EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON PERFORMANCE OF SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN DAR ES SALAM, TANZANIA: THE MODERATION OF INSTITUTIONAL FACTORS

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A THESIS SUBMITTED IN FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS MANAGEMENT (PhD) DEPARTMENT OF ACCOUNTING AND FINANCE OF THE OPEN UNIVERSITY OF TANZANIA

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CERTIFICATION

The undersigned certifies that they have read the report entitled **"E*ffect of Human Resource Management Practices on Performance of Savings and Credit Co-operative Societies in Tanzania: Moderation of Institutional Factors"*** in partial fulfilment of the requirements for the Degree of Doctor of Philosophy (PhD) in Business Management of the Open University of Tanzania.

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DECLARATION

I, **Sudi Shomari Mangara,** declare that this report is my original work and has not been submitted for a similar degree at any other Institution or University. Relevant citations were made where other authors' work was used. It is hereby presented in partial fulfilment of the requirements for the Degree of Doctor of Philosophy (PhD) in Business Management of the Open University of Tanzania.

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Signature

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Date

DEDICATION

I dedicate this work to my lovely wife, CPA Elvida Clement Kapya and our children Goodluck Sudi Mangara, Baraka Sudi Mangara, Ibrahim Sudi Mangara and Fadhili Sudi Mangara.

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ABSTRACT

This study was conducted in the Dar es Salaam region in Tanzania to determine the effect of human resource management practices on the performance of SACCOS. The specific objectives were to assess the effect of training, recruitment and incentives on the performance of SACCOS. Moreover, the study assessed the moderating role of Institutional factors of rules, norms and culture in explaining the relationship between human resource management practices and the performance of SACCOS. The study was guided by Herzberg's two-factor theory and institutional theory. The study adopted a positivist philosophy, a deductive research approach and an explanatory research design. Structured questionnaires and survey strategies were employed to collect data. The study used simple random sampling to select the SACCOS from the Dar es Salaam region for the survey. Primary data were collected using a structured questionnaire from five districts of Dar es Salaam region. A sample size of 143 SACCOS was collected from a population of 517 SACCOS. Data were analysed using descriptive, multiple regression and hierarchical regression techniques models with the assistance of IBM SPSS version 26. The results suggested that human resources management practices of training, recruitment and incentives had a positive and significant effect on the performance of SACCOS. The findings further indicated that the moderation role of the rules and norms was insignificant. However, the findings suggest that the culture's moderating role was positive and significant. The study recommends that policymakers set policies that promote good norms and rules in Tanzanian SACCOS.

Keywords: *Performance of SACCOS, Training, Recruitment, moderating Role of Incentives, Norms, Rules and Culture.*

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LIST OF ABBREVIATIONS

AMCOS   Agricultural Marketing Cooperative Societies

HRM   Human Resource Management Practices

HRMP   Human Resource Management Practices

IBM   International Business Machine

MFIs   Microfinance Institutions

NIT   New Institutional Theory

OUT   Open University of Tanzania

SACCOS   Savings and Credit Cooperative Societies

SMEs   Small and medium Enterprises

SPSS   Statistical Package for Social Science

TCDC   Tanzania Cooperative Development Commission

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter presents the background of the study, statement of the problem, research objectives, general objective, specific objectives, significance of the study, research scope and organization of the thesis.

1.2 Background of the Study

Scholars worldwide use the concept of SACCOS and credit unions interchangeably (Ndiege et al., 2016). Savings and Credit Cooperative Society (SACCOS) or credit union is an independent membership-based association of people who voluntarily joined to meet their economic and social goals (Mlay et al., 2022). Credit unions provide financial services, particularly microcredit, to the poor and marginalized populations (Hoque et al., 2022). The credit unions promote local economic and social development, economic growth, and employment opportunities (Parrales Choez et al., 2022 & Alonso et al., 2023). These financial institutions aim to promote financial inclusion and empower the members by providing loans and other financial services (Mwita, 2024). The SACCOS contributes to income poverty by providing capital to members who invest in economic activities such as business, agriculture, handicraft and livestock keeping. Through investment, SACCOS client improve their livelihood through increasing income, number of meals and acquisition of assets (Marango, 2023). SACCOS contribute to Tanzania's socio-economic development by providing affordable financial services, promoting entrepreneurship, enhancing financial inclusion, reducing poverty, and empowering communities through savings

and credit access. (Marango, 2023).

Credit unions globally face challenges linked to human resource management and performance of SACCOS. These challenges include leadership and succession plans in South Florida in the USA (Will et al., 2022). Lack of a succession plan is a barrier to effective human resource management development. In Brazil, credit unions faced the challenges of stiff competition with other financial institutions and a decline in client numbers (Deggerone & Deffaci, 2022). Stiff competition demands skilled human resources who can overcome the competition. In the United Kingdom, credit unions face the problem of low levels of deposits and non-performing loans. British Credit union borrowers experienced financial worsening because they saved less, had unsafe debts, were less qualified and were likely to default on their loans (Vik and Wallace, 2022). These challenges demonstrate that the human resource officers could not educate clients well on the role of deposits and repayment of the loans. In Canada, the credit unions faced the challenges associated with adopting the contemporary challenges (Unda & Ranasinghe, 2021). In Indonesia, credit unions faced the challenge of failure to integrate the technological and operational approach (Kusuma et al., 2022). The rapid change of technology requires staff who are competent in utilising technological tools.

In Tanzania, SACCOS has also been a vehicle for mobilizing human capital. In 2023, SACCOS employed 12,031 employees; females were 3,434, and males were 8,597. Moreover, in 2023, SACCOS contributed to the Government revenues by paying taxes and other deductions worth TZS 12.52 billion from TZS 9.53 billion in 2022, indicating an increase of 23% (TCDC, 2024).

The background of SACCOS in Tanzania can be traced back to 1938, when the first SACCOS was introduced by the Ismailia group in Moshi town (Minja et al., 2022). SACCOS grew in numbers in the 1960s, but in 1975, the Government abolished the SACCOS by arguing that they interfered with the socialization procedure (Nyamsogoro, 2010). In 1990, during the adoption of the financial liberation policies, the SACCOS was revamped again. From this time, the SACCOS started to grow in numbers, and the government promoted their expansion in different parts of Tanzania, recognizing their role in promoting their clients' capital access and livelihood. However, the growth of SACCOS, as emphasized by the Government, caused some ghost and unqualified SACCOS to be established. Due to proper supervision by the TCDC, in 2020, the TCDC deregistered 2,554 SACCOS, which was 41% of all (6,178) SACCOS in Tanzania due to non-functioning SACCOS and non-traceability (Jacob, 2023).

The Tanzania Cooperative Development Commission (TCDC) is mandated to promote, register, license and supervise all cooperative societies in Tanzania (TCDC, 2024). Therefore, TCDC is mandated to oversee financial cooperatives, mainly Savings and Credit Cooperative societies (SACCOS) and non-financial cooperatives such as Agricultural Marketing Cooperative Societies (AMCOS), which deal with crops, livestock keepers, fishers, and workers cooperatives (TCDC, 2024). SACCOS numbers in Tanzania have been fluctuating over different years. In 2023, TCDC reported a decline in the number of SACCOS from 2,034 to 1,283 in December 2022. However, the savings and deposits increased from Tanzania shillings of 871.30 billion to 966.94. Tanzanian shillings. Moreover, the number of members increased

from 1,814,803 to 1,805,424. Furthermore, non-performing loans increased from Tanzanian shillings 1.045 billion to TZS 1.113 trillion. The decline in the number of SACCOS and the increase in the number of non-performing loans show the challenges occurring in the Tanzanian SACCOS.

Moreover, the SACCOS in Tanzania are encountering challenges in the recruitment of qualified staff, challenges in product design, service delivery channels, poor administration and poor leadership skills in cooperative societies (Mwaipaja & Magali, 2024). The challenges also included poor business practices and negotiation skills, a lack of professionalism in running cooperative societies, an absence of strategic and business plans, corporate strategies, and action plans to be used as tools in managing their businesses (TCDC, 2024). Some cooperatives are too rigid to cope with modern economic realities, with little public awareness, especially among youth, of the importance of cooperation (Mwita, 2024). Other challenges are the inadequately skilled employees who implement directives from the Tanzania Cooperative Development Commission (TCDC), which supervises cooperatives and SACCOS in Tanzania (Mwaipaja & Magali, 2024). The SACCOS also face the challenges of dishonesty among some leaders and management teams, leading to embezzlement of funds and mismanagement of assets (TCDC, 2024).

In Africa, Barpanda and Bontis (2021), Muithya and Muathe (2020), Eyupoglu and Tashtoush (2020) and Ofei et al. (2020) in Ethiopia, Ghana, South Africa and Kenya, conducted a study on human resource management practices. Their findings indicated a positive relationship between training and the performance of SACCOS.

The studies suggested that if an organization invests in training its employees, it would improve the performance of SACCOS. Odunayo (2019) supported this evidence in Nigeria. The results of these studies indicated a direct relationship between recruitment and training and the organisation's performance. This finding was supported by the study by Sagwa and Kembu (2021) in Kenya. The findings showed that the rise in SACCOS's performance was due to improved training and incentive system. The gap between these studies did not use the moderation of institutional factors.

Tanzanian SACCOS challenges are linked to weak human resource management (Mwita, 2025). The staff in SACCOS manifest poor recruitment practices, capacity-building inadequacy, and poor performance monitoring. This indicates poor human resource management (Kiswili et al., 2019). It has been evidenced by Muteshi al. (2024) that many Tanzanian SACCOS recruit unqualified staff who lack skills in customer services, financial management, and governance, leading to inefficiency and mismanagement. Organised training and development programs hinder staff from adapting to modern practices. Moreover, poor human resource policies fail to enforce accountability. Instead contributes to poor customer service, loan defaults and fraud. Therefore, the poor human resourcess in SACCOS encourage its poor performance.

In Tanzania, studies conducted by Daudi and Mbugua (2018) examined the impact of human resource management practices on the performance of savings and credit cooperative societies. The study revealed that HRMP, namely recruitment, training and incentives, were the most practised and increased the effort of the management

system to realize better financial performance (Mwita, 2024). However, the studies did not use the moderation of institutional factors.

Some scholars associated the SACCOS' challenges with poor human resource management practices due to a lack of proper recruitment, training and staff incentives. Etefa (2022), Mlawa (2021), and Jillo et al. (2023) asserted that human resource practices foster fulfilling the organization's goals. However, Etefa (2022) associated human resource management practices with the future viability of an Ethiopian Cooperative Bank without considering the influence of institutional variables. Armstrong (2020) declared that human resource planning helps employees maximize their performance. Jillo et al. (2023) just mentioned human resource practices as one of the determinants of Kenyan SACCOS's financial performance and innovation. However, no proper analysis was conducted to substantiate how the human resource management practices influenced the financial performance of SACCOS in Kenya. Alserhan and Shbail (2020) linked human resource management practices and the competitive advantage of private Universities in Jordan, but this was not done in SACCOS. Gulzar (2019) assessed how the private sector human resource practices influenced Banks in Cashmir. However, this was not done in SACCOS.

Barpanda and Bontis (2021) assessed how human resource management practices influence the MFI's performance in India, concentrating on the role of intellectual capital. However, the study did not focus on the moderating role of the Institutional theory variables. Reimara (2021) revealed that employees worked hard when organization increased their wages, rewards, recognition, and achievement in Dubai.

In linewith that, these studies did not use the moderating role of institutional factors. In Jordan, Eyupoglu and Tashtoush (2020) examined the role of human resource management practices on organizational behaviour. However, the study did not concentrate on the SACCOS. Sagwa and Kembu (2021) in Kenya showed that the rise in SACCOS's performance was due to improved training and incentive systems. However, these studies neither used incentive as an independent variable nor the moderating role of institutional factors. In Tanzania, Daudi and Mbugua (2021) examined the impact of human resource management practices on the performance of Savings and credit cooperative societies. The study revealed that HRMP, namely training, recruitment, and incentives, were the most practised, which increased the effort of the management system to realize better financial performance. However, the studies did not use the moderation of institutional factors.

This study is guided by two theories Herzberg's Two-Factor Theory, which is the leading theory, and the Institutional Theory, which assisted in explaining the moderation relationship between independent and dependent variables. Herzberg's two-factor theory was first developed by the American psychologist and theorist Frederick Herzberg in 1959. He tested different things and finally identified intrinsic and extrinsic motivation as two significant factors that motivate employees to improve their goals and performance (Herzberg et al., 1959). Reimara et al. (2021) revealed that employees work to fulfil the organizational goals and attain achievement and recognition. The theory's weakness is that it ignores external factors, which play a greater role in influencing individual employees to work hard, and, lastly, job satisfaction. Despite its weakness, it remains the best theory many

scholars use to explain the concept of incentives in organizations (Reimara et al., 2021). This study contributed to Herzberg's two-factor theory by describing how intrinsic and extrinsic motivations are presented in the context of training, recruitment and incentives in the Tanzanian SACCOS that encounter several challenges.

Institutional theory, was developed by DiMaggio and Powell (1983) to explain how the human resources of recruitment, training, and incentives can be fostered well with institutional factors. Scholars like Max Weber, Emile Durkheim and Talcott Parsons developed the Institutional theory in the early 20th century. The Institutional theory was developed as a theoretical framework in sociology to explain how social structures, like rules, norms and values, shape the organization (Thornton et al., 2021). This study applied institutional theory because it intended to explain how the human resource management practices of training, recruitment, and incentives may overcome the challenges of poor performance of SACCOS in Tanzania.

However, the human resource management practices of training, recruitment, and incentives to perform well should be supported by institutional variables such as norms, rules, and culture. Most researchers in SACCOS have not tested how human resource management practices, when moderated with Institutional theory variables, promote the performance of SACCOS (Magali, 2023). Therefore, this study contributes to the body of knowledge by explaining how human resource management practices, when supported by the Institutional theory, promote the SACCOS' performance.

The researcher selected training, recruitment and incentives as independent variables because these are core human resource functions (Ozkeser, 2019). Blackmore et al. (2024) confirmed that training, recruitment, and incentives are the major human resource practices that promote organization performance.

These human resource management practices are also fundamental when considering the challenge of SACCOS's poor performance in Tanzania (TCDC, 2024). In contrast, effective recruitment ensures proper recruitment of qualified SACCOS personnel, and training enhances employees' knowledge and competencies in carrying out the SACCOS operations (Mwita, 2024). Incentives motivate the staff to perform their responsibilities effectively, promoting the performance of SACCOS and preventing the staff from avoiding conflict of interest (Japhet & Magali, 2021).

The institutional factors were adopted as a moderating variable because previous studies, such as Mwaipaja and Magali (2024) and TCDC (2024), asserted that most SACCOS encountered the challenges of poor performance due to lack of skills, conflict of interest and failure of SACCOS to abide by rules and regulations.

Despite the regulations in Tanzania particularly instructing the mandatory training for SACCOS, most SACCOS in Tanzania experience poor performance (Mwaipaja & Magali, 2024). The researcher used the moderation analysis to assess the conditions that foster HRM practices of recruitment, training, and incentive schemes to improve the SACCOS' performance. The previous scholars, such as Mwaipaja (2024) and Mmari (2022), confirmed that the institutional variables can explaining

how the variables of the norms, rules and culture promote the SACCOS performance. The performance of SACCOS in Tanzania depends on various dimensions (Mwita, 2024). Therefore, the researcher used the moderation variables of norms, rules and culture to explain the influence of HRM practices on SACCOS performance. The presence of multiple factors that influence the SACCOS performance in Tanzania motivated the researcher to apply the institutional variables of norms, rules and culture as moderating variables.

Therefore, this study assessed how using human resource management practices, when integrated with institutional theory variables of norms, rules and culture, overcame the challenges occurring in the Tanzanian SACCOS. Magali (2023) recommended applying institutional theory variables of norms, rules and culture to overcome the Tanzanian SACCOS' challenges.

1.3 Statement of the Problem

SACCOS in Tanzania fosters entrepreneurship, offers affordable financial services, reduces poverty, and empowers communities. Hence, SACCOS promotes socio-economic growth and enhances financial inclusion in Tanzania (Marango, 2023). Despite their positive roles, Savings and Credit Cooperative Societies (SACCOS) in Tanzania face significant challenges (Kevela, 2024). These include difficulties recruiting qualified staff, ineffective product design, limited-service delivery channels, poor administration, and weak leadership skills (Mwaipaja & Magali, 2024). Additionally, SACCOS struggle with poor business practices, inadequate negotiation skills, a lack of professionalism in cooperative management, and the

absence of strategic and business plans, corporate strategies, and action plans necessary for effective governance (TCDC, 2024).

Many cooperatives are also slow to adapt to modern economic realities, and public awareness, especially among youth, about the importance of cooperatives remains low (Mwita, 2024). Furthermore, a shortage of skilled employees hinders the implementation of directives from TCDC, which oversees SACCOS in the country (Mwaipaja & Magali, 2024). Dishonest leadership and management practices further exacerbate the situation, leading to embezzlement of funds and mismanagement of assets (TCDC, 2024).

Most of the SACCOS in Tanzania have been experiencing poor performance (Mwaipaja & Magali, 2024). The SACCOS's poor performance has been witnessed by non-functioning and non-traceability. The problem of poor performance has forced the deregistration of 2,554 SACCOS, representing 41% of the total 6,178 SACCOS in Tanzania in 2020 (Jacob, 2023). By 2023, the number of SACCOS further declined from 2,034 in December 2022 to 1,283, while non-performing loans increased from TZS) 1.045 billion to TZS 1.113 trillion. This decline in SACCOS and the rise in non-performing loans highlight the ongoing challenges within Tanzania's cooperative sector. Studies also link SACCOS' challenges to poor human resource management practices, including inadequate recruitment, training, and staff incentives (Etefa, 2022). Therefore, the study assessed how the human resource management practices influenced the performance of SACCOS in Tanzania when considering the moderating role of the institutional factors.

The potential gap is: studies such as Etefa (2022), Mlawa (2021), Jillo et al. (2023), and Mwita (2024) concentrated only on the influence of the human resource practices on the SACCOS performance. Moreover, studies such as Shilimi (2021) used the institutional variable of culture to explain how it determined the savings in Zambian SACCOS. Minja et al. (2022), Wangari and Waithaka (2023) and Dalla Riva (2023) concentrated on the institutional variable. Therefore, this study bridged the gap by assessing how the human resource practices of training, recruitment, and incentives improved the SACCOS performance by merging human resource practices with institutional theory variables.

This study extends Herzberg's Two-Factor Theory by illustrating how intrinsic and extrinsic motivation apply to training, recruitment and incentives within Tanzanian SACCOS, which faces numerous operational challenges. Additionally, it integrates institutional theory, as developed by DiMaggio and Powell (1983), to demonstrate how institutional factors can influence and enhance human resource management practices in training, recruitment, and incentive structures, as well as promote the performance of SACCOS in Tanzania.

1.4 Research Objectives

1.4.1 General Objective

The study's general objective was to assess the effect of human resource management practices on the performance of SACCOS in Tanzania: the moderation of institutional factors.

1.4.2 Specific Objectives

The specific objectives of the study were:

i. To assess the effect of training on the performance of SACCOS in Tanzania.

ii. To assess the effect of recruitment on the performance of SACCOS in Tanzania.

iii. To compute the effect of incentives on the performance of SACCOS in Tanzania and

iv. To demonstrate the moderating effect of institutional factors (of norms, rules and culture) in explaining the relationship between the human resource management practices and the performance of SACCOS in Tanzania.

