ASSESSMENT OF EFFECTIVENESS OF FINANCIAL LITERACY TRAININGS ON ENTREPRENEURSHIP PERFORMANCE IN TANZANIA: A CASE OF ENTREPRENEURS TRAINED BY EQUITY BANK (T) LIMITED, DAR ES SALAAM
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By
Sarah Jacob Mujule

A Dissertation Submitted in Partial /Fulfillment of the Requirements for Award of the Degree of Master of Business Administration Cooperate Management (MBA-CM) of Mzumbe University
2017
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommends for acceptance a dissertation entitled: *Assessment of Effectiveness of Financial Literacy Trainings on Entrepreneurship Performance In Tanzania: A Case of Entrepreneurs Trained by Equity Bank (T) Limited, Dar es Salaam*, in partial/fulfillment of the requirements for award of the Degree of Master of Business Administration in Corporate Management of Mzumbe University.

________________________
Major Supervisor

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Internal Examiner

Accepted for the Board of Mzumbe University Dar es Salaam Campus College

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CHAIRPERSON, CAMPUS COLLEGE BOARD
DECLARATION
AND
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I, Sarah Jacob Mujule, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature _________________________

Date ______________________________

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ACKNOWLEDGEMENT

My gratitude is to God for giving me the strength and courage to pursue my master’s studies. But I am so indebted to my major supervisor Prof. A. Mbwambo who guided me from proposal writing up to the preparation of this dissertation. He supported and guided every chapter which I would have not been able to do complete without his support. My last gratitude goes to a very special person in my life who had been very supportive from the beginning till the end.
DEDICATION

I dedicate this work in memory of my dad, Jacob Kajale Mujule.
### ABBREVIATION

<table>
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<tr>
<th>Abbreviation</th>
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<tr>
<td>ACCA</td>
<td>Association of Chartered Certified Accountants</td>
</tr>
<tr>
<td>FSDT</td>
<td>Financial Services Deepening Sector</td>
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<tr>
<td>MFI</td>
<td>Micro Finance Institution</td>
</tr>
<tr>
<td>MSEs</td>
<td>Medium Small Entrepreneurs</td>
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<tr>
<td>SPSS</td>
<td>Scientific Package for Social sciences</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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ABSTRACT

The purpose of this paper is to assess the extent of influence of financial literacy trainings on entrepreneur’s performance trained by Equity bank (T) limited in Dar es Salaam. The main aim is to assess whether these training opportunities are making any differences to the performance of entrepreneurship in Tanzania. A sample of 100 entrepreneurs trained by Equity bank (T) Limited in Dar es Salaam from Ilala, Temeke and Kinondoni district was used to test the hypothesis after the training.

Qualitative and quantitative data was collected through questionnaire and interview. Data analysis was done using descriptive analysis and Scientific Package for Social sciences (SPSS).

The study was determined to obtain the following; to assess if the provided training on savings skills has an influence on entrepreneur’s financial performance, to assess if the training on debts management has an influence on entrepreneur’s business performance, to assess if the provided training on budgeting had improved entrepreneur’s performance.

Following the rejection of hypothesis one (H1) the effect that training on savings had a positive influence on entrepreneur’s financial performance, rejection of hypothesis two (H2) the effect that training on debt management had a positive influence on entrepreneur’s business performance and rejection of hypothesis three (H3) the effect that training on budget management had a positive influence on entrepreneur’s performance, the researcher concludes that effective financial literacy training on had a positive influence on entrepreneurship performance in the study area.

Due to this positive influence of financial literacy training, the study recommend that efforts should be made by the government and other stakeholders to enhance availability of these training to all entrepreneurs in the country for sustainable economic growth.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Training of entrepreneurs has been an essential tool for business improvement, these trainings teach basic skills related to earning, spending, budgeting, saving, and borrowing. According to World Bank (2012), financial literacy training is becoming fast ingredient in financial policy reforms worldwide.

When entrepreneurs do become financially informed they can plan for their future and achieve their business goals, the trainings assist them to become financially fit economically to be able to understand different opportunities available in the market which in return help them retain their business, make profit and facilitate their understanding of the financial wellbeing of the business (Scaglia and Karnwea, 2013).

Majority of entrepreneurs in Tanzania are conducting their business with merely education on financial matters, they have little knowledge of the business they do, and they just purchase from different suppliers and sell to make profit without knowing exactly what the demands of the market are. It becomes very hard for them to meet day to day expenses, cope with emergencies and take part of opportunities available in the market, in this situation it is very difficult to grow. As a result many businesses after a short while collapse (Mfaume and Leornard, 2003).

Tanzania like every other developing country has established low financial literacy levels at the lower end of the income distribution. As a result of increasing demand of financial support to these entrepreneurs, financial institutions and Non Governments Organizations (NGO’s) are starting to produce a wider range of training to their clients, such trainings include; marketing research techniques, savings, loan accessibility, insurance, business recording transactions, budgeting, and money transfers and forecasting future cash flows (Colijn, 2009). To determine if these trainings produce real business benefits to entrepreneurs we must investigate their effects on entrepreneurs trained by Equity Bank, Dar es Salaam financial performance.
1.2 Statement of the problem

Lack of financial knowledge is one of the primary factors preventing entrepreneurs from performing well; it makes it difficult for them to successes in their businesses because they simply fail to use appropriately available financial services such as credit, insurance, saving and other investments (Hamisi, 2011). Most times lack of knowledge on financial matters leads to poor financial decisions such as inadequate savings, over reliance on informal sources when money needs arise, poor budgeting techniques, marketing as well as poor customer care as a result the entrepreneur’s experiences in debt or exposure to fraudulent schemes and practices (Siringoringo et al., 2009).

Entrepreneurs also lacks the tools they need to manage their money, tools that would enable them to better manage their household finances or even expand their businesses (Olomi, 2003). Consequently, they are vulnerable to economic shocks arising from life events or even unexpected emergencies that can have a devastating influence on their lives and livelihoods. As the financial landscape continues to evolve with increasingly complex financial products and services, the problem will only become worse for low income earners businesses.

According to Tanzania Association of Professional Business Development Service Statistics shows that among 100 new established business only 5 business survive to five years of operation the rest fail within the first six month of operation, others within two years and others within three years.

On the same note, according to 2016 statistics published by Small Business Administration (SBA), the about 78% of small business startups survive the first year and about half of all employer establishments survive at least five years. A third survives ten years or more. This is a far cry from the previous long-held belief that 50 percent of businesses fail in the first year and 95 percent fail within five years.

The biggest problems identified by many businesses were: (i) insufficient working capital and (ii) access to markets. Consequently, many business owners would like the government to improve access to finance, provide greater access to business
development services, ways to get loans; gaining access to markets and provide better infrastructure.

But the most unopposed challenge is lack of information which can be obtained from business training. Most of the small business owners are unaware of where to get these trainings and those who had received it were generally quite satisfied with it. When entrepreneurs become well informed in financial matters, they make good decisions; they can also plan for and realize their business goals.

The country has been witnessing a great rise in financial courses especially short trainings around the regions (Kuzilwa, 2005). While the number of such programs in Tanzania continues to expand, the knowledge about their influence on trainee’s relevance to their lives and their provided practical opportunity in their business is not clearly known.

This study therefore conducted to investigate the effectiveness of financial literacy on the financial performance of entrepreneurs trained by Equity Bank (T) Limited in Dar es Salaam region

1.3 Research Objectives
1.3.1 The General Objective
The general objective was to assess the effectiveness of Financial Literacy Training by Equity Bank (T) on Entrepreneurship performance in Dar es Salaam, Tanzania.

1.3.2 Specific Objective
The study was guided by the following three specific objectives,

i. To assess if the provided training on savings skills have an influence on entrepreneur’s financial performance

ii. To assess if the training on debts management have an influence on entrepreneur’s business performance.

iii. To assess if the provided training on budgeting had improved entrepreneur’s performance.
1.3.3 *Specific Research Questions*

The study was done to answer the following three questions

i. To what extent is the training on saving having an influence on entrepreneur’s performance?

ii. To what extent is debts management training has the influence on entrepreneur’s financial performance?

iii. Is the training on budgeting help entrepreneur’s performance?

iv. What are other important aspects of business need to be incorporated in training to improve entrepreneurial performance?

1.4 *Significance of the Research*

There are both practical and academic usefulness of this study. Practically the study may help both the entrepreneur and the bank on how effective the training are, in terms on improving entrepreneurs performance. Consequently, the bank may improve on the program to make sure its customers benefits and therefore becomes loyal to the bank.

Secondly, on academic usefulness, this good work will help the author sail through her academic endeavor to attain her Mzumbe University MBA. But most importantly, it will add literature to the existing body of knowledge about the influence of literacy training on small enterprise performance in Tanzania.

1.5 *Limitations of the study*

The study was limited to entrepreneurs trained by Equity bank (T) limited on financial literacy modules exclusively on saving, budgeting and debt management skills and how the training had influenced their financial performance.

