CONTRIBUTION OF TRAINING AND TECHNICAL ASSISTANCE PROVIDED BY SIDO TO THE PERFORMANCE OF SMEs IN ARUSHA REGION

CONTRIBUTION OF TRAINING AND TECHNICAL ASSISTANCE PROVIDED BY SIDO TO THE PERFORMANCE OF SMEs IN ARUSHA REGION

By

Daines Ernest

A Dissertation Submitted to the School of Business in Partial Fulfilment of the Requirements for Award of the Degree of Masters of Business Administration - Corporate Management (MBA) of the Mzumbe University.

2016

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **"Contribution of Training and Technical Assistance provided by SIDO to the performance of SMEs in Arusha Region"** in partial fulfilment of the requirements for award of the degree of Master of Business Administration of the Mzumbe University.

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I, **Daines Ernest**, 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.

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DEDICATION

I dedicate this dissertation to my parents Mr&Mrs Lema as an appreciation for their love and support to me throughout my studies.

LIST OF ACRONYMS AND ABBREVIATIONS

DITF	-	Dar es Salaam International Trade Fair
EGT	-	Endogenous Growth Theory
FGD	-	Focus Group Discussion
GDP	-	Growth Domestic Product
ICT	-	Information and Communication Technology
ISOs	-	Industrial Support Organizations
KBT	-	Knowledge-Based Theory
MFIs	-	Monetary Financial Institutions
NGOs	-	Non- Government Organizations
SIDO	-	Small Industries Development Organization
SMEs	-	Small and Medium Enterprises

ABSTRACT

Business skills training and technical assistance to SMEs are determinant factors towards the growth of enterprises. In Tanzania, there are enterprises that still register poor performance in terms of growth, profitability and sustainability despite the fact that various institutions provide the required training and technical assistance to entrepreneurs. To find out whether business skills training and the provision of technical assistance is significantly important towards the growth and development of micro enterprises and to determine what inhibits their performance, this study assessed the contribution of training and technical assistance provided by SIDO to micro entrepreneurs, using SMEs. Specifically, it analysed the skills and benefits obtained as well as business profiles of entrepreneurs who received training and technical assistance, and identified constraints limiting the application of obtained entrepreneurship skills to SMEs. A cross sectional study design was employed in obtaining data collected using key informant through interviews and focussed group discussions. The study involved 90 respondents out of which 73 had received a loan; training as well as technical assistance while 17 had received a loan only.

Both descriptive and inferential statistics using the Statistical Package for Social Science (SPSS) were used to analyze data. It was found that most training provided by SIDO were on entrepreneurship, business management and provision of technical assistance on marketing, product labeling, and selection of machine and business advice as a whole. Most beneficiaries of the training and loan were married individuals aged between 40-49 years. Training and technical assistance had positive influence on business performance although it had no significant impact on asset accumulation. The study recommends that micro-entrepreneurs should make use of the skills they obtain from institutions like SIDO and seek for adequate financial support to establish their business and that these various supporting institutions should focus on specific skills development of these SMEs which will certainly increase the performance in business.

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CHAPTER ONE

INTRODUCTION AND PROBLEM IDENTIFICATION

1.1 Introduction

This research is about "The **contribution** of training and technical assistance to micro entrepreneurs this chapter includes the background of the problem, statement of the problem, objectives, importance, limitations and delimitations of the study

1.2 Background Information

Worldwide entrepreneurship plays a vital role in socio-economic development as a means for reducing poverty and generating sustainable employment and income for nation and individuals Mahadea (2013); Berry et al. (2002); Valerio *et al.* (2014); Olufunso (2010); Mahmood and Hanafi, (2013). Entrepreneurship is a willingness and ability of an individual to seek for investment opportunities to establish and run enterprises successfully (Suleiman 2006). Additionally Onuoha (2007) defined Entrepreneurship as the practice of starting new organizations or stimulating mature organizations, particularly new businesses generally in response to identified opportunities. There are evidences to believe that countries which have higher percentage of entrepreneurs have developed much faster as compared to their counterparts (Vinesh, 2014).

Entrepreneurships play a significant role in employment and wealth creation, produce creativity, innovation also increase country incomes through productivity of the respective sector. Recently more recognition has been given to the importance of providing training and technical assistance to improve business performance among entrepreneurs, said Zin (2015). Training and technical assistance has been found to be a major factor towards the growth and persistence of micro enterprises due to the accumulated knowledge and skills as reported by (Kaijun and Sholihah, 2015; Ogundele *et al.* 2012; Njoroge and Gathungu, 2013).

According to the human capital theory, investment in knowledge, skills and the abilities enhance the productive capacity of the individual. A study by Kuene (2008) in South Africa finds out that entrepreneurship training is one of the aspects that have been connected with entrepreneurs' performance.

In Tanzania to date, entrepreneurs represent an important engine of economic growth and play an important role in income generation activities and poverty (Ssendi 2013). The foundation and development of entrepreneurship in the country is maintained by a number of institutional engagements, like laws and regulations which authorize and support entrepreneurship activities.

Organisations whether government or non-governmental play a vital role in developing entrepreneurship through programme support services, SIDO being one of them. Kaijage (2013) reported that the increase in awareness towards the importance of entrepreneurship has contributed to the continued growth in the number of colleges and universities offering entrepreneurship courses worldwide.

The fact that the informative programs are developed to demonstrate and encourage entrepreneurial behavior that has some effects to many individuals who has chosen entrepreneurial activities (Rwamitoga, 2011). SIDO Tanzania plays a significance role in improving entrepreneurial activities through training and technical support to entrepreneurs.

Despite the large contribution of entrepreneurs in the country's development in various aspects such as employment and wealth creation, small and medium businesses in Tanzania according to Kessy and Temu (2010); Green *et al.* (2002) are facing challenges such as constrained by access to finance, poor managerial skills, lack of training opportunities and high cost of inputs (Cook and Nix son 2000). Others include services related to marketing, technology, business training, and information (URT, 2003).

In Arusha, despite some social-economic constraints majority of SMEs are showing growth to some extent. Several studies on entrepreneurship have concentrated on the contribution of entrepreneurship to sustainable economic development, job creation,

innovation and resource allocation, paying little attention to the contribution of entrepreneurship training and education on improved business performance.

1.3 Problem Statement

According to Olufunso, (2010) entrepreneurship is considered to be one of the most crucial elements contributing to the development of the society. Indeed it has been argued by the academicians, practitioners and governments worldwide increasingly recognizes the role of training and education in providing entrepreneurs with the necessary business skills and understanding to plan ,setup and grow their business ideas, (Njoroge and Gathungu 2013). It has been stated in the human capital theory that, investment in knowledge, skills and the abilities enhances the productive capacity, competencies to engage in a more enterprising, innovative and flexible manner in a changing workplace environment Njorogoe and Gathungu (2013). The SMEs in Tanzania play an important role in the socio-economic development of the country. Their significance can be in terms of contribution towards economic growth, employment creation, poverty reduction and development of an industrial base.

As previously stated, entrepreneurship training is found to be a major determinant in the growth of enterprises. Entrepreneurship training has been found to be a major determinant in the growth of enterprises. Fostering training and technical assistance to entrepreneurs is crucial for the achievement of Tanzania's broader development objectives, including growth of the economy and poverty reduction. According to a report by SIDO (2016) entrepreneurs in Arusha who run their enterprises for example in milk and milk products, leather and leather products, sunflower oil, as well as handicrafts (beads), in production, processing and marketing are receiving trainings and technical assistance in terms of loans and some machines to make the successful enterprises. Although there is growing literature on SMEs in Tanzania, the contribution of entrepreneurship training on SMEs performance is rarely explored highlighted by (Tambwe, 2015).

It's literary known that small and medium entrepreneurs' engagement in micro enterprises in Tanzania has been constrained by various problems related to credit and low skills of running business (Mnemwa and Maliti, 2009).

Previous studies like that of Aveyard et al. 2009; ESRF (2011) show that although various institutions such as SIDO have been providing training and technical assistance to small enterprises, there is generally poor performance in terms of growth, profitability and sustainability of many small enterprises. The study therefore attempts to give answer to a question; why poor performance among SMEs despite the training and technical assistance received from SIDO.

1.4 Justification of Study

Entrepreneurial activities are increasingly being considered as a way of reducing poverty and unemployment problems in developing countries such as Tanzania (Kitundu and Gabagambi 2014). It is generally accepted that training and technical assistance play a crucial role in enhancing business management skills and access to market and credit, hence improving access to education and technical skills can significantly improve income generation and wealth creation in general (Tambwe, 2015).

While a number of initiatives have been taken by governments, donors and non-government organizations (NGOs), both local and international, to the growth of business performance through training and technical assistance to entrepreneurs in Tanzania, like the establishment of entrepreneurship programs under various organizations such as SIDO Business and Technology Incubation centre which target at supporting entrepreneurs with innovative and creative business or industrial ideas and nurturing them to develop to a level of commercial business undertakings, nonetheless entrepreneur's performance and development rate is still poor.