1.5 Significance of the Study

Theoretically, the study fills the gaps in institutional theory on the potential areas in which employees can adapt to the institution's norms, rules, and culture. The study contributes to the body of knowledge for researchers, academicians and scholars, as it will form a base for further research. The study also contributes to the knowledge on HRMP in the cooperative sector, specifically SACCOS.

Practically, the study benefits the board and management of various SACCOS by creating the best human resource management practices that improve the performance of their SACCOS. On the other hand, this study helps to reduce challenges faced by SACCOS, thus improving service delivery to their members. Therefore, the study findings will provide valuable insight into the best human resources management practices, such as training, recruitment and incentive systems, that can directly add value to improving financial performance. This is an expected

situation which will guide management in refining strategies to enhance employee productivity, service delivery and overall growth of these SACCOS.

The employees of these SACCOS, understanding the effect of HRMP on the performance of SACCOS, help employees benefit from well-structured training and development programs, fair recruitment processes and motivational incentive systems. This leads to a more satisfying work environment, improving job performance and career advancement opportunities. For the SACCOS members as the first beneficiaries of improved SACCOS performance, members experience better services, higher quality and efficient operations, and better financial outcomes. The study findings contribute to building stronger, more reliable SACCOS that better serve their members' economic needs.

The study will benefit cooperative development policymakers by providing valuable knowledge on the management of SACCOS in the country. The study also provides evidence-based insight for crafting policies and regulations that support effective HRMP in SACCOS. The studyindicate that the cooperative sector remains competitive, sustainable and well governed to provide better services to the public.

1.6 Research Scope

The scope of this study was the Dar es Salaam Region. According to TCDC (2024), the region was chosen because it had a high number of registered SACCOS compared to different areas of the country. According to the TCDC (2024) report, the Dar es Salaam region had 517 registered SACOOS with 779,103 members, having a

total savings of TZS: 398,745,400,444 and a total loan amount of TZS 833,520,995,830. The region had a SACCOS penetration rate of 41% (TCDC, 2024). Dar es Salaam is Tanzania's financial and economic hub (Msuya et al., 2025). The region hosts a high absorption of SACCOS with different structures (Magashi et al., 2023), making it justified for analyzing the effects of human resource management practices on SACCOS' performance. Being Tanzania's economic hub also makes it a strategic area to assess the moderating role of institutional factors (norms, rules and culture) on the performance of SACCOS. Based on Islam and Aldaihani, (2022) easy data accessibility and multiple SACCOS also made the author consider it an ideal area for the study.

1.7 Organization of the Study

The study is divided into six main chapters. Chapter one is the introduction, which presents the study's background, a statement of the problem, research objectives, general and specific objectives, significance and the scope of the study and organization of the thesis. The second chapter is the literature review covering conceptual definitions: human resource management practices and the performance of SACCOS. The theoretical review discusses Herzberg's two-factor theory and Institutional theory. The empirical literature review covers the training and performance, SACCOS's recruitment, performance, and incentives and performance of SACCOS. The moderating roles of institutional factors cover norms, rules and culture. Research gaps include: contextual gap, empirical gap, knowledge gap, methodological gap, theoretical gap and conceptual framework, which shows the study's dependent and independent variables and the moderating role of institutional

factors. The third chapter is the research methodology which covers various stages that used in the study specifically, the research philosophy, research approach, research design, research area, study population, sampling design and procedure, sample size, data collection method, measurement procedure, data processing and analysis, research clearance, validity of instruments, reliability, and ethical consideration.

The fourth chapter is data presentation and discussion of the findings which presents the results obtained in this study. The chapter indicates the results based on the questionnaires, which are filled by the respondent's demographic characteristics and included in the measurement matrix of variables. It also presents the results of multiple regression analysis of independent variables on the dependent variable. Discuss the study's data analysis, hypothesis testing, and analysis of the moderation effect of institutional factors, norms, rules, and culture in relation to independent variables training, recruitment, incentive and the dependent variable performance of SACCOS.

The fifth chapter is the discussion of the findings, which presents the findings of the study and the demographic factors. It ultimately ends by discussing the findings obtained regarding the study's objectives. The explanations of the connection between HRMP and the performance of SACCOS examine the moderating role of institutional factors in influencing the link between HRMP and the performance of SACCOS. Finally, chapter six is the summary, conclusion and recommendations, which presents the study's results, the implications of the study, including policy

implications, practical implications and theoretical implications—finally, the study's limitations and recommendations for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter covers conceptual definitions of the study. It also covers the theoretical review, which discusses Herzberg's two-factor and Institutional theories. The empirical literature review covers the training and performance, SACCOS's recruitment and performance, and the incentives and performance of SACCOS. The moderating role of Institutional factors covers norms, rules and culture. The research gaps include contextual, empirical, knowledge, methodological and theoretical. The conceptual framework shows the dependent and independent variables of the study and the moderating role of Institutional factors.

2.2 Conceptual Definitions

2.2.1 Human Resource Management Practices (HRMP)

According to Jillo et al. (2023), HRMP is a collection of all organization activities to manage human resources to achieve the organisation's agreed objectives. Etefa (2022) defines HRMP as Human resource management practices designed organizational strategic activities and policies for attracting, developing, managing, and retaining the workforce. Atyanga (2021) conceptualized the HRMP by considering its functions of training, compensation, and policies and strategies development. Shrestha (2024) asserted that HRMP involves performance appraisal, recruitment and selection, training and development, compensation and incentives. This study adopted the definition of Shrestha (2024) because it is a comprehensive definition covering all variables used in this study: training, recruitment and

incentives.

The researcher selected training, recruitment and incentives for this study because these are essential human resource functions (Ozkeser, 2019). These human resource management practices are also fundamental when considering the challenge of SACCOS's poor performance in Tanzania (TCDC, 2024).

2.2.2 Training

Training in human resource management practices refers to developing certain skill or knowledge of employees in an organization to improve their working performance (Sagwa & Kembu, 2021). Maloba and Deya (2022) defined training as a systematic process of enhancing employees' knowledge, skills and abilities to improve their performance in their current roles. Mwita (2024) asserted that SACCOS employees execute their tasks through training. Hence, training promotes employee to execute their tasks. Kilei (2015) affirmed that the well-prepared training programme fosters the performance of SACCOS. In this study, the definition by Maloba and Deya (2022) was adopted because it indicates that training is crucial for making employees abide by norms, rules and culture. Moreover, well-trained staff produce quality work, and in doing so, they promote the SACCOS performance (Annitah & Mose, 2021).

2.2.3 Recruitment

Recruitment refers to finding and hiring qualified employees for an organization to meet the required production target (Mohamed et al., 2022). Barpanda and Bontis (2021) defined recruitment as identifying and attracting potential candidates from within or outside the organization to fill current or future job openings. Mwita et al.

(2022) emphasized that proper recruitment and selection are vital in fostering SACCOS performance. Miheso et al. (2019) acknowledge the role of appropriate staff recruitment and selection procedures in enhancing the retention of SACCOS employees in Kakamega, Kenya. The research accepted the definition of Mwita et al. (2022), which approves the role of recruitment that facilitates the acquisition of qualified SACCOS employees who know their responsibilities and work hard to achieve the organizational goals. The well-recruited employees are easily conversant with SACCOS rules, norms and culture and contribute positively to the organizational performance.

2.2.4 Incentives

Jillo et al. (2023) defined an incentive as a reward or benefit to motivate individuals to perform better or achieve specific goals. Often used to encourage higher productivity or improve performance. Siddiqui (2024) defined incentive as any financial or non-financial reward designed to influence and motivate an employee's behaviour, increasing their effort or commitment toward achieving organizational objectives. Annitah and Mose (2021) considered only the influence of non-financial incentives on promoting the performance of SACCOS. Japhet and Magali (2022) asserted that the incentives can be financial and non-financial, and both are essential to enhance the performance of SACCOS. This study adopted the definition by Japhet and Magali (2022) because the study considered the influence of financial and non-financial incentives in promoting the performance of SACCOS.

2.2.5 Institutional Factors

DiMaggio and Powell (1983) called the norms, rules and culture Institutional factors which influence the performance of the organizations. Elijah (2023) asserted that Institutional factors, such as the rules, norms, and culture,, determine any organisation's functions. Institutional factors, in one way or another, can affect or shape the behaviour, decisions, and performance of individuals and organizations in general by establishing guidelines and expectations for how things can be done (Banwo et al., 2022). Magashi et al. (2023) asserted that Institutional factors, if not well managed, negatively influence the performance of the SACCOS. Magali (2023) confirmed that the lack of proper management of institutional factors such as rules, norms, and culture, decelerates the performance of the Tanzanian SACCOS. This study adopted the definition of DiMaggio and Powell (1983), who provided the foundation of Institutional theory.

2.2.6 Performance of SACCOS

Immaculée and Muiruri (2022) conceptualized performance as the extent to which the SACCOS has achieved its objectives. They conceptualized the SACCOS performance on revenues, total members' share value, return on equity (ROE) and return on assets (ROA). Ngunjiri (2023) regarded the SACCOS rebates or interest on deposits and dividends as a measure of the SACCOS performance. Kiswili (2021) considered financial performance, internal business processes, and customer satisfaction to measure SACCOS performance.

Ncurai et al. (2022) measured the SACCOS' performance using loans and deposits,

income, assets, customer satisfaction, brand awareness, quality of products or services and employee satisfaction. This study adopted the ROE and ROA measurements used by Immaculée and Muiruri (2022). The researcher found that these variables could produce precise findings since they could be extracted from the audited financial statements.

2.2.7 SACCOS Norms

The SACCOS norms include democratic members' decision making, open and voluntary membership, members' economic participation, autonomy and independence, training members (education) and information sharing (Anania & Gikuri, 2015). SACCOS norms facilitate the interactions between clients and management by sharing participatory governance, ownership, and joint trust (Kiswili, 2021). The SACCOS norms promote the contribution of the savings the SACCOS use to disburse loans. The norms also encourage mutual support and pooling of resources and promote the management and clients' accountability and solidarity (Magashi et al., 2023). SACCOS norms nurture a community unity and shared identity that fosters the capacity building programme and promotes social cohesion. Therefore, the SACCOS norms have been formulated to promote the financial and social performance of SACCOS (Marango, 2023). The study adopted the definition of Anania and Gikuri (2015) because it narrates the composition of the SACCOS norms that promote the performance of the SACCOS.

2.2.8 SACCOS Regulations

SACCOS rules define membership joining criteria, instruct on savings contributions, stipulate the loan conditions and loan issuance procedures, and define the leaders' responsibilities. Moreover, the rules define the rights and responsibilities of leaders and clients and establish procedures for handling grievances (Jumba, 2021). Mukama. (2023) established that regulation in primary SACCOS enhanced the credit repayment in Tanzania Mainland. Wamwea and Moi (2023) asserted that the regulations promoted the performance of SACCOS in Kenya. Mbegu et al. (2024) demonstrated that SACCOS in Mbeya city did not maintain the financial leverage of 25 percent, instead, had the leverage of 17 percent, contrary to the regulations. The study adopted the definition by Jumba (2021).

2.2.8 SACCOS Culture

SACCOS culture denotes the shared values, practices and beliefs that shape the clients' behaviour and members' interactions. SACCOS culture includes solidarity and trust among members. Cultural practices also comprise the self-help spirit, mutual support, accountability and transparency, democratic decision-making adherence and clients' dedication to long-term sustainability and growth (Maina, 2023).

Culture has significantly influenced how SACCOS in Tanzania operates and shapes the implementation of the human resource practices. The cooperation and social harmony culture has shaped a system SACCOS to function more as community welfare institutions rather than merely financial-based cooperative institution (Kevela & Magali, 2022). The study adopted the definition of Maina (2023), who

comprehensively defined culture as the standard ways that foster the interactions between the SACCOS' clients and management.

2.3 Theoretical Literature Review

The study is guided by Herzberg's two-factor and institutional theories.

2.3.1 Herzberg Two-Factor Theory

Herzberg's two-factor theory is the main theory of this study, which was developed by Frederick Herzberg in 1959. Herzberg's two-factor theory classifies employee motivation factors of motivators (intrinsic factors) and hygiene factors (extrinsic factors) (Mdluli, 2020). According to Herzberg, motivators, or intrinsic factors such as achievement, recognition and career growth, enhance job satisfaction and promote employee performance (Reimara et al., 2021). However, hygiene or extrinsic factors such as working conditions, salary and company policies prevent dissatisfaction but do not automatically increase motivation (Marsudi et al., 2022). Herzberg's theory aids organizations in designing human resource management practices by ensuring that motivators strengthen employee engagement and productivity while hygiene factors maintain and encourage a working environment (Ozdoba et al., 2022). In the SACCOS setting, training, recruitment and incentives are regarded as motivators, while rules, norms and culture are considered hygiene factors (Reimara et al., 2021)

The empirical literature review indicates that some scanty studies applied Herzberg's two-factor theory in the SACCOS contexts. The researcher found only two SACCOS studies that applied Herzberg's two-factor theory. Annitah and Mose (2021) studied

how intrinsic and extrinsic factors influence the performance of Kenyan SACCOS. With the help of Herzberg's two-factor theory, the study examined how policy and procedures of administration, security, supervision, interpersonal connections, position, compensation and working conditions as hygiene and extrinsic factors determined the Kenyan SACCOS employee performance. Moreover, the study examined the influence of intrinsic/motivating factors on SACCOS employee performance. The motivation factors under the study were acknowledgement, accomplishment, progress, direct feedback, actual work and responsibility. However, the training and recruitment variables were not included in the study. Moreover, the effects of the moderating role of the institutional factors beyond the study's scope.

Mdluli (2020) used descriptive analysis, to relate Herzberg's two-factor theory of motivation to SACCOS productivity. The variables covered were benefits and compensation, personal fulfilment, working conditions, kind of work, cooperation between co-workers and supervisors, job security, work-life balance and human resources policies. However, the study did not focus on training and recruitment variables.

Mwita (2024) revealed that SACCOS employees were motivated by attending training. However, this study used the resource-based view theory instead of Herzberg's two-factor theory. The researcher perceived that since the training was mentioned as one of the intrinsic factors or motivators, it could be better explained in Herzberg's two-factor theory than in the resource-based view theory. Similarly, Mwita et al. (2022) used the resource-based view theory to explain how recruitment

and selection promoted the performance of the Tanzanian SACCOS. Mwita et al. (2022) considered recruitment and selection as extrinsic or hygiene factors. However, as confirmed by Marsudi et al. (2022), recruitment and selection are related to SACCOS job status, personal life and administration, which are hygiene factors (extrinsic factors) (Marsudi et al., 2022).

Reimara et al. (2021) revealed that workers within the organization work for two main reasons: achievement and recognition, whereby their effort increases the organisation's productivity. Herzberg's two-factor theory points out that an individual delighted with a specific position increases their motivation to perform that work. If certain environments associated with the policies and rules are removed within the organization, it is obvious that employees will experience job dissatisfaction. Despite the rules not directly satisfying the employee, removing them from the work environment may lead to job dissatisfaction (Ozdoba et al., 2022).

Monetary motivation, like salary, is treated as the secondary factor for incentive and points out job recognition, achievement, nature of work, responsibilities, individual advancement and employee growth as the first things the individual is focused on to perform well in the organization (Imran et al., 2025). The main strength of Herzberg's factor theory is that it succeeded in explaining internal motivation, which comes from the employee and not external factors (Ibrahim et al., 2023).

Despite successfully explaining employee satisfaction within the organization, the theory has the following weaknesses: the theory seems to be subjective in non-

monetary incentives like flexibility in various matters about working hours, promotions, power, and recognition (Gimpl, 2024). The theory also ignores external factors which play a greater role in influencing individual employees to work hard (Teh, 2023). Lastly, job satisfaction and productivity are not clearly related, meaning a satisfied employee is not necessarily expected to lead in job productivity (Butac et al., 2021).

2.3.2 Institutional Theory

Meyer and Rowan established the Institutional theory in 1983. The Institutional theory asserts that the rules, norms and culture shape the organization. Karbhari et al. (2020) argued that Institutional theory provides a picture of the organization to appear legitimate and sustainable through effective compliance with the regulations, rules, norms and culture, which ignites the spark of organisational performance. The Institutional theory is accompanied by the following assumptions: the rules, norms and culture should be aligned with the societal expectations (Phua, 2018). The Governments and professional bodies influence the institutional culture, norms and regulations (Fikru, 2014). Similar organizations have similar Institutional rules, norms and cultures due to similar coercive (regulations), mimetic (uncertainty imitations) and normative (professional guiding principles or professional pressure) (Lievens & Dunlop, 2025). Based on Scott (2007) as Bamfo et al. (2023) reaffirmed, normative, cultural-cognitive, and regulative variables are the major components of the institutional theory.

Various studies have used Institutional theory in the context of SACCOS. Mwaipaja

and Magali (2024) used the Institutional theory variables as moderators to explain how the rules, norms and culture influence the relationship between loan appraisal techniques and information asymmetry as the determinants of loan delinquency management practices. Mmari and Kapaya (2022) used the moderating role of the Institutional theory variables of rules, norms and culture in explaining the relationship between financial inclusion and the commercialization of rice crops in Kilombero district.

Shilimi (2021) used Institutional theory to explain how savings in Zambian SACCOS were determined. Wangari and Waithaka (2023) used the Institutional theory of structure and culture to describe how implementing strategies determined the Kenyan SACCOS growth. Johnson (2015) used the Institutional theory to explain how to balance the conflicts for the credit unions in Canada. Mathuva et al. (2017) used institutional theory to explain how governance is vital to enhancing the disclosure of credit unions in developing countries. Minja et. al. (2022) related the Institutional theory variables with the credit unions' organizational structure. Dalla Riva (2023) linked Institutional theory with the impact of credit union lending.

The Institutional theory variables of norms, culture and regulations, well, Magali (2023) recognized the role of the Institutional theory in promoting sustainable compliance in organizations. The Institutional theory pronounces the organisation's performance well (Nguyen et al., 2025). The Institutional theory explains well how the behaviour of the organizations is guided by the institutional variables (Muithya & Muathe, 2020).

The weaknesses of the Institutional theory are outlined below: According to Muithya and Muathe (2020), the theory cannot explain the sustainability of organizational profit maximization. Moreover, the assertion of the stability and positivity of the organization is unrealistic. Ayadago (2021) argued that the theory does not explain the strategies to promote strategic behaviour. Institutional contended that the theory focuses on organisational dynamic changes rather than individual interest (Immaculée & Muiruri, 2022). Hence, the individual interests are not captured by the Institutional theory. Knowing the individual interest is paramount in promoting organizational performance (Akbay et al., 2024).

Despite such weaknesses, institutional theory is the correct theory to support this study. After all, it links well to how institutional theory variables of rules, norms, and culture promote the performance of the SACCOS in Tanzania. The Institutional theory is vital for the current study because previous studies articulated how the SACCOS failed to perform well because of Institutional-related challenges (Mwaipaja & Magali, 2024).

