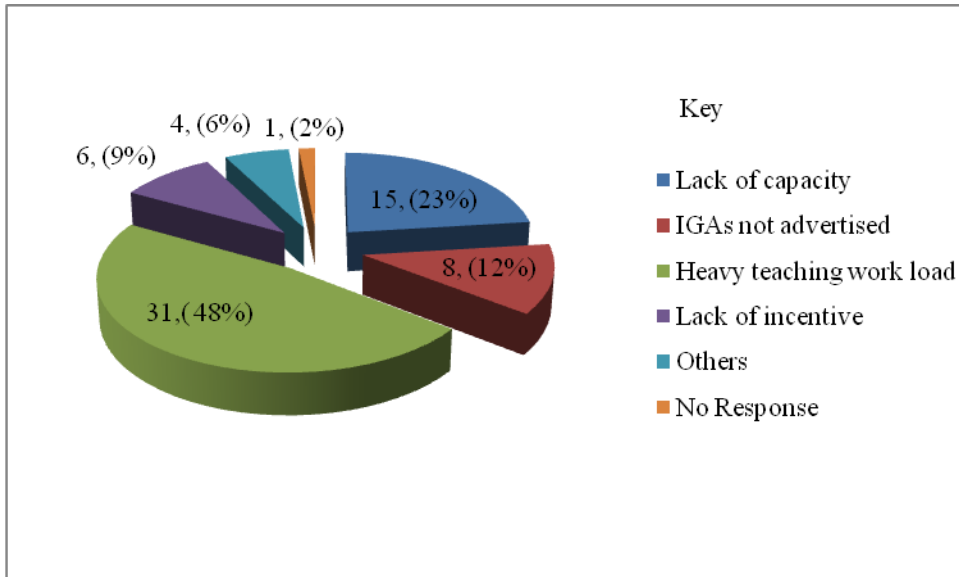
Research Question 2: How does inadequate capacity to run income-generating activities affects the income generating activities of the institutions?

Research Question 2 is addressed by the respondents' views and opinions on the impact of inadequate capacity to run IGAs on income in the Higher Learning Institutions are summarized in sections 4.4.1 and 4.4.2 below. As stated in Chapter Two above, the institutions of higher learning need to increase the capacity of their academic staff, through training (both long term and short term training), especially in the areas of consultancy service and research.

4.4.1 Reason for Not Undertaking IGAs Adequately

Figure 4 below reveals that 31 (48 %) of the respondents cited heavy teaching workload as the reason why academic staff are not adequately carrying out the IGAs. 15 (23 %) respondents were of the view that lack of capacity is the cause. On the other hand, 8 (12 %) supported the view that IGAs are not advertised while lack of incentives for carrying out IGAs was supported by 6 (9%) of the respondents.

Figure 4.5: Reason for Not Undertaking IGAs (N=65)



Source: Field Survey 2013

In addition to the findings illustrated in Figure 4.5 above, the researcher held an interview with one of the respondents who had the following to say:

“...a majority of the members of staff are unable to identify opportunities in the Tanzanian business environment. They are also unable to make use of such opportunities for lack of skills to make networks and undertake consultancies thus affecting the income generation activities of their respective institutions”.

4.4.2 Reasons for IGAs' Units Not Performing Well

Respondents were provided with questionnaire items, which required them to indicate reasons for IGAs units not performing well in their respective institutions. Relatively large number of the respondents, that is, 25 (38.5%) alleged that members of staff of those units are not aggressive enough; And 12 (18.5 %) cited competition in the market. Lack of support from senior staff was supported by 8 (12.3%) respondents. Ten (15.3%)

respondents advanced other reasons including heavy teaching work load, lack of capacity in project and consultancy write up while lack of support from HLIs managements was cited by 7(10.8%) respondents. These results are depicted in Table 4.5 below.

Table 4.5: Reasons for IGAs' Units Not Performing Well (N=65)

Category of responses	Frequency	Percent
Members of units not aggressive	25	38.50
Lack of support from senior staff	8	12.30
Lack of support from HLIs Management	7	10.80
Competition in the market	12	18.50
Others	10	15.30
No Response	3	4.60
Total	65	100

Source: Field Survey 2013

These findings concur partly with those of Chrisman, Hynes, and Fraser (1995) who revealed that universities are unable to generate income because of inadequate marketing strategies, limited entrepreneurial culture, partial strategy implementation, inadequate monitoring, evaluation practices and lack of a comprehensive human resources policy.

One of the interviewed respondents who was asked as to why the IGA units are not performing well argued that:

“... The reason why the members of staff in the IGA units are not performing as expected is that they are at the same time academic staff, as a consequence heavy teaching work load may be a constraining factor in good performance in the IGAs units. The solution may therefore lie in engaging staff in the IGA units who do not take part in teaching or other administrative activities”