For that reason it is important to assess the contribution of training and technical assistance towards improved business performance to help devise policies to improve SMEs productivity and socio-economic development.

The study is keeping in line with the National development Vision 2025 target, that focuses on improving a high quality livelihood for all Tanzanians and the Small and Medium Enterprise Development Policy 2003 whose goal is capacity building of business training institutions aimed at providing quality of services provided, facilitate tailor-made business training programs for start-ups and for strengthening existing businesses and to institute mechanisms of enhancing networking between SMEs and technology suppliers.

As a result, the study findings will provide important information for appropriate interventions to training and technical assistance to entrepreneurs for improving business performance to development workers and planners. This will also assist in promoting awareness of the role of the entrepreneurship trainings and technical assistance in the economy hence improve the genuine and logical foundations towards our understanding of the role of training and technical assistance to entrepreneurs in the economy because lack of skills upgrading and capacity development according to SIDO (2014) leads to unsuccessful activities towards achieving the desired growth of microenterprises

1.5 Objectives

1.5.1 General objective

The overall objective of the study was to assess the contribution of training and technical assistance provided by SIDO to SMEs towards improving micro-enterprises performance.

1.5.2 Specific objectives

i. To assess the business profiles of entrepreneurs who obtained training and technical assistance
ii. To identify business skills obtained by entrepreneurs
iii. To assess the performance of SMEs after receiving training and technical assistance.
iv. To identify constraints that limit the application of obtained entrepreneurship skills in SMEs

1.5.3 Research questions

i. What are the socio-economic characteristics of entrepreneurs who obtained training and technical assistance?
ii. What are the business skills obtained by entrepreneurs from training and technical assistance?
iii. How is the performance of SMEs after receiving training and technical assistance? What are the constraints that limit the applications of entrepreneurship skills obtained in SMEs?

1.6 Limitation and delimitation of this study

The study faced a number of limitations in the process of data collection, some these limitations such as lack of readiness of some respondents to provide reliable information for the research, and inadequate availability of relevant and current data for the research. However, the researcher managed to overcome these limitations by assuring them of the confidentiality in the study and on availability of data, the researcher was forced to spend a lot of time on the internet and in libraries to ensure that the relevant and current data are obtained for this study.

1.7 Organization of the study

This study is organized in five chapters. Chapter one covered the overview of the study, which includes an introduction and background to the study, the statement of the problem, the research objectives, the research questions, the significance of the study, limitations and delimitations of the study. The second chapter presents a review of the existing literatures on the contribution of training and technical assistance to micro entrepreneurs including key definitions, theoretical and empirical literature review, conceptual framework and the research gap. The third chapter presents the research Methodology highlighting the location and characteristics of the study, selection of the study area, source and types of data, design of the research, instruments and data collection tools. The fourth chapter presents the findings of the study discussions and the Fifth chapter are covers a conclusion and recommendations.

1.8 Summary

The chapter has covered the general background of the problem, the objectives and importance of the research, as well as limitations and delimitations of the study. It has briefly explained the framework of the impacts of training and technical assistance to micro entrepreneurs in Tanzania; the chapter also discusses the research problem and research questions as well.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the definition of the main concepts, theoretical framework and empirical studies related to the contribution of training and technical assistance towards improved entrepreneurs' business performance, conceptual framework and research gap.

2.1 Definition of main concepts

The basic concepts in this study are entrepreneurship, microenterprise, entrepreneurship training, and business performance. In this subsection the meanings, usage of these concepts are given.

2.1.1 Entrepreneurship

Most economic, psychological and sociological research points out that entrepreneurship is a process and not a static phenomenon. Frijis *et al* (2002) propounded that the existing definitions of entrepreneurship often relate to the functional role of entrepreneurs and include coordination, innovation, uncertainty bearing, capital supply, decision making, ownership and resource allocation.

According to Onuoha (2007), entrepreneurship is the practice of starting new organizations or stimulating mature organizations, particularly new businesses mostly in response to identified opportunities. Moreover, entrepreneurship can be defined as the dynamic process of creating incremental wealth. Ponstadt (1998) argued that, this wealth is created by individuals who assume the major risk in terms of equity, time and career commitments of providing values for some product or service, certainly these people can be referred as the entrepreneurs.

Schumpeter (1965) defined entrepreneurs as individuals who exploit market opportunity through technical and organizational innovation. According to De Silva

(2010), Wagner and Ziltener, (2008) entrepreneurs are people who are creative in finding ways of adding to their owned wealth, power and prestige. In an addition, an entrepreneur is an individual who discovers market needs and launches new firms to meet these needs said, Moore et al. (2008). An entrepreneur is an individual who establishes and manages an enterprise for the principal purposes of profit and growth. The entrepreneur is characterised principally by innovative behaviour and employing strategic management practices in the business stated by Carland *et al.* (1984). Moore *at al.* (2008) defined an entrepreneur as an individual who discovers market needs and launches new firms to meet these needs.

Kuratko and Hodgetts (2008) characterized business visionaries as individuals who perceive open doors where other see bedlam or disarray and are commanding compound towards change inside the commercial center. Business is more than a normal demonstration of big business creation since big business creation is a critical element in enterprise. A business person is portrayed by the activity of searching for circumstances and going out on a limb past security subsequently having the quality to push a thought complete into the truth and making individuals with an essential mentality, highlighted (Holt, 1992)

In most current times, the term business enterprise has been stretched out to incorporate segments not as a matter of course identified with big business improvement contended (Hisrich 2012).

Exercises like conceptualization of enterprise are positive outlook bringing about entrepreneurial activities like social business enterprise, political enterprise and information business enterprise. Ashmore (1990) reported a business visionary as the person who builds up and deals with an endeavor and going out on a limb of different sorts. This needs to do with accomplishing and building a venture or association, as opposed to simply viewing breaking down, or depicting one.

Enterprise alludes to the readiness to go for broke, both individual and money related, and after doing everything conceivable to get the odds to support you. David (2008) noticed that, the apparent business is the capacity to set up an endeavor as not quite the same as being utilized for a vocation. This capacity as indicated by David ought to be

gained and ought to vary in a few regards from the capacities require to empower a man acquire a livelihood. It likewise includes the obtaining of aptitudes, thoughts and administrative capacities for independence.

2.1.2 Micro enterprise

There is no universally recognised definition of micro enterprises since the concept reflects the level of development of a particular country, (URT (2003). Distinctive nations utilize various measures of size contingent upon their level of accomplished improvement, notwithstanding, in characterizing little and medium undertakings, the most much of the time utilized marker are measure of capital contributed, number of workers and deals volume, highlighted (URT, 2003). With regards to Tanzania, small scale ventures are those drawing in up to four individuals as a rule relatives and utilizing capital sum up to five million. Larger part of small scale undertakings drop under the casual division. Little endeavors are for the most part formalized endeavors which connecting with workers numbered in 5 to 49 with capital venture of Tshs.5 million to Tshs.200 million. Medium ventures is described by utilizing individuals between 50 to 99 and with the utilization of capital speculation from Tshs.200 million to Tshs.800 million, expressed URT (2002). The deciding component about meanings of SMEs is the level of advancement of a specific nation today.

URT (2003) expressed that, SMEs are still characterized as those ventures utilizing a number up to 49 representatives and with a capital speculation not more than Tshs.20 million. Little undertakings are the ones which are having 1 to 4 workers, capital speculation of up to Tshs.5 million while medium endeavours are utilizing 5 to 49 individuals and with a capital venture of Tshs.5 million to Tshs.20 million. The level of capital contributed is taken as the developmental angle in this course of action.

Concentrating on and supporting smaller scale endeavours can be crucial on the grounds that they are potential in creating generation, work and salary and additionally being integral to development, said Kantor (2000). All the more particularly, miniaturized scale endeavours can have vital advancement components in the most creating nations.

As per Levitsky (1993) these improvement capacities includes the assistance in making job by utilizing more work as a part of connection to capital utilized to have the capacity to fire up with the exceptionally restricted assets.

URT (2003a) noted different elements of miniaturized scale ventures are to add to the fair dispersion of salary and to enhance agro-items. At the point when interpreted into reality, it is found that the monetary elements of smaller scale ventures bolster an undeniably huge extent of the populace in numerous nations in Africa.

2.1.3 Business Performance

Bidzakin (2009) argues that the measure of business performances is complex and multi-faceted reported. According to Alasadi and Abdelrahim (2007) the most normally received meaning of business execution is budgetary development with satisfactory benefits, for occurrence, a few business visionaries see achievement or great execution as the employment fulfilment they get from accomplishing sought objectives. Be that as it may, money related development because of expanding benefits has been generally received by most analysts and professionals in business execution models as inspected by (Kessy, 2009).

Among the most as often as possible utilized pointers is business survival, development in worker volume and benefit (Bidzakin, 2009). A business endeavour could gauge its execution utilizing the money related and non-monetary measures.

Bidzakin, (2009), propounded that the financial measure include sales revenue benefit before expense and turnover, while non-money related measures concentrate on issues relating to consumer loyalty and client referral rate, conveyance time, holding up time and representative turnover or formation of work.

