

**HUMAN RESOURCE CAPACITY OF THE COUNCIL'S FINANCE
DEPARTMENT IN COLLECTING OWN SOURCE REVENUE IN
MUSOMA MUNICIPAL COUNCIL**

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**A Thesis Submitted to the School of Public Administration and Management in
Partial Fulfillment of the Requirements for Award of the degree of the Master of
Science in Human Resource Management (MSc HRM) of Mzumbe University**

2016

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommended for acceptance by the Mzumbe University, a Thesis entitled: **Human Resource Capacity of the Council's Finance Department in Collecting Own Source Revenue in Musoma Municipal Council**, in partial/fulfillment of the requirements for award of the degree of Master of Science in Human Resource Management of Mzumbe University.

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It is not unusual for someone to be proud and blissful for making a certain success. This is very realistic on my side. The period takes this study make me to realize this joy has come to an end. However, the accomplishment of this thesis is a result of collective efforts of many people whom my joy will have no meaning if I fail to accord my heartfelt appreciation for their support. Glory is to Almighty God for giving me a chance and enabling to perform this work.

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DEDICATION

I dedicate this work to Director of Musoma Municipal Council. Thank you for believing me and accepted my request and allowing me for further study at Mzumbe University. So that this work is your reward.

ABBREVIATIONS AND ACRONYMS

ALAT	Association of Local Authorities in Tanzania
CAG	Controller and Auditor General
CRCC	Central Regional Coordinating Council
DC	District Council
EFDs	Electronic Fiscal Devices
GIS	Geographical Information System
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
LGA	Local Government Authority
LGFA	Local Government Finance Act
LGLB	Local Government Loan Board
LGRSC	Local Government Review Collection System
MCs	Municipal Councils
MD	Municipal Director
MMC	Musoma Municipal Council
MMT	Municipal Management Team
MSc HRM	Master of Science in Human Resource Management
MT	Management Team
MT	Municipal Treasurer
MTPO	Municipal Town Planer Officer
MU	Mzumbe University
NEP	National Employment Policy
PMO RALG	Prime Minister's Office Regional Administration and Local Government
PO PSM	President's Office, Public Service Management
POPC	President's Office, Planning Commission
PSRP	Public Service Reform Programme
REPOA	Research of Poverty Alleviation
SHRM	Strategic Human Resource Management

SoPAM	School of Public Administration and Management
TRA	Tanzania Revenue Authority
TSCP	Tanzania Strategic Cities Programme
ULGSP	Urban Local Government Strengthen Programme
UNRISD	United Nations Research Institute Social Development

ABSTRACT

The study investigated the capacity of human resource in finance department in Musoma Municipal Council. The study was applied mixed approach. Purposive, quota and random sampling techniques were used to select a total of 56 respondents comprised by hon. Mayor, Municipal Director, head of departments and members from different departments.

Data were collected from both primary and secondary sources by use of structured questionnaires with mainly closed ended questions. The findings revealed that there is low human resource capacity in terms of the number of employees, their skills/qualifications, competences and their working experience. The study also found that Musoma Municipal Council is trying its level best in supporting the staffs, yet the support provided is not sufficient to all staff in the Municipal. The study also found that the output produced by human resource of finance department is very low due to the fact that no use of EFDs in revenue collection, no motivation to employees, absence of tax compliance as well as low education level to some staff. In this study concluded that human resource capacity in Council's finance department in revenue collection is very important for the institution since the genesis of Local revenue is based on the decentralization policy and other legal matters.

The study gives the following recommendations; It is recommended that, the staff in the finance department at MMC should be trained on how to collect maximum revenue from the own sources in the municipal. The municipal Council should establish Electronic revenue information system (EFDs). It is also recommended that the municipal should adhere to the government rules and regulations in revenue collection. Employees in the finance department should be motivated so as to initiate morale in their hearts in collecting more revenue. Tax compliance should be introduced and lastly the committee/board whose members are outside the municipal workers should be formulated.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter is an introductory part of the study. Its constituent parts are background of the study, statement of the problem, objectives, and research questions, significance of the study, limitation and delimitation of the study.

1.1 Background of the study

Currently organizations are more concerned about their human competency base and its development (Ozcelik and Ferman, 2006) so competency studies have gained more and more interest and attention (Xuejun Qiao and Wang, 2009). Therefore Organizational success depends on the knowledge, skills and abilities of the workforce. In a learning organization, retention of talent, intellectual capital and knowledge management are vital to support the organization's mission, vision and strategic goals. Trends such as globalization, technology, outsourcing, the aging workforce and competition for talent all contribute to the necessity to invest in human resource capacity.

Final Report of Development of Strategic Framework of Financing LGAs in Tanzania (2005) state that, The Government of Tanzania has determined that it would be useful to undertake a comprehensive review of the policy framework underpinning the structure of the financing of local government in Tanzania. the purpose of this study is to thoroughly review the current environment for local government finance in Tanzania and to assist the Government in developing an overall and strategic framework to guide decisions on the structure of the financing of Local Government Authorities, including the role of intergovernmental transfer schemes, the collection of own local revenues, as well as local government borrowing. The Final Report takes stock of the current state of local government finances in Tanzania and presents the manner in which local government finances are currently perceived and debated.

In order to gain insights from a broad variety of viewpoints on the current system of local government finance, the study team engaged in discussions with key stakeholders, including officials from PO-RALG, the Ministry of Finance, ALAT, TRA, and relevant

donor and technical advisory programmes, provides a discussion of four misconceptions which were held by some stakeholders surrounding these four issues in local government finance. The study team felt that it was important to clarify these misconceptions early-on in order to create a neutral starting point on the discussions surrounding a sound strategic framework for local government finances in Tanzania.

Anderson (2003) states that one of the ways of evaluating municipal revenue options is that, local government municipalities should be structured in a manner that minimize disincentives to revenue mobilization. The concept behind this idea is that municipalities should be structured in a way that motivates the employees so that revenue collection can be performed in a better manner. In the light of this argument, it is therefore interesting to note that one of the reasons for poor performance of municipal revenue mobilization in Tanzania is shortage of skilled manpower within departments or work units of municipalities. Not only Anderson but also Nice (2002), states that by monitoring and analyzing revenues on an ongoing basis, officials can detect problems early. This in turn may enable officials to begin corrective actions early and prevent avoidable damage. From this, one can understand that continuous monitoring and evaluation of revenue collection progress is one of the key strategies that local authorities can implement in order to achieve effectiveness in their revenue collection endeavors.

Section 6 of the Tanzania Local Government Finance Act No. 9 of 1982 states that, LGAs can build its capacity if they could effectively and several of sources of revenue like Assets vested in the municipalities or in urban authorities and all sources of revenue. Tanzania has taken various efforts in order to rectify the situation of decreasing rate of local revenue collection. Among the measures taken are; Amendment of Local Government Finance Act of 1982, formulation of various policies of finance and the constitutional guarantee of autonomy to the local authorities to levy, tax, fees and charges in their areas. Although there have been a lot of measures to revamp the situation still the rate of local revenue collection tends to decrease relative to increase of intergovernmental transfer (Warioba,1999). Since 1982, the Local Government Finances Act (LGFA) has been procedurally amended to reflect intermittent reforms efforts. However the Act and its implementing regulations no longer provide a well-structured legal and regulatory framework for guiding administration of Local Government finances. Instead, the Act

includes numerous unclear, duplicative and in some cases contradictory clauses. LGFA has never been renewed properly and aligned with the public finance Act of 2001 following ever changing circumstances.

There are various reasons that can be associated with declining revenues in Local Government Authorities (LGAs) in Tanzania, which including poor planning be outsourcing, political interference, Un willingness to pay taxes, poor contract management, the absence of tax payers database and lack of revenue collection skills and human capacity of on collecting revenue. LGAs major revenue sources are including Property taxes, Service levy, Hotel levy, License and permit, Land Rent Fees and Charges, Parking fees and other many sources according to the geographical location and resources available. LGAs have to determine the most effective compliance promotion and enforcement response. The key elements of an effective tax compliance promotion strategy that may be considered in during the providing education and technical assistance to tax collectors and tax payers, building public support, and publishing success stories.

The reintroduction of LGAs raised hopes for an improved performance through greater involvement of citizens. Several studies were carried out to establish reasons for this failure, and the following were identified as being some of the underlying causes: Weak leadership and poor management of the councils, The human resource capacity and management was weak and this seriously constrained performance by Local Government Authorities, Shortage of properly qualified, disciplined and committed personnel, Shortage of revenue due to narrow tax base, Lack of transparency and accountability in the conduct of Councils' business.

Succeeding from this, the skills development initiatives must be affiliated to the anticipated socio-economic development as it is the economic and social activities that determine the kind of skills and competences so required. Nevertheless, for the benefit of devolvement to be realized, line managers and Municipal Director will need to possess appropriate skills to execute HR practices competently and effectively to a benchmarked standard advocated by HR managers (Hall and Torrington, 1998). This means that the senior HR manager needs to be a strategic partner with line managers, providing training,

resources, incentive and a communication channel to ensure these HR practices are carried out in accordance with HRM Policy (Teo, 2002).

1.2 Statement of the problem

At the 2nd International Conference on decentralization in Manila Philippines in 2002, it was observed that capacity both in terms of human resources and financial support have been often quoted as the principle obstacle in furthering decentralization process. In 1995-1996 a number of problems in financial decentralization were highlighted by the commission of decentralization in Uganda. These problems include; lack of skilled manpower to prepare, monitor and update income and expenditure, lack of accountability framework carried out by weak monitoring and enforcement practices narrow tax base depending on a few source.

Nevertheless, Municipal Councils do not have the needed HR capacities to ensure the effective decentralization. Koranteng (2006) state that, the issue of inadequate HR capacities at the Municipal Councils is as a result of institutional failure. He believes that the existing institutional arrangements on HR capacity at the Municipal Councils have failed to properly address the HR challenges at the MCs. The apparent difficulty in this position is that, given the control that the government has over its own institutions one would expect that the issue of institutional arrangements which contribute to the problem of inadequate HR capacities at the MCs could have been dealt with for the problem to be solved. But this has not been the case over the years. Contrary to the views of Koranteng (2006), Ahwoi (2010) and Water Aid Ghana (2009) contend that factors such as poor image and poor staff satisfaction are largely responsible for the problematic HR capacities at the Municipal Councils The question that ought to engage the attention of researchers is “What really are the causes of the HR capacity needs at the MCs? In appreciating this, Education and Training Policy of 2012 which focuses on “pre-employment education and training system of the issues across the various MCs will help to bring the fore and clearer picture of how the situation prevails especially in the urban areas of the country.

The HR capacities that are available for the smooth functioning of Local Government Authorities (LGAs) have been a problem. For instance, the Central Regional

Coordinating Council (CRCC) (2009) states that as a relatively new Municipal Councils, the suitability of LGA's staff strength and their capabilities have been problematic since its establishment. The situation is not unusual to the LGAs. Nevertheless, this study examined the Human Resource capacity of own source revenue collection in Musoma Municipal Councils and it is taken as a case study in order to improved gain how the problem reveals itself in the areas of Local Government Authorities in Tanzania, so as to offer measures for improvement. Explicitly, the study necessary to determine the views of employees of the Musoma Municipal Council (MMC) on the recognized arrangements at the Municipal Councils in respect of the Local Government Authorities HR capacity, and focus to determine the finance department's employees capacity requirements; and tested the factors that influence the Municipal's HR capacity requirements.

1.3 Objectives of the study

1.3.1 General objective

The general objective of this study was to carry out an investigation on the capacity of human resource in Finance Department in Musoma Municipal Council in Tanzania.

1.3.2 Specific objectives

- i. To identify the human resource capacity in term of number, skills/qualifications, competencies and working experience in the Finance Department of Musoma Municipal Council
- ii. To identify the Contribution of Musoma Municipal Council in assisting human resource capacity of Finance Department in collecting own source revenue.
- iii. To determine the output/result produced by human resource of Finance Department in MMC

1.4 Research questions

- i. How has the current human resource capacity in the Finance Department perform the collection of own source revenue in term of number, skills, qualification/professional, and working experience?
- ii. How does the MMC assist the human resource of Finance Department to meet the estimation/approved budget of own source revenue collection?

- iii. How does the output/result produced by human resource of Finance Department ensure effectiveness and efficiency in own source revenue collection in Musoma Municipal Council?

1.5 Significance of the study

Many studies conducted concern the local Government revenue including the final report of development of strategic framework for the financing of local government in Tanzania (2005) which was conducted by Georgia State University, state that the local revenue collection is low, but in these studies focuses more on institutional level or local Government at larger and not in Finance Department who have the responsibility of revenue collection on local government authorities. The study also review the current environment for local financing in Tanzania and to assist the Government in developing an overall and strategic framework to guide decisions on the structure of the financing of local government Authorities and why not structuring Finance department who has the own revenue collection responsibility.

According to this study the current state of local government finances in Tanzania are currently perceived and still a debate. The study team more engaged in discussions with stakeholders from the central government and not from local government who are more familiar and participate fully on revenue collection. For example the final report of development of strategic framework they engaged discussions with the officials from PO-RALG, The Ministry of Finance, ALAT, TRA and relevant donor and technical advisory programmes. Local government finance in Tanzania is still misconceptions so that there is a need of clarification from LGAs officials and not from Central level officials who are not familiar with finance in LGAs in Tanzania.

So that a researcher on this study was intended to find out the capacities of Human Resource in Finance Department in collecting own source revenue. Findings from this study help the local government authorities to recognize the important of human Resource of Finance Department in collecting own source revenue. The study helps in fulfillment of the partial requirements for the award of a Master of Science degree in Human Resource Management (MSc. HRM) of Mzumbe University. The study provides information that might be used by other students as the point of reference in their related

studies, academicians and researchers who deal with the related problems. The study helps Musoma Municipal Council Management to get insight of the ways that can be used to reduce or to become clear of challenges facing HR capacity in Finance Department.

1.6 Limitation of the study

The study focused on the Human resource capacity in Finance Department in collecting own source revenue. The study was constrained by the following traits:

i) Lack of clarity on the subject of the study and some questions. This problem reduced or eliminated by using the simple language as possible and also being available for clarifying issues whenever the respondent faces such problem. ii) Reluctance to return questionnaires on time. This was occurred due to the fact that most of the employees are busy during working hours given the nature of their jobs and also become tired after working hours. So that this constraint reduced by giving them ample time to respond questionnaire and reminding them regularly. iii) Lack of clarity on the study subject and some questions. This problem was eliminated by using simple language as possible and also being available for clarifying some issues whenever the respondent faces such problem. iv) Some respondents were reluctant to provide some important official information due to the fear and suspicion that such information can be misused. This constraint was eliminated by informing them in advance that the data provided was confidential between the researcher and respondents and will be used only for the study demand.

