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A Theoretical Framework for Diagnosing Structural and Governance Challenges in Tanzanian Enterprises (2000–2026)

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ABSTRACT

The persistent underperformance of domestic enterprises in Tanzania, despite macroeconomic growth, suggests deep-seated structural and governance issues. Existing frameworks often analyse these challenges in isolation, lacking an integrated diagnostic model specific to the institutional context of emerging African economies. This article develops a novel, integrated theoretical framework to systematically diagnose the interconnected structural and governance impediments facing Tanzanian enterprises. It aims to provide a tool for researchers and policymakers to identify root causes of business underperformance. The framework is constructed through a synthesis of institutional theory, agency theory, and resource-based view logic, tailored to the Tanzanian business environment. It employs a deductive approach to model the relationships between macro-institutional structures, firm-level governance mechanisms, and strategic capabilities. The framework posits that a dominant theme of informality, affecting an estimated 60% of business transactions, is not merely a compliance failure but a rational adaptation to conflicting institutional logics and weak contract enforcement, which in turn distorts governance and capital allocation. The proposed framework establishes that enterprise challenges are a systemic outcome of the interplay between institutional voids, ownership concentration, and constrained managerial cognition. It moves beyond descriptive analysis to offer a causal diagnostic structure. Future research should apply this framework in sector-specific case studies. Policymakers should use it to design interventions that simultaneously address institutional constraints and firm-level governance, rather than treating them separately. theoretical framework, corporate governance, institutional voids, business diagnostics, emerging markets, East Africa This article provides the first integrated diagnostic model linking Tanzania's unique institutional architecture directly to internal governance failures and strategic limitations, offering a novel tool for systemic analysis.

Keywords: *Institutional voids, Corporate governance, Emerging markets, Sub-Saharan Africa, Resource-based view, Structural analysis, Tanzanian enterprises*

Article Highlights

• Proposes an integrated diagnostic model linking institutional

Core Contribution

This article provides the first integrated diagnostic model

<p>voids to firm-level governance failures.</p> <ul style="list-style-type: none">• Identifies informality as a rational adaptation, affecting an estimated 60% of transactions.• Posits enterprise challenges as systemic outcomes of institutional and governance interplay.• Offers a causal diagnostic structure for researchers and policymakers in emerging markets.	<p>linking Tanzania's unique institutional architecture directly to internal governance failures and strategic limitations.</p> <p><i>A novel theoretical tool for systemic analysis of enterprise underperformance.</i></p>
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