Perceiving the restriction of depending only on the money related or non-budgetary measures, proprietors of the cutting edge endeavours have embraced a half breed approach utilizing both the monetary and non-budgetary measures (Chou, 2008).

2.1.4 Enterprise education and training

Njoroge and Gathungu (2013) highlighted enterprise education and training as the procedure or arrangement of exercises which means to empower a person to acclimatize and create information, aptitudes, values and understanding which permit an expansive scope of issues to be characterized, investigated.

Undertaking preparing can be characterized as a more arranged and deliberate push to change or create information, aptitudes through learning encounters to accomplish compelling execution in an action or scope of exercises. Entrepreneurial preparing fuses both formal and casual strategies. The techniques utilized, substance and conveyance strategies will shift contingent upon the business visionaries aggregate, the formal parts of enterprise preparing concentrate on giving the hypothetical and applied structures which reinforce business. The teacher goes about as a specialist via preparing and encouraging the learning procedure. The casual preparing concentrate on abilities building trait advancement and behavioural change incorporate with the formal parts of preparing.

2.2 Overview of Training and Technical assistance to Entrepreneurs' Business Performance

Governments around the globe are getting to be keen on the developing advancement of an entrepreneurial economy. Mahmood and Hanafi (2013); and Subramanian (2010) show that, business enterprise has been observed to be an essential driver of monetary development, profitability and social improvement. They have additionally demonstrated that the ventures contribute emphatically to Gross domestic product and vocation at the grassroots. Worldwide experience has demonstrated that SMEs are turning into a noteworthy patron to financial development. A study by Mwaanga (2014) in Zambia, pinpoints that SMEs assume key part in livelihood and riches creation, salary conveyance and collection of mechanical capacities.

With proceeding with diminishments out in the open area occupation, insufficient pay scales and the general compression of business in the general population and private areas, pay picked up from enterprise is basic in keeping up the expectations for everyday comforts and mitigation of destitution.

Business advancement along these lines is considered as an essential connection to a general monetary development of a country through its positive effect on financial improvement (Barringer and Ireland, 2012; Weihrich et al. 2008).

Chou (1998) analysed the mechanical progression or change in any nation for the most part can be made conceivable through imaginative sciences, thoughts and using extraordinary open doors and business enterprise is the most ideal approach to accomplish it. Instruction and preparing would impact the level of advancement of the SMEs through inspiration, learning and abilities essential for fruitful endeavour creation and development.

It has been noted universally enterprise abilities procurement programs brought into instructive establishments go for giving the level of training or learning expected to abuse entrepreneurial open door which could help the financial advancement of such nations (Emaikwu,2011; Shane 2003). Besides, It has been observed that expertise obtaining is the most basic variable in the use of business opportunity (Ekpe et al. 2012).

Preparing and specialized help has been observed to be the real premise in the development and survival of endeavours (Kaijun and Sholihah, 2015; Ogundele et al. 2012; Njoroge and Gathungu, 2013).

The importance of the entrepreneurship is growing within Tanzania and its neighbouring countries (Kaijage and Wheeler, 2013). The truth of the matter isbroadly perceived; primary strategies managing the advancement of the division which is economical mechanical improvement approach and SMEs advancement strategy give a general arrangement structure to create it. SMEs are one of the key performing artists in the national vital activities to advance financial development, maintainable improvement and neediness decrease.

The legislature of Tanzania through its arrangements has laid a decent operational ground for SMEs' improvement and thriving, additionally gives full backing to activities and methodologies that are gone for operationalizing them. SIDO's drives to create nearby limits of contributing towards acknowledgment of the administration

advancement motivation and change of prosperity of its kin can give chance to SMEs development (SIDO 2014).

Kessy and Temu (2010) in their study in smaller scale money instincts demonstrate that miniaturized scale credit customer endeavours owed by beneficiaries of business preparing have larger amount of advantage and deals income contrasted and venture claimed by non-beneficiaries of preparing. Further, comes about demonstrated that preparation is much essential in development of big business. What's more, he specified proprietors of big business hope to change their conduct through preparing and advancement.

Results found by Ladzani and Van Vuuren (2002) accentuated the significance of an exhaustive preparing program for effective ventures.

Macpherson *et al.* (2007) found that formal preparing is liable to be focused on movement that contributes more fundamentally to execution than casual preparing. Entrepreneurial learning knowledge does not just prompt the advancement of administration abilities additionally to entrepreneurial accomplishment as far as enhanced proficiency, cost diminishments, higher efficiency and it likewise triggers individual entrepreneurial skills.it has been noticed that undertakings with higher learning capacity are more delicate to changes and propensities in the business sector. They are typically more adaptable and react more rapidly than their rivals to such changes in light of the fact that entrepreneurial learning accommodates the formation of new valuable information for settling on choices in the endeavour, considering more finish adjustment to the earth and expanded effectiveness abilities (Brockmand and Morgan, 2003).

Business enterprise is a state of mind, thinking and acting that is opportunity based and comprehensive in methodology as it has been contended by (Ezeh(1998). Likewise as per Akpomi (2008), enterprise empowers and advances economy, while business people are trailblazers and occupation makers.

As per Alarape (2007), medium ventures proprietors who have experience of taking an interest in business enterprise programs, displayed prevalent administrative practice, thus, a higher gross edge and rate of development miniaturized scale endeavours who couldn't have such experiential learning. Preparing is a critical component that helps enterprise advancement. taking an interest in preparing program incite them to show signs of improvement administrative aptitudes of record keeping and bookkeeping of money related exchanges, stock administration, showcasing of items, focused forcefulness and perceiving advertising open doors. Further scientists recommend that, this will encourage the change of little scale undertakings to medium scale and thus to vast endeavour and upgrade the effective ventures. Yahya (2012) highlighted that, there is a noteworthy and positive relationship in preparing and director's attributes, endeavour's qualities and outside attributes. With the end goal of this study, specialized help is implied by credit administrations given by SIDO to small scale business visionaries, furthermore all dynamic proprietor directors of endeavours are considered as entrepreneurs.

2.3 Profile of entrepreneurs

Some researchers have empirically established that abilities and identity characteristics, human capital of individual business visionaries assume a part in adding to the accomplishment of business people. It is concurred that business visionaries with higher aptitudes, modern and administrative experience, and business introduction have more noteworthy possibility of succeeding contrasted with individuals without tertiary learning, insignificant mechanical and administrative experience and with practically zero business presentation.

A study by Chamey and Libecap (2000) demonstrated that business enterprise preparing upgrades independent ambitious people. They found that business preparing expands the arrangement of new pursuits, the probability of independent work, the probability of growing new items, and the likelihood of independently employed graduates owning a high innovation endeavour.

In terms of age of entrepreneur Reynolds *et al.* (2000) observed that people matured 25-44 years were the most entrepreneurially dynamic. Discoveries from another study in India by Sinha (1996) distinguish that effective business visionary were relatively more youthful in age. In favor of sex, Mazzarol *et al* (1999) found that females were for the most part less inclined to be authors of new business than male. So also, Kolvereid (1996) found that guys had fundamentally higher entrepreneurial purposes than females.

by Kolvereid (1996) found that people with earlier entrepreneurial experience had altogether higher entrepreneurial experience had fundamentally higher entrepreneurial expectations than those without such experience had essentially higher entrepreneurial goals than those without such experience. Then again, Mazzarol *et al* (1999) found that respondents with past government job experience were less inclined to be fruitful organizers of endeavours. In any case, the creators did not explore the relationship between past business involvement in privately owned businesses and entrepreneurial objectives.

2.4 Entrepreneurial skills

There is general understanding that an entrepreneurial vocation can be produced through entrepreneurial preparing (Themba *et al.* (1999). Creators further recommend that instruction and preparing can reinforce the requirement for accomplishment, ease trepidation of disappointment and upgrade fearlessness. Preparing is the formal and efficient change of conduct through realizing which happens as an aftereffect of preparing, guideline, advancement and arranged experience. Further, crucial point of preparing is to help the endeavour to accomplish its motivations by enhancing its key human asset. Enterprise preparing is intended to create aptitudes, information and behaviour which empower business people to begin another or grow a current one. It has been observed to be a noteworthy determinant in the development of endeavours. Execution of undertakings relies on upon number of variables including inward and outside elements. Business enterprise preparing is an inside variable that has motivation on execution of little ventures. Entrepreneurial aptitudes are the abilities that supplement the capacity of business visionary to break down circumstances, open doors and situations and help the business person or supervisor to sort out, oversee and

expect the dangers and prizes of a business or endeavor, (Kuratko and Hodgetts 2008). That is, business enterprise abilities are especially essential to execution in developing business sector economies, for example, Tanzania. The abilities may upgrade more entrepreneurial open doors and natures alluring inventive undertakings that will in the end make effective business people.

According to Shane (2000), a specialist can learn only those open entryways identified with one's past data. Gerber (2001), points out that attempts are set up generally by specialists, bosses, or specialists in particular fields and most by far of agents complete their own specific work with high bore and adequacy.