1.7 Delimitation of the study

Although the forecast limitation of this study such as respondent's delay or rejection to provide all the required information and inadequate time for the research period the researcher respectively overcame by asking questions and doing a lot of explanation to the respondents and ensuring them on the importance and confidentiality of the information. Concerning the financial constraint the researcher used her savings and make proper utilization of time to meet deadline.

1.8 Definition of terms

Competency

Capacity that a person poses that leads to behaviour that meets the job requirement within the consideration and focus to bring about expected outcomes.

Competencies

This is a person's capabilities in the form of knowledge, skills, attitude which acquire reflection through person's behavior in the form of action, thought, feeling and finally manifested itself in output which are product and service.

Technical competencies

This means that what people have to know and be able to do, for example (knowledge and skill) to carry out their roles successfully.

Human resources

It refers to the individuals or personnel or work force within an organization responsible for performing the tasks given to them for purpose of achievement of goals and objectives of the organization which is possible only through proper recruitment and selection, providing proper orientation and induction, training, skills developments, proper assessment of employees.

Human resource capacity

Human resource capacity is about ensuring that an organization has enough people to employees with the necessary skills to achieve its objectives.

Finance Department

The department within the Municipality that deals with finance and money per the LGFA, 19182.

Outsourcing

Hiring someone outside the organization to perform task that could be done internally

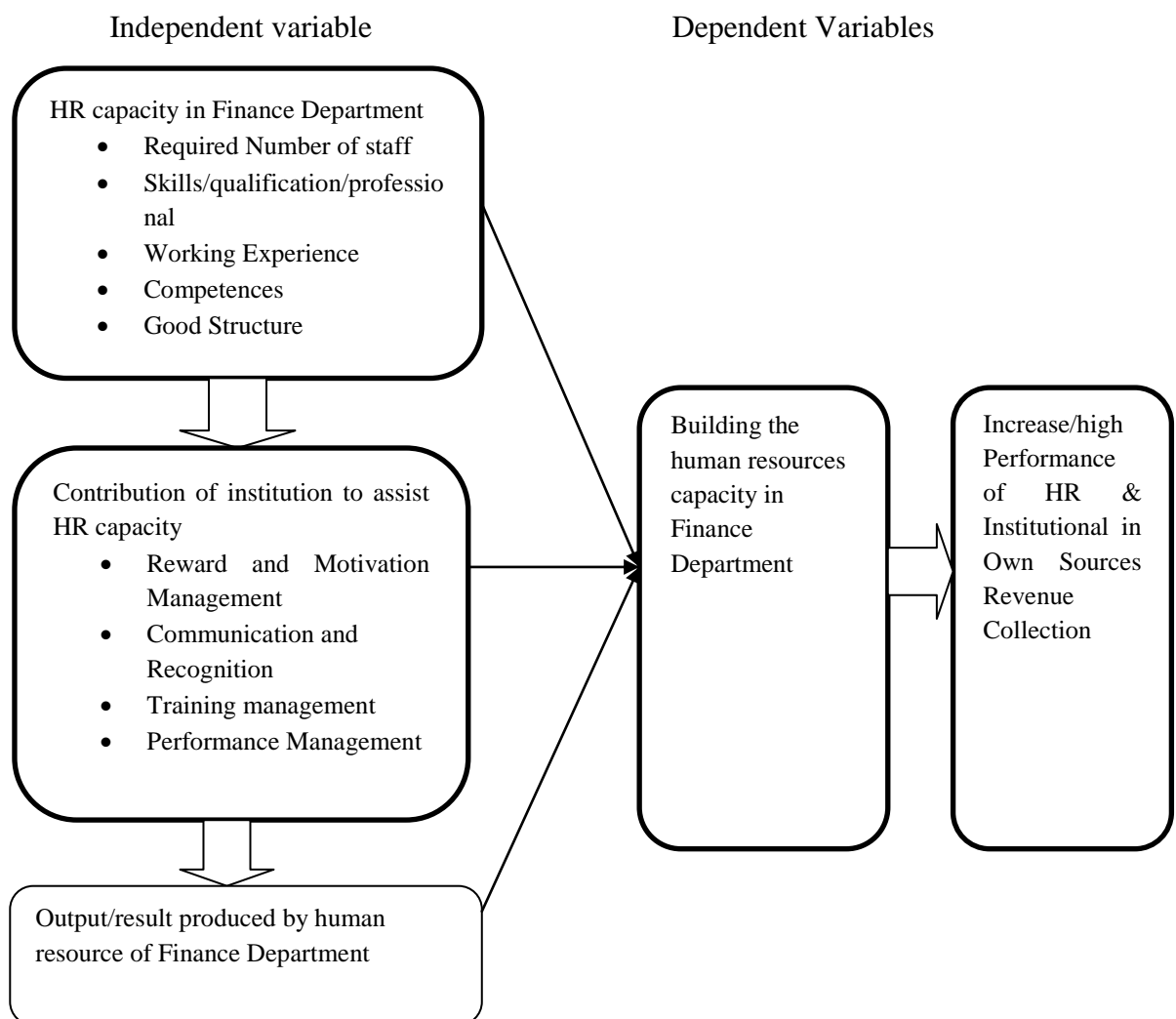
1.9 Human resource capacity framework

This section grants human resource capacity in collecting own source of revenue framework since which the data analysis of the study was prepared. The general objective

of this study is to pin out the achievements of own source of revenue collection in Musoma Municipal Council through their human resource of Financial Department.

The study prepared a framework that represented the connection (relationship) of variables based on the expectation output from the reviewed works. The framework assumed that achievement of own source revenue collection by the human resource in Finance Department depends on various three features, which includes 1) Human resource capacity in its own source of revenue collection 2) Employer’s concern to his officials/staff in order to improve revenue collection and 3) The Output/result produced by human resource of Finance Department as explained in Figure 1.1.

Figure 1.1 Human resource capacities framework



Source: Researcher, 2016

The conceptual framework indicated in the Figure 1.1 shows the relationship between the variables that guided the researcher to link independent and dependent variables in relation to human resource capacity of Finance Department. There are number of factors that may be used to build human resources capacity of local own revenue collection in councils. Some of the factors that may help to build human resource capacities include; Number of required staff in the Department, skills/qualification and professional, working Experience, competence and good structure of Department. Also employees need more Training and development, performance and management, rewards and motivation management and communications. Here below is an attempt to clarify the independent variables.

Human resource capacity

Human resource capacity is about ensuring that an organization has enough people or employees with the necessary skills to achieve its objectives. Each department is responsible for determining people, this need to carry out its responsibilities while the human resource Department is responsible for staffing positions in the all Department. (Nunavut Auditor General, 2010). 'IKAMA' Finance department have their responsibility for manage the human resource needs to meet the Department objective of collecting own source revenue in LGAs. There are number of factors that may be used to build human resources capacity of local own revenue collection in councils. Some of the factors that may help to build human resource capacities include; Number of required staff in the Department, skills/qualification and professional, working Experience, competence and good structure of Department.

Institutional contribution of human resource capacity

Many institutions have used objectives to assess individual's strengths and weaknesses, is sighted both what an employee's achieve and how the job is carried out (competencies demonstrated). In order to assist human resource capacity of finance Department LGAs needs to provide various incentives which will help to increase the degree of capacity in collecting the own source revenue. These incentives include: Training development, here Institution must take a long-term view requirement, substantial training to the employees should be provided in order to maintain skills level, Reward and motivation is required Offering competitive pay packages to the employees such as monetary incentives like

merit increases, bonuses and non-monetary such as recognitions which helped to construct human resource capacities where by the workers were more motivated as a result high commitment to the institution with high performance. Communication of two sides is very important by providing information about employee's performance build human resource capacities in the sense that every employee was aware of his or her performance and allowing employees to participate in decisions making in various issues within the institution making motivate them and engagement and commitment. This helped them to satisfy and increased production. Formal and informal feedback builds human resource capacities.

1.9 Organization of the Thesis

This Report consists of six chapters. Chapter one is about Introduction which includes Background, Statement of the problem, Objectives of the study, Research questions, Significance of the study, Limitation, Delimitation, Conceptual Framework and Definitions of key terms. Chapter two is about Literature Review which consists of Theories and Empirical Literature Review from earlier studies and the Synthesis. Chapter three is about Research Methodology, it consists of research Design, Research area, Population of the study, Sample and sampling Procedures, the Sample size, data collection methods, Data Analysis methods.

Chapter Four presents the findings. Instruments like, charts, percentage, tables and figures. These are used to present similarities and differences of the research findings. Similarities, differences and magnitude of the results are discussed. Chapter five is discussions of the findings. Chapter Six shows the summary, conclusion, recommendations, areas for further research and Policy implication. The researcher makes summary of what has been done, observed and presented, implications of the findings and recommendations to policy makers. The last part presents the reference and the appendices.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides detailed account of the literature review and documentary review related to the current investigation. It also consists of the following three parts; Theoretical literature review, Empirical literature review and synthesis. In this chapter the researcher make a review of the previous writings.

2.1 Theoretical literature review

There are number of theories/perspective that can be studied, these includes; Economic perspective theory, Functional perspective theory, Typological perspective theory, Human capital theory, Resource-based theory, Competency model Approaches to Human Resources Capacity.

2.1.1 Economic perspective theory

This perspective views human resource as a unique and distinguished source of competitive advantage. Barney's resource-based VRIO framework, discussed earlier, takes an economic perspective on SHRM. Wright and McMahan (1992) extended Barney's view and argued that, human resources can be a source of sustained competitive advantage when four basic requirement are met –human resources must add value to the firm's production processes, skills sought by firm must be rare, human capital must not be easily imitable, and human resources must not be subject to be replaced by technological advances or other substitutes (Agarwala, 2009).

2.1.2 Functional perspective theory

Strategic human resource management literature classified as functional which has two characteristics. First, human resource is seen as a staff function and, therefore, as advisory and subordinate to the core line functions. This is in accordance with the classical organization designed theory, second, the sub-functional strategies, such as the compensation and recruitment strategies, are equated with the overall HR strategy.

This functional perspective relies on the principle that an organization performs best when each departmental unit maximizes its contributions, limited to its unique area of expertise. It further accepts that organizations should be structured around differences in

rank or grade, resulting in the creation of staff functional specialists. General Managers at the top have the responsibility of giving direction to the firm; functional managers with independent expertise (HR functional staff specialists) are at the middle, and subordinates who carry out supervisors' directive are the bottom. Strategies of HRM, according to this perspective, HRM is defined as a carefully planned effort by functional HR managers to shape subordinate behaviour so as to make it consistent with the desires of top management as expressed in the strategic plan (Agarwala, 2009).

The second characteristic of the functional perspective treats functional sub-strategies as equivalent with the overall concept of strategic HR. These sub strategies include recruitment, compensation, human resource information systems, career development, training, job analysis, and international HRM. The strategic staffing helps the organization to procure long-term human assets, while conventional staffing fulfills the immediate operational objectives. Similarly, strategic compensation aligns compensation practices, therefore, becomes a strategy when it is carefully selected to complement the pressing concerns faced by the management.

2.1.3 Typological perspective theory

Typologies help in developing systematic comprehensive theories for the study of new innovations in managerial thought. Dyer and Holder (1988) identified three ideal HR strategic types based on their observation of HR practices in several firms in the US. They intended their typology to specify the content of HR strategic decisions and also to highlight the underlying philosophical considerations that are the major determinants of a strategy. The distinct types of HR strategies identified by them were; inducement strategy, investment strategy and involvement strategy.

2.1.3.1 Inducement strategy

It is used by firms to support a business environment that is highly competitive with respect to price and quantity. In this strategy, the decision making power is highly centralized, with supervisors accepting only a moderate amount of employee initiative, while discouraging innovation and spontaneity. Human resource strategies focus on cost, expecting high performance in a minimally staffed organization.

2.1.3.2 Investment strategy

It is most likely to be found in firms where the business strategy is based on differences, such as quality, features, or service, rather than price. The organization is characterized by a tall structure, centralized, and the technology is modern and adaptable. The HR strategy encourages creativity, initiative and high performance standards. The organization is comfortably staffed, jobs are broadly defined, and continuous employee development is encouraged.

2.1.3.3 Involvement strategy

It is found in firms with a business strategy based on innovation and flexibility when they are confronted with a market that is characterized by a highly competitive price and quality. Involvement firms are usually smaller but if the size of these firms is large, they employ decentralized units with flat structures. The HR strategy seeks to provide autonomy and challenge to the employees to motivate them for high and meaningful performance. The firm expects high levels of commitment from its employees. Decision-making is pushed down to the lowest levels and performance is rewarded compensation that links personal outcomes to the organizational performance.

The typological perspective has generated a lot of enthusiasm. A primary reason for this is that, the perspective is directly linked to the resource-based view of the firm by the assumption that the unique bundles of HR practices distinguish firms from each other and are also a source of sustainable competitive advantage for some organizations. The typologies, in fact, provide a tool to capture the bundle of HR practices that are associated with particular business strategies. It also agrees with the fit perspective.

2.1.4 Fit perspective theory

In literal sense the term fit means 'congruity' this means that the HRM practice should be intergraded with the strategic planning process of the organization. The primary proposition of Baird and Menshoulam (1988) was that an organization's performance can be enhanced if it adopts HRM practice that complement other HR practice (internal fit) as well as the strategic objectives of the organization (external fit). Studies also indicate a significant relationship between the adoption of higher performance HR practices and organization performance indicators. The fit perspective, therefore, proposes HR as a

critical success variable that must be intergraded into all phases of organizational planning. Moreover, even the best laid strategic plans cannot be implemented without taking into account the HR practices.

2.1.5 The integrated systems model

As proposed by Rao (1986), this model has development at its core, which suggests that the development of motivated, dynamic, and committed employees is a means to achieve better organizational performance. Human resource practices such as performance appraisal, training, rewards or motivation are used to initiate, facilitate and promote the human resource process in a continuous way. These subsystems are designed to work together in an integrated system. The view point agrees with the internal fit or horizontal integration approach to HRM.

On the basis of years of work in the human resource development (HRD), Pareek and Rao (1992) developed a system of framework that is useful for an in-depth understanding of HRD/HRM. The component systems of HRD, are the career system (manpower planning, recruitment, retention, continuous potential appraisal and career planning and development activities), working planning system (helping individuals understand organizational needs, plan and improve their work, development system (training, counselling, and other development mechanisms), self-renewal system (team building, survey feedback, research) and culture system (a climate that sets norms, value and culture, and ensures a high level of motivation for employees). It is not necessary for a firm to use all the systems at the same time. HRD processes are intermediate variables and affect the HRD outcomes and these variables includes role clarity, communication, and the HRD values such as openness, collaboration, trust, autonomy and confrontation. The HR outcomes may include a higher level of employee competence and better utilization of human resources through higher motivation and commitment. These outcomes can influence the business goals of the organization, and more satisfied customers and stakeholders (Agarwala, 2009).