The theoretical gap explains how the variables of the institutional theory of norms, rules, and culture explain the relationship between human resource management practices and the performance of the SACCOS. The previous scholars such as Mdluli (2020), Annitah and Mose (2021), Marsudi et al. (2022) and Mwita (2024), moreover, Junejo et al. (2024), Hasan and Mishra (2025) and Susetyo et al. (2025) also linked Herzberg's two-factor theory with human resources practices such as employees' motivation, job satisfaction and retention, emotion and well-being. Therefore, these studies only concentrated on the human resource management

practices where they applied Herzberg's two-factor motivation theory.

Moreover, the SACCOS studies, which used the institutional theory, such as Shilimi (2021), Reimara et al. (2021) and Wangari and Waithaka (2023), concentrated on the institutional theory variables. Moreover, Yosa et al. (2025) used the institutional theory to assess the influence of prudential Regulation when mediated with board functions, which improved the sustainability of Ugandan financial Cooperatives. Wagao and Akyoo (2025) employed the institutional theory to expose the trend and profiling of the Tanzanian credit unions. Ayal et al. (2025) investigated how the conflict of the Federal Government in Amhara Fano influenced the microfinance and economic impacts. Raihan et al. (2025) linked the institutional theory to elucidate how the financial technology has shaped sustainable development. Therefore, this study has linked Herzberg's two-factor motivation theory and Institutional theory to explain how the institutional theory variables, when supported with the human resource management practices, promote the performance of SACCOS in Tanzania.

2.4 Empirical Literature Review

In this study, training, recruitment and incentives are used as core variables to explain in detail the effect of HRMP on the performance of SACCOS in Tanzania. Institutional structures, norms, rules, and culture are used as moderators to determine the relationship between HRMP and the performance of SACCOS.

2.4.1 The Effect of Training on the Performance of SACCOS

Mwita (2024), using the regression analysis, assessed the influence of training on the

performance of SACCOS in Tanzania. The study found that training significantly and positively influenced the performance of SACCOS in Tanzania. However, the study did not include the incentives and recruitment variables and the institutional factors' moderating effects. Minja et al. (2022) assessed how the characteristics of the trainer influenced the training performance of MFI entrepreneurs in Tanzania. The study revealed that the characteristics of the trainer influenced the performance of community-based MFIs. However, the study was conducted in community-based MFIs, which are informal and not in SACCOS. Moreover, the moderating variables of the Institutional factors were excluded from the study.

Nascimento and Abbad (2021) employed the logical model to assess the role of training evaluation for the credit unions in Brazil. The findings indicated that the client's credit union training evaluation directly impacted the performance of the credit unions in Brazil. However, the study did not assess the role of training in promoting the performance of credit unions. Moreover, the study was conducted outside Tanzania, with different credit union operating environments.

Using the structural equation modelling, Ohene Afriyie et al. (2024) examined the relationship between training and job satisfaction when integrated with the performance appraisal in Ghana. The findings revealed that training did not significantly influence or positively affect the MFI staff performance appraisal in Ghana. However, the study integrated training and development with variables of job satisfaction and performance appraisal and not the financial performance of the existing study. However, the moderating role of the institutional factors was beyond

the scope of the study.

Neema (2021) assessed the influence of training on the performance of the Democratic Republic of Congo's MFIs using regression analysis. The findings disclosed that training positively and significantly influenced the performance of the MFIs. However, the study did not designate the influence of recruitment and incentives. Based on the empirical literature on the influence of the training on SACCOS and MFIs' performance, the following hypothesis is formulated:

H1: Training has a positive effect on the performance of SACCOS in Tanzania

2.4.2 The effect of Recruitment on the Performance of SACCOS

Ward and McKillop (2010) used descriptive analysis to explore recruitment volunteering strategies in credit unions globally. The findings indicated that the volunteer job of the board of directors was common for people with dominant features. However, the study did not assess how the recruitment influenced the performance of the credit unions. Nyarko (2016) assessed how the MFI small and medium enterprise clients in Ghana recruited and selected their staff. The study found that only simple practices, such as word of mouth, were applied in the recruiting and selecting. However, the study did not link the recruitment and selection practices with MFI performance.

Odunayo (2019), using the correlation and multiple regression analysis, examined how the recruitment and selection procedures influenced the retention of employees in microfinance Banks in Nigeria. The findings indicated that recruitment and

selection positively and significantly affected the retention of Nigerian microfinance Banks. However, the study did not assess the influence of the two variables on the performance of SACCOS. Mwita et al. (2022) assessed the selection and recruitment of employees on the   SACCOS in Tanzania using descriptive and regression analysis. The study revealed that selection and recruitment positively and significantly influenced the performance of the SACCOS in Tanzania. However, the moderation factors of rules, norms and culture were not considered.

Miheso et al. (2019) examined how the recruitment and selection procedures affected the performance of employees' SACCOS in Kenya using descriptive and multiple regression analysis. The findings disclosed that recruitment and selection procedures positively and significantly influenced the performance of the SACCOS in Kenya. However, the moderating variables of norms, rules and culture were beyond the study's scope. Thus, based on the reviewed empirical literature, the following hypothesis is composed:

H2: Recruitment has a positive effect on the performance of SACCOS in Tanzania

2.4.3 The Effect of Incentives on the Performance of SACCOS

Wieczorek, (2022), using the 2005 - 2018 UniCredit Group data, revealed the low level of transparency in setting the remuneration level in the UniCredit Group. Generally, the findings indicated that the remuneration policy influenced the financial performance of the UniCredit Group. However, the study was not conducted in the SACCOS environment. Using the descriptive analysis, Aubert et al. (2009) revealed that the profit of MFIs had introduced incentive wages and bonuses

to promote high loan repayment rates. However, the study did not analyze how the institutional factors influenced the high loan repayment rate.

Nkwasibwe and Katsigaire (2022) examined how the performance of SACCOS in Uganda was determined by the remuneration packages using descriptive analysis. The findings indicated that remuneration packages positively influenced the performance of SACCOS in Uganda. However, the study was only descriptive and hence did not empirically assess the level at which the remuneration influenced the SACCOS performance. Moreover, the influence of institutional factors was not included in the study.

Ombongi (2017) assessed the influence of determinants of remuneration and their effects on the performance of the SACCOS in Kenya using correlation and regression methods. The findings indicated that the competence of the employees, compensation policies, level of technology, and conditions of the labour markets positively influenced the performance of the SACCOS in Kenya. However, the study did not directly assess how the remuneration influenced the performance of the SACCOS but concentrated only on the determinants. However, the study did not include the influence of the institutional factors as moderators.

Japhet and Magali (2021) assessed the role of monetary incentives on the performance of Arusha Road KKKT located in Dodoma City. Data was collected from two Board members and four SACCOS workers using in-depth interviews. Data was analysed using manual content analysis. The study revealed that SACCOS offered competitive salaries, allowances, bonuses, and subsidized loans to motivate

employees. It was further revealed that monetary incentives had motivated the workers to fulfil their responsibilities. However, the study was qualitative; hence, no hypothesis was tested to ascertain the level of significance of the influence of monetary incentives on the SACCOS performance. Moreover, the influence of institutional factors was beyond the scope of the study. Thus, the following hypothesis is based on the empirical literature review on the role of incentives on SACCOS performance.

H3: Incentives have a positive effect on the performance of SACCOS in Tanzania

2.4.4 The effect of Moderation Role of Institutional Factors of Norms, Rules and Culture on Explaining the Relationship Between Human Resources Management Practices on the Performance of SACCOS

Scanty studies used Institutional theory variables as moderators in the SACCOS context. Mwaipaja and Magali (2024) used the institutional variables as moderators to explain how the rules, norms and culture influence the relationship between loan appraisal techniques and information asymmetry as the determinants of loan delinquency management practices. Mmari and Kapaya (2022) used the moderating role of the institutional variables of rules, norms and culture in explaining the relationship between financial inclusion and commercialization of rice crops in Kilombero District.

The literature shows that many studies have used institutional variables in other sectors that are not MFIs. Khan et al. (2017) used institutional variables as moderators, which shaped the determinants of the learning management system

options. Lukman et al. (2021) applied the institutional variables as moderators to determine the social entrepreneurship intention of the diaspora students. Ojeleye et al. (2023) employed the institutional variables as moderators, which described the relationship between personality proactiveness and entrepreneurial intention among students in Nigeria. Falola et al. (2018) considered institutional factors to be moderators of the relationship between staff members' commitment and effectiveness of job responsibilities. Moreira et al. (2022) treated the institutional variables as moderators between internationalization, innovation capability behaviour, and the performance of exports.

Some scholars have employed only one or two institutional variables of rules, norms and culture in SACCOS and MFIs in different contexts. Shilimi (2021) used the institutional variable of culture to explain how it determined the savings in Zambian SACCOS. Wangari and Waithaka (2023) used the institutional structure and culture to describe how implementing strategies determined the growth of SACCOS in Kenya. Johnson (2015) used institutional variables to explain how rules are essential to balancing conflicts for credit unions in Canada.

Mathuva et al. (2017) used the institutional variables to explain how the governance structure (rules) are vital in enhancing the disclosure of developing countries' credit unions. Minja et al. (2022) related the institutional variables to the credit unions' organizational structure. Dalla Riva (2023) linked institutional variables with the impact of credit union lending. Therefore, to the best of the researcher, the studies that employed institutional factors as moderators between the human resource

practices of training, recruitment, and incentives are missing in SACCOS. Reviewing the Institutional theory as a moderating variable led the researcher to formulate the following hypotheses.

H_4: Institutional factor rules positively moderate the relationship between training and performance of SACCOS in Tanzania.

H_5: Institutional factor rules positively moderate the relationship between recruitment and performance of SACCOS in Tanzania.

H_6: Institutional factor rules positively moderate the relationship between incentives and the performance of SACCOS in Tanzania.

H_7: Institutional factor norms positively moderate the relationship between training and performance of SACCOS in Tanzania.

H_8: Institutional factor norms positively moderate the relationship between recruitment and performance of SACCOS in Tanzania.

H_9: Institutional factor norms positively moderate the relationship between incentives and performance of SACCOS in Tanzania.

H_{10}: Institutional factor culture positively moderates the relationship between training and performance of SACCOS in Tanzania

H_{11}: Institutional factor culture positively moderates the relationship between recruitment and performance of SACCOS in Tanzania.

H_{12}: Institutional factor culture positively moderates the relationship between incentives and the performance of SACCOS in Tanzania.

2.5 Research Gaps

The study sought to find the research gaps left by researchers through intensive

analysis and an empirical literature review. The following research gaps have been identified: contextual, empirical, knowledge, methodological and theoretical gaps regarding HRMP impact on the performance of SACCOS in Tanzania.

2.5.1 Contextual Gap

Most of the previous studies, such as Marsudi et al. (2022), Nkwasibwe and Katsigaire (2022) and Wieczorek (2022) used one variable of the HRMP. This study was comprehensive and employed three variables: training, recruitment, and incentives. Moreover, many of the studies have been conducted outside Tanzania.

2.5.2 Empirical Gap

The previous studies, such as Daudi and Mbugua (2021), Etefa (2022), Nkwasibwe and Katsigaire (2022), Wieczorek (2022), Nascimento and Abbad (2021), Ohene and Afriyie et al. (2024), Etefa (2022), Mlawa (2021) and Jillo et al. (2023) and Mwita (2024), concentrated only on the influence of the human resource practices on the SACCOS performance. Moreover, studies such as Shilimi (2021) used the institutional variable of culture to explain how it determined the savings in Zambian SACCOS. Minja et al. (2022), Wangari and Waithaka (2023) and Dalla Riva (2023) concentrated on the institutional variable. Therefore, this study bridged the gap by assessing how the human resource practices of training, recruitment, and incentives improved the SACCOS performance by merging human resource practices with institutional theory variables. Although Mwita (2024) used the same human resource practices of training, recruitment and incentives, his study did not consider the moderating variables of rules, norms and culture.

2.5.3 Knowledge Gap

The knowledge gap is an integration of the variables of Herzberg's two-factor theory of training, recruitment and incentives and Institutional theory variables of the rules, norms and culture to explain the performance of SACCOS in Tanzania. The previous scholars, such as Mwita et al. (2022) and Marsudi et al. (2022), explained the performance of SACCOS by using only one group of variables. In this case, they failed to adequately explain how the SACCOS performance can be enhanced through the application of human resource management practices of training, recruitment, and incentives, along with the institutional factors of rules, norms, and culture. Therefore, integrating the variables from the two theories was essential because the scholars assert that the performance of SACCOS should be supported by the variables from the two theories (Mwaipaja & Magali, 2024).

2.5.4 Methodological Gap

The empirical literature indicates that the studies that apply institutional theory variables as moderators to explain the relationship between HRMP and the performance of SACCOS are lacking. Therefore, the use of hierarchical regression analysis to analyze the moderating role of the Institutional theory variables in explaining the relationship between the HRMP and the performance of SACCOS in Tanzanian is the methodological gap. Previous studies, such as Mwita et al. (2022), Marsudi et al. (2022), Nkwasibwe and Katsigaire (2022) and Wieczorek (2022), analyzed only how the HRMP influenced the performance of SACCOS using only the ordinary multiple regression analysis without considering the moderating role of the institutional variables.

2.5.5 Theoretical Gap

The theoretical gap uses the Institutional theory variables of norms, rules, and culture to explain the relationship between human resource management practices of training, recruitment, and incentives and the performance of SACCOS. Previous scholars have not tested such a relationship. Instead, the previous scholars employed Herzberg's two-factor theory variables of the human resource management practices and Institutional theory independently.

2.6 Conceptual Framework

The conceptual framework (Figure 2.1) depicts how the HRMP's training, recruitment, and incentive variables, when supported by institutional variables of rules, norms, and culture, promote the performance of the SACCOS. Human resource management practices are vital for promoting the motivation of the staff in SACCOS (Mwita, 2024). The unmotivated staff fail to work properly, deteriorating the SACCOS' performance. Moreover, the SACCOS experience poor performance if the norms, culture and rules are not well practised in the SACCOS. Therefore, the rules, norms, and culture ensure that every SACCOS staff member and leadership committee member works by adhering to the principles of good governance. Therefore, they hypothesized the direct relationship between human resource practices, institutional factors and performance of SACCOS in Tanzania. The indicators of ROE, ROA, total shares, and total revenues information were extracted from the SACCOS audited reports.

Independent Variable   **Moderating Variable**   **Dependent Variable**
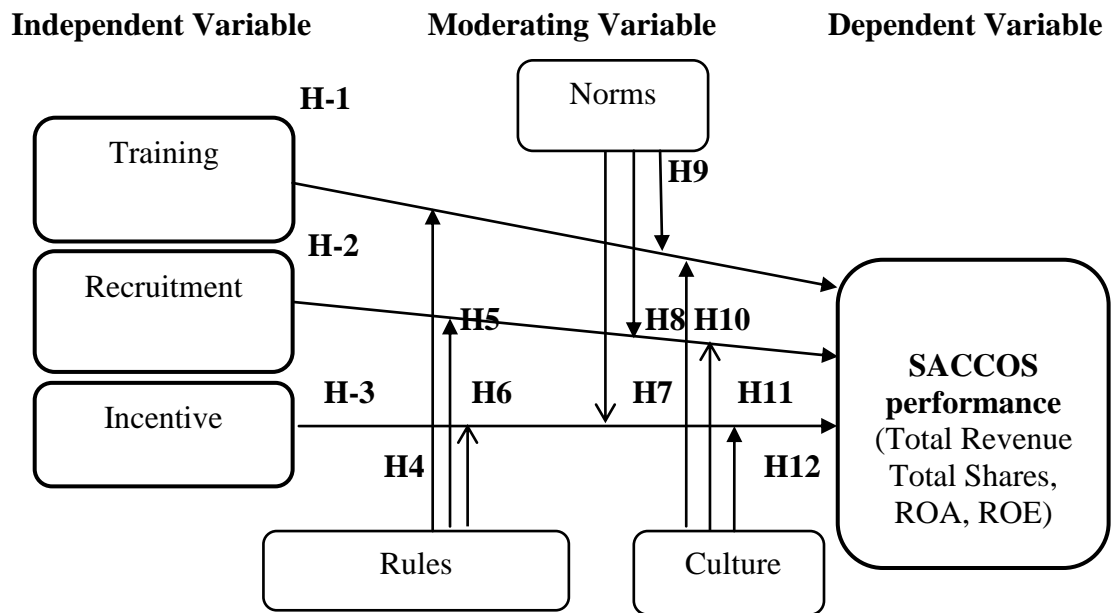
Figure 2.1: Conceptual Framework

Source: Researcher's extract from literature (2024).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter presents the methodology used to carry out this study. Specifically, it presents the research philosophy, research approach, research design, research area, study population, sample and sampling technique, sample size, data collection method, measurements of variables, data processing and data analysis. Other areas presented include: testing of the multiple regression assumptions, linearity relationship, homoscedasticity, independence of errors, normality, multicollinearity, validity of the instruments, convergent and discriminant validity, construct validity, reliability and ethical consideration.

3.2 Research Philosophy

Research philosophy is a system of beliefs and assumptions on knowledge development (Saunders et al., 2019). The researcher adopted the positivist philosophy. According to Gamage (2025), positivism is a phenomenon that produces knowledge since it is associated with empirical testing. The study adopted a positivist research philosophy because it assumes truth exists independently and the evidence is proven through scientific testing (Ali, 2024).

Positivism aligns with the study's objective, which ascertained how HRMP, with the help of institutional factors, promoted the SACCOS performance. Previous scholars such as Mwaipaja and Magali (2024) declared that SACCOS in Tanzania face the challenges of a lack of leaders' integrity, a lack of skills, loan default, and poor

management of the SACCOS financial resources (TCDC, 2024). Positivism reveals reality through observed mechanisms or scientifically tested procedures (Saunders et al., 2019). Hence, positivism was applied to analyse how the HRMP, when assisted with the institutional variables, overcame the challenges of poor performance of the SACCOS.

Therefore, the researcher used a positivist philosophy to test the hypotheses on how the independent variables of training, recruitment and incentives influenced the SACCOS performance. Moreover, the positivist philosophy aided the researcher in testing the hypotheses on how the institutional variables of norms, rules, and culture moderated the relationship between the human resource management practices and the performance of SACCOS in Tanzania.

3.3 The Research Approach

The study used a deductive research approach, which is the most appropriate one as it helps to examine and describe the interactions among variables from the selected theories (Saunders et al., 2019). The deductive approach allows the researcher to use the variables from the existing theories and observe how the theory's variables behave in alternative scenarios (Samuelsson, 2025). The deductive approach permits the researcher to use the variables from Herzberg's two-factor and Institutional theories. The study, therefore, tested how the variables of training, recruitment and incentives from Herzberg's two-factor theory promoted the performance of the SACCOS. Moreover, the study tested how variables from the Institutional theory of norms, rules and culture moderated the human resource management practices and

SACCOS performance in Tanzania.

3.4 Research Design

The explanatory design explains the extent to which the independent variables explain the dependent variables (Saunders et al., 2019). Most SACCOS in Tanzania face the challenges associated with poor HRMP and agency problems, as declared by (Mwaipaja and Magali, 2024). This study employed an explanatory research design, which uncovers the causal-effect relationship between HRMP variables, institutional variables and the SACCOS performance in Tanzania. Previous studies, such as those by Mdluli (2020) and Mwita et al. (2022), appreciated the role of HRMP without linking it with institutional variables as moderators. Therefore, the explanatory design has been chosen to ascertain the cause-and-effect relationship between the HRMP variables of training, recruitment, incentives, institutional factors, norms, rules, and culture, and the performance of SACCOS in Tanzania.