4.5 Insufficient Training and Learning Resources

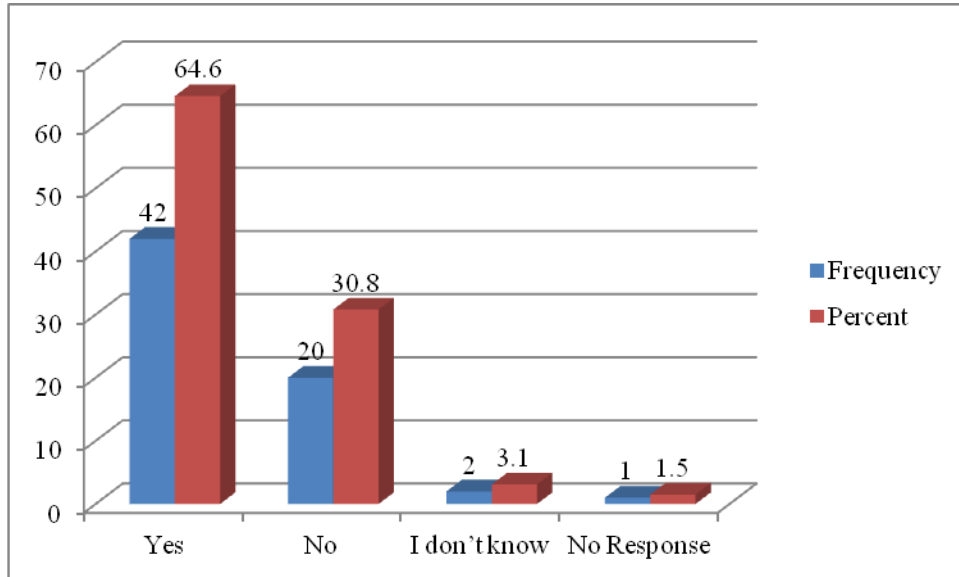
Research Question 3: How Insufficient Training and Learning Resources Does Affect the Income Generating Activities of the Institutions?

4.5.1 Effect of Training and Learning Resources on IGAs

The conceptual framework guiding this study assumed that good and adequate training and learning resources could lead to increased income generation activities in HLIs. These training and learning resources are infrastructure (lecture theatres, class rooms and students' hostels) and ICT facilities. Respondents were provided with questionnaire items which gave options. The findings revealed that: majority of the respondents 42 (64.6%) agreed that poor and inadequate training and learning resources had significant impact to the IGAs, 20 (30.8%) were of the views that there is no relationship between income generating activities and training and learning resources. Two (2) (3.1%) said they do not know and 1 (1.5%) did not respond. The number of respondents and respective percentages for each response in this question are as shown in Figure 4.6 below:

Results in Figure 4.6 below support the conceptual framework guiding this study which reads “inadequate training and learning resources .e.g. infrastructure (lecture theatres, class rooms & accommodation facilities) and ICT equipment & internet” result into poor IGAs in HLIs. Similarly, a work by Dill (1995) support at least in part, the above findings as the author noted that “ineffective organisational processes, systems and infrastructure, including inadequate managerial and financial accounting systems, inadequate Information and Communication Technology (ICT) infrastructure, poor credit management, lack of an integrated Management Information System (MIS)” hindered institutions from developing income generating activities.

Figure 4.6: Effect of Training and Learning Resources on IGAs (N=65)



Source: Field Survey 2013

In order to support quantitative findings in Figure 5 above the researcher held an in depth interview with one respondent who stated that:

“...inadequate training and learning resources have a negative impact on income generating activities since it limits the institutions’ absorption capacity to enrol a greater number of students in their respective campuses”.

The above remarks also concur with the observation given by another respondent who stated that:

“...inadequate students’ hostels force some students to reside off campus, consequently make the HLIs to lose accommodation income. Moreover, some students opt for other institutions where such facilities may be available”.

Due to above responses, it is clear that inadequate training and learning resources have a great impact in income generation in HLIs.

4.6 Impact of Competition on IGAs

Research Question 4: How does competition affects income-generating activities of the institutions?

4.6.1 Competition Among HLIs is One of the Reasons for Low IGAs

This study also sought to determine the extent to which competition among HLIs is one of the reasons for low income generating activities. The researcher requested the respondents to indicate the extent to which competition accounts for low IGAs, giving the alternatives: “yes”, “no” and “I don’t know”. From the findings, the majority of the respondents, that is, 30 (46.2%), felt that competition among HLIs is not the reason for low IGAs. The respondents who replied in the affirmative way were 25 (38.5%) while 9 (13.8%) indicated that they do not know. Only 1(1.5%) of the respondent did not respond. The number of respondents and respective percentages for each response for this question are as shown in Table 4.7 below:

Table 4.7: Competition Among HLIs is the Reason for Low IGAs (N=65)

Category of Response	Frequency	Percent
Yes	25	38.5
No	30	46.2
I don’t know	9	13.8
No Response	1	1.5
Total	65	100

Source: Field Survey 2013

One of the lecturers in the surveyed institutions with whom the researcher had an in-depth interview stated that:

“...there is competition among HLIs arising from ever increasing private and public universities which compete for applicants (mostly Form Six Leavers) as well as the few consultancies, short courses and research projects. Thus, the mushrooming HLIs decrease the individual institution’s market share”