2.1.6 Human capital theory

Armstrong (2012) states that, “Human capital theory is concerned with how people in an organization contribute their knowledge, skills and abilities to enhancing organizational

capability and the significance of that contribution”. It has been recognized that investment in education, training and experience can bring significant wage and job benefits to individuals. HRD can be viewed as an investment in human capital, and the decision to participate in training activities and acquire skills is viewed as a rational choice on the part of individuals. Human capital theory has its core a very simple argument: investment in both formal or informal training and education increases an individual’s performance, productivity and earnings (Gattiker, 1995).

This perspective on human capital takes as its starting point the view that human competencies are one of the resources available to organizations. The origins of this notion of human capital can be attributed to the work of Prahalad and Hamel (1990), which analyses the competitiveness of organizations and attributed it to the possession of core competencies. They postulated that an organization can possess unique clusters of factors that allow it to be competitive and human capital is one of these.

Hamel and Prahalad (1994) state that, “core competencies as a bundle of skills and technologies rather than a single skill or technology”. This line of thinking clearly indicates that HRD has value in enhancing core competencies, some of which are grounded in human capabilities. These skills need to be developed over time in order to confer on organizations as a set of capabilities that other firms find it difficult to imitate. The Human capital perspective imply that in order to build human resource capacity in LGAs we need to develop the employees skills and knowledge which will help the finance department in capabilities in revenue collection.

2.1.7 Resource-based theory

Armstrong (2012), states that, “Resource-based theory focus on the competitive advantage is achieved if a firm’s resources are valuable, rare and costly to imitate”. HRM can play a major part in ensuring that the firm’s human resources meet those criteria. The resource-based perspective rests on the assumption that differences in HR configurations between firms result in a fundamental heterogeneity in their potential to contribute to organizational performance. Human resources capacities provide the potential for sustained competitive advantage through the use of SHRD to develop competencies that are firm-specific and generate tacit organizational knowledge (Lado and Wilson, 1994).

It is well established that tacit and industry-specific knowledge has the most value in a strategic context. The resource-based approach emphasizes the need for organizations to implement a specific SHRD strategy. One seeks to achieve competitive advantage by enhancing both the competence and commitment of human resources. It requires that organizations implement an internally consistent set of SHRD practices. Research has suggested a set of universal SHRD practices that are of value. These include job training, leadership development, technical competency development, strategies to generate tacit organizational knowledge and social networking strategies (McWilliams, Van Fleet and Wright, 2001; Eisenhardt and Martin, 2000).

2.1.8 Competency model Approaches to Human Resources Capacity

Torraco and Swanson (1995) state that, “Competency approach to human resources capacity in organizations is very crucial to support a broad range of institutions objectives that require competent employees”. The success of long-term implementation of competencies depends on the alignment of competencies with the institution’s vision. According to competence model human resource capacity can be built in five areas of HRM practice which includes the training and development, compensation management, performance management, selection, and career planning,

2.2.8.1 Developing training and coaching

Given the intuitive appeal as well as theoretical support for basing training and coaching efforts on a theory of change, the University of Maryland Innovations Institute (Innovations) used the theory described above as the basis for its approach to the supporting staff development in wraparound. Innovations is a center of excellence that supports policy planning, systems and finance design, workforce development, and data analysis and reporting in Maryland as well as states and communities nationally. In undertaking a revision to its coaching and training model for wraparound, Innovations sought to excel a common phenomenon whereby training and coaching is focused on operationalizing values and principles.

While attention to values and principles is important, it can come at the expense of an emphasis on core elements of the practice model and how consistently apply practice elements and skill development to an achieving outcomes. Thus, the above theory of

change for wraparound was seen as an important tool for devising an overall workforce development approach that would effectively help practitioners to understand skillful practice as connecting wraparound's principles and practice model to financial department outcomes.

2.2.8.2 Compensation management

Whiddett and Hollyforde, (1999) stated that, "capacity-based pay provides a link between competency ratings and compensation as in the performance-management process, a mixed-model approach to compensation is desirable". The important aspects of how a job is performed is ignored when institution concentrate on pay for results only. On the other hand, institution may not adequately evaluate results if they only focus on payment just for the use of competencies. Establishing compensation for demonstrating competencies that is both what and how it is accomplished, provides fairness and equity and distinguishes between superior and average performers. However, the American Compensation Association (1996), state that, "capacity-based compensation is the least common application of competency models among all (HRM) Human Resources Management practices".

2.2.8.3 Selection

Competency-based selection is the oldest application among all human resources systems and can be traced back to McClelland's (1973) early work with competencies for hiring purposes. Competency-based models have been used by many organizations to identify suitable candidates at the recruitment stage. They have several selection tools to help them sort out the relative qualifications of job applicant and appraise their potential for being good performers in a particular job. These tools includes background information, interview, paper-and pencils tests, physical ability tests, performance tests, and references (George J, 2009). The purpose is to establish the "behaviors" needed in a particular job and the extent to which these are possessed by different candidates (Rowe, 1995).A competency model provides a complete picture of what it takes to perform the work so that interviewers can identify characteristics required to do the job well.

2.2.8.4 Performance management

Performance is not only seen as “what” (objectives) an employee achieves but also viewed as “how” (competencies demonstrated) the job is carried out. Many organizations use competency based models as a part of their employee development centers. The objective is to assess individuals’ strengths and weaknesses so that future development is identified (Rowe, 1995). The competency, as a measurement tool, identifies behavioral factors relevant to performance in the job (Whiddett & Hollyforde, 1999). The performance management process becomes stronger when employees are appraised on both objectives (what) and behavioral performance (how), referred to as the “mixed model.” The “mixed model” provides a shared understanding of what will be monitored and measured.

2.3 Literature review from earlier studies

2.3.1 Institutional capacity

Kirabo et al (2013) state that, according to the final accounts of Nakasongola Town Council for nine successive financial years 1998/1999 to 2006/2007, there was a disparity between the estimated Local revenue and the actual local revenue. Actual revenue generated is much lower than what is budgeted. The percentage of realization ranges between 50%-87%. Despite the existence of strong legislations on local revenue generation, its small accessible geographical area, availability of manpower to collect and enforce its collection there still is a problem in local revenue generation. This could be in the area of Institutional capacity.

This is likely to be applied in Musoma Municipal Council as well there was a disparity between the estimated budgeted and the actual revenue collection. For example since the financial of 2010/2011 to 2013/2014 the local collection failed to meet the estimation budget. Well-developed institutions enjoy an enabling environment of key players using available resources to generate revenue. Institutional capacity refers to the ability to implement and improve revenue administration focusing on efficiency and effectiveness.

Cheema & Rondinelli (1983) and Kirabo (2013) Suggested that, local governments are usually unable to value property regularly and recover funds from those who default from local tax payments and Low levels of administrative capacity prevent local

governments in rural areas from significantly expanding their revenue base. For example this applied in to Nakasongola Town Council Uganda. So, this may apply in LGAs in Tanzania including Musoma Municipal Council.

2.3.2 Human resource capacity

Lubanga (1998) and Kayise (2003) stated that, human resources, both local politicians and employees need to have performance competencies to serve as good stewards for their councils. There is however, a paradox of the less educated politicians supervising the more educated and elite civil servants. In relation to institutional development the now abolished decentralization secretariat played a role in capacity building. Staff development is also undertaken in the form of seminars, workshops, short and long courses for targeted officials. Kayise (2003) emphasized that, It is, however, worth noting at elective offices have been filled with ne office bearers who have not been exposed. Even, the restructuring exercise has ushered in new occupants in the civil service of Nakasongola Town Council. This calls for continuous capacity building and thorough orientation.

In a study conducted by Makerere Institute of Social Council Research (MISCR) 2000 in the Districts of Arua, Mbale and Rakai, there were gaps in the human resource capacity. This was attributed to lack of potential applicants for some professions and the inability of Local Governments to attract and retain the desired staff. This also may apply in Musoma Municipal Council as well they lack of potential applicants for some professions and the inability of Local Governments to attract and retain the desired staff for collecting revenue, for example in Finance Department.

Daniel et al (2014) state that, the human resource (HR) capacity needed at the Assin South District Assembly, the study revealed that the existing institutional arrangements in Ghana's decentralized government system did not allow the Assembly to properly address its HR capacity needs. He revealed that favorable institutional arrangements are a crucial factor in ensuring effective HR capacity at the decentralized government system. Despite its importance, the study results showed that the existing institutional arrangement regarding the HR capacity at the District Assemblies had contributed to the problematic HR capacity at the Assembly.

A number of factors that hindered staff performance at the Assembly include; inadequate qualified personnel, poor remuneration, inadequate logistics, limited training and development programs, poor training facilities and low staff satisfaction. On the issue of T&D programs, the study showed that training programs at the Assembly did not base on proper needs assessment. Workers of the Assembly were, however, dissatisfied with how management had been responding to factors that hindered their performance. Due to this study the decentralization system in Ghana Assembly is similar to Tanzania in the sense that recruitment and selection as the key element of building human resource capacity, LGAs is not given fully autonomy as a result to get skilled, experience, Competence, qualified and enough human resource becomes a problem.

Shreemahah, et al (2010) stated that, in DDCs of Himalayan districts have low level of institutional and human resource capacity to effectively manage revenue generation in more transparent manner. Though the LSGA has provided an authority to raise revenue from tax and non-tax sources yet the efforts so far made is transactional approach only. There is now serious effort in raising revenue in the districts. Also identifying the major issues and challenges in revenue mobilization in the Himalayan districts are supporting LGs from the center to increase revenue by building their capacity of revenue collection, focusing towards potential yielding revenue sectors, authorizing (LGs) local Government to fix the tax rates, introducing practice of revenue planning, increasing attraction and effort on local revenue of the line agencies in their respective sectors, making attitude of local Governments (LGs) proactive in revenue administration, building capacity of human resources and maintaining revenue records so that the local Bodies senior as well as staff involved in revenue generation have to be trained or revenue mobilization, accounting and record keeping as per requirement.

Walker and Materese (2008) in their study state that, human resource Development have noted that achieving coherence and integration across staff development activities is assisted when training, coaching and staff analysis are guided by a clearly expressed, theory of change which used by Janet describes that, how skillful preparation promotes desired consequences. So that in order to develop human resource capacities for effective of own source revenue collection in Local Government Authorities various initiative like

training, coaching and staff analysis should efficiently promoted so as to encourage staff skillful for desired outcome.

Luthans et al (2004), state that, the rising recognition of human resources as a competitive advantage in today's global economy, human capital and, more recently, social capital are being touted in theory, research, and practice. In today's environment, which requires flexibility, innovation, and speed-to-market, effectively developing and managing employees' knowledge, experiences, skills, and expertise (human capital) has become a key success factor for sustained organizational performance.

This notion provides the idea that, economic capital both financial and tangible assets has less value compared to human capital which builds human resource capacity. So those Human resources Managers in LGAs have to pay attention of this intangible human capital so as to create human resource capacity. For example Bill Gates in his Micro soft company has been known to comment that the most important assets in his company walk out the door every night, this means he recognizes that the collective knowledge, skills, and abilities of his employees represent a distinctive competency that has created value and set Microsoft apart from its competitors. And this is the significant positive impact on performance outcomes.

2.3.3 Infrastructural capacity

Barungi (2001) state that, the general performance of the economy impacts directly on the possibilities of enhancing locally generated revenue, reducing the dependence to central government and donor funding and economic development. No doubt the stage has been set for rural development and poverty reduction through a strong decentralization and local governance Programme. For instance Local Governments are faced with numerous constraints in infrastructure provision. Some of these constraints include the lack of powers by Local Governments to acquire land compulsorily in the public interest for infrastructure provision, limited expertise (man power) and little transfer of knowledge by the various stakeholders; lack of appropriate and sustainable technology; lack of proper planning facilities, equipment and reliable data and information user fees concept not well appreciated according to the Participant's Manual of June 2003 on Decentralization Policies and Practices- Case Study Uganda.

PMO-RALG (2013) shows that various local government revenue initiatives undertaken in LGAs, the major programmes and projects working on the improvement of revenue collection and administration including, Tanzania cities strategic project (TCSP) and urban local government strengthen Programme (ULGSP)

Under the TSCP has an objective of improving and intended to improve their own source revenue collection from potential sources which include property tax, service levy, fees and charges, also it is proposed to establish the Local Government Revenue Collection System (LGRCS) Which linked to the geographical information system (GIS) Specifically for own source revenue collection and providing the capacity building to the officials who involved in revenue collection. Under ULGSP this project plans to improve the own source revenue collection and under the capacity building component is expected to support the human resources capacity for own source revenue collection, officials and other stakeholders of revenue collectors or taxpayers through urban planning and revenue mobilization and strengthening of procurement practices.

2.4 Synthesis

Financial decentralization was preceded by political decentralization reform and the revitalization of the local government administration. Financial capacity is a prerequisite to successful implementation of the decentralization Programme in Uganda like elsewhere The chairman, Local Government Finance Commission May 29th 2002) stated that “although graduated personal tax constitutes about 80% of local revenues and up to 40% for urban local governments, Nsibambi: (1998: 48-49), noted that Financial decentralization supported by effective financial management is one of the litmus tests of genuine empowerment. The financial capacity of the town council is not an exception.

Kayise (2003) state that, while Local governments are supposed to be financially autonomous, local revenue generation continues to be constrained by the low tax base, poor collections and the high cost of revenue collection relative to the amount being collected. (2001), the implementation of decentralization of powers and responsibilities is undermined by the fact that local generated revenue is on the average less than 20% of the total revenue. The constraints in raising local revenue include lack of capacity to collect and assess taxes and unfavorable central government share in revenue collected

from locally situated tax payers. to the explanation above the researcher intentions is to investigate the human Resource capacities in Finance Department at Musoma Municipal Council in terms of number Skills, qualification, and experience on collecting own source revenue, how does Department or institutional help to build capacity of own source revenue collection in Musoma Municipal Council and also the study focus is to find the output produced by HR in Finance Department to increase the own sources revenue collection in LGAs Tanzania

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter provides detailed explanation on research methodologies, that the researcher used in the process of carrying out the research. These methodologies were used in the process of collecting data, analyzing data, and presenting data. The specific section in this chapter includes type of the study, study area, study population, sample size and sampling techniques, data collection methods and data analysis methods. This chapter also presents research schedule which shows the research activities and allocated time.

3.1 Research design

This is the case study design in which the questionnaire and in depth interviews were used to collect data from the respondents, and other data were obtained from reviewing different documents such as; Quarterly report, MTEF document, Acts and Yearly Financial Report. The study designed to use mixed approach (qualitative and Quantitative) for data collection and data analysis. This research provides a logical sequence and empirical data gathered from the field assist to answer the three research questions, it findings, conclusion, Recommendation and Policy implication which can be used even to the other Municipal Councils.