3.5 Research Area

The study concentrated on registered SACCOS in the Dar es Salaam region, where many SACCOS exist and have a high number of registered SACCOS compared to other regions (TCDC, 2024). Dar es Salaam had 517 registered SACOOS with 779,103 members, total savings of TZS 398,745,400,444, and a total loan amount of TZS 833,520,995,830. Dar es Salaam region experienced a penetration rate of 41% in 2022, when the study was undertaken (TCDC, 2024). Another factor in selecting the area is that, since pre-independence, Dar es Salaam has been the economic hub for boosting the economy of the people in the country (Msuya et al., 2025). The

region hosts many SACCOS with different structures (Magashi et al., 2023), making it justified for analyzing the effects of human resource management practices on SACCOS' performance. The study involved both community and employee-based SACCOS.

3.6 Study Population

A population is a complete set of units to be studied (Hossan et al., 2023). The population for this study (unit of analysis) is the registered SACCOS in Dar es Salaam region. The number of registered SACCOS in Dar es Salaam region by 2023 was 517 (TCDC, 2024).

3.7 Sample and Sampling Technique

The sample is a group of people, items, and objectives from a larger population (Taherdoost, 2016). It is normally used because of resource limitations to cover the whole population. The sampling technique is selecting individuals or cases from a large population (Rahman et al., 2022). In this study, the researcher used a simple random sampling method. A purposive sampling method was used to select SACCOS from the list of five Districts in Dar es Salaam region: Ilala, Kigamboni, Kinondoni, Temeke and Ubungo.

The choice of random sampling in this study was guided by Saunders et al. (2019). According to Saunders et al. (2019), simple random sampling is suitable for quantitative research. The advantage of using a simple random method is that it is free from bias when selecting respondents (Noor & Golzar, 2022). The researcher

used the manual picking method. Through a simple random technique, all SACCOS in Dar es Salaam city were given identification numbers from 1 to 517, and each respondent was written their identity on each piece of paper. Then, the SACCOS were folded manually to conceal the identity of each SACCOS human resource staff. Then, the researcher picked one paper after the other until 143 SACCOS were attained. The purposive sampling was used to focus only on the staff responsible for Human resource management. In this study, the sampling frame was all SACCOS staff. The unit of analysis is the human resource staff in the SACCOS. Hence, the unity of inquiry is the human resource management staff in the sampled SACCOS.

3.8 Sample Size

In this study, the following formula by Cochran (1963) was used to calculate sample size: n = (z2*p*(1-p)/e2)/ (1+ (z2*p*(1-p)/ (e2*N))). Where z=1.96 for a confidence level (α) of 95%, p= proportion (expressed as a decimal), N=population size, and e =margin of error.

z=1.96, p= 0.15, N=517, e = 0.05

n= (1.962*0.15*(1-0.15)/0.052)/ (1+ (1.962*0.15*(1-0.15)/ (0.052*517)))

n=195.9216/1.379=142.079

n= 143. The sample size (with finite population correction) was equal to 143.

3.9 Data Collection Method

The data collection method is a methodological process of gathering information about a specific subject. It is crucial to ensure that data collection is done legally and ethically to avoid resistance from respondents (Saunders et al., 2019). The researcher

obtained a clearance letter from Open University submitted to the Regional Cooperative Officer, who issued a letter to all Dar es Salaam SACCOS Chairmen. The study used a structured questionnaire with closed-ended questions and a survey. The respondents (unit of enquiry) were human resource managers. The survey technique was employed in data collection, and the questionnaires were distributed to respondents using both online and physical visits. The data were collected from the office of the Regional Assistant Cooperative Officer in Dar es Salaam Region (TCDC, 2024). The questionnaire was adopted from Bowra et al. (2022), Mwita (2024) and Mwaipaja (2024).

The information collected included demographic characteristics such as age, education, gender, marital status, and work experience. Demographic variables depict whether the sample represents the intended population of the study (Kaur, 2013). For this study, the demographic data helped to profile SACCOS respondents by providing context for the types of research participants. For instance, if most human resource staff have a high level of education, it indicates that they could perform better human resource functions than those with low levels of education. Moreover, the human resource staff who d worked for more years were more likely to give the precise details on functions of human resources than those who had worked for a few years. Data collection was conducted from May 2024 to June 2024.

3.10 Measurement of Variables

The researcher used questionnaires to collect data on respondents' age, gender, education levels, and length of service in the SACCOS, which aided in gaining a

better picture of the respondents' backgrounds. (Table 3: 1, in Appendix IV).

3.11 Data Processing

The researcher adopted the following steps in this study. The first step was an error check by the researcher. The researcher applied this step to identify and correct any inaccuracies and inconsistencies in the data set. The procedure for error check involves frequency distribution, descriptive statistics and visual inspection (Murphy, 2021). The second step was to check for missing variables, and the objective was to identify variables with missing data and determine how to handle them. The coding process was handled by assigning numerical or categorical codes to data for easier analysis. The next process was to enter data in IBM SPSS for analysis, and the last process was to clean the data to prepare the dataset by correcting errors, addressing missing data and ensuring its consistency. The procedure was recommended by (Kosova et al. 2024).

3.12 Data Analysis

Data analysis was conducted by using IBM SPSS Software Version 26. Multiple linear regression analysis, descriptive statistics and hierarchical linear regressions were employed in the data analysis. The technique of Ordinary Least Squares (OLS) was employed. The main assumptions underlying the multiple regression models were as follows;

Multiple régressions:

$Y = C + a1x1 + a2x2 + a3x3 + C$

From the above regression model, the researcher developed the following equations.

The first one looked at the effect of independent variables, i.e., Training (TR), Recruitment (RE) and Incentive (IN) and the performance of SACCOS (PS). Therefore, the regression equation is formulated as PS β_0+ β_1TR+ β_2RE+ β_3IN+μ. Second, the researcher introduced the moderating variable in the equation to test the moderating effect of institutional factors, i.e., rules, norms, and culture, on the performance of SACCOS. Z_1, Z_2, and Z_3 are norms, rules and culture variables analyzed in the second stage. The following regression equations address the influence of the institutional factor variables.

$$
\begin{aligned}
Y = \beta_0 &+ \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \\
&+ \beta_4 Z_1 + \beta_5 Z_2 + \beta_6 Z_3 \\
&+ \beta_7 (X_1 \times Z_1) + \beta_8 (X_1 \times Z_2) + \beta_9 (X_1 \times Z_3) \\
&+ \beta_{10} (X_2 \times Z_1) + \beta_{11} (X_2 \times Z_2) + \beta_{12} (X_2 \times Z_3) \\
&+ \beta_{13} (X_3 \times Z_1) + \beta_{14} (X_3 \times Z_2) + \beta_{15} (X_3 \times Z_3) + \mu
\end{aligned}
$$

The researcher opted for the Hierarchical regression analysis because it allows a researcher to enter variables in steps, hence showing the changes of variables evidently for each step of the analysis. Moreover, hierarchical regression is very simple because it contains few assumptions and results are more transparent (Berndt & Williams, 2013). Those advantages studies that tested the moderation effect of the institutional variables of culture, norms and regulations, such as Mmari (2022) and Mwaipaja (2024) employed the hierarchical regression analysis.

3.13 Testing of Multiple Regression Assumptions

3.13.1 Linearity Relationship

Multiple linear regressions assume a linear relationship between each predictor variable and the response variable. The easiest way to determine if this assumption was met was to create a scatter plot of each predictor variable. The response variable

was applied as Mmari and Kapaya (2022) recommended. This assumption allowed us to see if there was a linear relationship between the two variables. If the points in the scatter plot roughly fall along a straight diagonal line, then a linear relationship between the variables likely exists (Antonacci et al., 2024).

3.13.2 Homoscedasticity

The residuals have constant variance at every point in the linear model. It assumes that the residuals have constant variance at every point in the linear model. When this was not the case, the residuals were said to suffer from heteroscedasticity (Mmari and Kapaya, 2022). When heteroscedasticity was present in a regression analysis, the results of the regression model became unreliable. Specifically, heteroscedasticity increases the variance of the regression coefficient estimates, but the regression model did not pick up on this. This makes it much more likely for a regression model to declare that a term in the model is statistically significant when it is not. To determine if this assumption was met, a plot of standardized residuals versus predicted values was created (Zach, 2020). In this study, the heteroscedasticity was tested using the Breusch Pagan test, which computes the value of R-squared and sample size. The calculated value was checked in the Chi-square table to prove its acceptance.

3.13.3 Autocorrelation

The autocorrelation was observed by observing the independence of errors as recommended by (Li et al., 2023). Multiple linear regression assumes that each observation in the data set is independent. To determine if this assumption is met, the

researcher ticked Durbin Watson menu when analyzing the multiple regression analysis. According to Li et al. (2023), the correlation of the residue occurs if the Durbin Watson value is out of the range of 1.5 to 2.5.

3.13.4 Normality

As Kyriazos and Poga (2023) recommended, the normality was checked by observing probability-Probability (PP) to ascertain any shape. If the P-P plot indicates any shape, the data are not normally distributed. The vice versa is true for this test. It implies that if the P-P plot shows any shape, it implies that the data violates the normality assumption.

3.13.5 Multicollinearity

The multicollinearity assumption tests whether the variables are independent of each other (Ahmad et al., 2021). This study tested the normality assumption using the Variance Inflation Factor (VIF) and the tolerance value. According to Ahmad et al. (2021), if the VIF is less than 10 and the tolerance coefficient is greater then 0.1 the regression model does not indicate a multicollinearity problem.

3.13.6 Outliers Test

In this study, the outlier test was done using the Mahalanobis distance. The Mahalanobis distance indicates the distance from one entry to the other to confirm if there is an outlier (Rafiq et al., 2024). The outlier in the regression model for each value is then confirmed if the value of the entry is 0.00.

3.14 Validity of the Instruments

According to Warneke et al. (2025), validity is the accuracy of measures whereby the instruments and methods used during the study measure what is intended to be measured. Respondents' errors and biases impact the validity of the collected data. Validity was determined in this study with the help of Confirmatory Factor Analysis (CFA), unidimensional.

Three types of validity were convergent, discriminant and construct validity.

3.14.1 Convergent and Discriminant Validity

According to Hair et al. (2019), convergent validity is the extent to which indicators of a specific construct share a high proportion of variance in common. It is evaluated by using Average Variance Extracted (AVE) and reliability. This. This study used AVE to test both convergent and discriminant validity. To achieve convergent validity, the minimum AVE for each construct should be greater than 0.5 (Chahid et al., 2025). Awang (2011) proposed the formula to compute the AVE.

$$AVE = \left(\frac{\Sigma \Lambda^2}{n} \right)$$

Where Λ= Factor loading of every item and

n=number of items in the model.

Discriminant validity ensures that each construct is empirically distinct from the others and measures what it is supposed to measure rather than overlapping with other constructs (Sarstedt et al., 2022). Fornell-Larcker Criterion method (Hair et al., 2019). In this study, the discriminant validity was tested by considering the square root of the AVE. The value of the AVE variable equalsthe square root obtained by

measuring the construct reliability (Hair et al., 2019).

3.14.2 Construct Validity

Construct Validity is a set of measured items reflecting the theoretical latent construct that those items are designed to measure (Hair et al., 2019). Construct validity is very important in quantitative research because it ensures accurate measurement, improves theoretical understanding, enhances generalizability, and supports decision-making. Lastly, it prevents confounding factors (Zafrullah et al., 2024). Construct validity is vital for ensuring the accuracy and credibility of research findings, especially in studies that rely on measuring abstract concepts; without it, the reliability and applicability of a study's conclusions could be significantly compromised (Hair, et al., 2019). In this study construct validity was measured with the help of Correlation Factor Analysis (CFA).

3.15 Reliability

Reliability refers to the degree of consistency between multiple variable measurements (Lai, 2021). This was a measure of the stability of the proposed measure(s) for a given research. The reliability of the instrument was tested using Cronbach's Alpha. If the computed Cronbach Alpha was equal to or greater than 0.7, the instrument used is a reliable coefficient and a measure of the internal consistency of tests and measures (Izah et al., 2024).

3.16 Ethical Consideration

Ethical issues are critical in conducting the business research study (Masud &

Baskaran, 2025). The following were the major ethical issues that the researcher took care of in this study. It also included the research clearance letter obtained from the Open University of Tanzania and the permission to conduct the study in Dar es Salaam SACCOS. The supporting letter was requested from the Office of the Assistant Cooperative Officer, Dar es Salaam region, which was submitted to the surveyed SACCOS.

Informed voluntary consent was sought from respondents before the actual research was done. The respondents were informed about the nature and purpose of the study. The study observed issues of confidentiality being taken care of. The data were kept in a safe area where only permitted people could access the data. The password protects the data file to avoid exposing data to unintended people. The anonymity was considered, the respondents' names were concealed, and only the numbering identity was applied. The researcher also ensured that the privacy of the respondents was maintained and that the researcher collected data from the respondents at a convenient time. The researcher also ensured that he used only the genuine data collected from the SACCOS, and data fabrication was avoided. The researcher interpreted the data from the field, avoided falsification of data, and acknowledged all reference materials.

CHAPTER FOUR

FINDINGS' PRESENTATION

4.1 Overview

This chapter presents the findings obtained in this study. The chapter specifically indicates the findings based on the respondents' demographic characteristics and descriptive statistics of all variables. It also presents the results of multiple regression analysis of the independent and dependent variables. Lastly, the chapter analyses the moderation effect of moderator variables, norms, rules and culture in describing the relationship between independent variables, training, recruitment and incentive systems and the dependent variable performance of SACCOS in Tanzania.

4.2 Response Rate

About 143 questionnaires were distributed to respondents in 143 SACCOS in Dar es Salaam city. Out of 143 questionnaires, 143, to 100% were returned by the respondents. The researcher reminded the respondents of the early filling of the questionnaire by mobile phone and made a follow-up in person with the respondents. In this way, the researcher achieved a 100% response rate. This strategy was recommended by Ericson et al. (2023). However, when the researcher tested for outliers, 10 out of them were not filled well. Therefore, the researcher discarded them and remained with 133 questionnaires. This was a 93% response rate. Mellahi and Harris (2016) asserted that a response rate of 90% is considered highly desirable in business research. A clear analysis was conducted to check for missing data and identify outliers.

4.2.1 Results from Missing Data

The collected data were examined through frequency analysis to check the missing value through analysis tools such as IBM SPSS version 26. According to Kosova et al. (2024), missing data can exist in any study because respondents can ignore a few or sometimes all questions, which leads to irrelevant information to the respondent's situation. In this study, 10 questionnaires were found to have a missing value of approximately 1 in 5. According to Wanq et al. (2021), when data are totalled randomly, it is safe to remove them from the data set. In this study, the deletion method was applied to eliminate all 10 questionnaires that consisted of missing values, thus making the remaining questionnaires 133.

4.2.2 Testing for Outlier

After carefully checking the missing data, the second step was to look at the outlier. According to Rafiq et al. (2023), outliers are the extreme data consisting of values quite different from the rest of the data. In this study, a Box plot of the dependent, moderating, and independent variables was used to check for outliers in the existing data. In the first case, 10 questionnaires were deleted, and the remaining 133 questionnaires were used to test for outliers at this time. Hence, no more outliers remained in the data set, as is shown in Figure 4.1.

On the other hand, the Mahalanobis distance value table was constructed to determine a cut-off point for outliers with degrees of freedom equal to the number of variables in the analysis. For this study with six variables, the Chi-square critical value at P<0.001 was 9.82364. Maholonobis distance is the practical technique for

checking for outliers when employing multiple regression models (Rafiq, et al., 2023).

Table 4.1: Mahalanobis Distance Value

	SDB1_1	SDB2_1	SDB3_1	SDB4_1	SDB5_1	SDB6_1	PRE_1	MAH_1	P Value
1	-0.03050	0.05303	-0.03100	0.05975	0.06992	-0.038	4.34196	8.07852	0.04
2	-0.02397	-0.02397	.007095	0.04916	0.05510	-0.034	4.49972	3.00492	0.39
3	0.00517	0.00517	0.00933	0.00066	0.00538	-0.007	4.14939	6.63013	0.08
4	0.01727	-0.00163	0.00298	-0.01649	-0.0062	-0.001	3.28569	9.82364	0.02
5	-0.32539	-0.00163	-0.04614	0.35040	0.12951	0.08392	0.336959	5.61051	0.13
6	0.25051	0.05262	-0.03072	0.27249	0.09126	0.05893	0.363711	4.09349	0.25
7	0.02797	-0.03207	0.01527	-0.03541	-0.03062	0.01544	4.60690	4.07884	0.25
8	-0.05527	-0.02662	-0.00699	0.03769	0.01093	-0.015	3.50956	5.95335	0.11
9	0.03308	0.00197	0.00311	-0.02275	-0.00447	0.01128	3.72811	3.32428	0.34
10	0.01784	0.03220	0.00357	0.00228	0.01858	-0.025	4.23431	0.77385	0.86
11	-0.02351	0.09515	0.10786	0.08485	-0.09064	0.02571	4.56536	3.43078	0.33
12	0.02596	0.00630	0.07388	0.06021	0.06267	0.02127	0.426443	4.33054	0.23
13	0.05613	0.09468	0.9611	0.02322	0.07955	0.03072	4.79142	6.97861	0.07
14	0.06844	-0.02000	0.06105	0.03132	0.06490	-0.020	4.79142	3.97861	0.26
15	0.04662	-0.03187	0.01750	-0.04332	-0.02593	-0.000	4.38752	5.75628	0.12
16	0.03778	0.06569	0.03840	-0.07402	-0.08661	0.04814	3.42182	4.78948	0.19
17	0.06748	0.01644	0.01268	0.05178	0.02220	0.021	4.37026	1.69239	0.64
18	0.01439	0.03594	0.00580	0.00300	0.00768	-0.015	0.384834	1.70948	0.63
19	0.00399	0.00320	0.00147	0.00417	0.00287	0.00191	3.59967	2.30189	0.51
20	0.01520	0.04500	0.00154	0.00126	0.01226	0.021	0.440059	1.11443	0.77
21	0.00318	0.00091	0.00326	0.00175	-0.00180	0.014	0.427885	0.72267	0.87
22	0.03164	0.07903	0.01276	0.00659	-0.01689	0.033	0.392637	1.70942	0.63

Source: Research data, 2024.

4.3 Respondents' Demographic Characteristics

Demographic information enables researchers to inspect relationships, patterns, and differences in the population subcategories. Therefore, examining the descriptive analysis before inferential analysis rationalises the research findings' generalizability (Ray & Fellow, 2020). The following sections present the demographic data analyzed in this study.

4.3.1 Respondents' Distribution by Age

Table 4.2 indicates the age distribution of respondents. The results from the analysis indicated that 50.4% of the respondents were above 66 years old, while 25.6% were in the age of 56-65 years old. On the other hand, 15% represented the age of 36-45 years old, 4.5% of the respondents represented the age between 46-55 and again, 4.5% were in the age of 25-35 years. These results indicated that most % of the employees in these SACCOS, 76% (i.e.,50.4% +25.6%), were above the age of 66 on average. The findings indicate that many SACCOS in Dar es Salaam City preferred hiring people of older age to be employed in the field. This could be because most old age people stay in SACCOS for a long time and are willing to work even if they are paid relatively low wages.