4.7 Improving Income Generation in HLIs

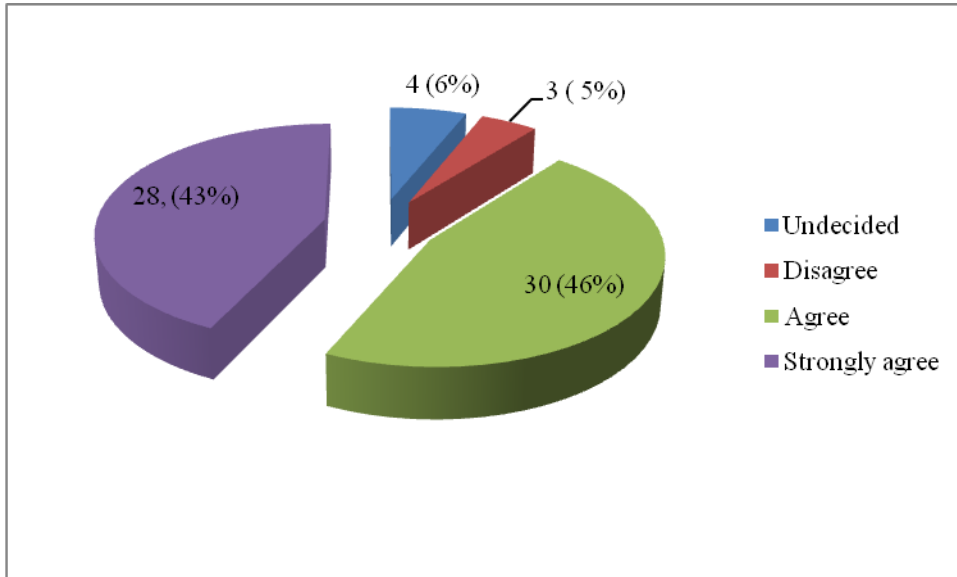
The respondents were also requested to give their opinions on various ways of improving income-generating activities in HLIs. The responses obtained have been recorded and analysed in sections 4.7.1 to 4.7.8 below:

4.7.1 The Choice of Various Programmes in HLIs v/s Market Requirements

It is well known that a university which produces graduates who are employable will also attract more applicants. Higher enrolments are a source of income to the Higher Learning Institutions.

The study sought to establish the ground that programmes which are determined by labour market could increase income generating activities in HLIs. The findings indicated that 30 (46%) of the respondents agreed with the view that the choices of various programmes in HLIs should be determined by the market while 28 (43%) strongly agreed with the view. On the other hand, 3 (5%) disagreed whereas 4 (6%) were undecided/indifferent. These findings show that well designed programmes which reflect labour market demand could help HLIs in generating more income as this view is supported by the majority of the respondents (that is, those who agreed plus those who strongly agreed). The number of respondents and respective percentages for each response for this opinion are as shown in Figure 4.6 below:

Figure 4.7: Programmes Should be Determined by Market for Higher Income



Source: Field Survey 2013

4.7.2 Regular Review of Curricular

This questionnaire item was aimed at extracting respondents' views on whether regular curricular review will attract more students, which will ultimately result in increased income. The findings revealed that Majority, that is, 31 (47.7%) and 28 (41.1%) strongly agreed and agreed respectively, supported the opinion that regular review of curricular ultimately increases income for HLIs. On the other hand, only 3 (4.6%) respondents disagreed with the aforementioned opinion. In view of these findings, there is no doubt that a university which reviews its curricular regularly to match with labour market requirements will attract more students in the long run. Findings are as shown on Table 4.8 below.

Table 4.8: Regular Review of Curricular (N= 65)

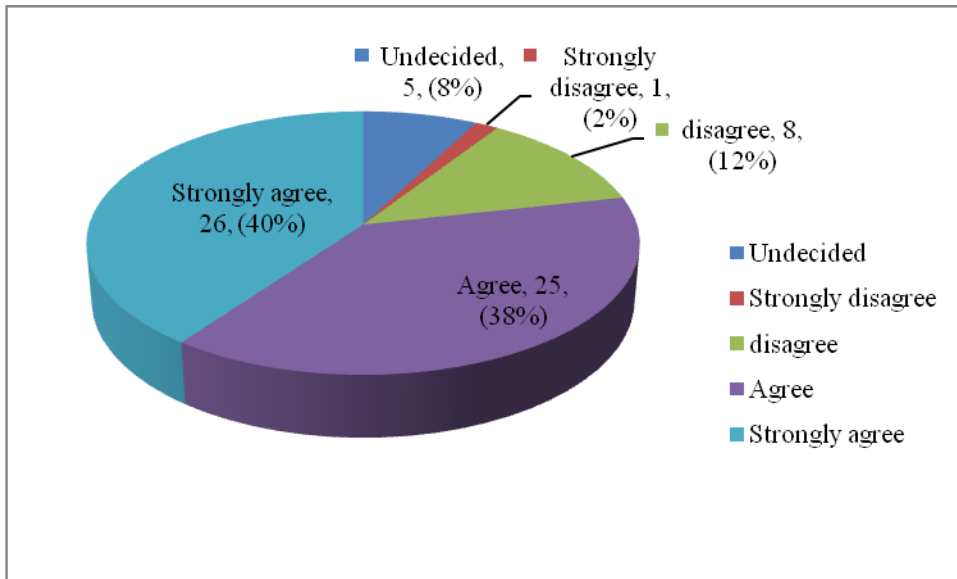
Category of Response	Frequency	Percent
Undecided	3	4.6
Disagree	3	4.6
Agree	28	43.1
Strongly agree	31	47.7
Total	65	100.0

Source: Field Survey 2013

4.7.3 Instituting Internal Controls Over Expenditure

The respondents were requested to give their views on the importance of internal control of over expenditure in the HLIs. The results show that 26 (40%) strongly agreed and 25 (38%) agreed that if internal control if well implemented will have a positive effects on the income generation. Out of all respondents involved in this study only 8 (12%) disagreed with the view that internal control over expenditure has the same effect as the increase in income, 1 (2%) strongly disagreed with the view while 5 (8%) were undecided. These findings show that well instituted internal control over expenditure can bring positive impacts on IGAs. The above findings are supported by Mawanda (2008) who noted that “it is also a general belief that properly instituted systems of internal control improve reporting process and also give rise to reliable reports which enhance the accountability function of management of an entity.