3.2 Area of the study

Musoma Municipal Council is the institution of this study which is among of seven councils in Mara Region -Tanzania. The Municipal is surrounded by one council which is Butiama District Council in the south East and South-West. Remaining area is surrounded by Lake Victoria. (See a Map in Appendix I). Five years Report of Controller and Auditor General since fiscal year 2009/2010 to 2013/2014 explained the problem of LGAs under collection of own sources revenue and this problem indicated to various Councils which were sampled as representative of the whole LGAs own sources revenue collection in Tanzania. For example in the FY 2012/2013, (15) LGAs were taken as a sample which their collection of property tax is under and against the approved budget for 39.5%, and in FY 2013/2014 CAG indicated 163 LGAs also were under collection of Property tax for 32% against the estimation and approved budget, Musoma

Municipal Council is among the 163 Council which are collect the property tax under estimation and approved budget as mentioned in the 2013/2014 CAG Report. The selection of the study area is based on that Report of Controller and Auditor General about Five years trend of own source revenue collection from 2009/2010 to 2013/2014. However, financial constraints and time is another factors forced the researcher to select MMC as the area of this study. The Map of Musoma Municipal Council is shown in Appendix I and Appendix II is an Organogram of Musoma Municipal Council.

3.3 Population of the study (units of inquiry)

The population of the study constituted both managerial and non-managerial cadre in a wide range of Municipal Director (MD), heads of key Department/Unit (HODs) for the collection of own source revenue which was drawn from the Municipal Management Team (MMT), and these includes head of Human resources Department, Finance Department, Planning Department, Urban planning and natural Department, Livestock and Fisheries Department, Cleanse and environment Department, Procurement Unit and Internal Auditor Unit as shown in Table 3.1. And other staff from the mentioned Department was selected according to the nature of their activities automatic participate indirect or direct in own source revenue collection. According to the organogram structure in appendix II the total population will be 198.

Table 3.1: Total staff population in selected departments

S/No	Department/Unit	Total staff	Sample size	Percentage of total
1	Hon. Mayor	1	01	1.8
2	Municipal Director	1	01	1.8
3	Heads of Department/Unit	18	08	14.3
4	Administration and Human Resource	92	10	17.9
5	Finance Department	22	11	19.6
6	Planning, Statistics and Follow up Department	5	02	3.6
7	Urban Planning and Natural Resources	15	06	10.7
8	Cleanse and Environments Department	24	08	14.3
9	Livestock and Fisheries Department	11	05	8.9
10	Internal Audit unit	2	01	1.8
11	Procurement unit	7	03	5.3
	Total	198	56	100

Source; MTEF Document of MMC FY 2015/2016, page number 9

3.4 Sample and sampling procedures

3.4.1 Sample size

The size of the sample should not be too big or too small rather it should be optimum; a good sample must fulfill the requirements of adequacy, representativeness and independence. The sample size of this study was based on the correctness of the demanded population size and resource available and time. From the population of 198 the researcher selected a sample of 56 respondents in order to provide the needed information concern the Human resource capacity of finance department in collecting own revenue. Whereby 10 respondents was selected purposively and 46 respondents was selected randomly through simple randomly sampling. This sample was representative as illustrated in table 3.1 and its consisted of Hon. Mayor, Municipal director, 8 heads of key Department for own source revenue collection from Management Team, 46 representative respondents supporting staff from the key mentioned Departments of revenue collection which includes 10 respondent from Administration and personnel Department, 11respondent from Finance Department, 02 respondent from planning and Statistic Department, 6 respondent from urban planning and natural resource Department, 8 respondent from Cleanse and Environment Department, 5 respondent from Livestock and fisheries Department, 1 respondent from Internal Auditor Unit and 3 respondent from Procurement Unit.

3.4.2 Sampling techniques

The sampling techniques that were used for this study are purposive sampling, quota sampling and simple random sampling.

3.4 .2.1 Purposive sampling

Purposive sampling was used to select 10 respondents which include 7 respondents who constituted heads of Department, key department for own source revenue collection from management team, and 1respondent was Municipal Director, 1 respondent was Hon. Mayor and respondent from internal auditor unit. The respondents who are the heads of key Department (management team) are Municipal Council Director, head of Human Resource and Administrative Officer, Finance department, Planning Department, Urban and Natural, cleanse and Environment, Livestock and Fisheries, Internal Auditor Unit and Procurement Unit. These respondents were included in the sample due to virtual of their

positions in the Institution of being the part of management team of the respective organization and therefore they are able to provide some important vigorous information about the study which can otherwise not be provided by other respondent who are supporting staff, as explained in Table 3.2.

Table 3.2: Total of Heads of department selected

S/NO	Department/Unit	Sample size	Percentage
1	Hon. Mayor	01	10
2	Municipal Director	01	10
3	Head of Administration and Human Resource	01	10
4	Head of Finance Department	01	10
5	Head of Planning, statistics and Follow up department	01	10
6	Head of department of Urban planning	01	10
7	Head of Cleanse and Environment Department	01	10
8	Head of Livestock and Fisheries	01	10
9	Head of Internal Auditor Unit	01	10
10	Head of Procurement Unit	01	10
	Total	10	100

Source: field data, 2016

3.4.2.2 Quota sampling

Quota sampling was used to select 46 respondents who were included in the sample from supporting staff (employees) of Musoma Municipal Council. In this technique the population was divided basing on Department/units of specialization of staff and thereafter specific number of respondents was drawn from each department/unit. Quota sampling was used so as to divide the various populations in such a way that each unit had as great homogeneity as possible. Also, the use of quota sampling enabled the number of respondents to be drawn from each Department/unit to correlate with its size as among other things the researcher's decision on the number of respondents to be drawn from each unit was based on the size of such unit and therefore increase probability of the sample to be representative as explain in Table 3.3.

Table 3.3: Sample size of supporting staff from selected Departments of the MMC

S/NO	Department/Unit	Total Sample	Sample size	Percentage
1	Administration and human reso Department	92	10	21.7
2	Finance Department	22	11	23.9
3	Planning, Statistics Department	5	02	4.3
4	Urban Planning and Natural Resources	15	06	13.0
5	Cleanse and Environments Department	24	08	17.4
6	Livestock and Fisheries Department	11	05	10.9
7	Procurement unit	7	03	6.5
8	Internal Audit unit	1	1	2.2
	Total	176	46	100.

Source: field data, 2016

3.4.2.3 Simple random sampling

About 46 staff/respondents that were included in this study were obtained by using simple random sampling. The researcher made a list of all respondents using pieces of paper to match the number of respondents in each selected department. The researcher then write the names of every category on different pieces of paper and put them into the boxes, then the researcher mixing up all pieces of paper carefully in all boxes and after mixing up a researcher choose one piece of paper irregularly and procced until the researcher get the required number of respondents from each selected department. In that case 46 respondents were selected randomly from key department as shown in table 3.4.

Table 3.4: Supporting staff sample size by simple random sampling

S/NO	Department/Unit	Sample size	Percentage
3	Administration and Personnel department	10	21.7
4	Finance Department	11	23.9
5	Planning, statistics and Follow up department	02	4.3
6	Urban planning and natural resources department	06	12.9
7	Cleanse and Environment Department	08	17.2
8	Livestock and Fisheries department	05	10.8
9	Internal Auditor Unit	01	2.2
10	Procurement Unit	03	7.0
	Total	46	100

Source: field data, 2016

3.5 Data collection methods

Mainly we have two methods of data collection which are primary data collection method and secondary data collection method. The study involved both methods of data collection in collecting adequate information. Primary data collection methods involved

questionnaires and interviews while secondary data collection method involved the documentary review resources.

3.5.1 Primary data collection methods

These were used to collect first-hand information direct from respondents. Both the primary and secondary data collection methods used questionnaire, interview and Documentary review.

3.5.1.1 Interviews

Face-to-face interviews used to collect data about human resource capacity of Finance Department in collecting own source revenue in Musoma Municipal Council, which could otherwise not be well collected through other methods like questionnaire from heads of Department/Unit in Musoma Municipal Council (Management Team), Municipal Director and Hon. Mayor. Semi – structured Interview used to collect more detailed and comprehensive data on the study from the mentioned respondents. The researcher applied both English and Swahili interview guides. The rationale for using interview was its ability to provide massive in-depth information. Also interview allowed flexibility in data collection since the researcher was able to clarify ambiguous question and even ask more questions depending on the context.

3.5.1.2 Questionnaires

There were questionnaires for Finance Department officials and other officials from the crucial Department which automatically deals with the own source revenue collection either indirect or direct. Questionnaire was both in English and Swahili language. English questionnaires were for respondents who are comfortable to use English language while Swahili questionnaires were for respondents who are not comfortable to use English language. The questions were both closed-ended and open-ended questions. In closed-ended questions the respondent were provided with two or more alternative responses for him/her to choose the most suitable one while in open-ended questions there was a space for the respondent to fill with a self-generated response in accordance with the nature of the question. The questionnaire started with explanations on how to go about, and then followed by questions on the subject of the study. The questionnaire was drawn from the variables which are; one, the human resource capacity in Finance Department in this

variable a researcher intended to investigate the number of staff required, skill and qualification/professional, working experience and competence. Second variable is about the contribution of institution in assisting the human resource of Finance Department and third is about the Output/result produced by human resource of Finance Department. Appendices III and IV have been attached in the appendices for clarification.

Questionnaires were used due to its flexibility nature which allows respondents to fill them at any time when they are less busy. Also questionnaires have the nature of anonymity which makes it easier for respondents to give out important information without fear. Moreover questionnaire saves time as can be administered to many respondents at once.

3.5.2 Documentary review

A researcher reviewed documentary sources as one of the methods of data collection. The study included revising on books, Journals, articles, minutes of the meetings, Human Resource reports, Quarterly report, MTEF document and Finance Report, through reading the above mentioned documents, the researcher explored some human resource capacities information. Reading other research works helped to improve the thinking of the researcher by acquiring new information and ideas concerning with the problem. The rationale for using documentary review method is to obtain the data which were already collected and stored for future use thus eliminating the need of re-collecting them through primary methods which could be time consuming, laborious and costly.

3.6 Data analysis techniques

Since the study used different methods to collect data then both methods of data analysis was used to analyze data which are quantitative and qualitative methods of data analysis.

3.6.1 Primary data analysis techniques

Data collected through questionnaire was analyzed through quantitative method of data analysis. Statistical Package for Social Sciences (SPSS) or simple analysis of in Microsoft Excel was used to analyze the quantitative data. In implementing this technique data collected from questionnaire filled by 47 respondents from Finance Department and other officials who are explained in table 3.3 and those respondents answered the questionnaire which shown in appendix III and appendix IV of this study.

These questionnaires formulated from independent variables which are: Human resources capacity of Finance Department, in this variable a researcher intended to investigate the number of staff required in Finance Department, skill and qualifications, working experience and structure of the Department.

Second variable is contribution of MMC to assist the human resource in the Finance Department, this include the training of human resource, reward and motivation, communication and recognition and third variable is output/result produced by human resource of Finance Department as shown in (Figure 1.1) and the specific objectives one, two and three shown in chapter one (1.3) the questionnaires were edited there after coding of data followed and entered to a spread sheet ready for analysis. Descriptive statistics like frequencies, percentage, and mean of the responses was established. The analyzed data will be presented through tables, charts and figures.

Data collected through interview was analyzed by qualitative method which will be used to identify ideas or arguments about the problem under investigation through formulating themes emerging from transcript of interviews in relation to research questions addressed by the study. The data was presented in narrative form.

3.6.2 Secondary data analysis techniques

Data collected through documentary review was largely analyzed qualitatively and partly quantitatively. Qualitative data like data on the capacity of human resource in collecting own source of revenue in financial department was analysed qualitatively. This was done through formulating themes emerging from reviewed documents and presented in narrative form; the data also presented by using tables and chart.

CHAPTER FOUR

PRESENTATION OF THE FINDINGS

4.1 Introduction

This chapter has four sections which are; characteristic of respondents and presentation of the findings on the three objectives under study.

4.2 Characteristics of respondents

Basic demographic information, gender, age and education level were among data collected under the topic of personal information during the questionnaire survey. The rationale behind this was to show the distribution of the respondents and helps the reader to understand how relevant information is collected from the sample in presenting the target population.

4.2.1 Gender of respondents

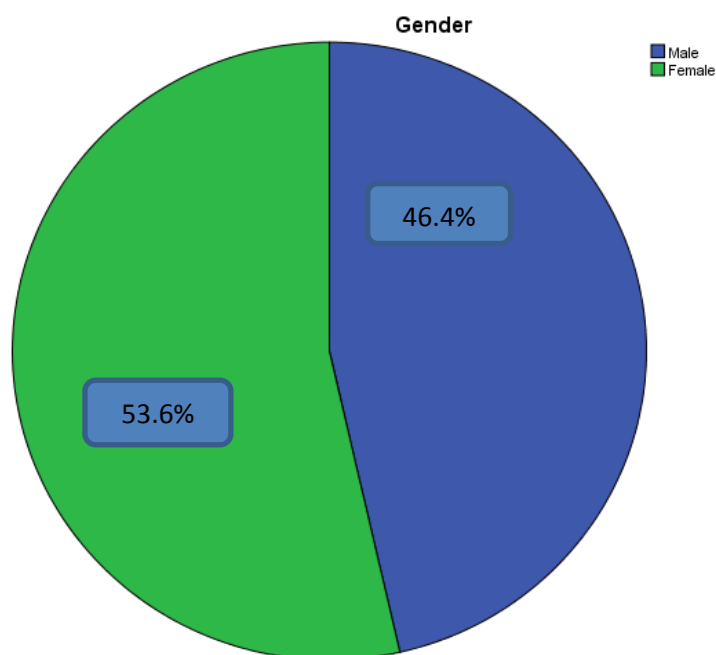
Out of 56 respondents, the graphical presentation of the data as illustrated in table 4.1, this is the fact that there majority replies comprised 30 female (53.6%) and 26 male (46.4%) as depicted in the were more female in the sample than male, this indicates that there are more female staff in finance department of MMC and this is obvious due to its urban geographical location, female are willing to work at urban areas. Figure 4.1 illustrate by showing percentage of responses.