Up to December 2016, a total of 1871 entrepreneurs were already trained and open an account with the bank and 390 were number of beneficiaries borrowed but only 100 sampled were taken to answer a questionnaires.
1.6 Scope of the Study

The study was done in Dar es Salaam region in all three districts of Ilala, Temeke and Kinondoni researching those entrepreneurs trained by Equity Bank (T) Ltd on financial literacy in 2016. Equity Bank Tanzania was the only bank in the country that partnered with financial Sector Deeping Trust (FSDT) to offer financial literacy training after the national financial education framework launched in Dar es Salaam to address money literacy and consumer protection challenge by Bank of Tanzania (B.O.T) and the financial Sector Deeping Trust (FSDT)
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter will include the definition of the key concept, theoretical theories, empirical literature review, research gap, conceptual framework and research hypothesis.

2.2 Definition of Key Concept

2.2.1 Defining Entrepreneurship

According to Gibb (1996), the word entrepreneur has been defined differently by various scholars; the term entrepreneurship is accompanied with the creation of the new idea and business management.

According to Kuratko (2015), Entrepreneurship refers the process of visualize for a change and creation which requires a relevance energy and desire toward the creation and execution of new ventures and resourceful solutions to available challenges.

2.2.2 Entrepreneur

Gottlieb (2014), argues that an entrepreneur is a person who takes any idea, whether is a product or service, and have the required skill, determination and courage to take the risk to do whatever it takes to turn that idea into reality and make it a double or feasible product or service that clients want or need.

2.2.3 Financial Literacy

According to Wikipedia, Financial Literacy is the understanding of how money works in the world, how a person manages, invests and donates it to help others. More specifically, it refers to the set of idea and knowledge that allows an individual to make informed and effective decisions with all of their financial resources.

2.2.4 Training

According to business dictionary, training is an organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her to attain a required level of knowledge or skill.
2.2.5 Entrepreneurship Performance

According to Storey (1994) performance is an encompassing concept and can be defined in terms of job generation, growth, profitability, sustainability, survival and stability. According to Hart (2003) entrepreneurship performance measures the entrepreneurial actions that are instrumental in delivering the desired influences on the entrepreneur and his/her business.

However according to Hoffmann et al., (2006) constructs of entrepreneurship performance should include measuring financial position of an entrepreneur, the business being run by an entrepreneur and sometimes the entrepreneur’s ability to manage the two. Also Schramm (2006) argues that depending on the intention of entrepreneurship performance both financial and none financial indicators lead to same conclusions. However, one need to identify the purpose of each measurement to avoid overlooking the usefulness of each approach (financial measures and none financial measures).

According to Lee et al., (2000) decisions on what indicators to refer to for measuring performance in the business context can be dictate by data availability. For instance if there is adequate data on firm value, profitability, sales volume, liquidity and returns it may seem awkward switching to subjective measures like none financial measures. According to Hart (2003) all financial measures are objective because they do not allow imposition of one’s perceptions of a particular magnitude of a certain measure. For example, using profitability as a measure of financial performance does not make an opportunity for the business owner’s opinion over the same profit as high or low. In a nut shell two firms with the same profit can be regarded differently by their managers.

Johansson (2004) argues that subjective measures can also be used especially when dealing with scenarios appearing with missing data. For this case perceived performance on finance or business can be used to reflect the perceived progress of the same in the opinion of well experienced partakers or key informants (Karimi, 2010). For instance business supervisors and managers are likely to precisely judge whether the business is growing or not. But this is subject to their exposure to the
business. Also UNIDO (2007) suggested that none subjective measures of performance in business need to set time needed for experiencing desired performance difference before judging whether there is evidence of performance of not.

Since the pilot study revealed there was lack of records of financial and business data for the past years before training, the study was thus dictated by subjective measures of none financial performance indicators.

2.3 Theoretical Theories
There are various theories which are important to the entrepreneurship body of knowledge and its development in the economy. In this paper, human capital theory will be employed.

2.3.1 The Human Capital Theory
According to Becker (1993), human capital is defined as an individual’s stock of competences, knowledge, experience and intelligence. The theory suggests that education and experience build knowledge that enable workers to be able to produce.

United Nations Development Programme (2009) argued “human capital is improved through learning”, this is clear in multiple opportunity acknowledgment, skills development and resource availability.

According to Friedman (2007), argues about the importance of education in the society. The evidence as to why people and education are vital to a nation's economic success is too clear and cannot be ignored, since then investment in human capital always led to greater economic outputs.

Kolb, Boyatzis and Mainemelis (1999) suggest that experiential learning theory assumes that experience plays a central role in the learning process, provides a holistic model of the learning process and a multi linear model of adult development, both of which are consistent with how people learn, grow, and develop therefore making it relevant to this study because the training on financial literacy to entrepreneur’s trained by Equity Bank aimed to transform their financial behavior
through experiential learning. Central to this theory is the experiential learning cycle model which infers that the process of learning begin at an experience (concrete experience) followed by reflection. The logic of this theory is that the entrepreneurs did not only learn from the activities of the classroom, but they also tested the knowledge they acquired from the classrooms in their real life situations thus made it ideal to base this study. The theory was also ideal because entrepreneurs were required to learn by reflecting on their previous financial behavior during the learning process.

2.4 Empirical Literature Review

The Association of Chartered Certified Accountants (2014) argues the need for more financial literacy has been there for long time. It has developed important policies and a well-documented criticism for the past years for greater financial inclusion, and with importance of improving the capability of entrepreneurs who have been trained finally.

In their report on financial education for entrepreneurs finding were as long as there is some evidence which is well proved and documented, then financial education is the most important tool to entrepreneur’s performance. A defined financial literacy that empowers and educates entrepreneurs is so important to financial inclusion and sustainable approach to business success.

According to Cho and Honorati (2013), the provisions of financial trainings by the private sectors have been coupled with positive outcomes, the positive outcomes of most trainings takes time to be noticeable.

Their studies has challenges the available policies as well, that financial literacy that are being provided are not among the best effective ways of improving and forecasting on business success especially in developing countries, even if those trainings are accompanied by offers of funding and low rates loans.

Karlan and Valdivia (2010) argues it is important to identify the benefits of financial education to both private and public sectors. According to them, there is evidence that, apart from other advantages financial education does create better borrowers.
Using a randomized control trial, they measure the marginal influence of adding business training to a group lending for female entrepreneurs. The chosen groups were given half to hour training during their normal banking meeting over a period of one to two years. The controlled groups remained as they were before the training, the only improvement were in loans and savings payments but they could find little or no evidence of changes in key outcomes such as business revenue, profits or employment.

According to Tandwe (2015), in her research on the influence of entrepreneurship training on (SME’s) performance in Tanzania, she investigated the influence of the entrepreneurship training on micro and small enterprises performance. Specifically, the study tested whether entrepreneurship training leads to success on Micro and Small Enterprises (MSEs) performance and whether there is a relationship between entrepreneurship training and the performance of MSE’s. She took a sample of 60 food vendors from Ilala district to test the hypothesis before and after the training. The findings reveal that proper entrepreneurship training leads to successful performance of MSE’s. The key skills perceived to be the most importance by MSEs include financial, marketing, sector-specific technical and communication skills. The findings also show that there is a positive relationship between entrepreneurship training and MSEs successful performance.

2.5 Research Gap

From the above empirical literature review it has revealed that most of the researchers have done extensive studies on the general business and vocational training and less on financial literacy training to justify their contributions on entrepreneurs’ performance. Their findings showed that the entrepreneurs who had received general business and vocational training have shown the better performance on their business activities (Cho and Honorati, 2013; Karlan and Valdivia (2010) and Tandwe 2015).

Since most of past studies did not focus much on financial literacy training as the measurement of entrepreneurs’ performance, this study therefore will focus specifically on assessing the effectiveness of financial literacy training on
entrepreneurs’ performance particularly on budgeting, savings, and debts management trainings.

2.6 Conceptual Framework

The conceptual framework presents the correlation among the main concept that informed the study.

The variables which will be focused in this study are entrepreneurs’ performance as dependent variable and financial literacy training as independent variables which comprise the following sub independents variables savings training, the training on debts management, and the training on budgeting as presented in figure 1.