Figure 4.8: Effects of Internal Controls Over Expenditure and Income Generation (N= 65)



Source: Field Survey 2013

4.7.4 Improved Rewarding System

The study also inquired on whether improved rewarding systems in HLIs would result into increased income or not. The respondents were provided with likert scale items in responding to this inquiry. 36 (55.4) respondents agreed with the view that improved rewarding system will have the positive impact on the IGAs and 16 (24.6%) strongly agreed with the view. The responses on the impact of rewarding system are summarized in Table 4.9 below.

Table 4.9: Improved Rewarding System (N=65)

Category of Responses	Frequency	Percent
Undecided	3	4.6
Strongly disagree	1	1.5
Disagree	9	13.8
Agree	36	55.4
Strongly agree	16	24.6
Total	65	100

Source: Field Survey 2013

4.7.5 Capacity Building and Income Generations in HLIs

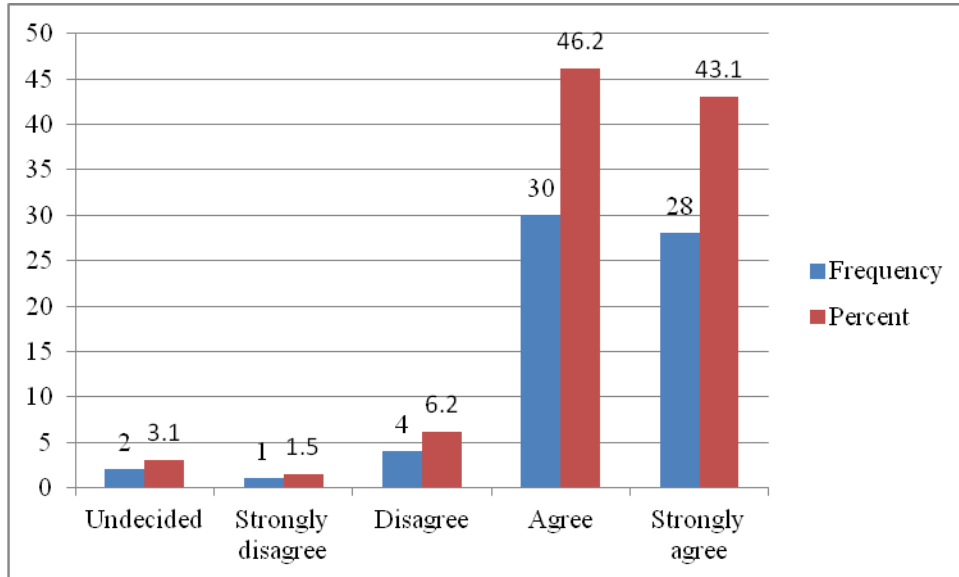
The respondents were also asked to give their opinion on whether increasing capacity of members of staff by way of long term training, seminars and workshops could result in increased income. Thirty (30) (64.2 %) respondents agreed with the view that staff capacity building will result in increased income (since they will acquire skills and knowledge in undertaking consultancies, researches and other IGAs). 28 (43.1%) strongly agreed with the view while very few of the respondents disagreed. Figure 8 below summarizes the results of the responses to the above question

The findings on Figure 4.9 below correspond to what the conceptual framework guiding this study assumed. “Inadequate capacity to run income generating activities. e.g. consultancies, short courses & researches results into low income in HLIs.”

One of the interviewed respondents observed that:

“...capacity building in HLIs will result in increase in income since the product from these institutions will be of high quality which will be more attractive in the market”.

Figure 4.9: Staff Capacity and the Improvement of Revenue Generation (N=65)



Source: Field Survey 2013

4.7.6 External Linkages and Income Generation

Table 4.10 below summarizes findings on relationship between external linkage and increased income generation in HLIs. The findings revealed that 29 (44.6%) of the respondents agreed and 27 (41.5%) strongly agree that if HLIs will establish and develop external linkage this would help in increasing income in their institutions. Only 6 (4.6%) of the respondents disagreed while 3 (4.6%) were undecided.

Table 4.10: Establishment of External Linkages will Enhance Income Generation (N=65)

Category of Responses	Frequency	Percent
Undecided	3	4.6
Disagree	6	9.2
Agree	29	44.6
Strongly agree	27	41.5
Total	65	100

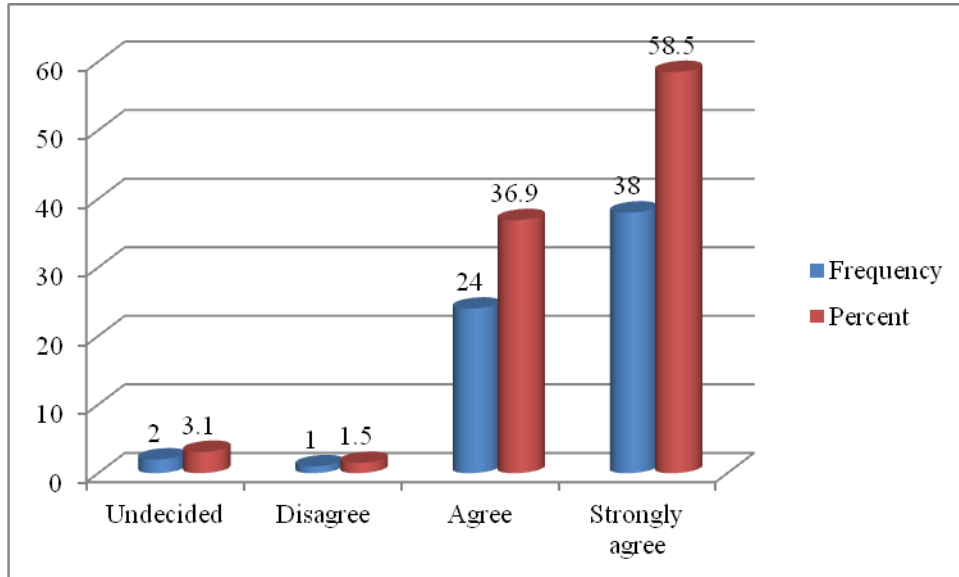
Source: Field Survey 2013

The findings therefore indicate that external linkage is of vital importance in enabling HLIs improve income generating activities.