Table 4.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	26	46.4	46.4	46.4
	Female	30	53.6	53.6	100.0
	Total	56	100.0	100.0	

Source: field data 2016

Figure 4.1: Gender of respondents



Source: field data, 2016

4.2.2 Age of respondents

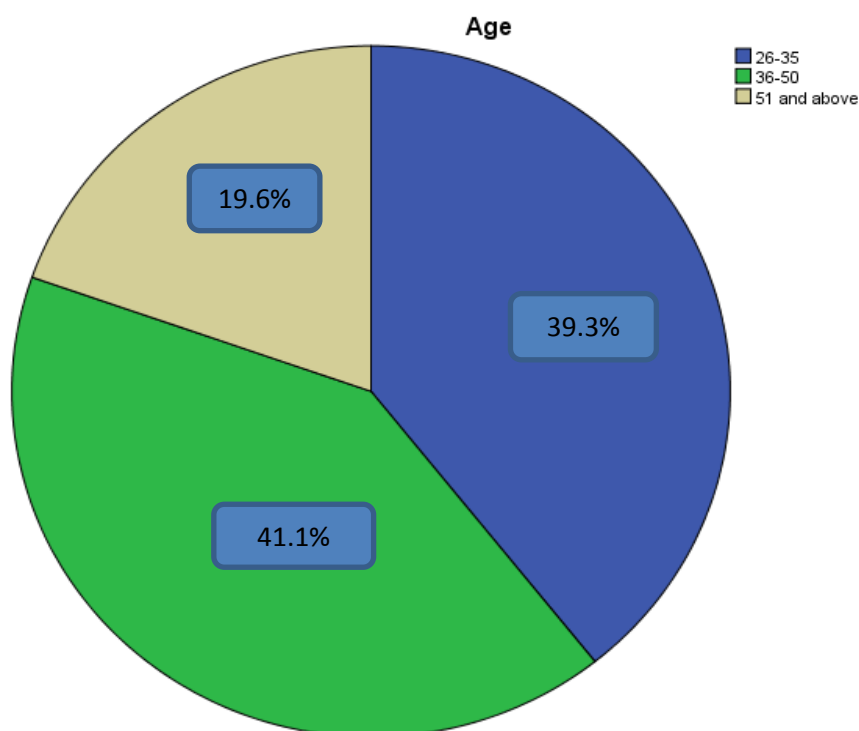
The age of respondents were as follows; out of 56 respondents age range 26-35 were 22 (39.3%), age 36 to 50 years 23 (41.1%) and the age of 51 and above years were 11(19.6%) (See Figure 4.2) According to these findings majority of the employees in Musoma municipal Council had the age range of 36 to 50 years and followed by the age range of 26-35 years as illustrated in table 4.2.

Table 4.2 Age of respondent

		Frequency	Percen	Valid Percer	Cumulative Percen
Valid	26-35	22	39.3	39.3	39.3
	36-50	23	41.1	41.1	80.4
	51 and above	11	19.6	19.6	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

Figure 4.2: Age of respondents



Source: field data, 2016

4.2.3 Education level of respondents

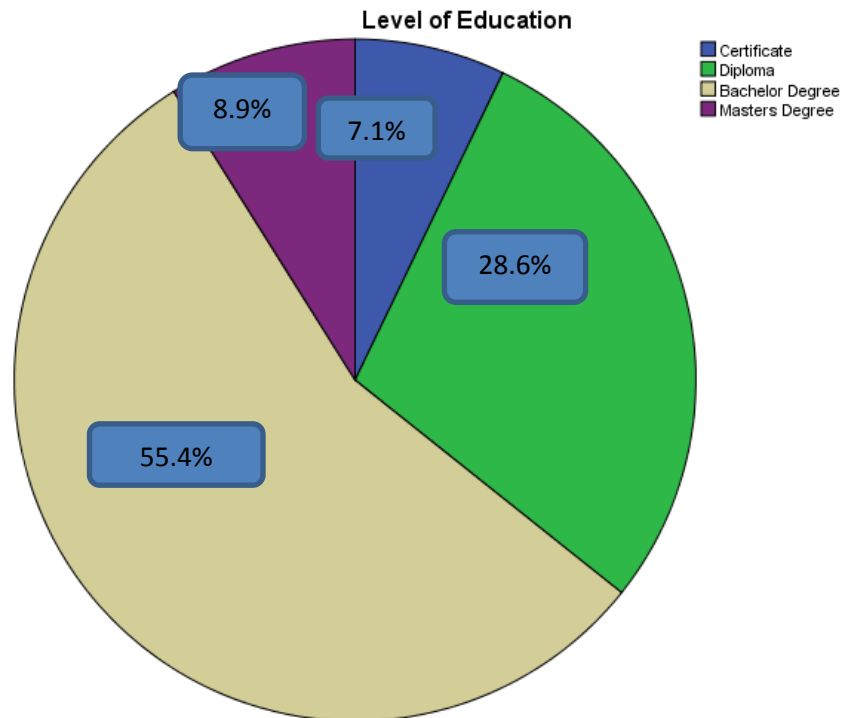
Out of 56 respondents, 4 (7.1%) hold certificates, 16 (28.6%) respondents hold diploma, 31 (55.4%) had bachelor degree and 5 (8.9%) respondents had master degree (see Figure 4.3). According to these findings majority of the respondents in the MMC are holders of bachelor degree and followed by diploma holders as illustrated in table 4.3.

Table 4.3 Level of Education

		Frequency	Percent	Valid Percent	Cumulative Perc
Valid	Certificate	4	7.1	7.1	7.1
	Diploma	16	28.6	28.6	35.7
	Bachelor Degree	31	55.4	55.4	91.1
	Master's Degree	5	8.9	8.9	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

Figure 4.3: Education level of respondents



Source: field data, 2016

2.3 Human resource capacity in terms of number, skills/qualifications, competences and work experience

Table 4.4 Ikama/establishment of Finance department in MMC 2015/2016

S/No	Department	Required Employ	Available	Shortage/Vacancy
1	Finance	38	24	14

Source: MTEF/PE of MMC approved budget 2015/2016

It was found out that 39 (69.6%) of respondents disagreed on the sufficiency of staff in finance department for own source of revenue collection and the minority of the respondents 17 (30.4%) agreed on the sufficiency of staff in revenue collection as illustrated in table 4.5 and figure 4.4). The interview with the Municipal Director showed that the number of staff in revenue collection is very small compared to the coverage area of MMC.

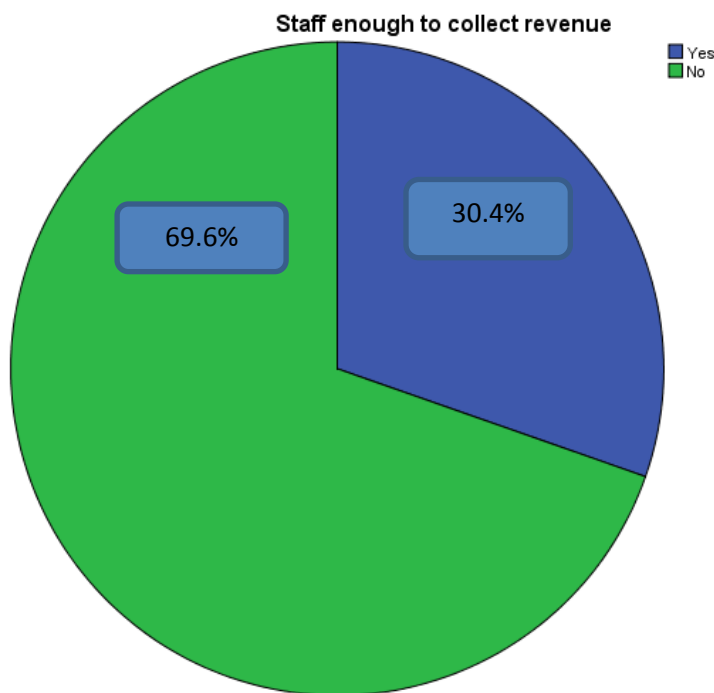
...actually the number of workers involved in the collection of the revenue is very small compared to the coverage of the Municipal. Going through all areas of the Municipal like Bweri, Mkendo, Forodhani, Majita road Kamnyonge, Nyamatara and all other places is difficult to the number of revenue collectors we have in the Municipal...

Table 4.5 number of staff

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	17	30.4	30.4	30.4
No	39	69.6	69.6	100.0
Total	56	100.0	100.0	

Source: field data 2016

Figure 4.4 Number of staff



Source: Field data, 2016

The finding also shows the reasons for the insufficiency of staff in revenue collection as follows; 69.6% of the respondents said that the reason for insufficiency of staff in municipal is because the staff employed in finance department is very few. Other respondents (17.9%) argued that the population of the municipal is higher than the

number of finance staff employed to collect revenue and lastly 12.5% of the respondents mentioned rapid growth of the municipal as the main reason as to why the number of staff is not sufficient as illustrated in Table 4.6). Therefore according to those findings the main reasons for the insufficiency of staff in revenue collection in Musoma Municipal Council include few staff employment at the finance department, the municipal being larger than the number of employees and rapid growth of the municipal.

Table 4.6: Reasons for the insufficiency of staff in revenue collection

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Few staff employed in Finance department	39	69.6	69.6	69.6
The municipal population is higher than the number of finance staff employed to collect revenue	10	17.9	17.9	87.5
Rapid growth of the municipal	7	12.5	12.5	100.0
Total	56	100.0	100.0	

Source: field data, 2016

The findings revealed that 100% of respondents agreed that the collection of revenue requires experienced and qualified employees as illustrated in table 4.7. Therefore it is obvious that the collection of revenues need experienced and qualified employees in order to collect in highly.

Table 4.7: Revenue collection need experienced and qualified employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	56	100.0	100.0	100.0

Source: field data, 2016

A researcher desired to understand whether Human Resources have enough skills, professionalism and experience. The findings were as follows; 35.7% of the respondents agreed that human resources have enough skills, professionalism and experience while the majority of respondents (64.3%) disagreed as illustrated in Table 4.8 The interview with the head of finance department showed that some HRs have not enough skills.

...fact, here at the Municipal we have different people with different skills depending on their education. There some with only secondary education holding certificates only, there are also some with diplomas however some have bachelor degree as well as master degree...

According to these findings the number of employees (HRs) in the finance department has no enough skills, profession and experience.

Table 4.8: HR have enough skills, professionalism and experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	35.7	35.7	35.7
	No	36	64.3	64.3	100.0
	Total	56	100.0	100.0	

Source: Field data, 2016

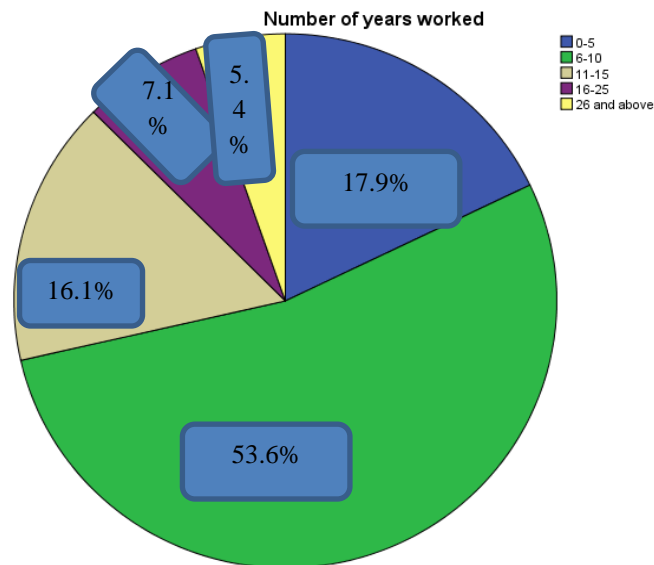
The study finding shows that, the experience of workers by checking the number of years worked as follows; 17.9% of the respondents had worked for the period between 0 to 5 years, 53.6% of respondents had worked for the period between 6 to 10 years, 16.1% of respondents had worked for the period between 11 to 15 years, 7.1% of respondents had worked for the period between 16 to 25 years and 3.5% of respondents had worked for a period between 26 years and above as illustrated in table 4.9 and Figure 4.5). According to these findings the majority of employees had worked for the period between 6 to 10 years.

Table 4.9 Number of years worked

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	10	17.9	17.9	17.9
	6-10	30	53.6	53.6	71.4
	11-15	9	16.1	16.1	87.5
	16-25	4	7.1	7.1	94.6
	26 and above	3	5.4	5.4	100.0
	Total	56	100.0	100.0	

Source: field data 2016

Figure 4.5: Number of years worked



Source: field data, 2016.

4.4 The contribution of Musoma Municipal Council in assisting human resource capacity

The contribution of Musoma Municipal Council in assisting human resource capacity of finance department in collecting own source revenue was as follows. In order to achieve this objective researcher assessed the following;

Researcher wanted to know the methods used to collect own source revenue. The findings were as follows; 32.1% of respondents mentioned outsourcing as the source of revenue collection, 42.9% of respondent mentioned employees as the source of revenue collection and lastly 25.0% of respondents said, the methods used to collect own source revenue is both out sourcing and employees (see Table 4.10). The interview with the head of planning department showed that the methods used to collect own source revenue are out sourcing and employees. “...the methods we are using in collecting own source revenue is mainly two; out sourcing and employees...”

Table 4.10 Methods used to collect own source revenue

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Outsourcing	18	32.1	32.1	32.1
	Employees	24	42.9	42.9	75.0
	Both outsourcing and employees	14	25.0	25.0	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The findings were expressed the reasons of choosing the mentioned methods for revenue collection as follows; 41.1% of respondents said that it is the responsibility of the government that the methods mentioned should be used, 33.9% of respondents said, collection of revenue requires convincing power and for that matter the mentioned methods are the most appropriated and lastly 25.0% of respondents said that those mentioned methods help in increasing revenue collection as explained in table 4.11.

Table 4.11: Reasons for choosing mentioned methods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is the responsibility of the government (Method 2)	23	41.1	41.1	41.1
	Requires convincing power (method 2)	19	33.9	33.9	75.0
	To increase revenue collection (method 4)	14	25.0	25.0	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The researcher wanted to know whether recruitment and selection is done properly. The findings were as follows; 91.1% of the respondents agreed that recruitment and selection is done properly and only 8.9% disagreed as illustrated in Table 4.12. According to these findings the recruitment and selection is done properly.

Table 4.12: Do you think recruitment and selection is done properly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	51	91.1	91.1	91.1
	No	5	8.9	8.9	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The study findings revealed the reasons which help in making sure that recruitment and selection is done properly as follows; 64.3% of respondents said, the recruitment and selection are done by qualified HR staff, 7.1% of respondents didn't know and lastly 28.6% of respondents said that the recruitment and selection follows government rules and regulations as illustrated in table 4.13. Therefore the main reasons for proper recruitment and selection are usage of qualified HR staff and following government rules and regulations.

Table 4.13: Reasons for proper recruitment and selection

		Frequenc	Percent	Valid Percer	Cumulative Perc
Valid	Done by qualified HR staff	36	64.3	64.3	64.3
	I don't know	4	7.1	7.1	71.4
	It follows government rules & regulations	16	28.6	28.6	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The researcher desired to know whether there is plan of the council to conduct own source revenue training to finance department staffs and the findings show that; 76.8% of the respondents agreed on the availability of the plans to conduct own source revenue training to officials and only 23.2% disagreed as explained in table 4.14. According to these findings the council has plans of conducting own source revenue training to its finance officials.