Figure 2.1: Diagram showing Conceptual Framework

<table>
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<td>Entrepreneurship Performance</td>
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<td>• Savings goals</td>
<td>• Entrepreneur’s financial performance</td>
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<tr>
<td>• Short-term and long-term goals</td>
<td>• Ability to invest more</td>
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<td>• Savings plan</td>
<td>• Customer Retention</td>
</tr>
<tr>
<td>• Challenges to savings and their solution</td>
<td></td>
</tr>
<tr>
<td>The debts management training</td>
<td></td>
</tr>
<tr>
<td>• Sources of loans</td>
<td>• Entrepreneur’s business performance</td>
</tr>
<tr>
<td>• Ability to take out a loan</td>
<td>• Business Efficiency</td>
</tr>
<tr>
<td>• Debt you can afford</td>
<td>• Growth in asset base</td>
</tr>
<tr>
<td>• Good loans vs. bad loans</td>
<td></td>
</tr>
<tr>
<td>The budgeting training</td>
<td>• Entrepreneur’s performance</td>
</tr>
<tr>
<td>• Parts of a budget</td>
<td>• Proper decision making</td>
</tr>
<tr>
<td>• Create and use budget</td>
<td></td>
</tr>
<tr>
<td>• Effective money management practices</td>
<td></td>
</tr>
<tr>
<td>• Personal and business expenses</td>
<td></td>
</tr>
</tbody>
</table>

Source: By the Researcher 2017
2.7  Research Hypothesis

2.7.1  Hypothesis one (H1)
Training on savings has no influence on entrepreneur’s financial performance

2.7.2  Hypothesis two (H2)
Training on debt management has no influence on entrepreneur’s business performance

2.7.3  Hypothesis three (H3)
Training on budget management has no influence on entrepreneur’s performance.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship performance</td>
<td>The general financial position of an entrepreneur</td>
<td>Five point scale of perceived performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Very Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Moderate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = High Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Very High Performance</td>
</tr>
<tr>
<td>Entrepreneur’s financial performance</td>
<td>The general business improvement in relation to debt financing</td>
<td>Five point scale of perceived performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Very Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Moderate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = High Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Very High Performance</td>
</tr>
<tr>
<td>Entrepreneur’s performance</td>
<td>Entrepreneurs ability to manage both his/her financial performance and business performance</td>
<td>Five point scale of perceived performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Very Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Low Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Moderate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = High Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Very High Performance</td>
</tr>
<tr>
<td>Savings training</td>
<td>Training offered to entrepreneurs in relation to savings goals, short-term and long-term goals, savings plan, challenges to savings and their solution</td>
<td>Five Point Agreement Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Neutral</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Strongly Agree</td>
</tr>
<tr>
<td>Debts management training</td>
<td>Training offered to entrepreneurs in relation to sources of loans, ability to take out a loan, debt one can afford, good loans vs. bad loans</td>
<td>Five Point Agreement Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Neutral</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Strongly Agree</td>
</tr>
<tr>
<td>Budgeting training</td>
<td>Training offered to entrepreneurs in relation to parts of a budget, creating and use of budget, effective money management practices, personal and business expenses</td>
<td>Five Point Agreement Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 = Disagree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 = Neutral</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 = Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 = Strongly Agree</td>
</tr>
</tbody>
</table>

Source: By the Researcher 2017
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the area of study, research design; approach used in the study, sampling design, data collection methods and technique, research instruments and data analysis process.

3.2 Types of Study
The study is a cross section study which employed more than one strategy. The case study method selected by the study in order to get assurance of getting required information from the selected sample. The method assessed the influence of financial literacy trainings in Tanzania based on entrepreneurs who were trained from different district from Ilala, Temeke and Kinondoni in Dar es Salaam region. The study combined descriptive and explanatory approaches to seek answers to the research question.

3.3 Description of the Study Area
The study conducted at Equity Bank Limited in Tanzania, it focused on entrepreneurs trained from different district of Ilala, Temeke and Kinondoni in Dar es Salaam, Tanzania. The study examined the performance of Entrepreneurs after the training.

3.3.1 Study Population
Adam and Kamuzora (2008) defined population as the totality of the objects under investigation. The targeted population comprised of entrepreneurs who were trained from Dar Es Salaam region from different districts of Ilala, Temeke and Kinondoni because all the districts from other regions have the same character. The selected population, are the entrepreneurs trained by Equity Bank which is 100 entrepreneurs from Ilala (40), Temeke (30) and Kinondoni (30).
3.4 Sample Size

According to Kothari (2004) sample size is the chosen number to be included in a statistical sample from the large population. Since the population is small for each district, the researcher decided to include all the population in the study. For this reason the sample in the study was from three districts of Ilala, Kinondoni and Temeke. The distribution of the sample was presented in table 3.1.

Table 3.1: Sample distribution

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilala</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Temeke</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Kinondoni</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4.1 Sampling Technique

The study used two sampling techniques, namely random sampling for the groups and purposive sampling for the Equity Bank, entrepreneurs trained in Ilala, Temeke and Kinondoni district in Dar es Salaam region.

3.5 Types and Source of Data

The study collected primary and secondary data. Primary data refers to data observed or collected from firsthand experience original data collected at the source and compiled for the purposes of the research study. The primary data collected by using structured questionnaires. Data collected from this source centered on the background characteristics of respondents.

Secondary source of data obtained from, the books, research by others on similar subject, internal accounting reports, monthly financial reports, annual reports, audited reports, annual budget proposal and the background of the business through records. In the case of secondary data, information from published and unpublished sources including journals, periodicals, the record keeping as well as reports used to support the primary data. Therefore, the method modified to suit the objectives of the study.
3.6 Data Collection Method

3.6.1 Questionnaire

Questionnaires are short questions in form designed and distributed to respondents require them to fill short and clear answers about the subject under the study. Both closed and open ended questionnaires which drafted and printed in a definite number and order and then administered to the appropriate sample. A questionnaire consisted of a number of questions typed and printed in a definite order on a set of forms. The study used the questionnaires which were well structured. All questions were fixed in a manner that respondents were limited to alternatives.

3.6.2 Interviews

Interviewed the sample entrepreneurs were used to carry out this study. The method was preferred for this study because it offered the researcher a methodology to investigate the influence of financial literacy training on financial performance of entrepreneurs trained by Equity Bank, in Dar es Salaam profoundly. The study examined through a descriptive survey the financial situation of sampled entrepreneurs as they were without in any way changing their situation. Acquired data was analyzed, interpreted, reported and was used to describe relationship that existed between training on financial literacy and their performance and to establish those financial literacy topics that influenced financial performance of these groups most and the extent to which the influence existed.

3.7 Data Collection Technique

Data were collected using structured questionnaires as stated above by using Likert Scale measurement from 1 to 5 very strongly agree to very strongly disagree.

3.7.1 Validity of the Research

Validity of the research measures how well a test supposed to measure. According to Nayab (2011), Qualitative research aims at generating findings from real world settings or in its natural state, without attempting to manipulate the same. In this study the researcher used 10 groups from there different district and the bank respondents for the study. The researcher developed an informal opinion as to
whether or not the test measured what it was supposed to measure. A colleague who is experts on the area of the study validated through expert judgment and checked whether the items in the questionnaires answered the research objectives.

3.7.2 Reliability of the research

According to William (2006), **Reliability** is the degree to which an assessment tool produces stable and consistent results. To enhance the reliability of the research a large number were picked. In order to test the reliability of the research the consistency techniques was applied using **Chi-Square Tests**. The test ranges between 0 and 5 with the reliability increasing with the increasing in value.

3.8 Data Analysis Techniques

3.8.1 Analysis

The data collected were analyzed both qualitatively and quantitatively. Statistical package for social sciences (SPSS) was used to analyze quantitative data. This model of analysis examined the simultaneous effects of the independent variables on a dependent variable. A descriptive analysis technique was employed to analyse data. This included the use of graphs, percentages and frequencies tables (Mugenda & Mugenda, 2008). Chi-Square test and cross tabulations were used to test the hypotheses.
CHAPTER FOUR
PRESENTATION AND DISCUSSION OF RESEARCH FINDINGS

4.1 Introduction
This chapter provides presentation and discussion of the research findings. The findings were presented in accordance with the study objectives which were to assess if the provided training on savings have an influence on entrepreneur’s financial performance, to assess if the training on debts management have an influence on entrepreneur’s business performance and to assess if the provided training on budgeting had improved entrepreneur’s performance. However the profile of respondents was also presented.

4.2 Profile of the Respondents
This part describes characteristics of the respondents of the study with the aim of categorizing entrepreneurs, who participated in the study basing on gender, age, marital status, education, location and business experience.

4.2.1 Respondents by Gender
Respondents were asked to inform on their gender category between male and female. Majority 55% of the respondents interviewed were women where men were only 45% of the sample size as illustrated by the figure 4.1 below. From the respondent’s sample it is clear that there was relatively gender balance of the respondents, which make the study to have the opinions of both male and female.
Figure 4.1: Gender of respondents


From the findings it is also clear that women are more engaging in businesses than previous years when women were only considered for family activities. Traditionally, women had been facing several obstacles to engaging in business, such as cultural barriers that hinder her from accessing resources, trainings and possession of wealth.

4.2.2 Age of Respondents

The study found that the age between 26 – 35 years dominated respondents with 31 percent of total number of respondents, followed by the age between 46 – 55 years which scored 26 percent. This implies that greater part of the respondents were in the productive age. Age wise distribution is illustrated in Figure 4.2.
Clear understanding of the active working group in entrepreneurship, gives a picture as to which training is important to each age group by determining the maturity of a person even in business performance.

4.2.3 **Respondents by Marital Status**

Majority 62% of the respondents were married and only 32% were single (illustrated in figure 4.3). Clear understanding of this category enables the study to reflect relationship between marital status and successfulness in entrepreneurial activities.
The result reveals that, access to financial education can enable households to manage their resources more efficiently in a way that provides an important, sometimes critical support to livelihoods. Probably most of the entrepreneurs engaged in the business just to sustain their families from starvation.