As indicated by Shane (2000), a business visionary can find out just those open doors related to one's previous information. Gerber (2001) brings up that ventures are established for the most part by experts, masters, or experts in specific fields and a large portion of business visionaries actualize their own specialized work with high calibre and effectiveness.

A decent number of studies have recognized the way that earlier information of a business sector, industry, or client needs are critical enterprise aptitudes and can be a noteworthy preferred standpoint for business visionaries regarding perceiving conceivably productive open doors, (McKelvie and Wiklud 2004);

Shane, (2000) And the study by Haber and Reichel (2007) found that an extraordinary number of little tourism wanders in Israel demonstrated that entrepreneurial human capital, principally administrative aptitudes, were most grounded patron to little wander execution both in short and long haul point of view.

Entrepreneurial learning ability does lead towards advancement of administration aptitudes as well as to entrepreneurial accomplishment regarding improved effectiveness, cost minimizations, higher efficiency and it likewise initiate individual entrepreneurial abilities. It has been noticed that undertakings with higher learning capacity are touchier to changes and inclinations in the business sector. They are typically more adaptable and react more rapidly than their rivals to such changes in light of the fact that entrepreneurial preparing accommodates the formation of new

helpful information for settling on choices in the undertaking, taking into account more finish adjustment to the earth and expanded proficiency abilities. Highlighted (Snell et al. 1996; Brockmand and Morgan, 2003)

According to Kithae's (2013) research examined that, entrepreneurship training found to have had a significant impact on performance of entrepreneurs. Whereas, constant monitoring was found essential to make the skills knowledgeable be translated into more applied work. Even though, they were not able to translate their leant skills due to inadequate finance and lack of monitoring. Entrepreneurs trained were mostly in the trade sector, aged with no formal education and were sole proprietors and all employees agreed that training program is beneficial to their business function.

2.5 Theoretical Framework of the Study

Training and technical assistance may have a positive impact on performance of enterprises in different places, (King and McGrath 2002).

The enterprises that are build-up of human capital, in terms of education and training, are better placed to adapt their enterprises to continually changing enterprise environments (King and McGrath 1998). It is also propounded that training and technical assistance to entrepreneurs stimulates the level of Entrepreneurs' performance through motivation, knowledge and skills necessary for successful venture creation and growth (Cho, 1998).

Training and technical assistance affects entrepreneurs' decisions every day that influences their own personal interests pertaining to quality of life. Other authors have revealed that the human capital model, training has a productive impact Mince as cited in Kolstad and Wiig (2009). Then again preparing recreates a venture choice by a specialist who joins future net advantages and current expenses of preparing, including relinquished salary. The best speculation choice is the place the minor return of interest in preparing is equivalent to negligible expenses and by and large one expect an inward return capacity. As there is heterogeneity crosswise over individuals as indicated by negligible expenses and minor returns, the ideal choice differs crosswise over individuals.

The econometric proposals on the part of preparing to speak for word related decision and execution are consolidated. Entrepreneurial preparing and instruction goes about as an implementer for entrepreneurial exercises with the fundamental centre which is being to support entrepreneurial movement and execution. This goes about as a base to guarantee that the exploration that is essential and favourable in this field to protect monetary development is at generally directed. Preparing inside this point of view is upheld by the work of Hynes and Richardson (2007), where the preparation is characterized as a deliberate determination to show particular capacities, which is learning bearing, to finish the entrepreneurial undertaking more advantageous.

Hisrich and Diminishes (1998) contend that preparation produces new imaginative open doors and potential outcomes and additionally mindfulness towards endeavours that attempt and finish certain obligations in an alternate way.

The capacity of business people is acknowledged through the transmitted learning and abilities that was drawn from preparing lessons as in this study propounded by (Gibb 1985; Kuratko and Hodgetts 1998).

The hypothetical piece of this study will base on three hypotheses as they are to be specific by Endogenous Development Hypothesis (EGT) and the Information Based Hypothesis (KBT) and in addition mental hypothesis.

2.5.1 Endogenous Growth Theory (EGT) and the Knowledge-Based Theory (KBT)

The endogenous development hypothesis and the Learning Based Hypothesis both underline the part of information in expanding efficiency inside the SMEs and the economy everywhere (Romer, 2001). In this way SMEs and economies, those have incredibly prepared and learned staff, are liable to be superior workers contrasted with the individuals who do not have these key assets. The fundamental object is that well educated and prepared work force are sure and quick in learning and applying new enhanced abilities to enhance adequacy, profitability, hazard taking and imaginativeness of the SMEs as tended to by Timmons (1999). Experiential learning and learning by doing are basic procedures of information improvement for business

people. Training can be utilized to incorporate the learning of entrepreneurial aptitudes and mentalities with conduct (Middleton, 2010).

From a strategic point of view the trained entrepreneur could easily make precise decisions regarding which markets to enter, what product to produce and the selling prices, these decisions consistently differentiate between a high performing and low performing enterprise. Education and training therefore impinges upon analysis, planning, and control processes of the SMEs (Hart, 1992); Besides, it will influence the vision, mission, culture, and values of the enterprise, consequently, the level of training the entrepreneur receive can absolutely impact the innovativeness, risk taking behaviour, concern for results of aggressiveness and sense of responsibility which in turn to autonomy of the SMEs (Burgleman, 1984; Hart, 1992; Lee, Chang and Lim, 2005).

The theory suggests that training increases efficiency of the entrepreneurs by imparting knowledge and skills; hence, nurturing the future success of the enterprises that they own. In particular, theory draws a fundamental difference between general education and enterprise specific training.

Davidson (2002) argues that the level of technical education possessed by an entrepreneur is a major influence in successfully starting and managing a micro enterprise. He further noted that organization of production, such as the extent of decisions, participation in decision making, responsibility sharing, and information available to owner-managers, all these affect their ability to operate. Training can improve productivity towards the success of a business only if complementary inputs exist, which include training, contract terms, and management practices. The above discussion suggests that there is direct relationship between technical skills possessed by owner-managers and the success of their enterprises.

2.5.2 Psychological Theories

Psychological or personal theory points out the difference in person's characteristics and attitudes. Holt (1992) found that the distinction in states of mind and the capacity to judge and expectation of the circumstance lead a man to end up a prosperous

business person. David McClelland (1972) found that specific classes of individuals, particularly the individuals who get to be business people have a high requirement for accomplishment, high requirement for alliance, and high requirement for force in the general public.

It is likewise suggested that individuals with high need of accomplishment have a powerful urge to tackle issues all alone, additionally to appreciate setting objectives and accomplishing them through their own particular endeavours like accepting input on how well they are getting along. This makes them exceptionally energetic to suggest inventive aptitudes to their individual endeavours and is liable to go out on a limb and like autonomy.

Moreover, Shane (2003) noticed that there are various thoughts in the matter of why somebody turns into a business visionary. Some of these thoughts have a place with the mental speculations of business, which at last recommends that there are various mental qualities controlled by the business people which permit them to attempt such an obligation. Shane noted authority and capacity to create vision and methodology on the most proficient method to execute it.

Entrepreneurial strategies respond quickly to the entrepreneur's directives. Furthermore, Shane (2003) pin point that entrepreneur ought to see things that other people are not to see as business opportunities and be able to act on them risk taking. This kind of inclination of behaviour or traits can also be learned through training and technical assistance. Therefore, entrepreneurs' business performance and development could be through their attitudes, mind set and personal initiatives for leaning. Hence entrepreneurs' ability to obtain skills depends on their attitudes and mind set. This theory is relevant to the study since it need to understand whether training and technical assistance to entrepreneurs' would bring about good business performance.

2.6 Constraints that limit application of obtained entrepreneurship skills in SMEs

2.6.1 Entrepreneurship and business skills development

SIDO (2014) reported that endeavours development and adequacy is humiliated by inadequate indigenous entrepreneurial society. Additionally absence of abilities progression and limit advancement likewise could prompt ineffectual exercises towards accomplishing the craved development of microenterprises moving on from little, medium and to huge undertakings. Undertakings need to utilize key arrangement to conquer these lacks and advance enterprise improvement amongst existing and potential indigenous business visionaries should be produced, enhanced and actualized. Thusly more limit improvement associations that are being given by most administration suppliers are more hypothetical with no premise of connected field encounters.

It has been contended that inward issues particularly those connected with administration aptitudes are well on the way to bring about undertakings disappointment, where by the business could have been led without administrative experience, (Zimmerer and Scarborough1998). Cornwall (2005) likewise recognized administrative ineptitude to be a difficult issue for undertakings since absence of administrative abilities commitment adversely to the execution of big business.

2.6.2 Market and information

The prime strengths of every single financial undertaking are business sector and data since they are imperative variables of business achievement. However in the greater part of creating nations, for example, Tanzania SMEs face market issues because of low quality of items, poor bundling, deficient promoting aptitudes and firm rivalry. Then again they have insufficient access to national and worldwide data, for example, availability of reasonable inputs, conceivable business sector for items and advances which are financially savvy. Hisrich *et al.* (1997) pinpoints that regular reason for business disappointment among new companies is an absence of satisfactory and appropriate business sector data. Statistical surveying is required to help ventures to

distinguish their clients and educate them about the measure of the potential client base, to figure out what value clients may be set up to pay and to propose how interest for the item or administration will change as indicated by the cost charged.