Table 4.14: Any plan by the council to conduct own source revenue training to finance officials

		Frequenc	Percent	Valid Percent	Cumulative Percent
Valid	Yes	43	76.8	76.8	76.8
	No	13	23.2	23.2	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The researcher sought to know whether staff training increases capacity of revenue collection. The findings revealed that; 62.5% of the respondents agreed staff training increases capacity of revenue collection and only 37.5% of respondents disagreed illustrated in table 4.15. Therefore according to these findings staff training increases capacity of revenue collection.

Table 4.15: Staff training increases capacity of revenue collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	35	62.5	62.5	62.5
	No	21	37.5	37.5	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The study assessed other things that can help increasing collection of revenue apart from training. Findings show that; 25.0% of respondents mentioned change of attitudes and other 26.8% of respondents mentioned motivation as illustrated Table 4.16). Therefore apart from training, also motivation and change of attitude can help in increasing revenue collection.

Table 4.16. Other factors that can increase collection of revenue

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Change of Attitude	14	25.0	25.0	25.0
	Only Motivation	15	26.8	26.8	51.8
	NA	27	48.2	48.2	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

The study assessed how the council assists HRs capacity of finance department to meet goals of revenue collection in financial year 2015/2016. Findings were as follows; 58.9% of respondents mentioned transport provision, 16.1% of respondents mentioned allowances and 25.0% of respondents mentioned both transport and allowance provision as shown Table 4.17. The interview with the Municipal Director on how they assist the HRs capacity in revenue collection showed that allowance and transport provision is the main assistance given to workers during revenue collection. *“...we are trying our level best in making sure allowances as well as transport are provided to our revenue collectors...”*

Table 4.17: How the council assist HRs capacity of Finance department to meet goals revenue collection in FY 2015/2016

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Transport provision	33	58.9	58.9	58.9
	Allowances provisions	9	16.1	16.1	75.0
	Transport and allowance provision	14	25.0	25.0	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

4.5 The output/result produced by human resource of finance department

Output/result produced by human resource of finance department in MMC. In order to achieve this objective researcher assessed the following;

- The current own source revenue is properly collected. The findings revealed that, 91.1% of respondents said that the current own source revenue is not properly collected while 8.9% of the respondent said yes as shown in Table 4.18. These findings imply that the collection of revenue in MMC is not utilized in maximum.

Table 4.18: Current own source revenue is properly collected

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	8.9	8.9	8.9
	No	51	91.1	91.1	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

- The reasons for low collection at MMC and the result were as follows; 35.7% of respondents said that no motivation to all staff, 23.2% of respondents mentioned few educated staff, 19.6% of respondents mentioned absence of tax compliance and 21.4% of respondents mentioned absence of committee/board out of the municipal as illustrated in Table 4.19.

Table 4.19: Reasons for low collection of revenue at MMC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No motivation to staff	20	35.7	35.7	35.7
	Few educated staff	13	23.2	23.2	58.9
	Absence of tax compliance	11	19.6	19.6	78.6
	Absence of committee/Board of Municipal	12	21.4	21.4	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

- The researcher assessed the causes of low capacity of revenue collection. Findings were as follows; 26.8% of respondents said that extra duty allowance is not provided to all staff, 30.4% of respondents mentioned lack of transport to other staff. 21.4% of respondents mentioned insufficient supervision and 21.4% of respondents mentioned duplication of receipt voucher as shown in Table 4.20. Due to the findings above there is low capacity of revenue collection in Musoma Municipal Council.

Table 4.20: Causes of low capacity of revenue collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extra duty allowances not provided to staff	15	26.8	26.8	26.8
	Lack of transport	17	30.4	30.4	57.1
	Insufficient supervision	12	21.4	21.4	78.6
	Duplication of receipt voucher	12	21.4	21.4	100.0
	Total	56	100.0	100.0	

Source: field data, 2016

- The study assessed availability of Electronic Fiscal Devices (EFDs) for revenue collection. The Findings were as follows; 100% respondents disagreed on the availability of EFDs in the municipal for revenue collection as shown in Table 4.21. These findings imply that MMC has no EFDs in the collection of its revenues. Lack of EFDs in the collection of revenues causes low output of revenue collectors in the finance department.

The interview conducted with the head of Finance department (MT) and Head of Urban Planning and Natural Resource department (MTPO) show that there are no EFDs for

revenue collection but the council planned to put in place those Electronic Fiscal Devices by 1st July 2016.

‘...Tunauhakika ifikapo Juni 30 2016 itakuwa mwisho wa halmashauri hii kukusanya mapato yote kwa njia za kawaida tutaanza kutumia mashine za kisasa ambazo tayati tumeishaagiza na tutawafundisha watumishi watakohusika kukusanya mapato namna ya kuzitumia.pia tumefunga mfumo wa kumbukumbu za walipa kodi na viwanja....’

Table 4.21: Municipality have Electronic Fiscal Devices (EFDs) for revenue collection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	0	0	0	
	No	56	100.0	100.0	100.0
	Total	56	100.0	100.0	

Source: researcher data, 2016

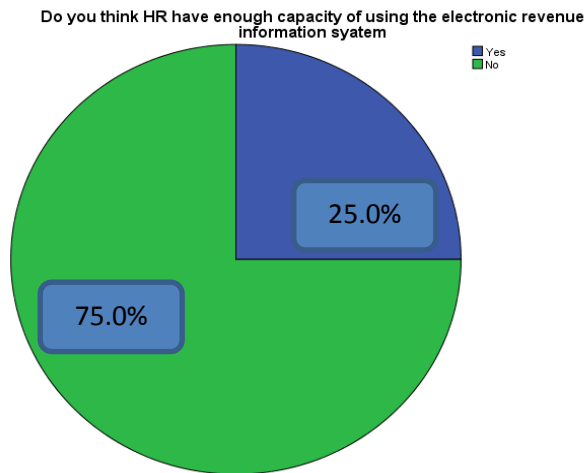
- HRs in finance department has the knowledge of using EFDs. It was found out that about 82.2% of the employees in the finance department lack knowledge on the use of EFDs in revenue collection; only 17.8% have knowledge on how to use EFDs (see Figure 4.6). According to these findings the majority of respondents have no knowledge on how to use EFDs.

Table 4.22 enough capacity of using the electronic revenue information system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	14	25.0	25.0	25.0
	No	42	75.0	75.0	100.0
	Total	56	100.0	100.0	

Source: field data 2016

Figure 4.6: Knowledge on the use of EFDs



Source: field data, 2016

The researcher runs SPSS correlation analysis to understand the correlation between variables in which dependent variable is high Performance of HR & Institutional in Own Sources Revenue Collection while independent variables are Level of education, working experience, skills/professionals, competence, gender and age of the respondent. The result shows that there is weak negative relationship between high capacity of revenue correction with the gender, age and level of education of the respondents while there is a weak positive relationship between the increases of revenue collection with number of years worked (experience), skills/professionals and number of staff.

Table 4.23 Correlation on High capacity of HR in collecting revenue

		Does the support provided by the council can increase capacity of revenue collection	Gender	Age	Level of Education	Number of years worked	Professional competences	Staff enough to collect revenue
Does the support provided by the council can increase capacity of revenue collection	Pearson Correlation	1	-.071	-.261	-.126	.044	.236	.118
	Sig. (2-tailed)		.643	.084	.410	.774	.119	.442
	N	45	45	45	45	45	45	45
Gender	Pearson Correlation	-.071	1	-.102	.251	-.056	.116	.008
	Sig. (2-tailed)	.643		.456	.062	.684	.394	.951
	N	45	56	56	56	56	56	56
Age	Pearson Correlation	-.261	-.102	1	.139	-.234	.037	.087
	Sig. (2-tailed)	.084	.456		.307	.082	.788	.524
	N	45	56	56	56	56	56	56
Level of Education	Pearson Correlation	-.126	.251	.139	1	.058	-.115	.170
	Sig. (2-tailed)	.410	.062	.307		.671	.398	.211
	N	45	56	56	56	56	56	56
Number of years worked	Pearson Correlation	.044	-.056	-.234	.058	1	.010	.071
	Sig. (2-tailed)	.774	.684	.082	.671		.941	.602
	N	45	56	56	56	56	56	56
Professional competences	Pearson Correlation	.236	.116	.037	-.115	.010	1	.044
	Sig. (2-tailed)	.119	.394	.788	.398	.941		.745
	N	45	56	56	56	56	56	56
Staff enough to collect revenue	Pearson Correlation	.118	.008	.087	.170	.071	.044	1
	Sig. (2-tailed)	.442	.951	.524	.211	.602	.745	
	N	45	56	56	56	56	56	56

Source: field data 2016

Regression analysis among dependent and independent variables which is having high Performance of HR & Institutional in Own Sources Revenue Collection as a dependent variable and level of education, staff skills, professional, working experience and training as independent variables. The Pearson regression analysis show that the regression correlation is 0.330^a which indicate that there is moderate positive relationship among variables, the R square is 0.109 which means there is weak positive relationship among them. The standard Error of the estimate is 0.473 which show the degree of freedom is 99.5 so that the study is perfect as shown in table 4.24.

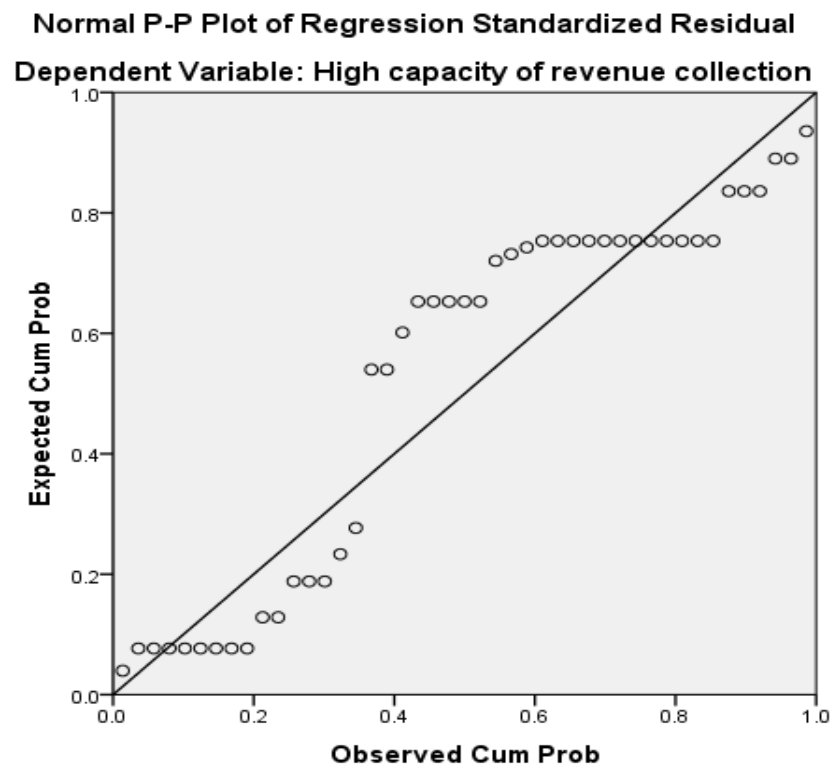
Table 4.24 High capacity of HR & institution performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.330 ^a	.109	.044	.473

Source: field data 2016

Figure 4.7 Regression of high capacity of revenue collection



Pearson correlation between Human resource capacities of the Council's in finance department in revenue collection is 0.070 which means there is a weak positive relationship between having Human resource capacity with gender. This is because the issue of human resource capacity is relevant to both female and male so that the issue of gender cannot hinder any capacity of collecting revenue in The Council.

Table 4.25 Correlations between the Human resource capacity and gender

		Hr. capacities	Gender
Hr. capacities	Pearson Correlation	1	.070
	Sig. (2-tailed)		.611
	N	56	56
Gender	Pearson Correlation	.070	1
	Sig. (2-tailed)	.611	
	N	56	56

Source: field data 2016

CHAPTER FIVE

DISCUSSION

5.1 Introduction

This chapter provides discussion of the three objectives mentioned in chapter two and their findings of data collection.

5.2 Human resource capacity in terms of number, skills/qualifications, competences and working experience

Results in chapter four showed that 24.4% of respondents agreed on the sufficiency of staff in collecting revenue and the majority of the respondents (75.6%) disagreed on the sufficiency of staff in revenue collection as shown in Table 4.1. According to these findings it shows that there is insufficient number of staff in the Council hence revenue collection on the institution is low.

The shortage of staff in the finance department of the Musoma Municipal Council is influenced by a number of reasons; such as low employment of professionals by the government upon graduating from different colleges and most of the present staff members departure from working place to the learning institutions for further study as a results working staff remain insufficient.

On the other hand it was found that revenue collection in MMC is very low for the reason that number of staff employed in finance department is very low compare to the work load of the institution this proved by the 73.3% of the respondents who said that the reason for insufficiency of staff at the municipal is few number compared to the department requirement of staff as illustrated in Table 4.2 Therefore according to those findings the main reasons for the insufficiency of staff in revenue collection in Musoma Municipal Council include few staff employed at the finance department, the municipal coverage areas being larger than the number of employees and rapid growth of the municipal. So that there is a need of integration between the plans of staff recruitment with the department staff requirement. These findings validate with the “**fit perspective theory**” which shows that, for the organization to perform better, HRM practice should be intergraded (alignment) with the strategic planning process of the organization.

Because even the best laid strategic plans cannot be implemented without taking into account the HR practices

It was also found that 100% of respondents agreed that the collection of revenue requires experienced and qualified employees as shown in table 4.3. Therefore it is obvious that the collection of revenues need more experienced and qualified employees. Actually lack of professionals who have specialization in tax collection may lead to low collection of the revenue. For example it difficult to employee who is human resource officer has no any knowledge of tax collection to perform well in field of revenue collector. Findings also showed that majority of respondents (66.7%) disagreed on enough skills, professionalism and experience as shown in table 4.4. Despite the fact that available staffs are insufficient in number yet their profession is in accordance to the required standards. These findings supported by “**Human Capital Theory**” which explains how knowledge, skills, experience and capability are important on enhancing organizational capacity. It has been recognized that investment in education, training and experience can bring significant wage and job benefits to both individuals and institutions

Therefore in accordance to what was found in chapter four regarding the human resource capacity in terms of number, skills, competence and work experience is very importance to the employees who has been employed to perform a certain duty in a performance manner. So that it is the employer or council responsibility to make sure that all staff in finance department who deals with the revenue collection well educated in the field concern and trained and the skill should be developed by focusing the Council requirements of increasing the level of revenue collection and met the Council goal. (75.6%) of the respondents state the reasons for the shortage of staff included few staff employment in finance department (73.3%); other reasons include rapid growth of the municipal and large coverage area of the municipal compared to workers employed. Study also revealed that the majority of human resources do not have enough skills, professionalism as well as experience as state in chapter four

5.3 The contribution of Musoma Municipal Council in assisting human resource capacity

From the study findings as shown in chapter four, Musoma Municipal Council contribute in assisting Human Resource Capacity in revenue collection through several measures like providing motivation to its staff members, training development based on revenue collection, provision of allowance, transportation and provision of working facilities, enough number of workers, transparency, commitments and introducing new technology system of using electronic machines for record keeping.