4.2.4 Respondents by Level of Education

The study found that 34 percent of the respondents were having a secondary education followed by 30 percent of the respondent with primary education. Majority of the respondents had basic secondary and primary education, the rest 12 percent had certificate and 15 percent hold degree as illustrated in figure 4.4 below,
This implies that respondents had insufficient academic qualifications, perhaps that the reason for why majority of them run into business and not being hired. Since they lack academic qualification then entrepreneurial trainings becomes very important to them. In assessing the effectiveness of the training education level is important variables in demographic studies as it influences respondent’s capacity to examine its influence.

**4.2.5 Respondents by Location**

The dominant group of entrepreneurs which is 40 percent of the respondents conduct their business in Ilala, followed 30 percent who conduct their business in Temeke and Kinondoni respectively. Respondent’s business location is illustrated in figure 4.5
From the study, Ilala District found to be mostly favored by entrepreneurs. This might be contributed by the factor that the district is dominated by many Offices, bus stops and attractive business centers which attracts large population during day time.

4.2.6 Respondents by Business Experience

Most Entrepreneurs included in the study found to have good experience in business as 65 percent operates their business for the period of more than 5 years, and 25 percent of entrepreneurs experienced in conducting business between 4 to 5 years, while only 10 percent have between 2 to 3 years experiences as indicated in Table 4.1.
Table 4.1: Business Experience

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year or less</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Between 2 - 3 years</td>
<td>10</td>
<td>10.0</td>
</tr>
<tr>
<td>Between 4 - 5 years</td>
<td>25</td>
<td>25.0</td>
</tr>
<tr>
<td>Above 5 years</td>
<td>65</td>
<td>65.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
</tr>
</tbody>
</table>


The result shows that, the respondents are very experienced in their chosen businesses and they are able to provide material generalization for the study. The finding reveals that the studied sample had required experience of at least one year before training (2014 to 2015) and one year after training (2015-2016). This was very useful for obtaining before and after data which were needed for hypothesis testing regarding the influence of training on entrepreneurship performance.

4.3 The Influence of Training on Savings on Entrepreneur’s Financial Performance

The study aimed at assessing if provided training on savings has an influence on entrepreneur’s financial performance. The objective was analyzed through different aspects that include: ability to identify goals for saving, ability to distinguish between short term and long term goals, ability to identify challenges on saving and their solutions and perceived level of entrepreneur’s financial performance before and after training on saving.

4.3.1 Ability to Identify Goals for Saving

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The study reveal that 61 percent of the respondents agreed on being able to identify goals for saving, the rest of the respondents which were 27% had strongly agreed,
the rest were neutral which were 10% and only 2% disagreed. Figure 4.6 illustrates responses on ability to identify goals for saving.

**Figure 4.6: Ability to Identify Goals for Saving**

![Bar chart showing ability to identify goals for saving.](chart)

**Source**: Study findings, (2017)

From the research it's clear most youth have so many future plans that they found saving more attractive to them. Among the 61% of the respondents who had agreed with understanding saving, 19% were between 26-35 years, and among the strongly agreed 7% were also the youth. It is so used that youth spend more and save less than adults who have already accomplished most of their life goals.

Total of 88 percent of the entrepreneurs were influenced with the ability to identify goals and saving. They now understand the goals for the future and how to achieve them. They now put money aside for future purposes. The training included the financial goals for entrepreneurs to manage their day to day activities and their businesses future.

Among the reasons for saving could be sickness, funerals, education, investment and even emergencies. Among the ways of saving, entrepreneurs are being trained on
each benefits and challenges, this includes, banks, VICOB, or even under the mattress.

4.3.2 Ability to Distinguish Between Short Term and Long Term Goals

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

Entrepreneurs are being trained to distinguish about goals that would take too long (1-2 years or more) and the ones that would take short time (1-12 months) and how to achieve them. Most times entrepreneurs have unrealistic goals which cause them to take longer period since they lack clear strategies to achieve them.

The finding reveal that 55 percent of the respondents had agreed to be able to distinguish between short term and long term goals, while 36% had strongly agreed, the rest 7% of the respondents were neutral, and only 1% disagreed as illustrated in Figure 4.7

**Figure 4.7: Ability to Distinguish Between Short Term and Long Term Goals**

![Diagram showing ability to distinguish between short term and long term goals.]

**Source:** Study findings, (2017)
It is clear from the results that most respondents (91 percent) are able to distinguish from the short and long term goals. These entrepreneurs were also trained on the importance of ranking and priorities from the most important goals to the least one, sometimes the long term goal maybe more important compared to short term goal.

4.3.3 Ability to Calculate Timely Saving

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The findings portray that only 48 percent of the respondents have agreed being able to calculate timely savings, about 40 percent of respondents could neither agree nor disagreed on their ability to calculate the same, the subject were too difficult for them, the remaining 4 percent had disagree and 8 percent of the respondents have strongly agreed on the same (see Figure 4.8 below).

Figure 4.8: Ability to Calculate Timely Saving

Source: Study findings, (2017)
The study found respondents’ inability to calculate timely saving as only 48 percent of the respondents have agreed being able to calculate timely savings, and a respondent who forms total of 52 percent face some difficulties in calculating timely saving. This raises a need to tailor more coming trainings to be able to overcome this challenge in order to record entrepreneurial growth and new investment resulted from saving.

4.3.4 Ability to identify Challenges on saving and their Solutions

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

Finding from the study revealed that 59 percent of the respondents agreed on being able to identify challenges on saving and their solutions while 21 percent strongly agreed. These findings portray that after the training more than 80 percent of the trained entrepreneurs now have ability to identify challenges on saving and only 18 percent of the respondents have neutral position hence probably they are not sure or unaware of challenges related to saving and their position, and the rest 2 percent had disagreed as indicated in Figure 4.9 below.
Entrepreneurs trained on how they can save per day, week or month or even a year. The study found that saving activity becomes one of the major challenges to the most entrepreneurs. Ability to identify challenges on saving and their solution is a key step towards increasing saving trend. Entrepreneurs identified major reasons which create challenges in saving to be little income, too much debt, theft, loss and frequent occurrence of what called emergencies or unplanned expenditures including social obligations resulted from extended families; Through the training, entrepreneurs shall be able to get more knowledge on what can be done to identify more challenges and important aspects for overcoming mentioned challenges including to avoid Informal Saving at home (cash, under the mattress) when conducting business. This can be practiced if saving can be in kind (jewelry, livestock, land), Formal like Banks, Post-office, Credit union, Regulated MFI and Regulated Cooperatives, Semi-Formal like Savings group, VICOBAs and Savings collector, more emphasis should be put on the advantages of formal saving on access, fees, interest and safety.
From the study it is clear that training on saving was well understood and if it will be practiced well, it will have very good results, but more efforts need to be in place to emphasis some issues related to alternative ways of saving.

4.3.5 Perceived Entrepreneur’s Financial Performance before and after Training on Savings

Entrepreneur’s financial performance was measured using subjective measures of how entrepreneur’s perceive their level of financial positions with comparison to each of the two periods of one year before training on savings and one year after training on savings. Respondents were provided with a set of questions to rate a five point scale of financial performance levels where “1” stands for very low financial performance, “2” stands for low financial performance, “3” stands for moderate financial performance, “4” stands for high financial performance and “5” stands for very high financial performance. Cross tabulation and chi-square statistic was used to conclude on the influence of training on perceived financial performance. The results were presented in table 4.2a and 4.2b

Table 4.2a: Cross Tabulation for Entrepreneur’s Perceived Financial Performance before versus after Training on Savings

<table>
<thead>
<tr>
<th>Before training on savings</th>
<th>After training on savings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very low</td>
<td>Low</td>
</tr>
<tr>
<td>Very low</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Low</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Moderate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>High</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>30</td>
</tr>
</tbody>
</table>

The results in table 4.2a show that before training on savings out of 100 entrepreneurs who were included in the study, 25% had very low financial performance, 45% had low financial performance, 20% had moderate financial performance and the remaining 10% had high financial performance (see the total column of table 4.2a). Also the results show that after training 15% of 100 entrepreneurs appeared with very low financial performance, 30% appeared with low
financial performance, 15% appeared with moderate financial performance, 25% appeared with high financial performance and the remaining 15% appeared with very high financial performance (see total row of table 4.2a).

There was a decline of number of entrepreneurs in lower categories of financial performance such that the number of entrepreneurs declined from 25% to 15% for the very low financial performance category and from 45% to 30% for the low financial performance category and 20% to 15% for the moderate financial performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 10% to 25% for the high financial performance category and from zero to 15% for the very high financial performance category. The finding implies that one year after training on savings; entrepreneurs were able to realize higher levels of financial performance compared to when they were not trained. The statistical evidence of the influence of training in relation savings on entrepreneur’s financial performance was further revealed through a chi-square test results as presented in table 4.2b.

Table 4.2b: Chi-Square Test Results Regarding Entrepreneur’s Perceived Financial Performance before and after Training on Saving

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>104.444</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>122.482</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>56.382</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is 1.50.