2.6.3 Access to finance

It has been contended that entrance to bank credit by SMEs has been an issue much of the time rose by different studies as a noteworthy imperative to the development of ventures. Like a large portion of creating nations SMEs' entrance to fund in Tanzania is still low (Tambwe, 2015; SIDO, 2014).

One of the significant explanations behind SMEs not to get to back contains deficient aptitudes to get ready things essentially required by the banks like the strategy for success, high loan costs furthermore the capacity to satisfy security prerequisites. A typical portrayal for the asserted absence of access to bank credit by SMEs incorporates absence of option financing windows to provide food for particular financing prerequisites, for example, investment, ensure plans and venture advancement reserves, (Davidsson, 2004; Takenouchi *et al.* 2010). Insurance gives a motivation to reimburse and counterbalance misfortunes in the event of default in the monetary establishments.

Aryeetey *et al.* (1994) propose that banks can offer contrasting option to property as security, for example, underwriters, deals contract and liens on hardware financed. Regardless of SMEs solid enthusiasm for credit, business banks' benefits introduction may dishearten them from giving credit to SMEs in light of the higher exchange cost and hazard required in the loaning exercises (Herrington, 2003).

2.6.4 Technology sourcing and dissemination

The issues of technology to SMEs have continued to grasp and use crude and obsolete technologies which in turn hinder efficient operation. Micro enterprises accompanied with restricted access to reasonable innovation because of absence of pertinent mechanical data, low retention limit furthermore they can't manage the cost of specific mechanical administrations.

The rate of innovative progression is more incite than the limit of SMEs to adapt (SIDO, 2014). Techniques to enhance ease access to innovation data and ability to grow locally through talk designing and exchange must be very much made strides. Others identify with non-favourable administrative environment, especially area related components, enlistment, authorizing and accessibility and openness of foundation offices, for example, and working premises, streets, cool rooms, stockrooms, correspondence and utilities are deterrents that prevent SMEs improvement. Indeed, even where these administrations are accessible, the supply is problematic and immoderate.

2.7 Empirical Literature Review

It is argued that the level of education, prior training in a particular trade, accumulated experience and access to credit might combine to influence the entrepreneurial posture of the SME thereby influencing how the SME survives and competes. However, as highlighted, the relationship between training and technical performance and entrepreneurial behaviour of SMEs' performance are controversial, (Ndege, 1990; Njoroge and Gathungu 2013; Kisaka and Mwewa(2014).

Kisaka and Mwewa (2014) found a positive relationship amongst preparing and SMEs execution, the relationship was not factually critical.

Njoroge and Gathungu (2013) analyzed the effect of entrepreneurial instruction and preparing on the improvement of SMEs in Githunguri Locale in Kenya. They discovered that instruction positively affects execution of SMEs just amid the main year of development. With a specific end goal to develop and survive the opposition, more instruction on money related administration, vital administration and promoting is required.

Ndege (1990) concentrated on the effect of instruction on the execution of SMEs in Gikomba Market in Nairobi. Utilizing diverse measures of execution like the underlying capital contributed and the capital amassed over the life of the SME, he reasoned that training negatively affects SMEs' execution. Along these lines, observational proof on the relationship amongst instruction and preparing and SME or

SME execution is blended. This calls for study on the commitment of preparing and specialized help to business visionaries in Tanzania.

Directing the evaluation of preparing and specialized help to business visionaries in Lima Peru, Valdivia (2011) found that business people that got just standard preparing were more inclined to close losing organizations. Thusly, those that likewise got preparing and specialized help, were more inclined to arrange and execute developments, and in addition to expand their relationship with business companions and its utilization of casual credit sources.

The concentrate additionally uncovered that preparation and specialized help improved business people to arrange and execute advancements and expansion their relationship with business visionaries and the utilization of casual credit sources. Besides, Kessy and Temu (2009) directed in their study on the effect of preparing on the execution of SMEs served by MFIs in Tanzania found that those customers who got preparing had more elevated amounts of advantage and income amassing contrasted with the customers who had not ever got business preparing. A study on MFIs in admiration to preparing by measuring overflow impacts from business preparing by Berge (2011) that contrasted prepared gathering individuals and non-prepared gathering individuals to distinguish overflow impacts found that prepared gathering individuals had more business situated discourses, expanded their advances, turned out to be more hazard loath and contributed less to their more distant family. For the most part, these studies demonstrate that trainings have positive effect to MFI customers. Studies concentration have however not measured the adequacy of preparing and specialized help when given together to decide their impact business execution.

2.8 Importance of SMEs

Globally the fragment and significance of micro enterprises towards the economies of countries has been recognized as an efficient producer that constitute an important dynamic force in the economy as it contribute significantly to a desirable expansion of output over time, inspiring economic activities, jobs creation, poverty alleviation and

raising the standards of living in Africa as well as internationally (Van Vuuren and Groenewald, 2007).

For the instance of preparing, it was found to have constructive outcome in the feeling of good performing ventures on entrepreneurial movement in Nigeria (Ibru, 2009). Credit and preparing were found to have constructive outcome on entrepreneurial movement in France in light of the fact that the accessibility of asset to run undertakings is went with the proficient and gifted personality (Brana, 2008). Then again, credit, preparing and social capital were found to have beneficial outcome on entrepreneurial movement in UK and USA individually (Carter and Shaw, 2006; Shane, 2003).

2.9 Research Gap

Based on the reviewed literature, most studies on the performance of microenterprises focused on the kinds of training and technical assistance given to small entrepreneurs, challenges facing microenterprises, effects of social and economic characteristics on microenterprise performance, and the effects of microenterprises on livelihoods. Some authors looked into spill over effects of entrepreneurship education and effects of various types of capital in business performance. Based on the reviewed literature, studies on the linkages between training, technical assistance and the performance of SMEs in Tanzania are scarce. Therefore, the present study is set out to fill this gap.

2.10 Conceptual Framework

The conceptual framework for this study is presented in Fig. 1. The framework indicates that the performance of small entrepreneurs dependent on different independent variables. The study assumes the independent factors which are considered as factors for success of micro entrepreneurs include training and technical assistance. Training provided could be entrepreneurship, business management and technical training together with technical assistance such as marketing, selection of machines and advice. Training and technical assistance provided to entrepreneurs empower them with knowledge and skills on business management. Thus, small entrepreneurs receiving different types of training and technical assistance are more

likely to perform better on micro enterprises management in terms of growth, profitability and asset accumulation in value compared to those that have not received training and the technical assistance. It is expected that training and technical assistance will improve the business performance which is determined by asset sales and profit of an enterprise.

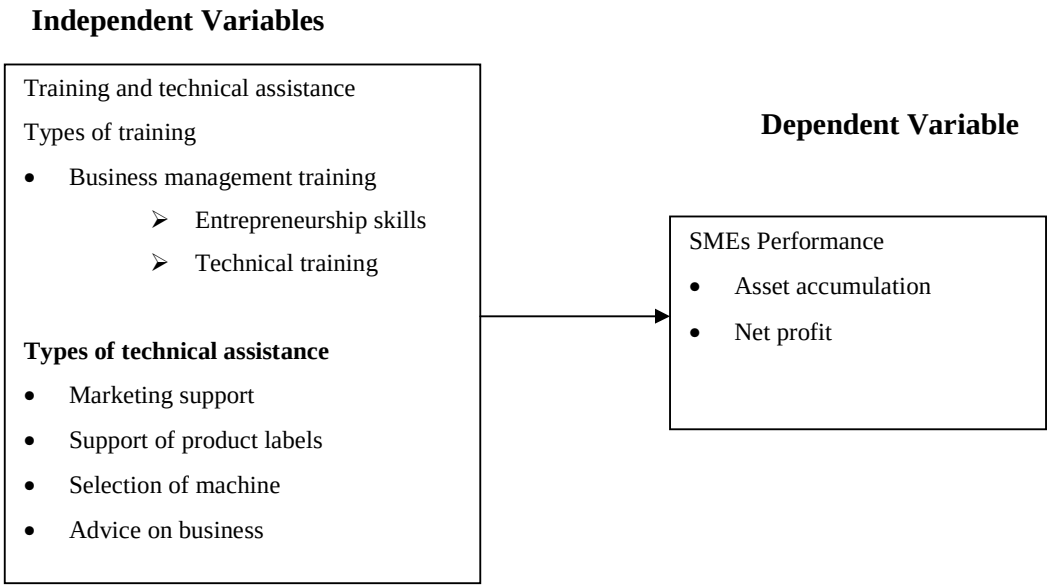

Figure 2.1: Conceptual framework for assessing the effectiveness of training and technical assistance provided by SIDO on small entrepreneurs

2.11 Hypothesis

i. Ho_1: There is no significant influence of training and technical assistance on profit accumulation

ii. Ho_2: There is no significant influence of training and technical assistance on asset accumulation

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is divided into six sections which include the area of the study, the population, research design, sampling design and sample size, methods of data collection, and methods of data analysis.