97.8% of the respondents state that recruitment and selection in Musoma Municipal Council is done properly as shown Table 4.7. According to these findings the recruitment and selection is done properly. The findings are telling us that, the procedures which are used in getting people to be employed follow rules and regulations of the government, but the process of recruitment of skills/professional from diploma holder to above conducted by center and Local Government Authorities has no mandate to recruit except the lower carder or operational service like security Guard, Office Assistant and Drivers. This proved also by Head of Human Resource and Admiration Department who revealed that ' *...as Council we are received professional employees from the center because the 90% of recruitment process done by center and our side we have minor duty just to complete a small part of offering the letter of appointment and orientation process...* ' and 73.3% of respondents said that the recruitment and selection is done by qualified HR staff, as shown in table 4.8. chapter four. These findings still show that the right people are used in recruiting the staff and for that matter whoever is obtained as the staff in the department is the right candidate.

Further findings showed that 82.2% of the respondents agreed on the availability of the plans to conduct training to officials on own source of revenue collection and only 17.8% disagreed (see Table 4.9). In this regard the availability of the plans in conducting own source revenue training program will be useful in imparting tax collection knowledge to its staff. It also implies that the Municipal is somehow organized on the way it ensures the competence of the staff.

It was found that 62.2% of the respondents agreed that staff training increases capacity of revenue collection and only 37.8% of respondents disagreed (see Table 4.10). Therefore according to these findings staff training increases capacity of revenue collection. Findings also showed that 24.4% of respondents mentioned change of attitudes and another 24.4% of respondents mentioned motivation (see Table 4.11). Therefore apart from training, also motivation and change of attitude can help in increasing revenue collection. Furthermore the findings showed that 64.4% of respondents mentioned transport provision, 15.6% of respondents mentioned allowances and 20% of respondents mentioned both transport and allowance provision (see Table 4.12). The Municipal according to these findings has been providing transport allowance as the main incentive method to its staff. This helps in increasing the morale of workers.

Therefore in accordance to the findings on the contribution of Musoma Municipal Council in assisting human resource capacity it was found out that contribution of Musoma Municipal Council in assisting human resource capacity of finance department in collecting own source revenue. Study found that the council supports the HRs in the finance department by provision of transport and allowances. It was also found that the methods used in collection of own source revenue is out sourcing and employees. It was also found that the council had plans for conducting own source revenue to finance officials. The study also found that revenue collection can be increased by training staff but also through change of attitude and by motivating workers.

5.4 The output/result produced by human resource of finance department

From the study the findings show that the output produced by Human Resource Capacity in Revenue collection in the institution are low performance, low collection of revenue, lack of commitment within the staff and transparent within the organization. In chapter four the findings showed that 100 % of respondents said that the current own source revenue is not properly collected as shown in Table 4.13. The collection of revenue in MMC is not utilized to the maximum. It seems that the situation is a result of low motivation of the staff, low education in revenue collection, and absent of tax compliance. The absence of institution facilities such as transport, Electronic Fiscal Devices machines (EFDs), sufficient infrastructure like roads and council planning are resulted from Human Resource Capacity in the institution. So that human resource capacity in the Council is very important to support a wide range of Council objectives and this require the competent employees in finance department purposely to raise more revenue and rich to the Council goal, mission and vision. These findings are evidenced by “**Competency Model**” which shows that performance management process becomes stronger when employees are appraised on both objectives (what) and behavioral performance (how) and human capacity can be built in five areas of HRM practice which includes; the training and development, Compensation management, Performance management, Selection and Career development.

4% of respondents mentioned insufficient supervision and 25.6% of respondents mentioned duplication of receipt voucher (see Table 4.15). Non-repayment of extra duty allowance to staff, lack of transport supervision to some staff, insufficient supervision and duplication of receipt voucher is the source of low capacity of revenue collection in Musoma Municipal Council as shown in this study. The absence of EFDs in the municipal council is another big problem for revenue collection as shown in table 4.16. These findings imply that MMC has no EFDs in the collection of its revenues. Lack of EFDs for revenues collection causes a low output of revenue collectors in the finance department. Majority of the employees about 82.2% of the employees in the finance department have no knowledge on the use of EFDs in revenue collection this evidenced by the 82.2% of respondents who were interviewed through questionnaires. But only 17.8% have knowledge on how to use EFDs (see Figure 4.5). Lack of knowledge on how to use EFDs is also another challenge as far as tax collection is concerned. This is because lack of search machines in tax collection may lead to insufficient tax collection by the Municipal. It obvious that the output produced by Human Resource Capacity such as low revenue collection and low performance of the institution is contributed by mentioned challenges.

CHAPTER SIX
SUMMARY, CONCLUSION, RECOMMENDATIONS AND POLICY
IMPLICATIONS

6.0 Introduction

This chapter presents the research summary, conclusion, recommendation and policy implications in which different sectors and research consumers should work on to improve the situation of revenue collection in finance department through Human Resource.

6.1 Summary

The study wanted to know the Capacity of Human Resource in Finance Department in revenue collection on the Municipal Council. It is the case study design conducted in Musoma Municipal Council between October 2015 and June 2016. The study aimed to make the problem of revenue collection in Local Government Authority such as Municipals and District reduced or removed through identifying the contribution of variables as explain in the theoretical framework. The study involved 56 respondents, 46 are selected from simple random sampling and 10 obtained by purposive means. The study used both primary and secondary means of data collection, and data collected analysed by various statistical means.

Due to the response of the respondents of Musoma Municipal Council the researcher find out that, building Human Resource Capacity is very important to the Institution so as to make revenue collection in the institution and performance become very high. However, in Musoma Municipal Council; the issue of building Human Resource Capacity needs to be improved especially in this time of science and technology where many working places using electronic machine for keeping their records and revenue collection.

6.2 Conclusion

The study revealed that number of staff, skills/qualification/professional, working experience competences, good structure reward and motivation management, communication and recognition, training management, performance management, are a crucial factor in ensuring effective HR capacity in revenue collection at the decentralized government system. Despite its importance, the study results showed that the existing institutional arrangement regarding the HR capacity at MMC had contributed the failure of HR capacity at the Council. A number of factors that influence staff performance at the Council included qualified personnel, enough skills, Working Experience, training and development programs, transparency, commitments and introduction of new technology system of using electronic machines.

Human Resource Capacity in Council's revenue collection in Finance Department is very important for the Institution since Local revenue generation is based on the decentralization policy and the accompanying constitutional and other legal provisions making it operational. The diversity in the list of factors that have contributed to the interest in fiscal decentralization reflects institutional differences across countries. Institutional factors, such as political, social, legal and economic conditions are important for the analysis of public finance issues, but they are especially important for the analysis of fiscal decentralization.

6.2.1 The human resource capacity in terms of number, skills/qualifications, competences and working experience

The study found that the number of staff is not enough in the collection of revenue (75.6%). The reasons given for the shortage of staff included few staff employment in finance department (73.3%); other reasons include rapid growth of the municipal and large coverage area of the municipal compared to workers employed. Study also found that the majority of human resources do not have enough skills, professionalism as well as experience (66.7%). Lastly study found that the majority of workers have worked in the finance department for the period between 6 to 10 years. Therefore the human resource capacity in finance department of Musoma Municipal Council is low.

6.2.2 The contribution of Musoma Municipal Council in assisting human resource capacity

Study found that the council supports the HRs in the finance department by provision of transport and allowances. It was also found that the methods used in collection of own source revenue is out sourcing and employees. It was found that, the council had plans for conducting training to their staff for own source revenue to finance officials. The study also found that revenue collection can be increased by training staff but through change of attitude and by motivating workers. “The Municipal Council had a plan of using the Electronic Machines for revenue collection which shall start effectively on 1st July, 2016 we expect to raise more collection to compare the previous years”.

6.2.3 The output/result produced by human resource of finance department in MMC

The study found generally that the output produced by human resource as far as revenue is concerned is very low. So of the reasons for low output in revenue collection include lack of using EFDs in revenue collection. Some of the workers do not even know how to use EFDs. Other reason include lack of motivation to workers for instance non-payment of extra duty allowance to all staff, lack of transport to other staff, insufficient supervision as well as duplication of receipt vouch

6.2.4 General Findings and Discussion

The study is valid as it shows that Human Resource Capacity in revenue collection in finance department can be built through enough number of staff, skills/qualification/professional, working experience, competences, good structure, reward and motivation management, communication and recognition, training management, performance management, transparent, commitments, and proper recruitment and selection this can be seen on figure 4.7 which shows the Plot of high performance in which the line shows positive relationship. Therefore the study finds out that building Human Resource Capacity in finance department is the duty of institution through its administration system. Employer has great role on ensuring that their employees has enough skills, working experience, qualification, transparent and commitment and those necessary seminars and training are given to employees. The

study found that Musoma Municipal Council is trying its level best in supporting the staff yet the support provided is not sufficient to all staff in the Municipal. The study also observed that the output produced by human resource of finance department is very low due to the fact that no use of EFDs in revenue collection, no motivation to employees, absence of tax compliance as well as low education level to some staff.

6.3 Recommendations

Here is the recommendation for each findings and discussions done as well as general recommendation.

6.3.1 The human resource capacity in terms of number, skills/qualifications, competences and working experience

In the light with the findings in chapter four researchers would like to give the following recommendations;

It is recommended that the staff in the finance department at MMC should be trained on how to collect maximum revenue from the own sources in the municipal. Musoma municipal Council should establish Electronic revenue information system (EFDs) in the council. Thirdly it is recommended that the municipal should adhere to the government rules and regulations in revenue collection. Fourthly, it is recommended that employees in the finance department should be motivated so as to initiate morale in their hearts in collecting more revenue. Fifthly, tax compliance should be introduced and lastly the committee/board whose members are outside the municipal workers should be formulated.

6.3.2 The contribution of Musoma Municipal Council in assisting human resource capacity

Musoma Municipal Council should assist its Human resource by establishing training programs which will not affect the institution performance, prepare good organization structure which will not affect both institution and its Human Resource. Apart from that MMC should make sure that infrastructures and working facilities are enough so as Human Resource can facilitates their duties easily.

6.3.3 The output/result produced by human resource of finance department in

MMC

The study shows that the output produced by Human Resource in Revenue collection are low performance, low collection of revenue and the institution fail to achieve its goals. The recommendation on this to the Government is to establish new curriculum which is specifically on revenue collection which will help to provide knowledge and skills required in revenue collection.

6.3.4 On general findings and discussion

The recommendation of the general findings and discussion for the Municipal and Local Government is to make sure that Human Resource Capacity in Finance department are trained on how to use EFDs properly so as to perform their duties properly .Apart from that it should employ the skilled person and professional on the revenue collection as well as employed people according to the work load of the institution.

6.4 Need for further research

From the result shown in this study there is low collection of own source of revenue in the institution which caused by Human Resource capacity in revenue collection in finance department. So there is a need for further scientific finding on the relationship between Human resource and infrastructure on revenue collection to the institution. So researchers have to undergo further studies so as to understand relationship between Human Resource and infrastructure on revenue collection.

6.5 Policy implications

From the study, for the decentralisation to be smoothly effective local Government should be given full autonomy on Human Resource to manage appointment and promotion process in the council and establish new curriculum that focus to provide knowledge and skills on revenue collection of the Government.

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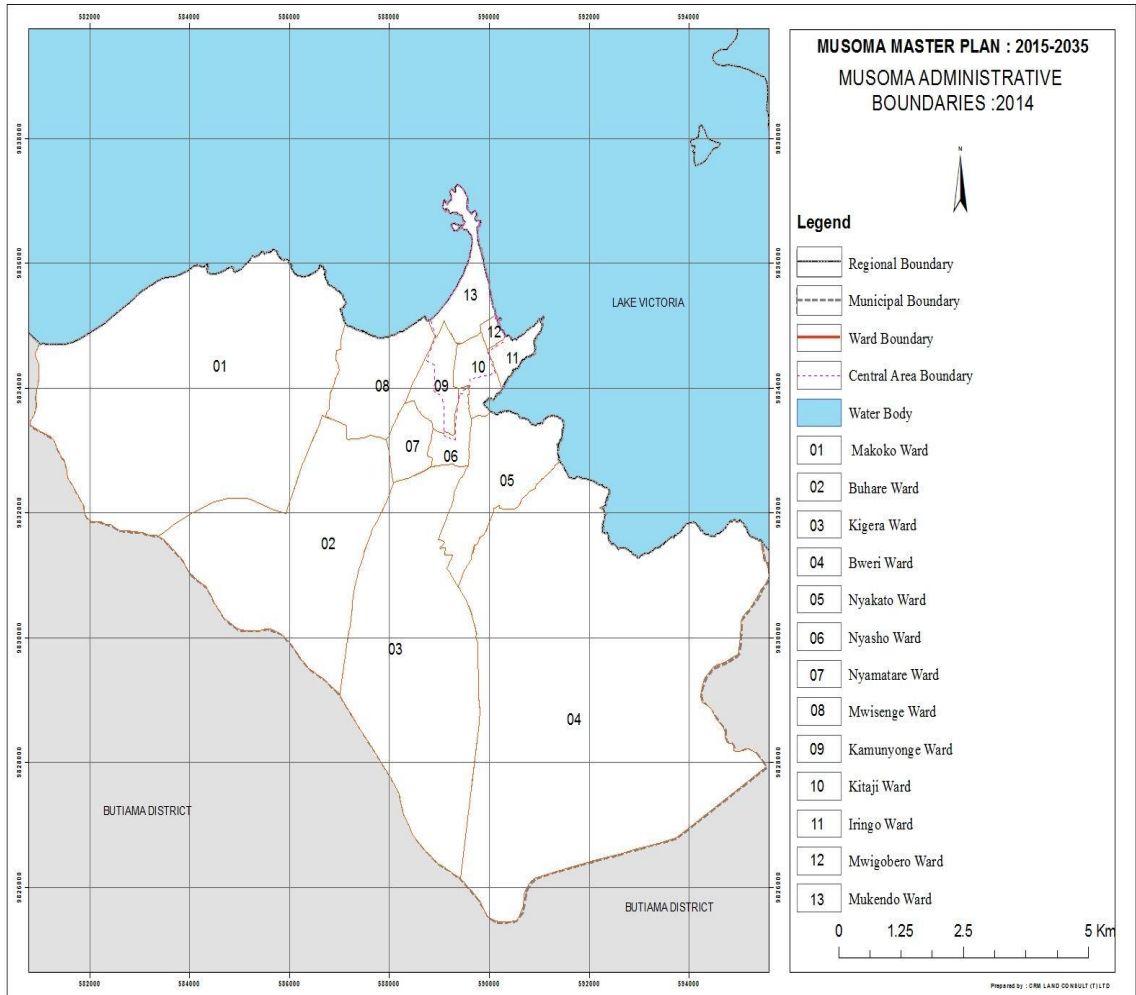
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APPENDICES