A two tailed Pearson Chi-Square test in table 4.22b show that there was an association between training on savings and entrepreneur’s perceived financial performance. The Pearson Chi-Square value was given by 104.444 with 12 degrees
of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on savings had a positive influence on entrepreneur’s financial performance.

4.4 The Influence of Training on Debts Management on Entrepreneur’s Business Performance

The study aimed at assessing if the training on debts management has an influence on entrepreneur’s business performance. The objective was analyzed through different aspects that include: ability to identify different sources of loans, ability to analyze affordable debt, ability to distinguish own money and other people’s money, ability to distinguish between good and bad loans and perceived level of entrepreneur’s business performance before and after training on debt management.

4.4.1 Ability to Identify Different Sources of Loans

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

There are different ways for entrepreneurs to finance their businesses. It could be their own money from their own saving or a loan that is by borrowing money. The study found that 46 percent of the respondents had strongly agree on the ability to identify different sources of loans while 39 percent had agreed, that means that more than 80 percent of the trained entrepreneurs had been influenced with the ability on loan sources, about 10 percent of the respondents were neutral and only 2 percent disagreed as illustrated in Figure 4.10 below.
Entrepreneurs must understand although loans allow them to get money quickly than saving little by little but loans comes with the obligation to pay back with interest. It has been observed that entrepreneurs were influenced with the training about borrowing sources and taught about alternatives sources of loans ranging from money from friend, family member, MFI, credit and even banks.

4.4.2 Ability to analyze Affordable Debt

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The study revealed that same percentage of respondents which is 43 percent had strongly agreed and agreed to have that they are able to analyze how much debt they can afford. Therefore, most respondents (86 percent) are able to analyze how much
debt they can afford. About 9 percent were not sure about their position and only 3 percent showed that they were not able to analyze debt that they can afford as indicated in Figure 4.11 below.

**Figure 4.11: Ability to analyse Affordable Debt**

Since taking a loan is taking a risk, entrepreneurs are being trained the importance of knowing the reasons why they borrow. Entrepreneurs are influenced with the knowledge on how much debt they can afford to make sure they don’t ruin their business through debts. Most times entrepreneurs have been over indebtedness and have trouble making repayments which is the reason for most of the business failures. Through training entrepreneurs learn to know if the risk is worthy to take.

Entrepreneurs trained to know the reason why they borrow money, if it’s to invest or deal with unexpected emergency or even consumption. Loans for investment will earn them income and in return they can use to repay the loan back but loans for consumption and emergencies does not bring a new income and must be paid back.
even if it’s from some other sources. Many entrepreneurs found to understand this theme of training.

4.4.3 Ability to Distinguish between own Money and other People’s Money

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

Respondents who agreed that they are able to distinguish between own money and other people’s money form a total of 84 percent of respondents, with 30 percent of the respondents have strongly agreed and 54% had agreed. In additional to that 10 percent could neither agree nor disagree that the training had helped them to be able to distinguish between their own money and other people’s money while only 4% of the respondents disagreed as indicated in Figure 4.12 below.

**Figure 4.12: Ability to distinguish between own Money and other People’s Money**

Source: Study findings, (2017)
Provided training gave enough knowledge to make entrepreneurs able to distinguish own money and other people’s money. It gave the basic questions to ask before borrowing money.

4.4.4 Ability to distinguish between Good and Bad Loans

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The ability to understand the difference between a good and bad loan it is the most important for entrepreneur before they take a loan. Respondent shows that 53 percent of them had strongly agreed that the training had helped them to be able to distinguish between good and bad loans, while 34 percent of the respondents had agreed, 8 percent of them could neither agree nor disagree and only 3% of the respondents disagreed as indicated in Figure 4.13 below.

**Figure 4.13: Ability to distinguish good and Bad Loans**

![Bar chart showing ability to distinguish between good and bad loans](image)

Source: Study findings, (2016)
With this training the aim was to make entrepreneurs be aware that a bad loan has fewer benefits than has high costs and it is always difficult to repay compared to the good one that helps entrepreneurs to improve their current condition and are always easy to repay. Provided training found to influence enough knowledge to entrepreneurs, though imprudent need to ensure all entrepreneurs understands it.

4.4.5 Perceived Entrepreneur’s Business Performance before and after training on Debt Management

Entrepreneur’s business performance was measured using subjective measures of how entrepreneur’s perceive their level of business performance with comparison to each of the two periods of one year before training on debt management and one year after training on debt management. Respondents were provided with a set of questions to rate a five point scale of business performance levels where “1” stands for very low business performance, “2” stands for low business performance, “3” stands for moderate business performance, “4” stands for high business performance and “5” stands for very high business performance. Cross tabulation and chi-square statistic was used to conclude on the influence of training on perceived business performance. The results were presented in table 4.3a and 4.3b

Table 4.3a: Cross Tabulation for Entrepreneur’s Perceived Business Performance before Versus after Training on Savings

<table>
<thead>
<tr>
<th></th>
<th>Before training on debt management</th>
<th>After training on debt management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very low</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Very low</td>
<td>9</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Low</td>
<td>5</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Moderate</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>High</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>40</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Study findings, (2016)

The results in table 4.3a show that before training on debt management out of 100 entrepreneurs who were included in the study, 20% had very low business performance, 35% had low business performance, 30% had moderate business
performance and the remaining 15% had high business performance (see the total column of table 4.3a). Also the results show that after training on debt management only 5% of 100 entrepreneurs appeared with very low business performance, 40% appeared with low business performance, 15% appeared with moderate business performance, 25% appeared with high business performance and the remaining 15% appeared with very high financial performance (see total row of table 4.3a).

There was a decline of number of entrepreneurs in lower categories of business performance such that the number of entrepreneurs declined from 20% to 5% for the very low business performance category and from 30% to 15% for the moderate business performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 15% to 25% for the high business performance category and from zero to 15% for the very high business performance category. The finding implies that one year after training on debt management; entrepreneurs were able to realize higher levels of business performance compared to when they were not trained. The statistical evidence of the influence of training in relation debt management on entrepreneur’s business performance was further reveled through a chi-square test results as presented in table 4.3b.

**Table 4.3b: Chi-Square Test Results Regarding Entrepreneur’s Perceived Business Performance Before and after Training on Debt Management**

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>74.683*</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>92.903</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>33.644</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .75.
A two tailed Pearson Chi-Square test in table 4.3b show that there was an association between training on debt management and entrepreneur’s perceived business performance. The Pearson Chi-Square value was given by 74.683 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on debt management had a positive influence on entrepreneur’s business performance.

### 4.5 The Influence of Training on Budgeting on Entrepreneur’s Performance

The study aimed at assessing if the provided training on budgeting had improved entrepreneur’s performance. The objective was analyzed through different aspects that include: ability to create own budget, ability to distinguish between personal and business expenses, ability to distinguish between wants and needs, ability to identify good money management practices and perceived level of entrepreneur’s performance before and after training on budgeting.

#### 4.5.1 Ability to Create own Budget

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The study found that 46 percent of the respondents had agree with being able to create their own budget while 45 percent strongly agreed, the rest which were only 8 percent of the respondents could neither agree nor disagree as illustrated in Figure 4.14 below,
4.5.2 Ability to distinguish between Personal and Business Expenses

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

Most respondents (53 percent) have agree to be able to distinguish the two expenses which is more than half of the respondents, 35 percent of the respondents have strongly agreed on the ability to distinguish while 11% of the respondents could
neither agreed nor disagreed on being able to distinguish on the same and only 1% of the respondents disagreed as indicated in Figure 4.15 below.

**Figure 4.15: Ability to Distinguish between Personal and Business Expenses**

![Bar chart showing ability to distinguish between expenses](image)

**Source:** Study findings, (2017)

Among the challenges that have been facing entrepreneurs is to fail to distinguish personal expenses and business expenses. It is so important for entrepreneurs to understand all the expenses related to work or business and the ones of home or family and be able to distinguish the two.

Some of these expenses include, business expansion, transportation of goods, repairs and maintenance, insurance of goods, salary and wages, medical expenses, food, donations, clothes, wedding contributions and even children school fees. The study found that ability to distinguish expenses among studied entrepreneurs is high among trained entrepreneurs with total of 88 percent being able to distinguish them.

**4.5.3 Ability to distinguish between wants and needs**

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score
of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The importance of entrepreneurs to understand and be able to distinguish between needs and wants is very crucial, that way entrepreneur will be able to save more on luxuries and be able to save more for investment. The study found that 61 percent of the respondents agreed on being able to distinguish between wants and needs, 22 percent of the respondents have strongly agreed, 13 percent were neutral and only 4% disagreed not to be able to distinguish between the wants and needs as illustrated in Figure 4.16 below.

**Figure 4.16: Ability to distinguish between wants and needs**

![Bar graph showing the distribution of responses on the ability to distinguish between wants and needs.](image)

**Source:** Study findings, (2017)

From the results it is clear that 83% of the trained entrepreneurs will be able to differentiate between emergencies, business supplies, loan payments, food, sweets, school fees, medicine, new outfits and even medical expenses.