3.2 Study Area

This study was conducted in Arusha Region, whereas SIDO benefiting SMEs was used as a case study.

The main economic activities in Arusha Municipality are textiles like, tailoring, soap, candle and batiki making, and other businesses like food vending. Arusha city is one of the most important industrial and commercial cities in Tanzania mainland. The region was chosen as an ideal study area because it is among the regions that have a relatively high number of small enterprises in Tanzania (UDEC, 2002; Mnemwa and Maliti 2009). This enabled the researcher to get reliable data to assess the contribution of training and technical assistance from the supporting organizations like SIDO towards business performance.

3.3 Study Population

The population for this study comprised of small entrepreneurs, beneficiaries of SIDO, specifically clients who have received loan, training and technical assistance.

3.4 Research Design

A cross-sectional research design was adopted to study a cross-section of the population at a single point in time where data was collected once. This research design is considered critical in light of the fact that it utilized distinctive gatherings of individuals, who vary in the zones of interest, yet they use to share different elements,

for example, instructive foundation, ethnicity issues and of the nature study's destinations, it also allows ease data gathering and assessment and is cost effective (Kothari, 2003)

3.5 Sample Size and Sampling Procedures

This study employed a multi stage sampling procedure where SIDO in Arusha City was purposively selected for ease accessibility of entrepreneurs.

A convenient sampling procedure was then used to cover a sample of 90 respondents from a source lists (sampling frame) from which the sample was drawn from entrepreneurs who are involved in SMEs. Mbeyale, (2007) suggested that a sample size of atleast 30 units in the study is sufficient irrespective to the population size.

3.6 Data Collection

This study employed both primary and secondary data, purposely to obtain reliable data.

3.6.1 Primary data

Primary data was collected through individual survey. A questionnaire with both closed and open ended questions was used as the main instrument for data collection. Qualitative data was collected through observation, key informants' interviews and focus group discussion by the use of a checklist.

To ensure validity and reliability of data, the questionnaires were pre-tested to about 10 respondents before actual data collection. Necessary changes were made basing `on the pre-testing results before administering the questionnaire for actual data collection.

3.6.2 Secondary data

Secondary data were obtained through electronic materials and printed documents. Electronic materials were obtained from SIDO website and printed materials were obtained from SIDO annual reports and brochures. Other sources of information were

obtained from published journals and reports. Secondary data were collected for the purpose of obtaining more information about SIDO, understanding more about the research problem and obtaining additional information for primary data.

3.7 Data Processing and Analysis

The data collected was sorted, edited, coded and summarized prior to analysis. The analysis was done using the Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency, percentages and means was used; Inferential statistics such as indepemdent t-test was used to assess significant contribution of training and technical assistance on SMEs perfomance. Content analysis method was used to analyze the qualitative data obtained which were used to suppliment the quantitative information gathered through a questionnaire.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents research findings and discusses results obtained from the study about the contribution of training and technical assistance provided by SIDO to micro entrepreneurs in the study area. It starts with a summary of the profile of micro entrepreneurs selected who received training and technical assistance, identifies skills obtained by entrepreneurs from training and technical assistance, indicates benefits obtained from training and technical assistance provided to the entrepreneurs and states constraints that limit application of obtained entrepreneurship skills in SMEs.

4.1 Profile of Entrepreneurs that receive training and technical assistance

The summarized demographic features of respondents who were involved in the study include, sex, age, marital status, education qualification, and general information in entrepreneurship activities.

4.1.1 Sex

Both male and female participated in the study. The findings in Table 1 indicate that 36.7 % were males and majority about 63.3% were females. The findings reveals that majority of the respondents are female. These findings therefore suggest that most of the SIDO clients who own microenterprises in the study area are female.

Table 4.1: Background characteristics of the respondents N=90

Sex	Frequency	Percent
Male	33	36.7
Female	57	63.3
Total	**90**	**100%**

4.1.2 Age

Age of respondents was investigated to determine its relationship in access to training and technical assistance among the entrepreneurs involved in the study. Study findings show that most of the respondents were in the age category of 40 – 49 years (53.3%) About 20.0% of the respondents were aged 50 years and above whereas only 6.7% of the respondents were in the 20-29 years age group (Table 2). These findings suggest that respondents in a study area were more actively involved in entrepreneurial activities at the age between 30 and 50 years. Highly involvement of this age group in entrepreneurial activities might be recognized to the fact that at this age, most individuals have higher financial responsibilities such as paying bills and school fees for their children. This might force them to look for means of increasing their income, microenterprise being one of them. At this age most entrepreneurs are capable of accessing training and technical assistance due to networks and efforts to improve their productivity. These results are in agreement with those of Islam (2011), Alkali (2012) and Tundui (2012) who reported that majority of those who were actively involved in entrepreneurship were in their mid-forties and thirties.

The results conform to those reported by Basnayake and Gunaratne (2002), who observed that the age of a person usually is an attribute that can explain the efficiency and production level. It influences experience, wealth and decision making of an individual.

Table 4.2: Background characteristics of the respondents N=90

Characteristics	Frequency	Percent (%)
Age groups		
20-29	6	6.7
30-39	48	53.3
40-49	18	20.0
50 and above	18	20.0
Total	**90**	**100**

4.1.3 Marital status

Results indicate that a great majority (72.2%) of respondents, who owned microenterprises were married, followed 17.8% who were single. The widowed and divorced comprised only 6.7% and 3.3% respectively (Table 3). These findings are similar to those of Islam (2011) who reported that the majority of entrepreneurs were married. These results are not surprising since most of the responds were aged among 20 to 50 years, the age at which most respondents are generally married. Married respondents were to a greater extent engaged in microenterprises possibly because with families they had more financial responsibilities and therefore microenterprises offered opportunities to obtain better income. Mwanyika (2001) also reported that married entrepreneurs in Muheza District, Tanga ventured into microenterprises to relieve their financial needs.

Table 4.3: Background characteristics of the respondents N=90

Characteristics	Frequency	Per cent (%)
Marital status		
Single	16	17.8
Married	65	72.2
Divorced	6	6.7
Widowed	3	3.3
Total	**90**	**100%**

4.1.4 Level of education

Results in Table 4 show there were nearly an equal distribution of respondents who had primary (30.6%), secondary (33.3%) and higher education (36.7%). These findings therefore suggest that most respondents who own microenterprises in the study area possess professional qualifications such as diplomas or degrees. The findings are compared to the study conducted in Bangladesh which showed that entrepreneurs had higher education qualification such as higher secondary and graduates with diploma or degrees which observed to have positive effect on business performance (Islam, 2011).

In the same way, Sinha (1996) propounded that the educational background of the entrepreneur exposed that most of the prosperous entrepreneurs had at least a minimum of technical qualification. The author summed up that entrepreneurs with business and technical educational background are in a better position to grow and analyse hard reality and deal with it spontaneously, which seems to play an important role in entrepreneurial effectiveness.

Through empirical studies Gerber (2001), points out that entrepreneur are founded mostly by being technicians, specialists, or professionals who gave up in certain fields and most of entrepreneurs perform their own technical work with high quality and efficiency manner. That is, higher skills and knowledge of entrepreneurs leads to greater likelihood to the success in entrepreneurship (Yusof, 2012).

Table 4.4: Background characteristics of the respondents N=90

Characteristics	Frequency	Per cent (%)
Education level		
Primary education	27	30.0
Secondary education	30	33.3
Higher education	33	36.7
Total	**90**	**100%**

4.2 Skills obtained by entrepreneurs through training and technical assistance from SIDO

4.2.1 Training and technical assistance provided by SIDO to micro entrepreneur

Results in figure 2 indicate that the number of micro entrepreneurs who had the opportunity to access training programmes organised by SIDO exceeded those who had not. It was found that very few (19%) of the respondents received loan only while majority of the respondents (81%) receive training and technical assistance from SIDO. This is ascribed by towards the way that among the real part of SIDO to bolster associations and opening possibilities for development and aggressiveness of SMEs, generally by giving advance, preparing and specialized backing to SMEs. This means a great deal of the small scale business visionaries look for information on the most

proficient method to well deal with their organizations. This is clarified by the way that one of the difficulties confronting miniaturized scale business person Tanzania is deficient administrative abilities. Smaller scale business visionaries need to create solid administrative aptitudes as a method for building their abilities. This is of awesome significance since administration assumes a vital part in the development and advancement of little organizations.

This finding proposes that SIDO has for some time been assuming its parts in helping business people in building their budgetary limit and their exercises also. This is clarified by the way that money related limit is a pre-essential for building entrepreneurial quality (Sacerdoti, 2005). They incorporate a credit that is capital financing, overdraft and car advances among others. The term advances are given for the general running operations of business visionaries. They are particularly for the buy of types of gear, improvement of structures and destinations for business operation. These are given for a timeframe, inside which the important and interest are paid portions. Another range of bolster gave by the SIDO to business visionaries and little organizations is preparing, this is extremely fundamental in the working of enterprise limit for development and advancement. Examination from SIDO's Key Sources avowed that: "We give preparing projects to business people. These projects are sorted out in conjunction with business visionary’s request. These projects furnish them with important aptitudes to maintain their business"

This confirms that entrepreneurs don't just need budgetary help additionally entrepreneurial abilities preparing with the goal that they can oversee well their accounts and business too since successful administration of little organizations has turned into a worst thing about numerous business people especially those in Africa and Tanzania. Therefore it is evidently

Clearly that SIDO contributes significantly in improvement of entrepreneurs’ ability to sustain their business.