4.3.2 Respondents Distribution by Gender

Table 4.2 revealed the findings of the sex distribution of the respondents. This table shows that males comprised the majority of the respondents, 74.4%, while females comprised the remaining 25.6%. These results indicated that males were the individuals most employed in SACCOS than females. The findings portray the sex

employment information in Tanzania, where males are mostly employed in both public and private organizations (Rashid, 2023). Another reason is that SACCOS believed that males were stronger in making follow-ups for clients who defaulted on their loans than females (Lestari, 2023).

4.3.3 Respondents' Distribution by Marital Status

Table 4.2 reveals the marital status among respondents. It indicated that married respondents represented 70.7% of all respondents, single respondents represented 12.8%, divorced respondents represented 9%, and 7.5% were separated. This implied that most employees working in SACCOS had married families because marriages increased family commitment (Solomon, 2022). The other 12.8% represents the single group who graduated from College and University, and at that moments, they were in their first employment. They fell at the age of 25-35. About 9% represents the divorced group, indicating that SACCOs had few employees who fell into misunderstanding with their partners. Lastly, 7.5%, which represented a separate group, suggested that one or more reasons SACCOS had an individual who was in a marriage separation.

4.3.4 Respondents' Level of Education

Table 4.2 also presents the education distribution of the respondents. Findings showed that 64.7% of the respondents had attended the certificate level, 18.8% had completed the master's level, 12% had completed the diploma level, and 4.5% had graduated with a first degree. This indicated that most of the employees likely to stay for a long time in the SACCOS were those with a certificate level of 64% and 19.6%

of master's level, compared to 16.4% for those who graduated from Colleges and Universities. The SACCOS, which was interested in employing most graduates from Universities and higher institutions, was more likely to experience high labour turnover (Mwita, 2024).

4.3.5 Respondents' Distribution by Working Experience

Table 4.2 of the results revealed the working experience distribution of respondents. The findings showed that 61.7% of respondents had working experience of above 20 years, 22.6% of respondents had working experience of 15-20 years, 10.5% had working experience of 5-10 years, 3.8% of respondents had working experience of 1-5 years and finally 1.5% had the experience of 11-15 years and above. Thus, the result indicated that most human resource SACCOS managers had an experience of more than 20 years, followed by 5-10 years. The majority are members of the SACCOS.

Table 4.2: Demographic Characteristics of Respondents

Age of respondents	Frequency	Percent
25-35	6	4.5
36-45	20	15
46-55	6	4.5
56-65	34	25.6
Above 66 years	67	50.4
Gender of respondents		
Female	34	25.6
Male	99	74
Marital status of respondents		
Divorced	12	9.0
Separated	10	7.5
Single	17	12.8
Married	94	70.7
The education level of respondents		
Masters	25	18.8
Degree	6	4.5
Diploma	16	12.0
Certificate	86	64.7
Working experience of respondents		
1-5 years	5	3.8
6-10 years	14	10.5
11-15 years	2	1.5
16-20 years	30	22.6
Above 20 years	82	61.7

Source: Research data, 2024.

4.4 Descriptive Statistics

Table 4.3 represented descriptive statistics for the variables, and the findings showed that for all 133 questionnaires which had been used after clear analysis and removing the outliers, the maximum statistics showed that training, norms and performance were 2.43, 2.71 and 2.86, while recruitment, incentive rules and culture were 3.00. The maximum statistics for training and rules were 4.71 and 4.86, while recruitment, incentive, norms, culture and performance were 5.0. The means for incentive rules, culture and performance were 3.9753, 3.9882, 3.9742 and 3.9785 and training, recruitments and norms were 4.0397, 4.1139 and 4.1289. The standard deviation for

training, recruitment, rules, culture and performance was 0.47522, 0.42304, 0.41947, 0.47310 and 0.40195, and for norms and incentives, 0.57570 and 0.51192. Lastly, the skewness and kurtosis were -1 and 1+.

Table 4.3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
							Std.		Std.
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Error	Statistic	Error
Training	133	2.43	4.71	4.0397	.47522	-.819	.210	1.138	.417
Recruitment	133	3.00	5.00	4.1139	.42304	-.023	.210	-.593	.417
Incentive	133	3.00	5.00	3.9753	.51192	-.138	.210	-.598	.417
Rules	133	3.00	4.86	3.9882	.41947	-.103	.210	-.700	.417
Norms	133	2.71	5.00	4.1289	.57570	-.026	.210	-.710	.417
Culture	133	3.00	5.00	3.9742	.47310	-.216	.210	-.569	.417
Performance	133	2.86	5.00	3.9785	.40195	-.053	.210	.183	.417

Source: Research Data, 2024.

4.5 Statistical Significance Test

4.5.1 Result From Normality

The normality test is among regression analyses, in which the assumption shows whether the residual indicates normal behaviour (Wulandari et al., 2021).

To test the normality, the researcher tested two of the most common methods: graphical and non-graphical. The first method involved a normality test using a common p-p plot of standardized residuals and predicted values. Figure 4.1 indicates that all dots on the normal p-p plot were filled along the diagonal line.

According to Araripe and Lara (2023) and Hair et al. (2019), wherever the residuals showed some indication of no substantial or systematic departure from the diagonal line, the residual must be considered to represent a normal probability distribution.

According to the p-p plot, this study's data were normally distributed. Apart from the p-p plot, the researcher also employed another method of testing normality: a histogram plot of residuals. The histogram presented in Figure 4.1 showed that histogram had a bell shape. It indicated that the data were normally distributed, which means that, to a high degree, the data met the necessary assumption of normality.

The second most common approach to test for normality of data was the non-graphical test, which involved some statistical analysis, a descriptive analysis of standardized residual value and the standardized predicted value. Kurtosis and Skewness values were involved in the analysis. According to Wulandari et al. (2021), Kurtosis and Skewness values must range between +1 and -1. The result obtained from this study indicated that the value of Kurtosis was below +1 and Skewness was below -1 for all variables. These figures were within the range of -1 and +1. Thus, the researcher ascertained that the data from this study were normally distributed.
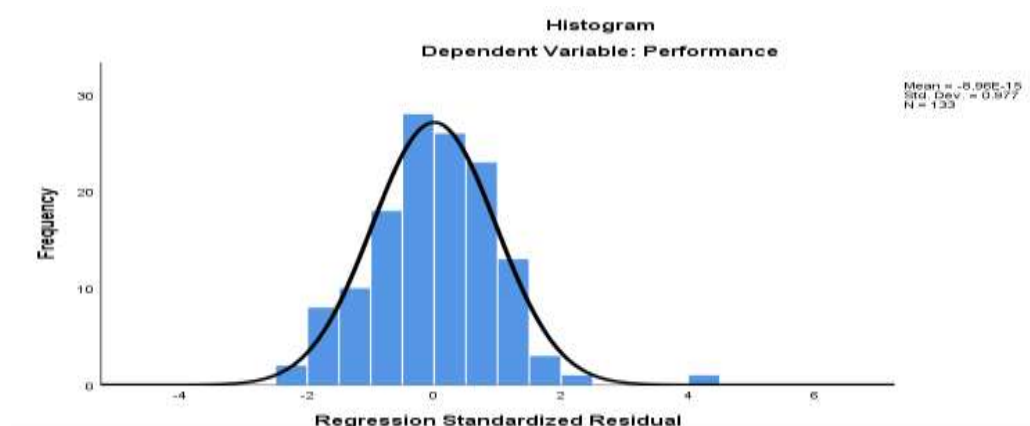
Figure 4.1: Histogram Plot

Source: Data Analysis, 2024.

4.5.2 Result From Linearity

Linearity in regression analysis is essential for checking the relationship between the independent variable (IV) and the dependent variable (DV) (Velu, 2021). The linear connectivity between IV and DV always represents the degree to which the direct change of the DV is proportional to the change in IV (Antonacci et al., 2024). Each IV's increment of mean value represents its mean value of DV, which lies along a straight line. It's scientifically proven in social research that important estimates such as regression coefficients R-squared, standard error and test of statistical significance will be biased if the linearity assumption is violated (Velu, 2021). A scatter diagram of data and residual plots can be used to examine linearity in regression analysis. This study used the P-P plot to check how the predictor value lay along the diagonal line. Figure 4.2 shows clearly that there were no linearity issues because all values lie very close to the diagonal line.
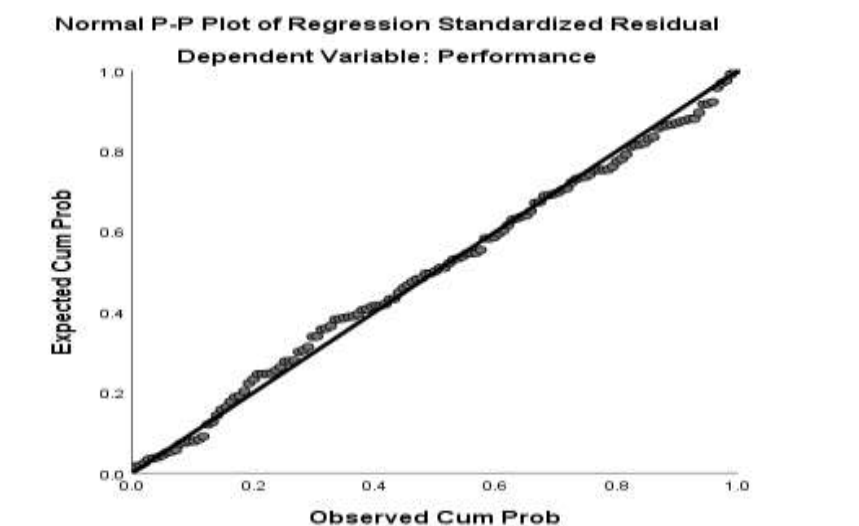
Figure 4.2: Linearity

Source: Data Analysis, 2024.

4.5.3 Result From Homoscedasticity

Homoscedasticity is a multiple regression statistical test that always assumes normal distribution in the residual value and uniform tendency of variance across all levels of predatorpredictors (Mmari & Kapaya, 2022). The researcher tested for homoscedasticity using a scatter plot of standardized residuals against the standardized predicted value. Figure 4.3 showed no serious heteroscedasticity issues because a few points fall outside the recommended range of +3-3 for this criterion. Therefore, the assumption of homoscedasticity was met.
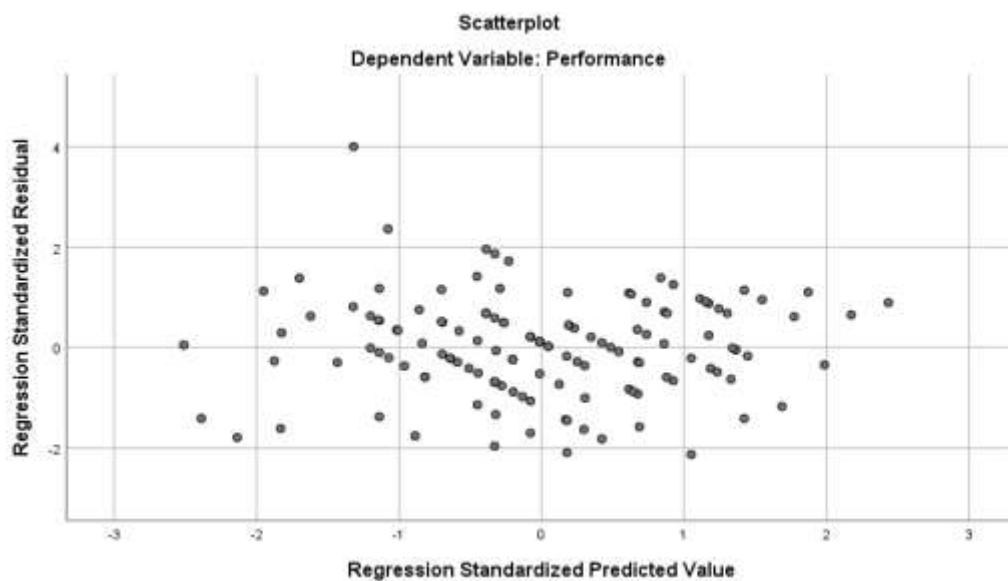
Figure 4.3: Homoscedasticity Test
Source: Data Analysis, 2024.

4.5.4 Result From Multicollinearity

Multicollinearity in social science research is considered when the situation arises whereby two or more predictor variables are so highly correlated that they both

represent the same underlying construct (Ahmad et al., 2021). Strange coefficients and larger standard errors were expected results from multicollinearity, which may make interpretation difficult. The multicollinearity examination in this study was done using Tolerant Value (TV) and Variance Inflation Factor (VIF). Tolerant Value (TV) is the degree to which the independent variable (IV) is independent of another IV (Ahmad et al., 2021). Its value must range from 0 to -1, but it's recommended that the larger value of Tolerant Value (TV) is desired. To calculate the VIF, simply the inverse of TV. It is the cut-off value for VIF<5 and TV >0.2 to prove the absence of multicollinearity. Table 4.4 shows that multicollinearity was not the problem in the data set since the VIF value was less than 5 and the TV was >0.2, so this was evidence that the issue of multicollinearity was not confirmed.

Table 4.4: Collinearity Diagnoses

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Recruitment	0.694	1.441
	Training	0.966	1.035
	Incentive	0.680	1.471
	Rules	0.149	1.710
	Norms	0.629	1.589
	Culture	0.240	1.174

a.   Dependent Variable: Performance

Source: Data Analysis, 2024.

4.6 Validity and Reliability

4.6.1 Result from Validity Measures

According to Hair et al. (2019), validity is the extent to which a scale or set of

measures accurately represents the concept of interest or what it is supposed to represent. This means the instrument gives the actual result of what it is supposed to measure (Warneke et al., 2025). Before conducting regression analysis, convergent and discriminant validity were tested. This study used Average Variance Extracted (AVE) to test convergent and discriminant validity.

The results on both convergent and discriminate validity were positive. Whereby convergent validity achieved the mean AVE of each construct of 0.6, which is greater than the known mean AVE on each construct of 0.5, as provided by Kong et al. (2014). Also, discriminate validity was tested, and all results were positive. To prove the construct validity, the square root of the AVE of the construct should be greater than the squared correlation (Hair et al., 2019). These results ensured that all constructs were statistically significant. The formula proposed by Awang (2011) was used to compute the AVE.

$$AVE = \left(\frac{\Sigma \Lambda^2}{n}\right)$$

Where Λ= Factor loading of every item and

n = number of items in the model.

Given;

$$AVE = \left(\frac{0.7374^2 + 0.7276^2 + 0.8623^2 + 0.7403^2 + 0.8425^2 + 0.7271^2}{6}\right) = 0.6$$

The result indicated in Table 4.5 suggests that convergent validity was achieved since all values of AVE obtained exceeded the threshold value of 0.5, ranging from 0.7271 to 0.8623, confirming strong convergent validity for each construct was

statistically significant.

The Fornell-Larcker Criterion method Hair et al., 2019) was used to test the discriminant validity, whereby the square root of the AVE for a construct is greater than the construct reliability between that construct and any other. For example, using the Training construct to calculate discriminant validity, the value of the Training average validity extract (AVE) square root obtained is measured with the construct reliability. This value should be greater than other construct reliability values. Given: Discriminating Validity (Training)=$\sqrt{0.7374}$=0.8587. Using the formula, the computation of other variables is indicated in Table 4.5. The results confirmed that each construct's square root AVE exceeded its correlations (construct reliability) with other constructs.

Table 4.5: Summary of Reliability and Validity Test

Construct	AVE	Construct Reliability (CR)	Cronbach Alpha (a)
Training	0.7374	0.90236	0.816
Recruitment	0.7276	0.85368	0.777
Incentive	0.8623	0.77532	0.753
Rules	0.7403	0.84832	0.806
Norms	0.8425	0.76201	0.873
Culture	0.7271	0.77400	0.761

Source: Data analysis (2024).

4.6.2 Result From Reliability

The reliability test assesses the degree of consistency between multiple variables (Saunders, et al., 2019). It is the extent to which a set of variables is consistent with its intended measure (Hair et al., 2019). According to Awang et al. (2011), the researcher can use two criteria to assess a measurement model's reliability: internal

reliability and composite reliability. The internal reliability of the measurements is concerned with the homogeneity of the items within a scale and is measured using the Cronbach alpha coefficient. Internal consistency is achieved when the Cronbach alpha (a) value exceeds 0.7 (Lai, 2021). The result obtained in Table 4.5 indicates that Cronbach's alpha (a) of >0.7 and construct reliability (CR) of >0.7 was attained for all latent variables in this study, thereby confirming directly the internal reliability and construct reliability of the measure was archived in this study as recommended by (Izah, et al., 2024).

4.7 Multiple Regression Analysis

4.7.1 Model Summary Results

The study's objective was to determine the effect of human resource management practices, recruitment, training, and incentives on the performance of SACCOS. The study also determined institutional factors such as moderating variables, norms, rules, and culture that affect the performance of SACCOS. The following section represents the result of the regression analysis between the performance of SACCOS and human resource management practices training (TR), recruitment (RE) and incentive (IN) and the moderating role of the institutional factors norms, rules and culture.

The Ordinary Least Squares (OLS) regression analysis and hierarchical regression analysis were conducted. In the first model, which incorporated only independent variables, the researcher examined to what extent human resources management practices, training, recruitment, and incentives, in one way or another, influenced the

performance of SACCOS. The results of the fitness and model are presented in Table 4.6. The value of R^2 showed how much the increase in the performance of SACCOS (DV) changes with the change in the unit of HRMP variables.

The coefficient of determination R^2 is presented to indicate how the variation in performance of SACCOS level directly responded to training, recruitment and incentives without incorporating any moderation factors in the model. In this analysis of the first model, R^2 is 0.672, indicating that 67.2% of the variation in the performance of SACCOS in Dar es Salaam was explained by the variation in training, recruitment and incentives. Thus, the remaining 32.8 variations can be explained by other factors. The value of R^2 does not necessarily have to be high or low. It depends on the dependent variable explained (Gao, 2024).

Table 4.6: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.820[a]	.672	.664	.23301	1.953

Predictors: (Constant), Incentive, Training, Recruitment
b. Dependent Variable: Performance
Source: Data Analysis, 2024.

4.7.2 ANOVA Results

Table 4.7 represents the intensive analysis of variance for F-statistics, which provided the statistical test for the overall model fit in terms of F ratio (Hair et al., 2019). Results showed that the squire's total sum (14.323 + 7.004=21.326) was the squared error that would occur if the researcher used only the mean of Y to predict the dependent variable. Using the value of recruitment, training and incentive

reduced the error by 2.04497 (14.323/7.004). The reduction is statistically significant with the F (3,129) = 87.934, which is significant at P<0.001. This result indicated that taking together independent variables, i.e., recruitment, training and incentive, explains the performance of SACCOS to a statistically significant level.

Table 4.7: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.323	3	4.774	87.934	.000[b]
	Residual	7.004	129	.054		
	Total	21.326	132			

c. Dependent Variable: Performance
d. Predictors: (Constant), Incentive, Training, Recruitment
Source: Data Analysis, 2024.

4.7.3 Regression Coefficient Results

The analysis in Table 4.8 indicates that all variables were important in explaining the performance of SACCOS. The recruitment had a significant effect on the performance of SACCOS (b=0.114, B=0.120, P>0.001), followed by training (b=0.307, B=0.363, P>0.001) and lastly, incentive with the values of (b=0.469, B=0.597, P>0.001). This result supports hypothesis H1, which states that training has a positive effect on the performance of SACCOS.