Through the training entrepreneurs will be able to list all the basic or necessity they cannot do without (needs) and an optional items which are unnecessary for everyday
survival (luxuries). Before the training, entrepreneurs were spending money on lots of things, some of which were necessary and some were not, after the training, entrepreneurs now understand the importance to think separately about home and business expenses.

4.5.4 Ability to identify Good Money Management Practices

A five point Likert scale was used to interpret the respondent’s responses. According to the scale, if the respondent ticked that particular items to be strongly agree a score of 1 was given and if they ticked strongly disagree a score of 5 was given on the Likert scale. Within the continuum are 2 for agree, 3 for neutral and 4 for disagree.

The finding reveals that 60 percent of the respondents agree being able to identify good management practices, and 14 percent strongly agree on the same, only 24% were neutral as they could neither have agreed nor disagreed on being able to identify the same. In additional to that, 1 percent of the respondents disagreed, with the remaining 1 % strongly disagreed as indicated in Figure 4.17 below. From the data 84% of the entrepreneurs trained had been influenced with the training positively.
Good money management allows entrepreneurs to plan for expenses that do not occur regularly. The times when entrepreneurs have more income or expenses in their day to day activities budget will help them to be more prepared since they had planned ahead before.

After the training entrepreneurs can now formulate a plan to save more money in times when they have more income and spend less in difficult times. Some of the saved money can be used to cover expenses at times when the business meets unforeseen challenge. There are a number of things that entrepreneurs need to think about to budget wisely and well, since their income, expenses, savings, and borrowing are not the same always, but the training had helped them understand what should be done in every situation for the betterment of their businesses.
4.5.5 Perceived Entrepreneur’s Performance before and after Training on Budget Management

Entrepreneur’s performance was measured using subjective measures of how entrepreneur’s perceive their level of managing both personal financial position and business debt financing with comparison to each of the two periods of one year before training on budgeting and one year after training on budgeting. Respondents were provided with a set of questions to rate a five point scale of entrepreneur’s performance levels where “1” stands for very low entrepreneur’s performance, “2” stands for low entrepreneur’s performance, “3” stands for moderate entrepreneur’s performance, “4” stands for high entrepreneur’s performance and “5” stands for very high entrepreneur’s performance. Cross tabulation and chi-square statistic was used to conclude on the influence of training on perceived entrepreneur’s performance. The results were presented in table 4.4a and 4.4b

Table 4.4a: Cross tabulation for Perceived Entrepreneur’s Performance before versus after training on Budget Management

<table>
<thead>
<tr>
<th>Before training on budget management</th>
<th>After training on budget management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very low</td>
<td>Low</td>
</tr>
<tr>
<td>Very low</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Low</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Moderate</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>High</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

The results in table 4.4a show that before training on budget management out of 100 entrepreneurs who were included in the study, 5% had very low entrepreneur’s performance, 45% had low entrepreneur’s performance, 40% had moderate entrepreneur’s performance and the remaining 10% had high entrepreneur’s performance (see the total column of table 4.4a). Also the results show that after training on budget management only 10% of 100 entrepreneurs appeared with very low entrepreneur’s performance, 20% appeared with low entrepreneur’s performance, 25% appeared with moderate entrepreneur’s performance, 25%
appeared with high entrepreneur’s performance and the remaining 20% appeared with very high entrepreneur’s performance (see total row of table 4.4a).

There was a decline of number of entrepreneurs in lower categories of entrepreneur’s performance such that the number of entrepreneurs declined from 45% to 20% for the moderate entrepreneur’s performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 10% to 25% for the high entrepreneur’s performance category and from zero to 20% for the very high entrepreneur’s performance category. The finding implies that one year after training on budget management; entrepreneurs were able to realize higher levels of entrepreneur’s performance compared to when they were not trained. The statistical evidence of the influence of training in relation budget management on entrepreneur’s performance was further revealed through a chi-square test results as presented in table 4.4b.

Table 4.4b: Chi-Square test results regarding Perceived Entrepreneur’s Performance before and after training on Budget Management

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>94.444a</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>93.193</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>36.040</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .50.

A two tailed Pearson Chi-Square test in table 4.4b show that there was an association between training on budget management and entrepreneur’s performance. The Pearson Chi-Square value was given by 94.444 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on budget management had a positive influence on entrepreneur’s performance.
5.1 Introduction

This chapter provides discussion of the research findings. The findings were discussed in accordance with the study objectives which were to assess if the provided training on savings have an influence on entrepreneur’s financial performance, to assess if the training on debts management have an influence on entrepreneur’s business performance and to assess if the provided training on budgeting had improved entrepreneur’s performance.

5.2 The Influence of Training on Savings on Entrepreneur’s Financial Performance

The study aimed at assessing if provided training on savings has an influence on entrepreneur’s financial performance. The objective was analyzed through different aspects that include: ability to identify goals for saving, ability to distinguish between short term and long term goals, ability to identify challenges on saving and their solutions and perceived level of entrepreneur’s financial performance before and after training on saving.

5.2.1 Ability to Identify Goals for Saving

The study reveal that total of 88 percent of the entrepreneurs were influenced with the ability to identify goals and saving. They now understand the goals for the future and how to achieve them. They now put money aside for future purposes. From the research it’s clear most entrepreneurs in the study area have future plans that they found saving more attractive to them. This can be linked to their reported ability to manage daily business activities similar to the argument that:

“Since April 2015 when I was trained on setting saving goals I have been continuously realizing well managed daily business activities” said a female entrepreneur at Ilala district
It was also found that training included the financial goals for entrepreneurs to manage their day to day activities and their businesses future. The saving goals were mainly two namely saving for future saving and for unforeseen expenses. This was also in line with the male entrepreneur who contends that:

*Among the reasons for saving could be sickness, funerals, education, investment and even emergencies.*

Among the ways of saving, entrepreneurs are being trained on each benefits and challenges, this includes, banks, VICOBAs, or even under the mattress. This was in line with the

5.2.2 Ability to Distinguish Between Short Term and Long Term Goals

Most times entrepreneurs have unrealistic goals which cause them to take longer period since they lack clear strategies to achieve them. However, the finding revealed that most respondents (91 percent) are able to distinguish from the short and long term goals. These entrepreneurs were also trained on the importance of ranking and priorities from the most important goals to the least one, sometimes the long term goal maybe more important compared to short term goal. This was in connection to the argument that:

*“Depending on priorities I can rank from the most important to the least important goal to be implemented as short term or long term goal”* reported an entrepreneur at Temeke district

Entrepreneurs are being trained to distinguish about goals that would take too long (1-2 years or more) and the ones that would take short time (1-12 months) and how to achieve them.

5.2.3 Ability to Calculate Timely Saving

The study found respondents’ inability to calculate timely saving as only 48 percent of the respondents have agreed being able to calculate timely savings, and a respondent who forms total of 52 percent face some difficulties in calculating timely
saving. This raises a need to tailor more coming trainings to be able to overcome this challenge in order to record entrepreneurial growth and new investment resulted from saving.

“Sometimes I fail to save on time because of some inconveniences like emergencies and excessive daily expenses” said an entrepreneur at Kinondoni

The findings portray that entrepreneur’s inability to calculate timely saving was revolving around lack of enough cash to run their daily life needs. Therefore calculation was not a real problem but rather application of the calculated disbursements for saving and other expenses.

5.2.4 Ability to Identify Challenges on Saving and their Solutions

These findings portray that after the training more than 80 percent of the trained entrepreneurs now have ability to identify challenges on saving. Entrepreneurs trained on how they can save per day, week or month or even a year. The study found that saving activity becomes one of the major challenges to the most entrepreneurs. Ability to identify challenges on saving and their solution is a key step towards increasing saving trend. Entrepreneurs identified major reasons which create challenges in saving to be little income, too much debt, theft, loss and frequent occurrence of what called emergencies or unplanned expenditures including social obligations resulted from extended families. This was in line with an entrepreneur at Ilala who argued that:-

“Sometimes I fail to save due to little income, too much debt, theft, loss and frequent occurrence of what called emergencies or unplanned expenditures”

Through the training, entrepreneurs shall be able to get more knowledge on what can be done to identify more challenges and important aspects for overcoming mentioned challenges including to avoid Informal Saving at home (cash, under the mattress) when conducting business. This can be practiced if saving can be in kind (jewelry, livestock, land), Formal like Banks, Post-office, Credit union, Regulated MFI and
Regulated Cooperatives, Semi-Formal like Savings group, VICOBAs and Savings collector, more emphasis should be put on the advantages of formal saving on access, fees, interest and safety. From the study it is clear that training on saving was well understood and if it will be practiced well, it will have very good results, but more efforts need to be in place to emphasize some issues related to alternative ways of saving.

5.2.5 Perceived Entrepreneur’s Financial Performance Before and after Training on Savings

The findings show that one year after training on savings there was a decline of number of entrepreneurs in lower categories of financial performance such that the number of entrepreneurs declined from 25% to 15% for the very low financial performance category and from 45% to 30% for the low financial performance category and 20% to 15% for the moderate financial performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 10% to 25% for the high financial performance category and from zero to 15% for the very high financial performance category.