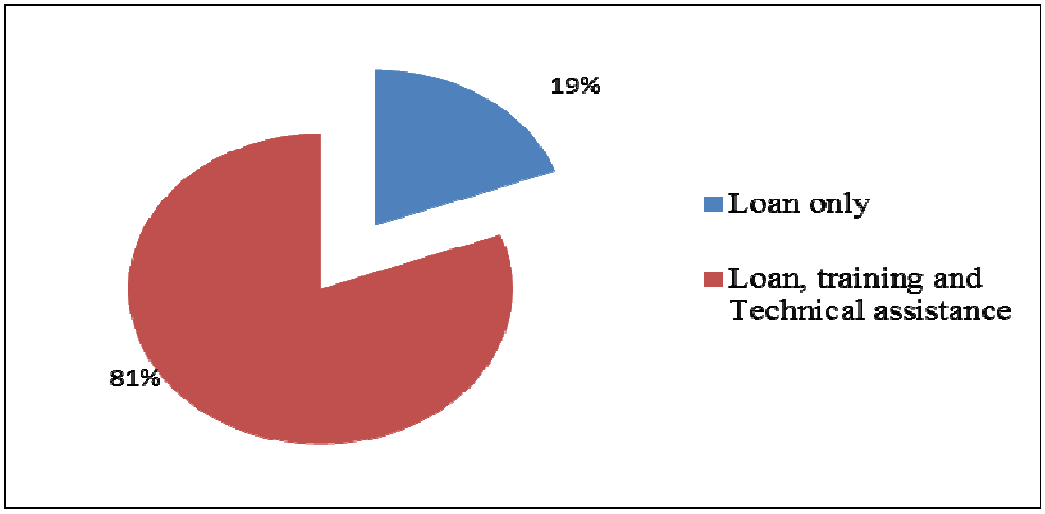

Figure 4.1 Micro entrepreneur receiving loan, training and technical assistance

4.2.2 Frequency of receiving training and technical assistance provided by SIDO to micro entrepreneur

Furthermore, the micro entrepreneurs reported to receive training and technical assistance were requested to mention on average the frequency they receive training and technical assistance provided by SIDO. The results are presented on figure 3. The results found that majority of the respondents receive training and technical once a year.

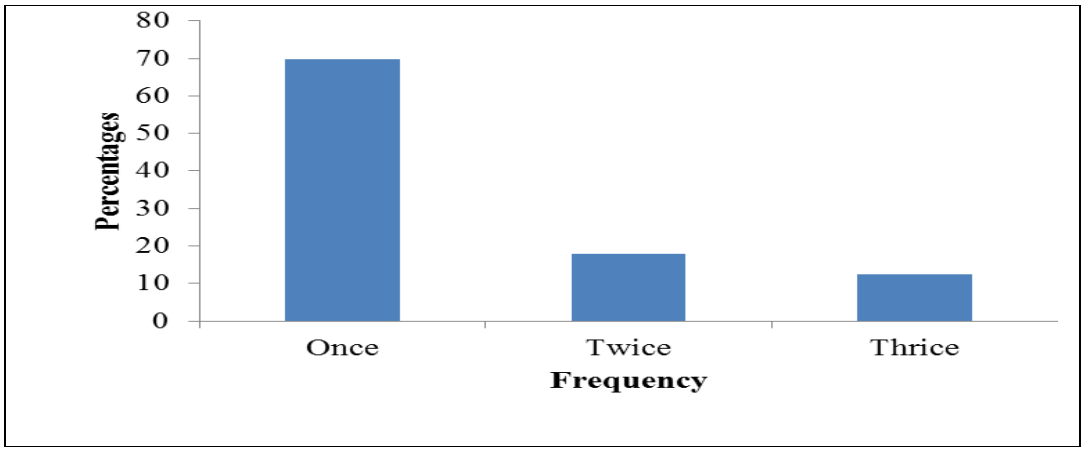

Figure 4.2: Frequency of receiving training and technical assistance provided by SIDO to micro entrepreneur.

The implication of these findings is that higher percentages of micro entrepreneur receive training at low frequency per year. Frequency training and technical assistance would enable micro entrepreneurs to gain knowledge and skills on how to expand the business, search for good market but also in determining prices leads to micro entrepreneur to receive good price of their produce.

4.2.3 Skills obtained from training and technical assistance from SIDO

As indicated in Table 5, when the respondents were asked to mention skills they had obtained as a result of the training obtained from SIDO, different answers emerged.
The types of skills obtained through training and technical assistance from SIDO mainly were marketing skills, entrepreneurship, products labelling business management and technical training, these kinds of training were provided for one to two weeks depending on the topics to be covered once the respondents received a loan from SIDO. SIDO normally offers technical assistance after assessing the client to see whether he or she is in need of the assistance and training so that these could yield the intended effectiveness.

4.2.4 Business Management Skills

Micro entrepreneurs described how the training and technical assistance programmes from SIDO had affected on their exercises. It was uncovered that the preparation programs had affected their organizations decidedly, where 82.2% of respondents were in solid assertion that the business administration abilities they got have been of incredible help towards enhancing their ventures. A specific key witness in the study region certified that "A portion of the subjects in business administration which small scale business people were instructed incorporate appropriate records keeping, revelation of new speculation open doors, legitimate representatives administration and inspiration, how to increase focused edge and business development. Others were client administration, how to control stock, business arranging, general business

administration, how to get to credit office, time administration together with strategy for success and proposition composing."

These findings are in agreement with those of Bamfo (2013), who similarly found that, Training and technical assistance to micro entrepreneurs impacts their ability in proper records keeping, compelling client administration, appropriate administration of faculty, viable control of accounts and legitimate time administration. Similarly, Tambwe (2015) reported that there are improved business practices due to the training offered to micro entrepreneurs; such training focused on such matters as improved record keeping of business transactions. Records being kept include records on purchases, sales, and creditors and debtors. Furthermore Tambwe found that entrepreneurship training offered to micro entrepreneurs had assisted them in diversification and improvement of business, which resulted to increased income. Improved businesses are due to growth in capital which increases goods and services offered, an increase of volume of customers, business hygiene, attractive arrangement of goods in business premises and sustained availability of goods and services.

For instance, when one of the entrepreneurs in to batiki making business acknowledged the training obtained from SIDO as having assisted her to make a step further in business having learned about quality improvement, financial control and ways of accessing bank loans, the other stipulates that he learned quite a lot from the training where they we taught about financial management, customer care, and employees' motivation; all of which have been helpful in terms of running and managing his business.

In one of the FGD, one participant affirmed that Training had given him skills through which he can manage his own business, including skills of financial management and money related administration and how to identify with the banks. "The preparation program has empowered me to keep appropriate records". "Presently there is without coordination stream of data from workers to clients. It empowered me to control my pay and consumption for better benefits" "I now give great client care". "I have possessed the capacity to handle stock taking extremely well".

These comments indicate that SIDO offers worthwhile opportunity to micro entrepreneurs to building their capacities for development. Business management skills have led to value addition of the businesses due to training.

This finding is in line with On Africa Report (2013) which highlights management skills as being the most important for the successful performance of SMEs. This implies that SIDO's training impacts significantly towards the sustainability of business in the Region. The details of the skills obtained from training and technical assistance among micro entrepreneurs from SIDO indicated that majority of entrepreneurs were equipped on the effective management of their ventures.

However, according to SIDO officials "Some of the micro entrepreneurs don't receive training simply because by the time the trainings are offered they are occupied with other responsibilities or they are away". He further reported that some of the entrepreneurs don't show up for training because they don't recognize the importance of the training for the performance of their businesses. Another reason as to why some entrepreneurs do not attend training is the fact that most of trainings are specific to certain kind of business such that when they are conducted some of entrepreneur doing businesses not relating to such training are automatically excluded said other official from SIDO.

From these findings it can be clearly noted that SIDO has directed its endeavours behind the working of business administration limit as a method for upgrading business manageability for entrepreneurial limit. This assistance work in this manner helps these business visionaries to have the knowledge concerning how to well deal with the business.

4.2.6 Marketing Skills

Marketing assistance was also provided to micro entrepreneurs. Marketing is the procedure used to figure out what items or administrations might hold any importance with clients, and the methodology to use in deals, interchanges and business the greater part of the SMEs work in firm aggressive circumstance. At the point when asked "how much the learnt aptitudes help them take care of the issue of absence of

business sector", lion's share showed genuinely well. In Table 5 discoveries show that more than half (54.8%) of the respondents got promoting abilities and help from SIDO.