4.7.7 Innovation and Creativity in Revenue Generation in HLIs

Figure 4.10 below shows that 36.9% of the respondents agreed with the view that innovation and creativity are key to revenue generation in HLIs and 58.5% strongly agreed with the view while 1.5 % disagreed and 3.1% were undecided. The number of respondents and respective percentages for each response to questionnaire item are as shown in Figure 4.10 below

Figure 4.10: Innovation and Creativity in Revenue Generation in HLIs (N=65)



Source: Field Survey 2013

4.8 Other Challenges

Apart from the challenges of income generation by HLIs, analysed in parts 4.2 to 4.7 above, the respondents gave additional ones. These include: Mismanagement of fund in IGAs Units, corruption in awarding short courses, lack of donor support and in-adequate utilization of modern technology, as elaborated below:

4.8.1 Mismanagement of Funds in IGAs Units

Mismanagement of the IGA funds obtained through income generating activities has also been mentioned as one of the challenges. Apparently, the mismanagement of funds discourages members of staff from taking part in generating income. Another challenge worth mentioning is lack of feedback from the IGA units to the faculties on the available IGA opportunities. It is alleged that only few “privileged” individual members of staff get informed of the available opportunities in the market. Additionally, lack of proper

policies and strategies for income generation has been mentioned as another challenge that needs to be overcome if HLIs are to improve their income generation activities.

4. 8.2 Corruption in Awarding IGAs

Another challenge given by respondents is corruption in awarding short courses, consultancies, research works and other IGAs. It alleged that the potential market is dominated by technical “know who” rather than “know how”. It has also been alleged that some individual members of staff who manage to secure income generating activities deviate them to their own private companies rather than taking them to their respective institutions. Yet another challenge pointed out by some respondents is lack of experienced, well-structured and resourced marketing teams with strategic capability in most of the HLIs.

4. 8.3 Lack of Donor Support and Utilization of Modern Technology

Some respondents have stated that their institutions face the problem of Lack of donors’ support. Others have cited bureaucratic tendencies on the part of the government in signing agreement with foreign governments that wish to support private universities. Some respondents have mentioned that some HLIs do not adequately utilize modern technologies for competing in international tender for the income generation activities.

4.9 Discussion of Findings

Four challenges were identified for assessment by the researcher. Three out of the four challenges were confirmed to be real by the respondents. Competition faced by HLIS in income generation (the fourth challenge identified by researcher) has not been considered by many respondents as a major hurdle in the generation of income in HLIs.

Apart from the four challenges identified by the researcher for assessment, the respondents highlighted additional ones including lack of proper policies and strategies for income generation, corruption in awarding income generating activities and lack of donor support and modern technology.

Respondents have suggested various ways and means of overcoming all the challenges presented in this report. It is believed that if these challenges are overcome there will be much improvement in income generation in HLIS.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the findings and it gives conclusion and recommendations on how Higher Learning Institutions (HLIs) can improve their Income Generating Activities (IGAs) and establish new ones. Section 5.1 highlights major findings, Section 5.2 gives the conclusion, while Sections 5.3 and 5.4 are devoted to recommendations and suggestions for further research respectively.

5.1 Summary of Major Findings

This study aimed at assessing the challenges facing higher learning institutions in income generation in Tanzania. The study has established that many HLIs are not adequately undertaking income generation activities and that the activities are not accorded the due weight. Much reliance is still placed on two sources of income, that is, students' tuition fees and government subvention.

The study has also revealed that there is no adequate partnership between HLIs and the private sector (industry and business). Quite a good number of respondents were of the view that if sufficient partnership could be established and developed between HLIs and the private sector, then internally generated funds could be substantially increased. One respondents in an interview argued, 'if HLIs would increase partnerships with the private sector then they would be in a position to attract funding for researches or to make it possible to undertake investment in core areas such as infrastructure'.

The issue of inadequate staff capacity for undertaking income-generating activities, such as research and consultancy has been cited by a considerable number of respondents as one of the reasons why academic staff do not adequately undertake IGAs. The study has

also found out that some individual members of staff who manage to secure the IGAs, especially short courses and consultancy, deviate them to their own private companies instead of taking them to their respective institutions. In order to overcome this problem, some respondents have suggested that there should be close monitoring of the matter and, if need be, laws should be instituted that prohibit employees to carry out business activities that are undertaken by their employers.

The study has also found out that many HLIs have established units that deal with income generating activities. However, these are not performing well as initially anticipated. The majority of respondents have attributed this to lack of aggressiveness on the part of the members of staff entrusted with these units. Others have attributed the poor performance of the IGA units to heavy teaching workload shouldered by the staff (who man the positions in the IGA units).

The study has also revealed that good and adequate training and learning resources would lead to increased income generation activities in higher learning institutions. The inadequate training and learning resources in the HLIs have also contributed to the low income generation activities. These are: infrastructure (lecture theatres, class rooms, students' hostels) and ICT facilities.