Moreover, hypothesis H2 stated that recruitment had a positive effect on the performance of SACCOS and hypothesis H3, which stated that incentive had a positive effect on the performance of SACCOS. The results showed a low level of standard error for recruitment, training, and incentive, which are 0.058, 0.043, and 0.048, respectively. The results clearly showed no multicollinearity issues as the

tolerance value was >0.2 and VIF was less than 10, as supported by (Hair et al., 2019).

Table 4.8: Ordinary Multiple Regression Coefficients

Variable	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	P	Tolerance	VIF
(Constant)	0.404	0.152		2.658	0.000		
Recruitment	0.114	0.058	0.120	1.979	0.001	0.694	1.441
Training	0.307	0.043	0.363	7.076	0.001	0.966	1.035
Incentive	0.469	0.048	0.597	9.764	0.001	0.680	1.471

Source: Data Analysis, 2024.

The multiple linear regression equation was derived from Table 4.8 as follows.

$PS = \beta_0 + \beta_1 TR + \beta_2 RE + \beta_3 IN + \mu$; where A= β_0-intercept, TR -Training, RE-Recruitment, IN-Incentives, β_1- β_3, coefficients of training, recruitment and incentives and μ-error term. Therefore, the equation derived from the regression model can be written as:

$PS = 0.404 + 0.307 \, TR + 0.114 \, RE + 0.469 IN + \mu$

4.8 Testing For Moderation

Moderation variables are variables that in one way or another can strengthen, diminish, negate, or sometimes change the association between a dependent and independent variables (La Barbera & Ajzen, 2021). In multiple regression analysis, moderation is tested by constructing cross-product variables and checking, when added to the regression equation, whether cross-product terms will be statistically

significant (Baranger et al., 2023). To construct cross-product/interaction terms, the researcher must multiply two variables of interest. This study constructed cross-product variables by simply multiplying each independent variable, such as recruitment, training, and incentive, with all moderating variables, norms, rules, and culture.

4.8.1 Testing of the Moderation Effect of Norms on Training Recruitment and Incentive

In model 1, 67.2% of the variance is explained. In addition, the result was significant $(\chi^2 = 3,129) = 87.934$, p<0.001, which meant that the recruitment, training, and incentive positively affected the SACCOS's performance. At the same time, in Model 2, 67.7% of the variance was explained in the model. The resulting general was not statistically significant, as it shows (1,128) =2.092<0.151. This meant that after introducing norms in the model, norms did not alter anything in recruitment, training, and incentives in the performance of the SACCOS. This was due to the evidence from Table 4.9 which showed in model 1 before the introduction of the norms, the result was as follows: recruitment B=114 <0.050, training 0.307, P<0.001 and incentive 0.469, P<0.001 while after introducing the moderating variable norms in the model the result was as follows; recruitment B=0.098, P<0.96, training B=0.298, P<0.001, incentive B=0.043, P<0.001 in this model 2, there was a slightly change but by regarding the moderation variable with B=0.064, P<0.151. This indicated that moderating norms had no significant effect on independent variables recruitment, training and incentive on the performance of SACCOS, and this generally rejected the hypothesis H4, which stated that institutional factor norms

significantly moderate the relationship between HRMP and the performance of SACCOS.

Table 4.9: The Interaction Effect of Norms on Training, Recruitment and Incentives

Models		Coefficient	Se	T	P	LLC1	ULC1
1	(Constant)	0.404	0.252	1.606	0.111	-0.094	0.903
	Recruitment	0.114	0.058	1.979	0.050	0.000	0.228
	Training	0.307	0.043	7.076	0.000	0.221	0.393
	Incentive	0.469	0.048	9.764	0.000	0.374	0.564
2	(Constant)	0.373	0.252	1.481	0.141	-0.125	0.871
	Recruitment	0.098	0.058	1.677	0.096	-0.018	0.213
	Training	0.298	0.044	6.826	0.000	0.212	0.385
	Incentive	0.436	0.053	8.247	0.000	0.332	0.541
	Norms	0.064	0.044	1.446	0.151	-0.024	0.151

Source: Data Analysis 2024.

4.8.2 Testing For Moderation Effect of Rules on Training, Recruitment and Incentive

This was done to test for statistical significance of the interaction effect between rules and independent variables (IV) recruitments, training and incentives. In both models (1 and 2), some of those variables were not statistically significantly affected by the rules for increasing the performance of the SACCOS. In the first model, recruitment had B=0.114, P<0.050. This implies that there was no statistical significance of recruitment in the performance of SACCOS again; model 2 shows B=0.115, P<0.072. This was after including moderating variable rules with the value of B= -0.006, P<0.961.

The moderation variable of rules has a small coefficient and is not statistically

significant. This means the moderation variable rules have no significant direct effect on the dependent variable recruitment on the performance of SACCOS, while training in model 1 had B=0.307, P<0.001. For incentive B=0.469, P<0.001 after introducing moderating variables rules in the equations in model 2, the result was as follows: training B=0.308, P<0.001 and the incentives was 0.473, P<0.001 while moderation variable rules B=0.006, P< 0.961 this implied that moderating variable rule had small coefficient and in general was not statistically significant means and did not have a direct effect on the dependent variable. The findings further demonstrate that the rules have not accelerated the SACCOS performance. In other words, the findings signify that the rules were not favourable in promoting the SACCOS performance. The findings led the researcher to reject the hypothesis H5, which stated that institutional factor rules significantly moderate the relationship between HRMP and SACCOS' performance.

Table 4.10: Interacting Effect of Rules on Training, Recruitment and Incentive

Models		Coefficient	Se	t	P	LLC1	ULC1
1	(Constant)	0.404	0.252	1.606	0.000	-0.094	0.903
	Recruitment	0.114	0.058	1.979	0.050	0.000	0.228
	Training	0.307	0.043	7.076	0.000	0.221	0.393
	Incentive	0.469	0.048	9.764	0.000	0.374	0.564
2	(Constant)	0.407	0.257	1.583	0.000	-0.102	0.915
	Recruitment	0.115	0.064	1.813	0.072	-0.011	0.241
	Training	0.308	0.044	6.961	0.000	0.220	0.395
	Incentive	0.473	0.093	5.076	0.000	0.289	0.657
	Rules	0.006	0.126	0.049	0.961	-0.255	0.243

Source: Data Analysis, 2024.

4.8.3 Testing of Moderation Effect of Culture on Training, Recruitment and Incentive

In Model 1, 66.4% of the variance is explained. In addition, the result was significant

(3,129) =87.934, P<0.001), which means the recruitment, training, and incentive positively affected the SACCOS's performance. At the same time, in model 2, 69.3% of the variance was explained in the model. The general result was not statistically significant as it showed that (1,128) =13.092<0.001, which meant culture significantly affected the independent variable recruitment training and incentive to performance of the SACCOS. In Table 4.11, the result for each variable is indicated as follows: in model 1, recruitment B=114, P<0.050, which is statistically not significant; training B=0.307, P< 0.001, which was statistically significant; and incentive B=0.469, P<0.001, which was statistically significant.

In model 2, after introducing the moderating variable culture in the model, the result remained significant for all variables except one variable, which is recruitment and the result was indicated as follows: recruitment B=0.148, P<0.106, B=0.303, P<0.001, B=0.424, P<0.001 and finally culture B=0.303, P=0.001. For this result, the analysis accepted the H6, which stated that institutional factor culture significantly moderates the relationship between HRMP and the performance of SACCOS.

Table 4.11: The Interaction Effect of Culture on Training, Recruitment and Incentive

Models		Coefficient	Se	t	P		LLC1	ULC1
1	(Constant)	0.404	0.252	1.606	0.111		-0.094	0.903
	Recruitment	0.114	0.058	1.979	0.050		0.000	0.228
	Training	0.307	0.043	7.076	0.000		0.221	0.393
	Incentive	0.469	0.048	9.764	0.000		0.374	0.564
2	(Constant)	0.470	0.241	1.949	0.054		-0.007	0.948
	Recruitment	-0.148	0.091	-1.627	0.106		-0.327	0.032
	Training	0.303	0.042	7.296	0.000		0.221	0.385
	Incentive	0.424	0.048	8.924	0.000		0.330	0.519
	Culture	0.303	0.084	3.620	0.000		0.137	0.469

Source: Data Analysis 2024.

4.8.4 Hierarchical Regression Analysis Testing of Moderation Effect, Norms, Rules and Culture on the Independent Variables Training, Recruitment, and Incentive on the Performance of SACCOS

To test the statistical significance of the interaction of the moderating effect of RR, NO, and CU on independent variables RE, TR, and IN and how it affected the performance of SACCOS. First, the researcher regressed the moderating variable on each independent variable to determine the extent to which this moderating variable altered the change in an independent variable, which directly caused the change in the dependent variable (DV). The result for each dependent variable in Table 4.11 was indicated as follows before injecting the moderating variable: the observed value IN model 1 for RE was B=114, TR 0.307 and incentive B=0.469 after introducing the moderating rule in model 2.

The result was just as follows: recruitment and rules (RE×R) B=0.115, training and rules (TR×R) =0.308 and incentive and rules (IN×R)=0.473, P<0.561. This result

indicated a slight change of 0.001(0.115-0.114), 0.001(0.308-0.307) and finally 0.004. This result implied that there were very slight changes in the moderating variable in the independent variable, which could lead to the change in the dependent variable, thus rejecting the hypothesis (H5), which stated that the institutional factor rules the significantly moderate relationship between HRMP and SACCOS performance.

After introducing norms to model 1, the result was recorded as follows: recruitment and norms (RE×NO) B=0.098, training and norms (TR×NO) B=0.298 and incentive and norms (IN×NO) B=0.436, P<0.151. This caused the slight change of (-0.016, 0.009 and 0.033). Therefore, this result does not support the hypothesis that institutional factor norms significantly moderate the relationship between HRMP and the performance of SACCOS.

Culture was another moderating variable introduced in the equation. The result was indicated as follows: recruitment and culture (RE×CU) B= -0.148, training and culture (TR×CU) B=0.303, and incentive and culture (IN×CU) B=0.424, P<0.001, so there were slight changes of (-0.262, 0.004, and 0.045) despite a slightly change. Still, this analysis contains P<0.001 for all variables, which automatically supports the hypothesis (H6), which states that institutional factor culture significantly moderates the relationship between HRMP and SACCOS performance.

Table 4.12: Hierarchical Regression Analysis Testing of Moderation Effect on Independent Variable to Performance of SACCOS

Variable	Model 1	Model 2
Constant	0.404	0.470
Recruitment	0.114**	
Training	0.307**	
Incentives	0.469**	
Recruitment x rules		0.115
Training x rules		0.308**
incentives x rules		0.473**
Recruitment x norms		0.098
Training x norms		0.298**
Incentives x norms		0.436**
Recruitment x Culture		0.148
Training x culture		0.303**
Incentive x culture		0.424**
R^2	0.672	0.675
ΔR^2	0.664	0.003

Source: Data Analysis 2024.

4.9 The Hypotheses Testing

The results that demonstrate the testing of hypotheses show significant and positive evidence concerning the influence of effects of human resource management practices, institutional variables and SACCOS performance in Dar es Salaam region in Tanzania. The findings show that training, recruitment. Incentive variables all supported the three formulated hypotheses (Hypothesis 1, Hypothesis 2, and Hypothesis 3) by attaining significant p-values, with a value of 0.000. The findings ascertained that initiatives aimed at building capacity for SACCOS staff, good and effective recruitment procedures, and incentives provision for the staff are fundamental for improving the performance of SACCOS in Dar es Salaam region in Tanzania.

The findings indicate that overall, the human resource management practices of training, recruitment and incentives promoted the SACCOS performance in Dar es Salaam region in Tanzania. The study further ascertained how the rules, norms, and culture as moderating factors influenced the relationship between HRMP and SACCOS performance. Further, the rules institutional variable positively and significantly moderates the relationship between training and incentives and SACCOS performance (Hypothesis 4 and Hypothesis 6). However, the variable influence of recruitment on the relationship with the rules was not significant (Hypothesis 5, at a significant level of 0.072). Correspondingly, norms moderating influence on training on the other hand and incentive variables (Hypothesis 7 and Hypothesis 9), were positive but insignificant. The same moderating influence on the norms can be observed in the recruitment variable (Hypothesis 8 with a significant level of 0.096).

On the other hand, the positive moderating influence of the culture variable has been observed for the training and incentives variables with SACCCOS performance (Hypothesis 10 and Hypothesis 12). Nonetheless, the rules did indicate a significant moderating influence when explaining the relationship between recruitment and SACCOS performance (Hypothesis 11 with a significant value of 0.106. The findings emphasize the vital role of ensuring cultural practices align with the SACCOS' performance goals. Table 4.13 shows the hypotheses testing results.

Table 4.13: Hypotheses Testing Results

Hypothesis	Hypothesis Description	p-value	Decision
H1	*H1: Training has a positive effect on the performance of SACCOS in Tanzania*	0.000	Supported
H2	*H2: Recruitment has a positive effect on the performance of SACCOS in Tanzania*	0.000	Supported
H3	*H3: Incentives have a positive effect on the performance of SACCOS in Tanzania*	0.000	Supported
H4	*H_4: Institutional factor rules positively moderate the relationship between training and performance of SACCOS in Tanzania.*	0.000	Supported
H5	*H_5: Institutional factor rules positively moderate the relationship between recruitment and performance of SACCOS in Tanzania.*	0.072	Not Supported
H6	*H_6: Institutional factor rules positively moderate the relationship between incentives and the performance of SACCOS in Tanzania.*	0.000	Supported
H7	*H_7: Institutional factor norms positively moderate the relationship between training and performance of SACCOS in Tanzania.*	0.000	Supported
H8	*H_8: Institutional factor norms positively moderate the relationship between recruitment and performance of SACCOS in Tanzania.*	0.096	Not Supported
H9	*H_9: Institutional factor norms positively moderate the relationship between incentives and performance of SACCOS in Tanzania.*	0.000	Supported
H10	*H_4: Institutional factor culture positively moderates the relationship between training and performance of SACCOS in Tanzania.*	0.000	Supported
H11	*H_5: Institutional factor culture positively moderates the relationship between recruitment and performance of SACCOS in Tanzania.*	0.106	Not Supported
H12	*H_6: Institutional factor culture positively moderates the relationship between incentives and the performance of SACCOS in Tanzania.*	0.000	Supported

Source: Field data (2024)

4.10 Final Model

The final model of the research is indicated in Figure 5.1. The figure indicates the presumed relationship between the variables before and after the data collection and analysis. The model shows that the model supported the predicted relationship for the variables of training, recruitment, and incentives. Similarly, the moderating role of the culture is to explain the relationship between the human resource variables of the training, recruitment, and incentives and SACCOS performance. However, for the moderation roles of the rules and norms, they failed to predict the existence of positive and significant relationships.

The positive and insignificant moderation of rules and norms indicates that there was misalignment between the rules and norms and the operational practices of various SACCOS. The findings further designate that many SACCOS had possibly outdated norms or rules were poorly implemented,which constrained the way human resource practices enhanced the performance of the SACCOS.

Independent Variable   **Moderating Variable**   **Dependent Variable**
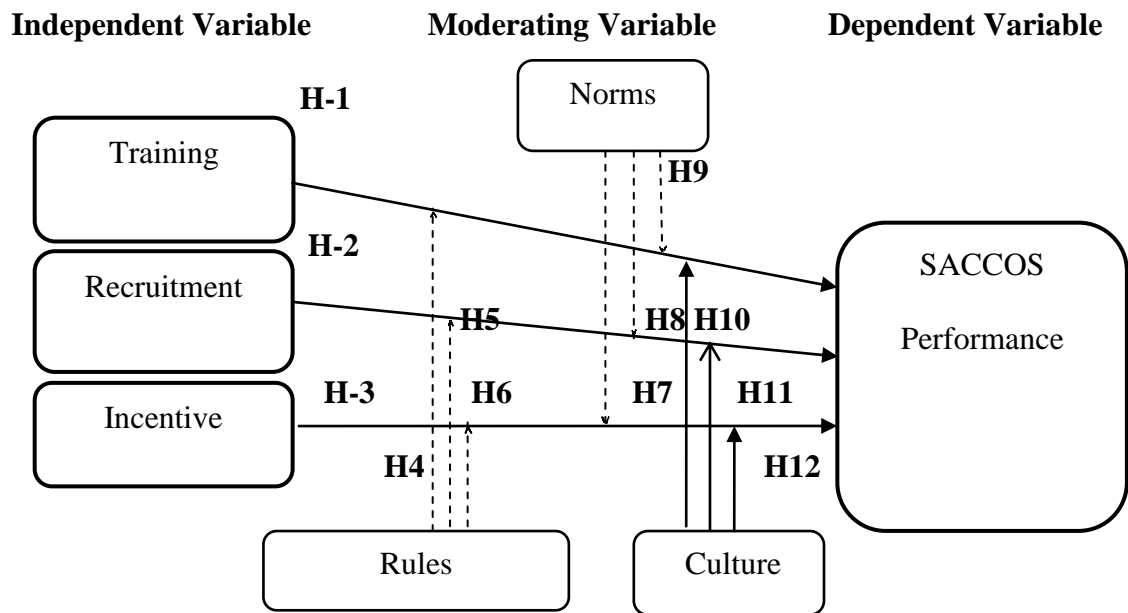
Figure 5.1: Final Model of the Current Study
Source: Researcher's extract from literature, 2024
Key

⟶ **Positive and significant relationship**
- - - - - - - ⟶ **Positive and insignificant relationship**

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Overview

This chapter presents the findings of the study. In addition, the researcher succeeded in comparing and constructing the results obtained in this study with those of previous studies conducted in different countries to point out the contribution of this study. The chapter starts by presenting the demographic factors and regression analysis findings, and ultimately ends by presenting the findings obtained on the objectives of this study.

5.2 Respondents' Demographic Factors

The descriptive analysis of this study involves the intensive analysis of individual demographic characteristics. It is supported by a clear interpretation of respondents' age, education level, marital status, sex, and working experience. The result indicated that most of the SACCOS employees were in their old age, where most were retired employees in a particular organization and tended to join the cooperative as members, so they work as part-time employees. The minority group falls under the age group of young employees and the middle-aged employees.

The result suggests that older people are more engaged in SACCOS activities than young people. The result is supported by scholars like Lestari (2023), who revealed that most young people are more attracted to working in banks and other microfinance institutions than in SACCOS. This result is like the study of Kabue et al. (2023), who revealed that older employees who retired from banks and other

microfinance institutions are more likely to work in SACCOS in their part-time employment. Young employees are more interested in working in the most reputable institutions with more attractive salaries and benefits (Mwita, 2024).

The gender result indicated that most of the respondents who were employees of the SACCOS were males compared to females. The study suggests that men performed most of the activities conducted in the SACCOS compared to women, who were most interested in banks and other financial institutions. Miheso and Wangere (2019) indicated that SACCOS needs individuals who are aggressive in the collection of loans; thus, they need energetic individuals who can collect unpaid loans from its members.

For marital status, the results show that most of the respondents who were employees of the SACCOS were married. However, some individuals who worked in SACCOS were separated or singled out. The results suggest that SACCOS employed staff with diverse marital statuses. Basnet et al. (2022) asserted that the single SACCOS staff in Nepal were committed to work compared to the married employees. The result is also supported by Mlawa (2022), who revealed that employees who possess a family and an active marriage tend to stay for a long time in the organization compared to those who are not married.