The finding implies that one year after training on savings, entrepreneurs were able to realize higher levels of financial performance compared to when they were not trained. The statistical evidence of the influence of training in relation savings on entrepreneur’s financial performance was further revealed through a chi-square test results as presented in table 4.2b. A two tailed Pearson Chi-Square test in table 4.2b show that there was an association between training on savings and entrepreneur’s perceived financial performance. The Pearson Chi-Square value was given by 104.444 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on savings had a positive influence on entrepreneur’s financial performance.

5.3 The Influence of Training on Debts Management on Entrepreneur’s Business Performance

The study aimed at assessing if the training on debts management has an influence on entrepreneur’s business performance. The objective was analyzed through different aspects that include: ability to identify different sources of loans, ability to
analyze affordable debt, ability to distinguish own money and other people’s money, ability to distinguish between good and bad loans and perceived level of entrepreneur’s business performance before and after training on debt management.

5.3.1 Ability to Identify Different Sources of Loans

There are different ways for entrepreneurs to finance their businesses. It could be their own money from their own saving or a loan that is by borrowing money. The study found that more than 80 percent of the trained entrepreneurs had been influenced with the ability on loan sources. The following argument shows how far respondents were aware of different loan sources

“I can obtain my business finance quickly from different optimal sources like VICOBA, commercial banks, SACCROSS and some of my friends” said an entrepreneur at Temeke

Entrepreneurs must understand although loans allow them get money quickly than saving little by little but loans comes with the obligation to pay back with interest. It has been observed that entrepreneurs were influenced with the training about borrowing sources and taught about alternatives sources of loans ranging from money from Friend, family member, MFI, credit and even banks.

5.3.2 Ability to Analyze Affordable Debt

The study revealed that most respondents (86 percent) are able to analyze how much debt they can afford. Since taking a loan is taking a risk, entrepreneurs are being trained the importance of knowing the reasons why they borrow. Entrepreneurs are influenced with the knowledge on how much debt they can afford to make sure they don’t ruin their business through debts. Most times entrepreneurs have been over indebtedness and have trouble making repayments which is the reason for most of the business failures. Through training entrepreneurs learn to know if the risk is worthy to take. The following statement reflects the analytical ability of entrepreneurs in the study area.
“I normally take into consideration the reason for borrowing and account for the related risk before deciding to take any loan” said an entrepreneur at Kinondoni district

Entrepreneurs trained to know the reason why they borrow money, if it’s to invest or deal with unexpected emergency or even consumption. Loans for investment will earn them income and in return they can use to repay the loan back but loans for consumption and emergencies does not bring a new income and must be paid back even if it’s from some other sources. Many entrepreneurs found to understand this theme of training.

5.3.3 Ability to Distinguish Between Own Money and Other People’s Money

Respondents who agreed that they are able to distinguish between own money and other people’s money form a total of 84 percent of respondents.

“I use to separate between the business money, my personal income from business and other peoples’ money especially borrowed money which need installments for repayment” confessed an entrepreneur

Provided training gave enough knowledge to make entrepreneurs able to distinguish own money and other people’s money. It gave the basic questions to ask before borrowing money.

5.3.4 Ability to Distinguish Between Good and Bad Loans

The ability to understand the difference between a good and bad loan it is the most important for entrepreneur before they take a loan. Respondents show that 53 percent of them had strongly agreed that the training had helped them to be able to distinguish between good and bad loans, while 34 percent of the respondents had agreed on the same.

“A good loan is the one with small interest and long loan repayment period subject to minimum conditions
and vice versa is true for bad loans” argued an entrepreneur at Ilala district.

With this training the aim was to make entrepreneurs be aware that a bad loan has fewer benefits than has high costs and it is always difficult to repay compared to the good one that helps entrepreneurs to improve their current condition and are always easy to repay. Provided training found to influence enough knowledge to entrepreneurs, though imprudent need to ensure all entrepreneurs understands it.

5.3.5 Perceived Entrepreneur’s Business Performance Before and After Training on Debt Management

The findings revealed that after one year of training on debt management, there was a decline of number of entrepreneurs in lower categories of business performance such that the number of entrepreneurs declined from 20% to 5% for the very low business performance category and from 30% to 15% for the moderate business performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 15% to 25% for the high business performance category and from zero to 15% for the very high business performance category.

The finding implies that one year after training on debt management; entrepreneurs were able to realize higher levels of business performance compared to when they were not trained. The statistical evidence of the influence of training in relation debt management on entrepreneur’s business performance was further revealed through a chi-square test results as presented in table 4.3b. A two tailed Pearson Chi-Square test in table 4.3b show that there was an association between training on debt management and entrepreneur’s perceived business performance. The Pearson Chi-Square value was given by 74.683 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on debt management had a positive influence on entrepreneur’s business performance.
5.4 The Influence of Training on Budgeting on Entrepreneur’s Performance

The study aimed at assessing if the provided training on budgeting had improved entrepreneur’s performance. The objective was analyzed through different aspects that include: ability to create own budget, ability to distinguish between personal and business expenses, ability to distinguish between wants and needs, ability to identify good money management practices and perceived level of entrepreneur’s performance before and after training on budgeting.

5.4.1 Ability to Create own Budget

For entrepreneurs to be able to manage money they must understand what budget is, it is the important tool that teaches entrepreneurs how to spend money. The training has been very useful because it brings a sense of discipline to budget as 91 percent of respondents confirmed it. This was also in concurrence with one of the entrepreneur at Temeke who argued that:

“I can create my own budget and work on it for both the business and my own personal budget”

From the findings and the argument, it is so clear entrepreneurs will be able to achieve their goals and being able to plan on their business future wisely. By creating budget, they will be in a position to understand their businesses income and expenses over a certain period of time.

5.4.2 Ability to Distinguish Between Personal and Business Expenses

Among the challenges that have been facing entrepreneurs is to fail to distinguish personal expenses and business expenses. It is so important for entrepreneurs to understand all the expenses related to work or business and the ones of home or family and be able to distinguish the two. Most respondents (53 percent) agreed to be able to distinguish the two expenses which is more than half of the respondents, 35 percent of the respondents strongly agreed on the ability to distinguish.

“There is a difference between personal expenses and business expenses and they need not be confused.”
Separation of these expenses facilitate sound budgeting” argued an entrepreneur at Kinondoni district

Some of these expenses include, business expansion, transportation of goods, repairs and maintenance, insurance of goods, salary and wages, medical expenses, food, donations, clothes, wedding contributions and even children school fees. The study found that ability to distinguish expenses among studied entrepreneurs is high among trained entrepreneurs with total of 88 percent being able to distinguish them.

5.4.3 Ability to distinguish between Wants and Needs

The importance of entrepreneurs to understand and be able to distinguish between needs and wants is very crucial, that way entrepreneur will be able to save more on luxuries and be able to save more for investment. From the results it is clear that 83% of the trained entrepreneurs will be able to differentiate between emergencies, business supplies, loan payments, food, sweets, school fees, medicine, new outfits and even medical expenses. Through the training entrepreneurs will be able to list all the basic or necessity they cannot do without (needs) and an optional items which are unnecessary for everyday survival (luxuries). Before the training, entrepreneurs were spending money on lots of things, some of which were necessary and some were not, after the training, entrepreneurs now understand the importance to think separately about home and business expenses.

5.4.4 Ability to Identify Good Money Management Practices

Good money management allows entrepreneurs to plan for expenses that do not occur regularly. The times when entrepreneurs have more income or expenses in their day to day activities budget will help them to be more prepared since they had planned ahead before. The finding reveals that 84% of the entrepreneurs trained had been influenced with the training positively.

“Good money management practices include budgeting, saving wise spending for future priorities” clarified one of the entrepreneurs at Temeke district
After the training entrepreneurs can now formulate a plan to save more money in times when they have more income and spend less in difficult times. Some of the saved money can be used to cover expenses at times when the business meets unforeseen challenge. There are a number of things that entrepreneurs need to think about to budget wisely and well, since their income, expenses, savings, and borrowing are not the same always, but the training had helped them understand what should be done in every situation for the betterment of their businesses.

5.4.5 Perceived Entrepreneur’s Performance Before and After Training on Budget Management

The results revealed that after one year of training on budget management, there was a decline of number of entrepreneurs in lower categories of entrepreneur’s performance such that the number of entrepreneurs declined from 45% to 20% for the moderate entrepreneur’s performance category. On the other hand there was an equivalent increase in the number of entrepreneurs in higher categories such as from 10% to 25% for the high entrepreneur’s performance category and from zero to 20% for the very high entrepreneur’s performance category.

The finding implies that one year after training on budget management; entrepreneurs were able to realize higher levels of entrepreneur’s performance compared to when they were not trained. The statistical evidence of the influence of training in relation budget management on entrepreneur’s performance was further revealed through a chi-square test results as presented in table 4.4b. A two tailed Pearson Chi-Square test in table 4.4b show that there was an association between training on budget management and entrepreneur’s performance. The Pearson Chi-Square value was given by 94.444 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%) it is concluded that training on budget management had a positive influence on entrepreneur’s performance.
CHAPTER SIX
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter is designed to present the overall summary of the study, conclusion and recommendation based on the findings and avenues for future research.