On the other hand, the study has confirmed that competition in the market is not a major huddle in income generation in HLIs. From the findings, majority of the respondents, that is, 30 (46.2%), felt that competition among HLIs is not the reason for low IGAs while the respondents who replied in the affirmative way were 25 (38.5%) and 9 (13.8%) indicated that they do not know.

5.2 Implication of the Results of the Research Findings

The results of the research findings presented in Chapter Four above call for establishment of income generation policies for the institutions that do not have the policies and making amendments to the policies for the institutions which have the same in place.

The results of the findings also call for initiating or increasing partnership between HLIs and private sector, staff training and infrastructure development and improvement among other measures,

Furthermore, the research findings result also require the issue of income generation to be given top priority in the HLIs and that members of staff in those institution should be sensitized so that each one of them plays an effective role in this important endeavour.

5.3 Conclusions

In view of the findings above, it can be observed that:

The HLIs are not adequately carrying out the IGAs for the purpose of increasing their internally generated fund and reduce dependence on the Government subsidy. The major reason for this is that the HLIs have not given the issue of income generation the weight it deserves. Yet the financial sustainability in these HLIs is largely dependent on the issue of internal revenue generation.

The partnership between HLIs and the private sector has also not been taken seriously, even though, as pointed out by many respondents, it is of vital importance in the income generation endeavour.

The study has also revealed that many junior members of academic staff have no adequate capacity to carry income generation activities, particularly in the areas of consultancy and research. Their capacity therefore needs to be raised by way of long term training as well as workshops and seminars. Equally important is for junior staff to work hand in hand with senior members of staff in carrying out the IGAs so that the former can learn more effectively from the latter.

Lack of training and learning resources such as infrastructure (lecture theatres, class rooms and students' hostels) and ICT facilities is considered to be one the contributing factors to the low income generation activities in HLIs that need to be addressed in order to improve the situation.

Competition in the market is not a major contributing factor in the low income generation activities in HLIs. About 46 % of the respondents stated that competition has not been a threat to the income generating activities in HLIs.

5.4 Recommendations

Based on the findings, analysis, discussions and conclusions of the study, the following recommendations are put forward for the purposes enabling HLIs to generate more income:

- i. Financial sustainability in HLIs is largely depends on how much funds can be internally generated by them. The HLIs should therefore make the issue of income generation one of the top priority areas.
- ii. As stated above, a large number of respondents agreed that there are no adequate partnership between HLIs and private sector and this adversely affects income

generation in HLIs. The HLIs have to increase partnership with the private sector in order to improve their income generation activities.

- iii. The HLIs should also accord the issue of developing staff capacity its due weight. Due to inadequate capacity of the majority of academic staff, (junior staff) the IGAs available in the market are not easily won because the proposals for consultancies and researches are poorly written. Also, the quality of the products of these HLIs will remain poor if the staff capacity is not raised and this may result in poor revenue generation in the long run.
- iv. A considerable number of respondents attribute the inadequate income generation activities in HLIs to heavy teaching workload. However, as other respondents have noted, the academic staff should strike a balance between teaching work load and income generation activities such as consultancy assignment, short courses and researches. In particular, the senior members of the academic staff should devote more of their time in undertaking income generation activities and at the same time groom the junior member in these activities.
- v. Many respondents have revealed that many HLIs lose income because majority of IGAs/opportunities are undertaken by individual staff of these institutions or their companies instead of the same be taken to the institutions. The HLIs should consider instituting laws that prohibit their employees to engage in business activities in which they are also involved.
- vi. Increasing and improving teaching and learning facilities such as infrastructure (lecture theatres, classrooms and students' hostels) and ICT facilities: These

should also be accorded due weight for the purpose of increasing students' enrolment with the view to raising income of the HLIs.

5.5 Areas of Further Research

Income generation is a very wide topic consisting of various aspects. This study was confined to assessment of four challenges faced by HLIs in income generation. The respondents gave additional challenges that have been narrated in chapter four (section 4.8). These also need to be researched.

References

Altbach, P. G. G, Patricia J. B, and R. Oliver, (2011). **American Higher Education in the Twenty-First Century: Social, Political, and Economic Challenges, 3rd ed.** Baltimore: Johns Hopkins University Press

Bryman, A and E. Bell. (2007). **Business Methods, 3rd ed.** Oxford: Oxford University Press.

Butare, A. (2004). "Income-generating activities in Higher Education: The case of Kigali Institute of Science, Technology and Management (KIST)". Available at: <http://www.codesria.org/IMG/pdf/04-BUTARE.pdf>. (accessed on 13.5 2013).

Chapman, D. and D. Adams. (2002). "The Quality of Education: Dimensions and Strategies" *Asia Pacific Education Review*, Vol. 4, (2), pg. 208-209.

Clark, B, (2000). *Entrepreneurial university new foundations for collegiality, autonomy, and achievement*: University of California, Los Angeles.

Chrisman, J, T. Hynes, and S. Fraser, (1995). "Faculty entrepreneurship and economic development: The Case of the University-of-Calgary" *Journal of Business Venturing*, vol. 10, (4) pg. 267-281.

Clifford, M., Miller, T., Stasz, C., Sam, C., Kumar, K. (2012). "The impact of different approaches to Higher Education provision in increasing, access, quality and completion for students in the developing countries". EPPI – Centre, Social Science Research Centre, Institute of Education, University of London. Available at: <http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=gzPfFruPLjQ=&tabid=3174>. (accessed on 17. 4. 2013).

Coyne, I. T, (1997). “Sampling in qualitative research, purposeful and theoretical sampling; merging or clear boundaries?” *Journal of Advanced Nursing*, vol. (26), pg. 623–630.