Additionally, the result obtained from the level of education indicated that most respondents had a low level of education, which was a certificate, and the minority group of respondents had a degree. This result suggests that most of the employees

working in SACCOS had a low level of education. SACCOS recruited mostly staff with low education because of their low financial strengths. Mwita, (2024) support this result, which revealed that because of budget constraints and low profit earning, the SACCOS tended to employ staff with low education to foster paying them less. Individuals with high levels of education demand a high salary scale compared with those with a low level of education.

Moreover, the work experience indicated that most of the respondents had more than 20 years. In contrast, the minority group of the respondents had experience of 1-5 years. These results suggest that most of the SACCOS employees had enough experience. This result is supported by the study of Hamadamin and Atan (2019), which revealed that most the employees in SACCOS had enough experience, and most of them joined SACCOS after retiring from their organizations. Jillo et al. (2023) and Mwita (2024) proved that most SACCOS staff were former former former employees from other microfinance institutions. That was why their staff had enough experience to run the SACCOS.

5.3 Regression Analysis

In this study, regression analysis was conducted in two phases. The first phase involved regression analysis of only independent variables, such as training, recruitment, and incentives for the dependent variable performance of SACCOS. The last phase includes introducing each independent variable's moderation variable, norms, rules and culture. The hierarchical regression model tested whether there is a significant relationship between human resources management practices and the

performance of SACCOS. At this phase, hierarchical regression was conducted to check the moderation effect of norms, rules, and culture on independent and dependent variables.

5.3.1 The Effect of Training on the Performance of SACCOS

The study examined whether training could positively affect the performance of SACCOS, as stated in hypothesis one. The result confirms directly that training has a significant and positive effect on the performance of SACCOS. This result supported the first hypothesis (H1). These results suggest that training supported the performance of SACCOS. The results are in line with the previous empirical findings, including the studies of Wang et al. (2021), who found that SACCOS which conduct regular training for their employees are likely to earn more profit from their operations compared to those that do not tend to train their employees. A further finding from Ofei et al. (2020) asserted that SACCOS were more serious about investing in training during the previous five years and achieved the target of 80% profitability and above because of effectively investing in training for its employees.

Sagwa and Kembu (2021) revealed that attending training for employees enables capacity building and confidence for employees to deal with everyday challenges facing them during the operation of the SACCOS. Training improves the capacity and exposure of the employee in potential areas of operation, especially in financial and administrative matters. Similar findings on the effect of training on the performance of SACCOS obtained by scholars like Sagwa and Kembu (2021) found

that employees who have access to training in their SACCOS had the possibility of performing well compared to those who had not conducted training in their SACCOS. However, Alemayehu (2022) revealed that attending employee training does not bring high performance within the organization, but what is important is for an organization to invest in the combination of many factors, like the selection of qualified candidates during the recruitment process. Moreover, Mangee (2012) revealed that training did not influence Kenya's active youth enterprise development fund utilization.

5.3.2 The Effect of Recruitment on the Performance of SACCOS

The second objective of this study was to examine whether recruitment could positively affect the performance of SACCOS, as stated in hypothesis two (H2). The result from this study, obtained in Chapter four, Table 4.8, directly supported the relationship between recruitment and performance of the SACCOS (b=0.120, P<0.001). These results suggest that recruitment in the SACCOS is an important ingredient in ensuring that SACCOS perform positively.

The results found in this study are consistent with the findings of other studies, such as the studies conducted by Kabue et al. (2023), which found that recruitment positively promoted the performance of SACCOS. Miheso and Wangwe (2019) focused on HRMP practices of recruitment, selection, training and development in Kenya. The study also found that effective consideration of recruitment factors during staff employment in SACCOS has contributed positively to SACCOS's performance in many SACCOS locations in Kenya. This was due to the evidence

that an effective recruitment process enables the management within these SACCOS to screen the cream of professional candidates who possess the attractive qualifications to run operations in these SACCOS (Mwita, 2024). Contrary to others, Heinz (2024) contended that the effective process during recruitment does not implicate the high performance of the SACCOS because some candidates can be well prepared during interviews but can be weak when performing the actual job.

5.3.3 The Effect of Incentives on the Performance of SACCOS

This study intended to examine the effect of incentives on the performance of SACCOS, as stated in hypothesis three (H3). Moreover, the findings obtained in Table 4.8 supported the relationship between incentive and performance of SACCOS (b=0.597, P<0.001), so hypothesis three was supported. Thus, the findings proved that without an incentive to energize the employee, it would be difficult for the employee to have the courage to work hard to boost their performance. Hence, the performance of SACCOS is also deterred.

The findings from this study are consistent with the findings from other researchers, such as Raiji and Lumwagi (2022), who found that incentives increased the performance of SACCOS since individuals in the community are motivated by different things, some are material and others are just recognition and acceptance. Ofei et al. (2020) reveal that incentives positively affected the SACCOS performance. This evidence is supported by Mwita (2024) and Jillo et al. (2023) that incentives make employees dedicate most of their time to perform duties that directly contribute to the general performance of the SACCOS. Incentives contribute to

increasing the performance of SACCOS by giving employees a motive to perform better than before and incentivising them in terms of gifts or recognition within SACCOS (Mlawa, 2021). However, in their studies, scholars like Dorner and Lancsa (2023) revealed that incentive has no contribution to SACCOS performance.

5.3.4 Institutional Factors of Moderating Variables: Norms, Rules and Culture on the Independent Variable Training, Recruitment and Incentive on the Dependent Variable: the Performance of SACCOS

The analysis of the moderating effect of rules, norms, and culture on independent variable training, recruitment and incentives for the dependent variable performance of SACCOS is presented in the following paragraphs.

5.3.4.1 Norms

The SACCOS norms include democratic members' decision making, open and voluntary membership, members' economic participation, autonomy and independence, training members (education) and information sharing (Anania & Gikuri, 2015). The findings from the hierarchical regression analysis indicate that norms had no significant effect on the relationship between training, recruitment, and incentives in the performance of SACCOS. The findings designate that the norms in SACCOS do not promote the human resource functions of training, recruitment and incentives. The findings demonstrate that the SACCOS in Tanzania conducted their daily operations without considering how the norms could promote the performance of their SACCOS. In other words, the norms were implemented so that they were not strong enough to enhance the SACCOS' performance.

The norms of SACCOS, as semi-formal financial institutions, have not influenced SACCOS performance in Tanzania by not prioritizing the execution of key human resource functions, including recruitment, training and incentives. Since most SACCOS clients and leaders are based in rural areas. Most do not possess the financial and cooperative education, they embrace loyalty and favouritism and adhere to a formal performance-based approach. Informal norms of cooperative that stresses collective benefit and social harmony discourage the recognition and renumerate the staff and board members who have outstanding performance and thus prevent them. Moreover, the cooperative culture encourages collective decision-making and discourages the stringent procedures on loan disbursement and recovery. This type of culture causes many SACCOS to accumulate non-performing loans and largely contributes to poor SACCOS' growth and performance. The cooperative culture emanated from socialism base make the clients treat loans as prizes or subsidies, which dwindle the loan repayment and recovery procedures. Contrary to the findings of this study, Abdul Zalim (2022) asserted that good norms promoted the performance of Islamic microfinance institutions in Malaysia. Furthermore, Mwaipaja (2024) revealed that the normative institutional values positively and significantly moderated the connection between information asymmetry, loan appraisal and loan quality of the loan portfolio in Tanzanian SACCOS.

5.3.4.2 Rules/Regulations

SACCOS rules define membership joining criteria, instruct on savings contributions, stipulate the loan conditions and loan issuance procedures, and define the leaders'

responsibilities. Moreover, the rules define the rights and responsibilities of leaders and clients and establish procedures for handling grievances (Jumba, 2021).

The analysis in chapter four Table 4.8 indicates that rules (B=-0.006, P<0.961) did not significantly affect the relationship between training, recruitment and incentive and the performance of SACCOS. This indicates that the presence of stringent rules prevented and restricted performing responsibilities that could promote the performance of the SACCOS. The cooperative societies act directly to direct the SACCOS formalization and operations. However, the enforcement of regulations in SACCOS has not been done adequately to promote its performance. Regulations in SACCOS do not sufficiently promote the proper recruitment practices to enable SACCOS to possess qualified staff. Many SACCOS do not conduct frequent audits due to a limited amount of financial resources. The regulations supervised by TCDC are bureaucratic and some do not enhance the performance of the SACCOS. For instance, the regulations which enforce the setting of minimum standards of the training fees for the SACCOS do not give the SACCOS options on how to use the resources for other activities when all the staff possess adequate skills (Mwita, 2024). Ayayi and Peprah (2018) demonstrated that in Ghana, the operational cost of MFIs increased when the MFIs endeavoured to abide by regulations in Ghana.

5.3.4.3 Culture

SACCOS culture denotes the shared values, practices and beliefs that shape the clients' behaviour and members' interactions. SACCOS culture includes the solidarity and trust among members (Maina, 2023). Cultural practices also comprised the self-help spirit, mutual support, accountability and transparency, democratic

decision-making adherence and clients' dedication to long-term sustainability and growth. Regression analysis shows that culture had a significant and positive moderating effect on the relationship between training, recruitment and incentives on the performance of SACCOS. The result indicates how employees lived, communicated, and associated to each other opened the door to developing new strategies, techniques and methods of conducting business within the SACCOS.

Culture significantly encouraged the SACCOS in Tanzania to implement the human resource practices. The cooperation and social harmony culture shaped a system SACCOS to function more as community welfare-oriented institutions rather than being merely a financially based cooperative institution. The social cohesion culture has encouraged wide participation of SACCOS clients and has tempted the new potential clients to join SACCOS. The cooperative and social harmony culture has enhanced the growth of SACCOS in rural and urban areas in Tanzania. Permission to establish SACCOS members based on their affiliation, such as community-based or employee-based, has fostered cooperation among the SACCOS.

These current findings are consistent with former empirical findings from other scholars. Anyangwe et al. (2022) found that masculine and indulgent individualistic cultures promoted microfinance institutions (MFI) performance in 44 countries worldwide. Moreover, Mkhitaryan (2022) asserted that a conducive culture and well-structured organizational systems promote the MFI's productivity. Nawaz et al. (2021) recognized the role of culture that promotes more women clients to be part of the MFI boards and employees and clients in Asia. Furthermore, Mwaipaja (2024) revealed that the cultural institutional values positively and significantly moderated

the connection between information asymmetry, loan appraisal and loan quality of the loan portfolio in Tanzanian SACCOS. Wambua (2012) revealed that the staff's negative culture of not serving the customer properly threatened the performance of Kenyan Balozi SACCOS.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Overview

This chapter presents the summary, conclusion, and recommendations of the study on HRMP and the performance of SACCOS, as well as the moderating role of institutional factors in influencing the linkage between HRMP and the performance of the SACCOS. The chapter also discusses the implications of this study, including policy, practical, and theoretical implications. Finally, the study limitations and recommendations for future studies are provided.

6.2 Summary of Findings

The summary of findings as per specific objectives is presented in the following sections.

6.2.1 Influence of Training on Performance of SACCOS

The result of this study revealed that training had a significant and positive effect on the performance of SACCOS. The findings indicate that SACCOS's well-designed and effectively delivered training programs enhanced the skills and competencies of SACCOS employees. The finding shows that employees with greater access to training performed positively in their daily operations compared to those who did not attend the training. In this way, they contributed positively to the performance of SACCOS.

6.2.2 Influence of Recruitment on Performance of SACCOS

The results show that intensive recruitment increased the performance of SACCOS by ensuring that the SACCOS screened the recruited staff carefully. Therefore, through careful screening, the SACCOS obtained competent and well-qualified staff. Thus, the intensive recruitment process improved the performance of SACCOS because it recruited employees who were competent in running the SACCOS activities. Hence, the recruited staff used their skills and experiences to promote the performance of SACCOS.

6.2.3 Influence of Incentive on Performance of SACCOS

The results from this study also revealed that employee incentives had a positive and significant effect on the performance of SACCOS. Thus, employees became very eager to work harder in their assigned responsibilities due to the incentives they received. The incentives were paid as an allowance for participation in different SACCOS activities, such as loan appraisal, extra duty, meetings, and training attendance. The incentives included contributions the employees received during the birth of a child and the mourning of blood-related relatives.

6.2.4 Moderation Effect of Institutional Factors on Performance of SACCOS

The results obtained from these studies revealed that rules had no significant moderation effect on the relationship between HRMP and the performance of SACCOS through training, recruitment and incentives. The result revealed that the performance would increase if the SACCOS ignored non-beneficial and cumbersome rules within the SACCOS. Moreover, the rules set by the regulator (TCDC) in some

way decelerate the performance of the SACCOS. For instance, the rule which forced the SACCOS to set aside a certain percentage of the revenue for training purposes was good. However, the SACCOS could be free to decide on their own the training budget annually.

Moreover, the results also showed that applying the norms within the SACCOS has no significant effect on the independent variable (recruitment, training and incentive) on the SACCOS performance. This implies that SACCOS applied outdated norms that fostered its performance. Hence, the SACCOS are recommended to imitate the norms that promote their performance from successful financial institutions such as commercial banks or community banks. The norms may include those that foster funds management, credit risk management, integrity and diligence.

6.3 Conclusion

The study demonstrated that HRMP-specific training, recruitment, and incentives, had a positive effect on the performance of SACCOS. These practices improve employee productivity, enhancing service delivery and overall organizational efficiency. However, for the moderation variables, culture only had a positive and significant effect on the performance of SACCOS. The findings suggest that the cooperative culture aligned with the goal and values of SACCOS and hence enhanced their effectiveness and performance. At the same time, norms and rules were insufficient to promote the SACCOS's performance.

6.4 Implications of the Study

The research implications of this study are presented in this section. The implications

are mainly based on policy and practical and theoretical aspects.

6.4.1 Theoretical Implication or Theoretical Contribution

The study contributes to Herzberg's two-factor theory and institutional theory by bridging two theories to offer a holistic elucidation of the way HRMP affects the SACCOS' performance in Tanzania's context. While previous studies concentrated on Institutional or motivational facets, this study has introduced a consolidative model that inspects the interaction between HRMP (training variable, recruitment variable, and incentives variable) and institutional variables (norms, rules and culture). By doing this, the study contributes to the advanced understanding of the theoretical demonstration between the human resources variables of training, recruitment, incentives and the performance of SACCOS. The study of institutional factors, therefore, confirms that SACCOS performance is influenced not only by human resource functions but also by how SACCOS implements institutional variables such as norms, rules, and culture.

This study has recognized that culture is an essential component in the Institutional theory that plays a fundamental role in enhancing the SACCOS performance by moderating and shaping the relationship between HRMP and SACCOS performance. The findings demonstrated that SACCOS conformed to a cooperative-based culture and could achieve their intended goals. Hence, the SACCOS culture became effective when the SACCOS conformed to the cooperative guiding principles. The findings indicated that the positive culture of SACCOS promoted the human resources management practices of training, recruitment and incentives. Therefore,

the study generally indicated that the SACCOS culture fostered the performance of SACCOS in Tanzania. The previous scholars have not articulated this kind of contribution.

Similarly, the study indicated the contribution of the two theories, especially by explaining how the norms are essential in shaping the relationship between the human resource management practices and the SACCOS performance. Despite many studies that have used the Institutional theory to explain its influence on the SACCOS performance, the literature indicates that the studies that considered the norms as moderators between the human resource practices and SACCOS performance are scanty. The findings from the study indicated that the norms did not significantly influence the moderating role between the human resource practices and the SACCOS performance.

The findings depicted that the norms in SACCOS were inadequate in enhancing their performance. Therefore, it might be possible that these norms were either outdated or lacked dynamism. The findings further revealed that the rules also did not confirm the significant moderation between the HRMP and the performance of SACCOS in Tanzania. The study further demonstrated that despite the Institutional theory emphasising the rules and norms in promoting organizational performance, the study revealed that they did not adequately promote the performance of the SACCOS when assisted with the human resource management practices of the training, recruitment and incentives.

Furthermore, this study contributes to theoretical underpinning, proposing a new

theoretical linkage between human resource practices, institutional theory variables and SACCOS performance. Herzberg's two-factor theory is known for its effectiveness in explaining how the HRMP of training, recruitment and incentives impact SACCOS performance. However, the theory does not explain how the Institutional factors influence the motivational strategies of Herzberg's two-factor theory. Incorporating variables of institutional theory by enriching them with Herzberg's two-factor theory provides a new contextual explanation. Therefore, the theoretical contribution is the depiction of how the motivation variables of Herzberg's two-factor theory promote the SACCOS performance when supported with cultural settings. However, the findings also indicate that norms should not be an obstacle to properly promoting SACCOS performance.

6.4.2 Policy Implication

Government intervention is recommended to ensure all SACCOS through TCDC adopt the policy of implementing HRMP to realise the SACCOS increase in training, recruitment and incentives. The current study has empirically demonstrated that HRMP training, recruitment, and incentives positively and significantly affect the performance of SACCOS. Thus, the government should enforce the implementation of HRMP, such as the availability of training, proper recruitment processes, and incentive schemes that will promote the performance of SACCOS.

Additionally, the Tanzania Cooperative Development Commission (TCDC) should ensure that SACCOS mandatorily conduct different training programs, conferences, and seminars to increase the capacity building of small SACCOS. The findings

indicated that the rules and norms did not significantly moderate the human resource practices of training, recruitment and incentives. Therefore, the study recommends that the regulator set a policy that enforces SACCOS to have updated and consistent rules, norms and culture that promote the performance of the SACCOS.

6.4.3 Practical Implication

The findings from the study indicate that SACCOS should prioritize strategic human resources management practices as a special means to achieve better performance. Thus, employee training, recruitment, and incentives must be invested effectively in the SACCOS to attain the desired SACCOS performance.

The findings of this study indicate that HRMP training, recruitment and incentives significantly and positively affect the SACCOS' performance. The findings imply that the presence of an effective procedure of recruitment during the process of employment, the existence of regular training in the SACCOS and the presence of recognizing employees and incentives can change the employees' attitude and improve SACCOS performance.

Furthermore, findings reveal that norms did not significantly improve the SACCOS performance. The findings imply SACCOS did adequately work by adhering to the established SACCOS norms. Therefore, the study recommends that the SACCOS operate by adhering to the SACCOS norms. These include democratic members' decision making, open and voluntary membership, economic participation of members, autonomy and independence, training members (education) and

information sharing.

The findings further indicate that the regulations did not significantly influence the SACCOS performance. The findings indicate some weaknesses for SACCOS to abide by the regulations. Therefore, the study recommends that SACCOS abide by all regulations to promote their performance. The regulations guiding membership joining criteria, savings contributions, the loan conditions, loan issuance procedures and the leaders' responsibilities are essential to abide by as they promote better execution of the SACCOS functions and ultimately promote the performance of the SACCOS. Moreover, SACCOS should adhere to the rules and regulations defining the rights and responsibilities of leaders and clients and guiding the handling of grievances.

6.5 Limitations of the Study

Even though the current studies significantly contribute to our knowledge of HRMP, institutional factors and the performance of SACCOS, the following limitations have been observed. The first limitation is limited geographical coverage. Since the study concentrated on Dar es Salaam region, the capital hub of Tanzania and an urban area, the results may not be generalized to SACCOS in rural areas. The SACCOS in rural areas usually face budget and capital challenges, and hence, the results for the rural SACCOS may differ from what has been revealed in this study. Moreover, the data for one region makes it difficult to generalize the findings.