5.2 Summary of the Study
This study aimed to assess the effectiveness of financial literacy trainings on entrepreneurship performance in Tanzania, the case of entrepreneurs trained by equity bank (t) limited. The study employed both secondary and primary data and sources of data as discussed in chapter three of this thesis. In effect it used Questionnaires, interview, observation and documentary review to collect data and information for this study.

5.2.1 Training on Saving Skills and Entrepreneurs performance
The findings revealed that entrepreneurs in the study area appeared with ability to identify goals for saving, ability to distinguish between short term and long term goals, ability to identify challenges on saving and their solutions and perceived level of entrepreneur’s financial performance before and after training on saving. Also a two tailed Pearson Chi-Square test in table 4.2b show that there was an association between training on savings and entrepreneur’s perceived financial performance. The Pearson Chi-Square value was given by 104.444 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%), the researcher rejected the hypothesis one (H1) the effect that training on savings had a positive influence on entrepreneur’s financial performance.

5.2.2 Training on Debt Management skills and Entrepreneurs performance
Also the findings revealed that entrepreneurs in the study area appeared with ability to identify different sources of loans, ability to analyze affordable debt, ability to distinguish own money and other people’s money, ability to distinguish between good and bad loans and perceived level of entrepreneur’s business performance before and after training on debt management. Also a two tailed Pearson Chi-Square
test in table 4.3b show that there was an association between training on debt management and entrepreneur’s perceived business performance. The Pearson Chi-Square value was given by 74.683 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%), the researcher rejected hypothesis two (H2) the effect that training on debt management had a positive influence on entrepreneur’s business performance.

### 5.2.3 Training on Budgeting Skills and Entrepreneurs Performance

Also the findings revealed that entrepreneurs in the study area appeared with ability to create own budget, ability to distinguish between personal and business expenses, ability to distinguish between wants and needs, ability to identify good money management practices and perceived level of entrepreneur’s performance before and after training on budgeting. Also a two tailed Pearson Chi-Square test in table 4.4b show that there was an association between training on budget management and entrepreneur’s performance. The Pearson Chi-Square value was given by 94.444 with 12 degrees of freedom that was signified at 0.000 level of significance. Since the level of significance is less than 0.05 (5%), the researcher rejected hypothesis three (H3) the effect that training on budget management had a positive influence on entrepreneur’s performance.

### 5.3 Conclusion

It is through financial education that individuals become more confident with their budgets both household and business, and give them a space to create visible savings plan, and making it easy to achieve their savings goals. This assist in ensuring that the target set in achieving both business and personal goals are achieved. Moreover, Financial Education contributed to better understanding on financial limits particularly on borrowing. Borrowing is not bad if it is done responsibly and using the debt in achieving the goals set.

Therefore, from the research, the training has awakened many individuals and once concepts are applied can lead to a better improvement in their businesses. There is always a need to manage the effects of the trainings in our country and be able to energize more on providing more education.
Following the rejection of hypothesis one (H1) the effect that training on savings had a positive influence on entrepreneur’s financial performance, rejection of hypothesis two (H2) the effect that training on debt management had a positive influence on entrepreneur’s business performance and rejection of hypothesis three (H3) the effect that training on budget management had a positive influence on entrepreneur’s performance, the researcher concludes that effective financial literacy training on had a positive influence on entrepreneurship performance in the study area.

5.4 Recommendations

This study recommends the following for improvement of financial education in Tanzania;

Since there is a large number of population which is yet to receive the training on financial education at this time can be used as an entry point for other banks as well to reach this population. The country and other NGO’s to develop trainings that will address the challenges of the entrepreneurs depending on the available infrastructure. These challenges includes barriers to access financial services, lack of information and knowledge on how to use automated financial services (mobiles, Internet banking).

After the training beneficiaries were anxiously in acquiring the skills and how they can better improve their businesses with the available resources. Through this they have realized on the importance of trainings on their businesses. The stake holder to provide more financial education, this will provide an insight into positive perceptions, beliefs, attitudes, motivations and goals that will directly influences entrepreneurs business and decision concerning money.

The number of women participated in the training were many to which it is the clear sign that the business owned by women will in due course perform and which they were in large numbers compared to men. The stakeholder to enhance and deepen financial literacy trainings and broaden access to financial services and products for people in our country by including formalizing all informal banking system to formal
one, eg, Upatu, informal group lending to a formal VICOBA (Village Community Bank).

5.5 Limitations of the Study
The study had several limitations, the biggest challenge was some of respondents found it hard to understand and answer some questions and they were commented that the questions were too difficult. This may be due to the language in use, where English language was used. To avoid this limitation, future researcher should translate the tool into language which is familiar to respondents.

The study focused only on entrepreneurs trained by Equity Bank, there must be different training provider out there which might have a different view on these trainings. And of course due to time limit the researcher. The second limitation was on language, Most entrepreneurs could not read or write in English so, the researcher had to translate required questionnaire in Swahili. Many of the entrepreneurs argued that these trainings were very crucial to them and they need more. They admitted that they lack basic saving, budget and debt management skills.
5.6 Areas for Further Research

The study focused only on entrepreneurs trained by Equity Bank and due to limited financial resources and time limit the researcher was able to collect data from only 100 respondents out of more than 1000 entrepreneurs. That being the case, this study can be expanded to include other institutions and NGO’s that provide the same training.
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APPENDICES

APPENDIX I: QUESTIONNAIRE

I am SARAH JACOB MUJULE a student at the MZUMBE UNIVERSITY I am caring out the research on ASSESSMENT OF EFFECTIVENESS OF FINANCIAL LITERACY TRAININGS ON ENTREPRENEURSHIP PERFORMANCE IN TANZANIA.

THE CASE OF ENTREPRENEURS TRAINED BY EQUITY BANK (T) LIMITED,

DAR ES SALAAM

Please assist me by answering the questions. The research is purely for academic purpose and your participation will be greater appreciated and your contribution will be treated with greater confidentiality.

Instruction on Filling this Questionnaire

Please you are asked to give your answer honestly and freely as possible. Where a written response is required, please write your answer clearly. Do not write your name on this questionnaire.

SECTION A: DEMOGRAPHIC FACTORS

Put a tick [✓] at the correct answer.

1. Gender
   Female ( ) (ii) Male ( )

2. Age
   (i) 18–25 ( ) (ii) 26–35 ( ) (iii) 36–45 ( )
   (iv) 46–55 ( ) (v) 56–65 ( ) (vi) 66–above ( )

3. Marital status.
   (i) Single ( ) (ii) Married ( ) (iii) Divorced ( )
   (iv) Widowed ( ) (v) Separated ( )

4. What is the highest level of education you have attained?
(i) None  (  )  (ii) Primary education  (  )
(iii) Secondary education  (  )  (iv) Certificate  (  )
(v) Diploma  (  )  (vi) Degree  (  )

5. In which municipality is your business located?
a) Kinondoni  (  )  b) Temeke  (  )  c) Ilala  (  )

6. When did you establish your business?
Less than 2 years  (  )  b) between 2 – 5 years  (  )  c) Above 5 years  (  )

**SECTION B:**

**THE ASSESSMENT OF EFFECTIVENESS OF FINANCIAL LITERACY TRAININGS ON ENTREPRENEURSHIP PERFORMANCE IN TANZANIA**

Please indicate how much you agree or disagree with all factors by ticking appropriate option. Please answer all questions.

The ratings are: 1 = strongly disagree …………………… 5 = strongly agreed.

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<tr>
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<th><strong>BUDGETING</strong></th>
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<th>2</th>
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<tbody>
<tr>
<td>i.</td>
<td>Ability to create own budget</td>
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<td></td>
<td>Ability to distinguish between personal and business expenses</td>
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<td></td>
<td>Ability to distinguish between wants and needs</td>
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<td>Ability to identify good money management practices</td>
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<td></td>
<td><strong>SAVINGS</strong></td>
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<td>ii.</td>
<td>Ability to identify goals for saving</td>
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<td>Ability to distinguish between short term and long term goals</td>
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<td>Ability to calculate timely saving</td>
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<td>Ability to identify challenges on saving and their solutions</td>
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<td></td>
<td><strong>DEBT MANAGEMENT</strong></td>
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<td>5</td>
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<td>iii.</td>
<td>Ability to identify different sources of loans</td>
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### iv. ENTERPRENEURSHIP PERFORMANCE

In each of the following entrepreneurial performance indicators rate the desirable level of performance you consider most appropriate for the period before training and after training:

[1 = Very Low Performance, 2 = Low Performance, 3 = Moderate, 4 = High Performance, 5 = Very High Performance]

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<tbody>
<tr>
<td>Entrepreneur’s financial performance [Your personal financial position]</td>
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<tr>
<td>Entrepreneur’s business performance [Improvement in business debt financing]</td>
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<tr>
<td>Entrepreneur’s performance [Your ability to manage both his/her financial performance and business performance]</td>
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**Thank You for your cooperation**