Davis, J. L. (2001). **The Emergence of Entrepreneurial Cultures in European Universities**. London: OECD Publications Service.

Di Gregorio, D. and Shane, S, (2003). “Why do some universities generate more start-ups than others?” Available at: [www.eservier.com /located/econbase](http://www.eservier.com/located/econbase). (accessed on 13.08. 2013)

Dill, D. (1995). “University-industry entrepreneurship: The organization and management of American-University of Technology” *Higher Education*, Vol. 29, (4) pg. 369-384.

European University Association. (2011). “Towards financially sustainable universities II: Diversifying income streams”, conference report. Available at, http://www.eua.be/Libraries/Newsletter/EUDIS_Conference_report.sflb.ashx. (accessed on 17. 4. 2013).

Forrest, D. (2004). “The high price of higher education stocks”. Available at: www.fool.com/news/2004. (accessed on 17. 4. 2013).

Gwakisa, and Msongole, (2010). **Contemporary Issues in Accounting**. Thrust Publications Ltd: Dar es Salaam.

International Accounting Standards Board (IASB), (2012). **International Financial Reporting Standards (IFRS)**, London: International Accounting Standards Board.

Ishengoma, J. (2008). “Financing public higher learning institutions in Tanzania: towards a new model and implementations for development and retention of the next generation of academic University of Dar es Salaam, Faculty of Education”. Available at: <http://www.foundation-partnership.org>. (accessed on 17. 5. 2013).

Ishengoma, J. (2004). “Cost-sharing in higher education in Tanzania: Fact or fiction? Boston College & Council for the Development of Social Science Research in Africa”. *JHEA/RESA*, vol. 2, (2), pg.101–133.

Jawahar, L. (2009). **Accounting Theory and Practice 3rd ed.** Himalaya Publishing House: New Delhi.

Johnstone, D. (2004). “Higher education finance and accessibility: Tuition fees and Student Loans in Sub-Saharan Africa. Boston College & Council for the Development of Social Science Research in Africa”. Available at: <https://www.sensepublishers.com/> (accessed on 20. 2. 2013).

Kombo, D.K. and Tromp, D.L.A. (2006). **Proposal and Thesis Writing. An Introduction**, Paulines Publications Africa: Nairobi

Kothari C. R. (2004). **Research Methodology: Methods and Techniques 2nd ed.**, New Age International Publishers: New Delhi.

Mawanda, S. P. (2008). **Effects of Internal Control Systems on Financial Performance in an Institution of Higher Learning in Uganda: A Case of Uganda Marytrs University**, Unpublished MA Thesis, Uganda Marytrs University: Kampala.

Mkude, D. (2010). "State of higher education transformation in Tanzania". Available at: <http://www.trustafrica.org/documents/Scoping%20study%20of%20Higher%20education%20in%20Tanzania1.pdf>. (accessed on 15. 4. 2013).

Mzumbe University Annual Reports: 2007/2008 to 2011/2012.

Mzumbe University Short Courses and Consultancy Policy (2011).

Ndunguru, P. (2007). **Lectures on Research Methodology for Social Science**, Research Information and Publication Department: Mzumbe.

Orungi, P.R. (2012). **The Assessment of Income generating Activities in Higher Public Learning Institutions in Tanzania: A Case Study of Morogoro Nursing College**, Unpublished Masters' Thesis, Mzumbe University: Mzumbe.

Qorro, M. (2006). "Does language of instruction affect quality of education? A paper presented at the monthly 0730 People and Policy Debates jointly organized by Haki Elimu and Policy Forum in 2006". Available at: http://hakielimu.org/files/publications/document101does_lang_instruc_fct_qual_edu_en.pdf. (accessed on 17. 3. 2013).

Sanyal, C. B. and Martin, M. (2006). "Financing Higher education: International Perspectives". In GUNI Series on the Social Commitment of Universities 1. 2006. Higher Education in the world: The financing of Universities. Palgrave Macmillan.

Shattuck, G. (2001). "Higher Education Management": Journal of the Programme on Institutional management in Higher Education, Vol.12 (2), pg.111-123.

Solomom, L, M. Solomon, L. M. Walther and R. J. Vargo (1991). **Financial Accounting**, New York: Harper & Row,

World Bank, (2010). **Financing Higher Education in Africa**, Washington: World Bank.

Tanzania Ministry of Education and Culture, (2011). “Vision and mission”. Available at: <http://www.tanzania.go.tz/education.htm>. (accessed on 20. 4. 2013).

TCU, (2005). “Strategic plan for 2005/06 – 2009/2010”. Available at: <http://planipolis.iiep.unesco.org/upload/Tanzania%20UR/Tanzania%20UR%20TUC%20strategy.pdf>. (accessed on 26. 3. 2013).

URT, (2006). **Basic Statistics on Higher Education, Science and Technology**, Ministry of Science, Technology and Higher Education: Dar es Salaam.

Varghese, N. V. (2004). Private higher education in Africa, International Institute for Educational Planning (IIEP), Paris (Mimeo).

William, G. (2007). “EUEREK – European Universities for Entrepreneurship and their role in the Europe of knowledge. International Institute for Educational Planning

APPENDIX I

I am *Benedict Tluway Buxay*, a student at Mzumbe University studying for the degree of Master of *Business Administration (Corporate Management)* in the *2011/12* academic year.