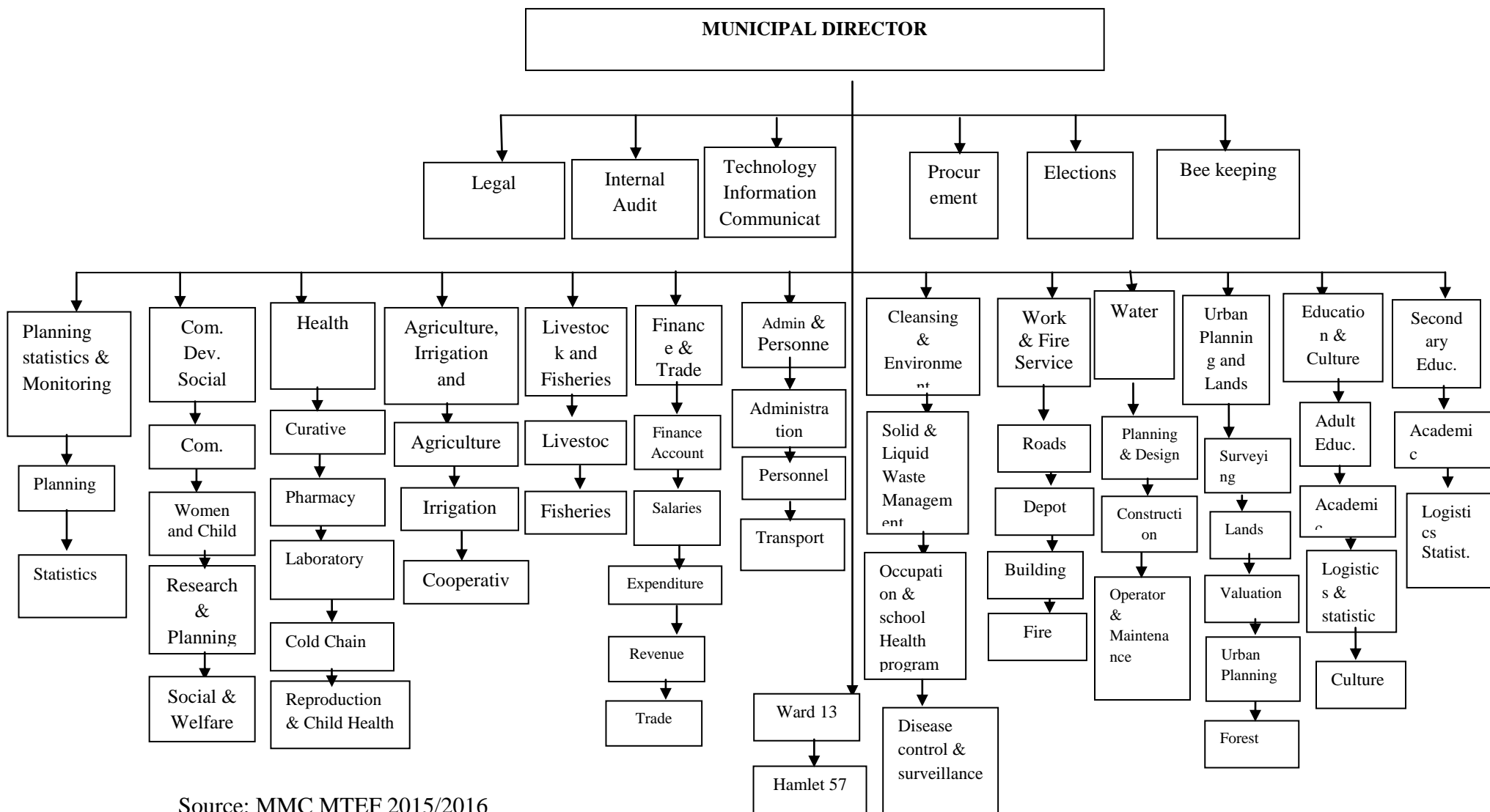
MUSOMA MUNICIPAL COUNCIL MAP: ADMINISTRATIVE BOUNDARIES



Source: Musoma Municipal Master Plan Region Setting 2014

MUSOMA MUNICIPAL COUNCIL

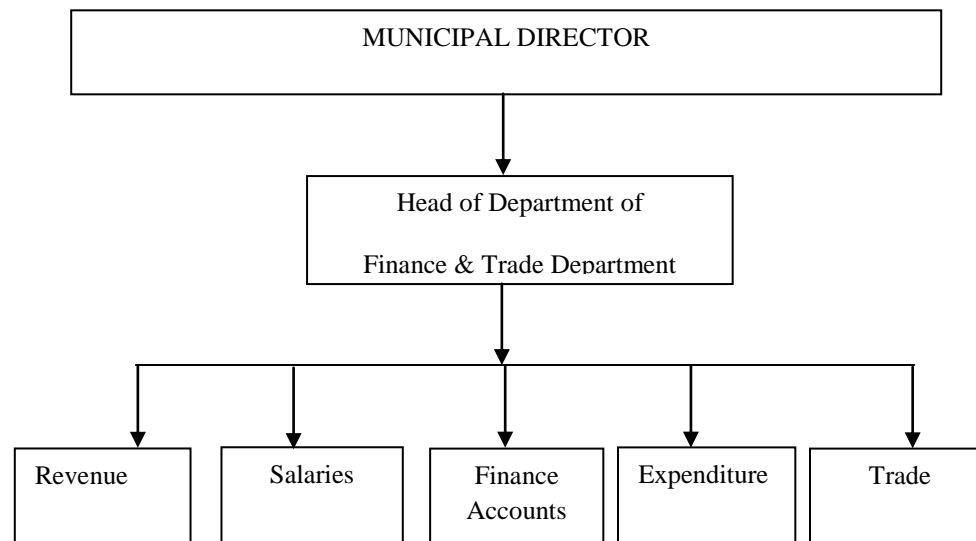
ADMINISTRATION ORGANISATION CHART - 2016



Source: MMC MTEF 2015/2016

MUSOMA MUNICIPAL COUNCIL

ORGANIZATION CHART OF FINANCE AND TRADE DEPARTMENT



APPENDIX IV

QUESTIONNAIRE

I am student pursuing Master of Science degree in Human Resource Management (MSc-HRM) at Mzumbe University (MU), Main Campus Morogoro. I am conducting a study on the “human resource capacity of Finance Department in collecting own source revenue in this council. The main objective of this study is to find out the capacities of Human Resource of financial department in collecting their own sources of revenue in Musoma Municipal Council. The report that will be produced from this study will act as a partial fulfillment of the qualifications for an award of the above mentioned degree. However the research report will help to increase the revenue collection at Musoma Municipal Council. To make this study a success, I kindly request you to respond to the questions below by fill in the blanks or tick in boxes provided and for the open ended questions please record answers in the space provided. If the space provided is not sufficient you can use another sheet and number it to correspond with the number of the questionnaire. Please, note that the information you provide will be treated as confidential and will be used for academic purposes only.

PART A:

PERSONAL PARTICULARS

1.0 Personal Characteristics and General Information

Instruction: Please put where appropriate and to the blank space write a text

1. Gender

1.Male	2.Female
<input type="checkbox"/>	<input type="checkbox"/>

2. Age (In Years)

1. 18-25	2. 26 – 35	3. 36-50	4. 51 and ab
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Level of Education

1.	S/NO	LEVEL OF EDUCATION	
2.	1	Primary education	
3.	2	Secondary education	
4.	3	Certificate	
5.	4	Diploma	
6.	5	Bachelor Degree	
7.	6	Master Degree	
8.	7	Others (Specify)	

4. Professional Competences

S/NO	PROFESSIONAL COMPETENCES	
1	CPA	
2	ACCCA	
3	ANY OTHER	

5. Length of service (Number of years worked)

1.	0 - 5	6 - 10	11 - 15	16 -25	26 and above

6. What is your major occupation (state your Position)

S/NO	Occupation	Remark
a)	Human Resources Officer	
b)	Planning Officer	
c)	Accountant	
d)	Trade Officer	
e)	Supplier Officer	
f)	Internal Auditor	
g)	Valuer	
h)	Land Officer	
i)	Others (specify)	

2.0. Human Resource Capacities in revenue collection.

2.1. Do you think finance Department have sufficient number of staff in collecting own source revenue?

(1) YES { } (2) NO { }

2.2. If the answer is 'NO' in question 2.1 above, explain why?

- (a).....
- (b).....
- (c).....

2.3 If the answer is 'YES' how?

.....
.....

2.4. Do you think own source revenue collection need more experience and qualified employees?

(1) YES { } (2) NO { }

2.5. If the answer is YES in question 2.4 above explain why

- (a).....
- (b).....
- (c).....

2.6. If the answer is NO in question 2.4 above explain why

- (a).....
- (b).....
- (c).....

2.7 Do you think Finance Department has human resource (staff) with enough skills, professional and Experience?

(1) YES { } (2) NO { }

2.8 If the answer is NO in question 2.7 above, state reasons

- (a).....(b)
-
- (c).....

2.9 If the answer is 'YES' how? State

.....
.....
.....

2.10 What methods do you use in collecting your own source revenue?

- (1) Outsourcing
- (2) Employees
- (3) Independent contract { }
- (4) Both 1 & 2
- (4) Others (state)

2.11 Explain why do you choosing to use that methods mentioned in question 2.8 above

.....
.....
.....

212. Do you think recruitment and selection is properly done?

If the answer is 'YES' state how

.....
.....
.....

If the 'NO' state why

.....
.....
.....

3.0 Contribution of Municipal Council in assisting human resource capacity of Finance Department in collecting own source revenue.

3.1 Do you think Municipal Council has any plan on conducting revenue collection training to the Finance Department officials?

- (1) YES { }
- (2) NO { }
- (3) I don't know { }

3.2 Do you think conducting training to the staff can help to increase the capacity of revenue collection? (1) YES { } (2) NO { } (3) I don't know { }

3.3 If the answer is ‘NO’ Explain what do you think can help to increase collection of revenue?

- a)
- b)
- c)

3.4 How does the Council assist human resources capacity of Finance Department to meet goals of revenue collection in FY 2015/2016?

- a)
- b)
- c)

3.5 Do you think that support provided by Council can help to increase performance capacity of revenue collection? (1) YES { } (2) NO { }

3.6 If the answer is NO in question 3.5 state why

- a)
- b)
- c)

4.0 How does the output produced by HR of Finance Department ensure effectiveness in collection of own source revenue?

4.1 What are the causes of low capacity of revenue collection in Musoma Municipal?

- a)
- b)
- c)

4.2 Do you think the current own source revenue in the Musoma Council is properly collected.

(1) YES { } (2) NO { }

4.3 If the answer is “Yes” in question 4.2 above state how

- a)
- b)
- c)

4.4 If the answer is “NO” in question 4.2 above state why

- a)
- b)

4.5 Do the Municipality have any Electronic revenue information System which used by human resource for revenue collection?

- (a) YES { } (b) NO { }

4.6 If the answer is YES in question 4.5 mention it

- a)
- b)
- c)

4.7 Do you think human resource have the enough capacity of using that Electronic revenue information system?

- a) YES { } b) NO { } c) I don't know { }

4.8 What should be done to improve proper collection of own source revenue in this council?

- a)
- b)
- c)

Thank you for your Participation

IF YOU WISH TO HAVE A COPY OF THIS REPORT PLEASE PROVIDE YOUR EMAIL AND MOBILE BELOW.

INTERVIEW GUIDE

1. Following the local government reform policy of 1998 give Authority to the LGAs on collecting revenue and expenditures. How Musoma Municipal Council succeeded in collecting revenue?
2. Following the C.A.G's consecutive four years report since 2010/2011 to date, it seems that there is an increase of revenue collection. But the council has not been effective in collecting the intended amount of revenues. For example property tax. What are the strategies being put forward by the council to ensure effective collection of revenue?
3. Do you think the Finance Department itself has the capacity of collecting revenue from all sources?
 - a). If the answer is 'YES' how state
 - b). If the answer is 'NO' state why?
4. Which own sources are collected properly? Do you think why? State
5. Which own sources are not properly collected? Dou you think why? State
6. What measure taken by human resource of Finance Department to increase and meet the intended revenue collection goals?
7. What are the future plans of the Municipal Council in providing capacity building to the human resources revenue collector?
8. The government has been insisting the use of Electronic Machines in revenue Collection and expenditures. How far does the council manage this?

APPENDEX VI

DODOSO KWA AJILI YA MSTAHIKI MEYA, MKURUGENZI NA WAKUU WA IDARA KATIKA HALMASHAURI YA MANISIPAA YA MUSOMA.

1. Kutokana na sera ya maboresho ya serikali za mitaa ya mwaka 1998 inazipa halmashauri mamlaka ya kukusanya mapato ya ndani na kupanga matumizi. Je halmashauri yako inavyanzo vyanzo vya mapato vingapi? Je mnafaulu kukusanya mapato katika vyanzo vyote?
2. Kutokana na taarifa ya mkaguzi na mdhibiti wa hesabu za serikali kwa kipindi cha miaka minne mfululizo kumeonekana kuwepo kwa ongezeko la makusanyo ya ndani. Lakini kuna baadhi ya maeneo ambayo halmashauri haikusanyi vizuri na kupelekea kutofikia lengo lililokusudiwa. Kwa mfano kodi ya majengo. Je ni mikakati gani mliojiwekea kufikia malengo ya ukusanyaji?
3. Je idara ya Fedha yenyewe inauwezo wa kukusanya mapato yote kutoka vyanzo vya ndani?
 - a). Kama jibu lako ni ndiyo unadhdhani ni kwanini?
 - b). Kama jibu lako ni hapana unadhani kinachokwamisha kufikia malengo ya ukusanyaji ni nini?
4. Je ni vyanzo gani Vinakusanywa Vizuri? unadhani ni kwa nini?
5. Je vyanzo gani Havikusanywi Vizuri?unadhani kwa nini?
6. Hatua gani idara inachukua kuhakikisha Makusanyo katika vyako hivyo yanaongezeka.
7. Halmashauri inamkakati gani kuhusu kuwajengea uwezo watumishi wa idara ya fedha ili waweze kukidhi haja ya ukusanyaji wa mapato ya ndani?
8. Serikali imeendelea kuisitiza kuweka mifumo thabiti ya electronic katika ukusanyaji na udhibiti wa mapato ikiwa ni pamoja na watalaam wa kuitumia. Je halmashauri ya Manispaa imefaulu kutekeleza hili?
 - a). Kama jibu ni ndiyo unaweza kuilezea kwa kila mmoja?
 - b). Kama jibu ni hapana je mnamkakati gani?
 - c). Watumishi wanautalaam wa kutosha kuitumia mifumo hiyo?