Additionally, while there are many human resource management practices such as motivation, human resource planning, job design, job relation, health and safety,

compensation, performance appraisal, etc, the study concentrated only on the three types of human resource practices. Hence, the information about the influence of human resource management practices apart from training, recruitment and incentives is beyond this study's scope. Therefore, this study cannot generalise the influence of human resource management practices on the performance of SACCOS in Tanzania since only three variables of the human resource management practices had been analysed.

The study also faced methodological limitations because it was confined only to a quantitative research design during the data collection and analysis methods. Using the quantitative studies only makes the study unable to offer a detailed and in-depth explanation of the influence of the human resource management practices on the performance of the SACCOS for the Tanzanian SACCOS. In-depth explanation through the qualitative method is essential to explain how the HRMP of training, recruitment and incentives influence the performance of SACCOS in Tanzania.

The study is also limited to the cross-sectional research design where data were collected simultaneously. Data collection only at one time makes the study fail to discern the patterns of the findings on different occasions. The current study also fails to explore how employees' perceptions of HRMP (For instance, fairness in recruitment and effectiveness of training) influence their motivation, job satisfaction, and, ultimately, the performance of SACCOS.

6.6 Recommendation for future Studies

The study suggests that future research must use qualitative methods with a nationally representative sample to better understand the moderating effect on the relationship between human resource management practices and performance of SACCOS. Moreover, the same research may be replicated in African and outside countries, focusing on SACCOS and comparing the results. This is because adopting strategies to conduct the SACCOS business varies according to the culture, norms, law, rules and regulations of the particular counties. Due to the adoption of SACCOS norms, rules, and culture in Tanzania, it cannot be the same as that of other countries in the World.

Future studies must examine how specific HRMP, such as motivation, human resource planning, job design, job retention, health and safety, compensation, and performance appraisal, affect the performance of SACCOS in different geographic regions or economic contexts. The study provides a deeper understanding of how contextual factors influence the relationship between HRMP and organisational performance. Conducting longitudinal research could provide insights into how changes in HRMP over time affect the long-term performance of SACCOS. Therefore, the study promotes the understanding of whether the benefits of certain HRMP are sustained or diminish over time.

Finally, future studies could explore how employee perceptions of HRMP (For instance, fairness in recruitment and the effectiveness of training) influence their motivation, job satisfaction and ultimately, the performance of SACCOS.

Understanding the employee perspective could offer new insights into improving HRM strategies.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR THE PROPOSED STUDY

Part A: Personal Details

Put a tick where appropriate

1. Age (a) 25-35 () (b) 36-45 () (c) 46-55 () (d) 56 years and above ()

2. Sex (a) Male () (b) Female ()

3. Marital status (a) Married (b) Single (c) Divorced (d) Widow/Widower

4. Level of education (a) Certificate () (b) Diploma () (c) Degree () (d) Master's () (e)

PhD ()

5. Working experience (a) 1-5 years () (b) 5-10 years () (c) 11-15 years () (d) 16 and

above ()

Part B: To Determine the Influence of Recruitment on the Performance of SACCOS in Tanzania.

Put a circle where appropriate.

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

S/N	Recruitment	SA	D	N	A	SA
1.	Job advertising procedures have promoted the performance of our SACCOS	1	2	3	4	5
2.	Screening procedures of the potential job applicants have promoted the performance of our SACCOS	1	2	3	4	5
3.	The invitation for interview procedures for new members has promoted the performance of our SACCOS	1	2	3	4	5
4.	The interview processes of the new staff have promoted the performance of our SACCOS	1	2	3	4	5
5.	The communication process to invite the successful new staff has promoted the performance of our SACCOS	1	2	3	4	5
6	The orientation process for new staff has promoted the performance of our SACCOS	1	2	3	4	5
7	The payment of initial remuneration for the new staff has promoted the performance of our SACCOS	1	2	3	4	5

To Determine the Influence of Training on the Performance of SACCOS in Tanzania

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

S/N	Training	SD	D	N	A	SA
1.	Training evaluation promotes the performance of our SACCOS	1	2	3	4	5
2.	Training contents of the staff promote the performance of our SACCOS in terms of growth in organization profits	1	2	3	4	5
3.	Effective and efficient training programs/scheduling promoted the performance of our SACCOS	1	2	3	4	5
4.	The selection of the qualified trainers has promoted the performance of our SACCOS	1	2	3	4	5
5.	The trainer's facilitation skills have promoted the performance of our SACCOS	1	2	3	4	5
6.	The training evaluations have promoted the performance of our SACCOS	1	2	3	4	5
7.	Training environments have promoted the performance of our SACCOS	1	2	3	4	5

To Determine the Influence of the Incentive System on the Performance of SACCOS in Tanzania

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

S/N	Incentive system	SD	D	N	A	SA
1.	Our SACCOS provides bonuses based on meeting or exceeding performance targets to motivate employees	**1**	**2**	**3**	**4**	**5**
2.	Our SACCOS provides regularly recognizing and rewards employees for their achievements, fosters a positive work environment,	**1**	**2**	**3**	**4**	**5**
3.	Our SACCOS praises for a job well done by a supervisor encourage employees to perform their jobs better	**1**	**2**	**3**	**4**	**5**
4.	Our SACCOS offer opportunities for training and career advancement, helping employees improve their skills and knowledge	**1**	**2**	**3**	**4**	**5**
5.	Our SACCOS implements profit-sharing schemes that align employees' interests with the financial success of the SACCOS	**1**	**2**	**3**	**4**	**5**
6.	Our SACCOS provides flexible working conditions to improve job satisfaction and work-life balance	**1**	**2**	**3**	**4**	**5**
7.	Our SACCOS provide a housing allowance for staff to promote their satisfaction	**1**	**2**	**3**	**4**	**5**

To determine the Influence of the moderating role of rules on the performance of SACCOS in Tanzania

Key Note: 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Code	Rules	SD	D	N	A	S A
1.	Rules and regulations guide the outlining the roles and responsibilities of board members, management, and staff of our SACCOS	1	2	3	4	5
2.	Rules and Regulations enhance regular financial reporting and audits	1	2	3	4	5
3.	Rules and regulations promote member admission, voting rights, and participation in general meetings	1	2	3	4	5
4.	Rules and regulations provide clear criteria for loan issuance and repayment.	1	2	3	4	5
5.	Rules and regulations guide resolving disputes between members and management.	1	2	3	4	5
6.	Rules often guide training programs for members and management.	1	2	3	4	5
7.	Rules and regulations provide guidelines on how profits are to be distributed among members	1	2	3	4	5

To Determine the Influence of Moderating Role Norms on the Performance of SACCOS in Tanzania

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Code	Norms	S D	D	N	A	SA
1.	Norms foster a culture of trust and cooperation among members and management in our SACCOS	1	2	3	4	5
2.	Norms establish informal guidelines encouraging honesty and integrity within our SACCOS	1	2	3	4	5
3.	Established norms for communication ensure that members and management interact respectfully and openly	1	2	3	4	5
4.	Norms encourage active participation from members in meetings and decision-making processes in our SACCOS	1	2	3	4	5
5.	Norms create an environment where members and management hold each other accountable for their actions	1	2	3	4	5
6.	Established norms for conflict resolution provide informal mechanisms for addressing and resolving disputes	1	2	3	4	5
7.	Norms that support continuous improvement and innovation encourage members and management to propose new ideas and solutions	1	2	3	4	5

To Determine the Influence of Culture on the Performance of SACCOS in Tanzania

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Code	Culture	S D	D	N		SA
1.	Our culture fosters a sense of ownership among members and staff.	1	2	3	4	5
2.	Our culture that prioritizes ethical conduct ensures that all members and management act with integrity	1	2	3	4	5
3.	Our culture encourages active involvement from all members in decision-making processes	1	2	3	4	5
4.	Our culture facilitates better information flow between management and members	1	2	3	4	5
5.	Our culture encourages creativity and the adoption of new ideas	1	2	3	4	5
6.	Our culture builds member trust and confidence in our SACCOS	1	2	3	4	5
7.	Our culture ensures that the goals and objectives of the management and members are aligned	1	2	3	4	5

To Determine the Performance of SACCOS in Tanzania

Key Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Code	Performance	S D	D	N	A	SA
1.	The revenue of my SACCOS is sufficient to indicate that my SACCOS is performing better	1	2	3	4	5
2.	The total members' share of my SACCOS is sufficient to indicate that my SACCOS is performing better	1	2	3	4	5
3.	The return on equity (ROE) of my SACCOS is sufficient to indicate that my SACCOS is performing better	1	2	3	4	5
4.	The return on assets (ROA)of my SACCOS is sufficient to indicate that my SACCOS is performing better	1	2	3	4	5

THANK YOU FOR YOUR PARTICIPATION

APPENDIX II: TABLES

Table 4.0 Tasting for outliers
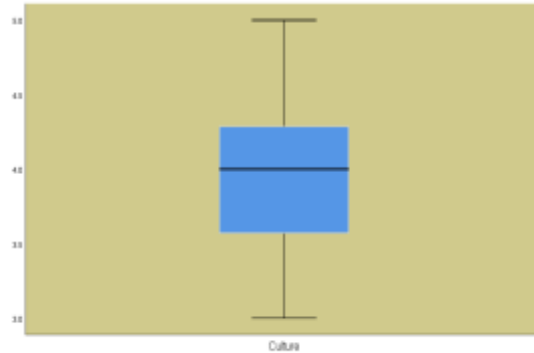
Table 4.1: Descriptive

			Statistic	Std. Error
Culture	Mean		3.9742	.04102
	95% Confidence Interval for Mean	Lower Bound	3.8931	
		Upper Bound	4.0554	
	5% Trimmed Mean		3.9836	
	Median		4.0000	
	Variance		.224	
	Std. Deviation		.47310	
	Minimum		3.00	
	Maximum		5.00	
	Range		2.00	
	Interquartile Range		.71	
	Skewness		-.216	.210
	Kurtosis		-.569	.417
Recruitment	Mean		4.1139	.03668
	95% Confidence Interval for Mean	Lower Bound	4.0413	
		Upper Bound	4.1864	
	5% Trimmed Mean		4.1130	
	Median		4.1429	
	Variance		.179	
	Std. Deviation		.42304	
	Minimum		3.00	
	Maximum		5.00	
	Range		2.00	
	Interquartile Range		.64	
	Skewness		-.023	.210
	Kurtosis		-.593	.417
Training	Mean		4.0397	.04121
	95% Confidence Interval for Mean	Lower Bound	3.9582	
		Upper Bound	4.1213	
	5% Trimmed Mean		4.0656	

	Median		4.0000	
	Variance		.226	
	Std. Deviation		.47522	
	Minimum		2.43	
	Maximum		4.71	
	Range		2.29	
	Interquartile Range		.86	
	Skewness		-.819	.210
	Kurtosis		1.138	.417
Incentive	Mean		3.9753	.04439
	95% Confidence Interval for Mean	Lower Bound	3.8875	
		Upper Bound	4.0631	
	5% Trimmed Mean		3.9777	
	Median		4.0000	
	Variance		.262	
	Std. Deviation		.51192	
	Minimum		3.00	
	Maximum		5.00	
	Range		2.00	
	Interquartile Range		.79	
	Skewness		-.138	.210
	Kurtosis		-.598	.417
Rules	Mean		3.9882	.03637
	95% Confidence Interval for Mean	Lower Bound	3.9162	
		Upper Bound	4.0601	
	5% Trimmed Mean		3.9916	
	Median		4.0000	
	Variance		.176	
	Std. Deviation		.41947	
	Minimum		3.00	
	Maximum		4.86	
	Range		1.86	
	Interquartile Range		.71	
	Skewness		-.103	.210
	Kurtosis		-.700	.417
Norms	Mean		4.1289	.04992
	95% Confidence Interval for Mean	Lower Bound	4.0301	
		Upper Bound	4.2276	
	5% Trimmed Mean		4.1441	
	Median		4.0000	
	Variance		.331	
	Std. Deviation		.57570	
	Minimum		2.71	
	Maximum		5.00	
	Range		2.29	
	Interquartile Range		.86	
	Skewness		-.026	.210

	Kurtosis		-.710	.417
Performance	Mean		3.9785	.03485
	95% Confidence Interval	Lower Bound	3.9096	
	for Mean	Upper Bound	4.0475	
	5% Trimmed Mean		3.9829	
	Median		4.0000	
	Variance		.162	
	Std. Deviation		.40195	
	Minimum		2.86	
	Maximum		5.00	
	Range		2.14	
	Interquartile Range		.57	
	Skewness		-.053	.210
	Kurtosis		.183	.417

Source: Researcher data 2024.

APPENDIX III: Table 3.1: Variables and measurement of items and indicators

Variable	Source	Code	Measurement items	Measurement Scales	No. of variables
Demographic variables	Sagwa and Kembu (2021)	AGE	Age of respondents	Years (scales)	1
		SEX	Sex of respondents	Male or Female (Nominal)	1
		MS	Marital status of respondents	Married, single, Divorced, separated or Widow/widowed (Nominal)	1
		ED	Education level	Certificate, Diploma, Degree, Master's, PhD (Ordinal	1
		WE	Working experience	1-5 years,5-10 years,11-15years 16 and above ordinal)	1
Independent Variables					
Recruitment	Lestari (2023)	RE1	Job advertising procedures	1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree (Ordinal)	7
		RE2	Screening procedures of potential applicants		
		RE3	Screening procedures of potential applicants		
		RE4	Interview processes		
		RE5	Communication process		
		RE6	Orientation process		
		RE7	The payment of initial remuneration		
Training		TR1	Training evaluation	1=Strongly disagree, 2=Disagree,3=Neutral4=Agree5=Strongly agree (Ordinal)	7
		TR2	Training contents		
		TR3	Effective and efficient training programs		
		TR4	Selection of qualified trainers		
		TR5	Trainer's facilitation skills		
		TR6	Training environments		
		TR7	The training evaluation		
Incentives		IN1	Provision of bonuses	1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree (Ordinal)	7
		IN2	Regular recognition and rewarding		
		IN3	Encouragements from supervisors		
		IN4	Opportunities for training and career		

		IN5	Implements profit-sharing schemes		
		IN6	SACCOS provides a housing allowance		
		IN7	Provision of communication		
Moderating Variables					
Rules		RR1	Implementation of roles and responsibilities	1= Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree (Ordinal)	7
		RR2	Regular financial reporting and audits		
		RR3	Promotion of members to attend the general meeting		
		RR4	Clear criteria for loan issuance and repayment		
		RR5	Guidance for resolving disputes between members and management.		
		RR6	Guidance on training programs for members and management.		
		RR7	Good distribution of dividends among members		
Norms		NO1	Trust and cooperation among members and management	1= Strongly disagree, 2=Disagree, 3=Neutral 4=Agree, 5=Strongly agree (Ordinal)	7
		NO2	Honesty and integrity within SACCOS		
		NO3	Good interaction between members and management		
		NO4	Active participation of members in meetings		
		NO5	Accountability of members and management		
		NO6	Proper mechanisms for addressing and resolving disputes		
		NO7	Proper mechanisms for addressing and resolving disputes		

Culture		CU1	Sense of ownership among members and staff	1= Strongly disagree, 2=Disagree, 3=Neutral 4=Agree, 5=Strongly agree (Ordinal)	**7**
		CU2	Integrity for members and management		
		CU3	Members' active involvement in decision-making processes		
		CU4	Better information flow between management and members		
		CU5	Creativity and adoption of new ideas		
		CU6	Member's trust and confidence		
		CU7	Alignment with the goals and objectives of the management and members		
The Dependent Variable					
Performance of SACCOS		PS1	SACCOS revenue	1= Strongly disagree, 2= Disagree, 3= Neutral 4= Agree, 5= Strongly agree (Ordinal)	**4**
		PS2	Total members' share		
		PS3	Value return on Equity (ROE)		
		PS4	Value of return on Assets (ROA)		

Source: Empirical Literature Review (2025)

APPENDIX IV: INTRODUCTION LETTER

THE OPEN UNIVERSITY OF TANZANIA

INTRODUCTION LETTER

Dear participant,

I am a PhD student at The Open University of Tanzania (OUT)

I am researching "**Effect of Human Resource Management Practices on the performance of SACCOS in Tanzania: Moderation of Institutional Factors".** Please fill in the required information and return it to me immediately. The information obtained from this study will be kept strictly confidential and only used for academic purposes.

Your cooperation will be highly appreciated.

Yours Sincerely,

Sudi S. Mangara

PhD Student – OUT

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

THE OPEN UNIVERSITY OF TANZANIA

Ref: No OUT/PG202000186

3rd May, 2024

Regional Administrative Secretary (RAS),

Dar es salaam Region,

P.O. Box 5429,

DAR ES SALAAM.

Dear Regional Administrative Secretary,

RE: RESEARCH CLEARANCE FOR MR. SUDI SOMARI. MANGARA. REG NO: PG202000186

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1st January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr Sudi Shomari. Mangara, Reg. No: PG202000186),** pursuing **(PhD).** We here by grant this clearance to conduct a

research titled **"Influence of Human Resource Management Practices on Performance of Savings and Credit Co-operative Societies in Tanzania: Moderation Role of Institutional Factors"**. He will collect his data at your office from 6th May to 30th November 2024.

4.   In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,
THE OPEN UNIVERSITY OF TANZANIA

Prof. Gwahula Raphael Kimamala
For: VICE CHANCELLOR

JAMHURI YA MUUNGANO WA TANZANIA

WIZARA YA KILIMO

TUME YA MAENDELEO YA USHIRIKIA TANZANIA

Unapojibu tafadhali taja:

Kumb. Na. MA.65/361/01/45   **13 Mei, 2024**

Wenyeviti na Watendaji

Vyama vya Akiba na Mikopo (SACCOS)

DAR ES SALAAM

Yah: UTAMBULISHO WA NDUGU SUDI SHOMARI MANGARA

Tafadhali husika na kichwa cha habari hapo juu.

2. Namtambulisha kwako mtajwa hapo ambaye ni mwanafunzi katika Chuo Kikuu Cha Open University of Tanzania katika Shahada ya Uzamivu (PhD).

3. Kutokana na masomo anayosomea, anafanya utafiti kwa vitendo katika Vyama vya Ushirikia vya Mikopo katika Manispaa zilizoko Mkoa wa Dar es salaam.

4. Kwa barua hii, unaombwa kumpokea na kumpa ushirikiano wa kutosha katika kufanya utafiti wake ili mwisho aweze kumaliza masomo yake na pia utafiti huo utasaidia kuboresha uendeshaji wa Vyama vya Ushirikia. Aidha, gharama za utafiti zitagharamiwa na mwanafunzi mwenyewe.

5. Nawatakia kazi njema.

A.C.Nalimi

Mrajis Msaidizi wa Vyama vya Ushirika

MKOA WA DAR ES SALAAM.

Nakala: Wakurugenzi,
Halmashauri ya Manispaa ya **ILALA, KIGAMBONI, KINONDONI, TEMEKE NA UBUNGO.** - Aione Afisa Ushirika kwataarifa na Usaidizi

Tume ya Maendeleo ya Ushirika; Barabara ya Rashidi Kawawa, S.L.P 5429 Dar es salaa; Barua Pepe: mrajis.daressalaam@ushirika.go.tz