The purpose of this questionnaire is to get a better understanding of how Higher learning Institutions generate income. The results of this questionnaire **will help suggest ways to improve income generation in higher learning institution**. Your own experience is an important input in identifying such challenges. Most questions focus on challenges faced by higher learning institutions **in generating income** based on your own experiences. Therefore your **frank answers** to the questions are urgently required. I would like to assure you that **the completed questionnaires are treated as confidential** and will only be used for academic purposes.

I appreciate the time spent to fill in this questionnaire.

**QUESTIONNAIRE ON THE INCOME GENERATION IN HIGHER
LEARNING INSTITUTIONS**

1. Name of Organization.....
2. Your Position/Designation in the Organization.....
3. Age (No of Years):
 - i. 20 - 29 []
 - ii 30 - 39 []
 - iii 40 - 49 []
 - iv. 50 - 59 []
 - v. 60 + []
4. What is your sex
 - i. Male []
 - ii. Female []
5. Education level
 - i. Diploma []
 - ii. 1st Degree & CPA []
 - iii 1st Degree []
 - iv. Master & CPA []
 - v. Masters []
 - vi. Others (please specify).....
6. Currently, higher learning institutions do not generate sufficient revenue. What could be possible reason(s)?
 - i Members of academic staff are not undertaking consultancy assignments, short courses, research works and other income generating activities. []
 - ii consultancy assignments, short courses research works and other income generating activities are not advertised. []
 - iii Other opportunities for generation of income are not available. []
 - iv Other(s) [] Please specify.

7. Do you think there is adequate partnership between your university and the private sector (business and industry).

- i Yes []
- ii No []
- iii I don't know []

8. If your answer to question 7 above is no: Do you think the inadequate partnership affects the income generating activities of the institutions?

- i Yes []
- ii No []
- iii I don't know []

9. Members of academic staff are expected to undertake consultancy assignments, short courses and research works among other things, in order to generate income for their respective universities. Unfortunately, most of them are not carrying out these activities adequately and as such they do not generate sufficient income for the universities. In your opinion, what could be the possible reason(s) for this state of affair?

- i Lack of capacity (requisite knowledge and skills) to undertake consultancy assignment, run short courses, conduct research works and other income generating activities []
- ii Consultancy assignments, short courses, research works and other income generating activities are not advertised []
- iii Heavy teaching workload []
- iv Lack of incentive to undertake the income generating activities. []
- v. Other(s). Please specify []

10. Most higher learning institutions have established units/directorates which are responsible for generating income. Yet they are not performing as expected. What do you think could be the possible reason(s) for their failure to generate sufficient income?

- i Members of these units/directorates are not aggressive enough
[]
- ii Lack of support from the senior members of staff to the junior staff []
- iii Lack of support given to the members of staff by the management of the higher learning institutions []
- iv Competition in the market []
- v. Other(s). Please specify []

11. Most universities in Africa, particularly in Tanzania, lack enough training and learning resources such as infrastructure (lecture theatres, classrooms and student hostels), and ICT facilities. Could this be one of the reasons for the poor performance in income generating activities?

- i Yes []
- ii No []
- iii I don't know []

12. The Government of Tanzania has substantially reduced subvention to higher learning institutions. As a result all the universities in the country rely on internal sources of income. The competition among the universities to generate income may be one of the reasons for their low income generating activities. Do you agree with this view.

- i Yes []
- ii No []
- iii Not sure []

13. Please rank and tick the opinion on the measures that could be taken by a higher learning institution in order to improve income generation in the university guided by the questions in the table below following the 5 systematic order provided: (v) strongly agree, (iv) agree, (iii) Disagree, (ii) strongly disagree, (i) Undecided.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Undecided
1. The university's choice of various programmes will be determined by the market requirements. This will lead to more income.	V	Iv	Iii	Ii	i
2. Regular review of curricular to meet labour market needs will attract more students, which in turn increases in university income.	V	Iv	Iii	Ii	i
3. Instituting internal controls expenditure will lead to savings, which is has the same effect as generating more income.	V	Iv	Iii	Ii	i
4. Improving rewarding system for the members of staff engaged in revenue generation leads to increased income.	V	Iv	Iii	Ii	i
5. Building capacity in terms of staff development/training, particularly in the area of research and consultancy, will go a long way in the improvement of revenue generation.	V	Iv	Iii	Ii	i
6. Establishing external linkages with the private sector as well as local and regional governments enhances income generation of a university	V	Iv	Iii	Ii	i
7. For income generation endeavours to succeed member of staff of a university should have positive and supportive attitude toward income generation	V	Iv	Iii	Ii	i
8. Innovation and creativity are key in revenue generation activity in HLI	V	Iv	Iii	Ii	i

14. Would you please list other challenges facing your institution in generating more income

- (a)
-
- (b)
-
- (c)
-
- (d)
-

15. Any additional comment related to income generation in Higher Learning Institutions?

.....

.....

.....

Thank you for your cooperation.

APPENDIX II

Interview guide

1. Do you think your institution has adequate partnership business and industry?
2. How does that affect income generation in your institution?
3. How does inadequate capacity of the members of staff affect income generation activities of the institution?
4. How does the inadequacy of training and learning resources. e.g. lecture theatres, lecture rooms, halls of residence and ICT resources affects the income generating activities of the institutions.
5. How does competition for students' enrolment and other income generating activities, such as short courses, consultancy and research works (brought about by the increasing number new universities and other higher learning institutions) affects the income generating activities of the institutions.
6. What strategies does your university use in increasing income?
7. In your opinion what are the measures that your institution can take in order to improve income generation?
8. Any other suggestion/comment in income generation in a Higher Learning Institution?