Basing on the discoveries of the study it was noticed that that promoting abilities is of the critical advantages picked up from preparing and specialized help from SIDO were essential for the SME's prosperity. This incorporates; discovering what shoppers need, arranging and building up an item or administration that will fulfil those needs, deciding the most ideal approach to cost, advance and disperse that item or administration.

These findings concur with recent study by Tambwe (2015), who mentioned that skills obtained from training and technical assistance would assist micro entrepreneurs in identifying business opportunities, designing a good product/service, designing a package, pricing and positioning the product, identifying, approaching and attracting customers, appraising and learning from the competition and customer care thus improve access to market. In study area this focused mainly on displaying products on SIDO catalogue, show rooms, magazines, websites, and exhibitions such as agricultural shows *(Nanenane)*, Dar es Salaam International Trade Fair (DITF), SIDO and SIDO/ trade fairs organized annually under the framework of the East Africa cooperation. SIDO offered an opportunity to some of these respondent entrepreneurs to participate in exhibitions and accessed internal and external markets and their sales increased. Finding of this study indicate that there is a noteworthy contribution made by SIDO among entrepreneurs in marketing. Training enables small business owners to look for markets of their goods and be able to compete. This has resulted to sustained growth and sustained businesses. Furthermore, some scholars argue that successful entrepreneurs were typically able to utilize a multitude of various skills in different areas such as financial management, accounting and marketing (Hood and Young, 1993).

4.2.7 Technical Skills

Findings presented in Table 5 indicate that nearly one third (38.4%) of the respondents received technical training which comprised mainly of product handling and machine application. This kind of training was provided depending on kinds of products micro entrepreneurs produce. For instance, those micro entrepreneurs who were dealing with food processing were provided with food processing training including food processing techniques and packaging. Training on food packaging focused on basic skills in graphic design, packaging functions, packaging standards and legislation. Respondents engaged in soap making as well as textiles such as weaving and batik making were trained on skills relevant to the products they produced. This corroborates with study by Charney and Libecap (2000) that entrepreneurship training and technical assistance produces autonomous enterprising people. Furthermore, they found that entrepreneurship training and technical assistance enhance the formation of new project, which in turns to entrepreneurship activities, the likelihood of developing new products, and the ownership of high-technology business which increases growth rates of sales, emerging firms and some assets.

4.2.8 Business advice

Findings shown indicate that over half (54.8%) of the respondents received business advice from SIDO (Table 5). Micro entrepreneurs were advised on how best to penetrate the market, promote and advertise their products in various marketing and promotional events like exhibitions and trade fairs. Moreover, respondents received technical advice after being trained as well as advice on business management skills.

4.2.9 Product labelling Skills

Only 16.4% of the respondents (Table 5) received assistance on product labelling. SIDO provides assistance on how to provide good labelling to attract the customers and hence increase the number of customers consuming the product. Generally, findings indicate that there is an association regarding the influence of packaging on the purchase decision.

Table 4.5: Skills obtained through training and technical assistance from SIDO (n=61)

Types of training and technical assistance received	N	%
Business management Skills	60	82.2
Marketing Skills	40	54.8
Machine selection and equipment arrangement on workshop.	28	38.4
Business advice	40	54.8
Products labelling Skills	12	16.4

4.3 Perceived effectiveness of training and technical assistance received from SIDO

The skills gained by the respondents during training and technical assistance by micro entrepreneur were listed and respondents were asked to tick whichever ones gained by them supporting micro entrepreneur enterprise. The results shown in Table 6 shows that Ability to communicate effectively, Ability to recognize profitable opportunity, Management skills (managing a business) and time management were the main skills gained by most of the entrepreneur during training and technical assistance.

4.3.1 Ability to Communicate Effectively

From the findings of this study, was noted that training and technical assistance equipped entrepreneurs (beneficiaries of training and technical assistance) with good communication skills. Table 6 show that (60.7%) of respondents agreed that training and technical assistance helped them to communicate at medium level. 29.5% at high level and very few of them (9.8%) were of the view that training and technical assistance benefited them at low level. Studies pinpoint that regardless of the organization size, whether it's a large corporation, a small company, or even a home-based business they need good communication skills since they interact with outsiders. The majority of the benefited micro entrepreneurs admitted that training have provided them with good communication skills which is extremely important to effectively communicate with their clients and their business partners.

According to Amesi (2014), communication occupies an important and central place in an organization. Communication ability is by and large the foundation upon which entrepreneurship business is built (Nwaogwugwu and Okoye, 2009).

Communication ability is an important aspect of entrepreneurs in business and it is the only process that links the female entrepreneurs and their customers to function effectively (Amesi, 2011).

4.3.2 Prior knowledge of Customer needs

Customers are the most important ingredient in any organization. They have many needs and choices. From the study most beneficiaries of training and technical assistance from SIDO felt that skills learnt helps them solve their customer complaints as well as retaining them quite well. Table 6 shows that about (59.47%) agree that they have gained prior knowledge of customer needs and meeting them thus improve their competencies in customer care at the medium level while 35.9% accepted that training and technical assistance helped them at high level. Just a few respondents (about 4.7%) were of the view that training and technical assistance helped them at low level. There is improved customer care and service which results to increased volume of customers which in turn increased income.

For any enterprise organization to flourish, customers' needs must to be fulfilled. Similarly, their standards of quality must be kept. These needs keep on changing, and businesses must closely monitor the changes to remain abreast Kithale *et al.* (2013). Where these needs and standards have been ignored, customer relationships have changed radically. Unsatisfied customers results to customer complaints and if not well attended may lead to lack of customers and thus lowering sales. According to Shane (2000), an entrepreneur can discover only those opportunities related to ones previous knowledge. It is presumed that prior knowledge creates an information corridor that allows an entrepreneur to identify certain business opportunities, but not others (Ardichvili *et al.* 2003).

A good number of studies have recognized the fact that prior knowledge of a market, industry, or customer needs are important entrepreneurship skills and can be a major advantage for entrepreneurs in terms of identifying potentially profitable opportunities (Shane, 2000). These studies have argued that prior knowledge of customer needs and ways to meet them significantly improve entrepreneurs' ability to provide innovative solutions to these problems and thus they are essential in recognizing potentially valuable business opportunities and training is of great importance on enhancing entrepreneurs with ability to recognise customers' needs (Baron, 2007).

During face to face interview one respondent confessed how they used to struggle to get customers due to poor services but now he has many customers as a result of good customer services and the connections from the training which leads to increased productivity and better sales returns.
This therefore proves that entrepreneurship training has a positive impact on SMEs' performance.

In brief, prior knowledge, through entrepreneurial attentiveness eventually helps entrepreneurs to discover innovative ways which is recognition of opportunities to satisfy the needs of the customers through new products, services and processes Sambasivan, *et al.* (2009). And for this reason, the role and management of information in opportunity recognition is important (Ozgen and Minsky, 2006).

4.3.3 Time management

Effective time management is the key to high performance of entrepreneurs. When respondents were asked to indicate to what extent training and technical assistance impacted their effectiveness in time management, most of them said it helped to a smaller extent (48.7%), while 35.9% said it was moderate and the remaining 15.4%indicated it has to a higher extent (Tale 3).

Due to facts that time is an essential resource; it's irrecoverable, limited and dynamic this indicates that training and technical assistance offered in study area need some step up to improve entrepreneurs' time management skills. According to North (2004),

time management is the arrangement of tasks or events by first estimating how much time a task will take to be completed, and then adjusting events that would hinder its completion which is to be reached in the appropriate amount of time. Time management involves a set of principles, practices, skills, tools and system that helps the use of time to accomplish what is supposed to be accomplished. However study findings indicate that time management is a skill that many of respondents seem to learn through necessity. Time management training is one of the most effective tools to enhance the productivity of entrepreneurs. Nevertheless it was noticed that in the time management training, entrepreneurs were provided with a unique planning and managements systems that help them have control over their time as well as their performance.

4.3.4 Confidence

Findings of this study presented in Table 6 indicate that about 34.6% of respondents agreed that training and technical assistance enhanced their self-confidence at medium level while 23.1% were of view that training and technical assistance enabled them at high level. From this study it can be noted that training and technical assistance equipped micro entrepreneurs with self-confidence in business thus enable them to be more successful than their counterpart. Self-confidence increases business creation.

Similarly study by Asoni (2011), indicate that those entrepreneurs display more self-confidence have the highest entrepreneurship rate about two percentage points higher than their counterpart. From this study it can be noted that confidence in entrepreneurial culture can be created through among other things, practical oriented business courses and training. In view of that Themba *et al.* (1999) posit that training and can strengthen the need for achievement, alleviate fear of failure and enhance self-confidence. Indeed it has been shown that entrepreneurial learning capability does not only lead to the development of management skills but also to entrepreneurial success in terms of improved efficiency, cost reductions, higher productivity and it also triggers personal entrepreneurial skills Snell *et al.* (1996); Sharma and Vredenburg, (1998). This suggests that if other organisations involving in supporting entrepreneurs

needs to foster SMEs they need to put emphasis to ensure entrepreneurs well equipped with confidence.

4.3.5 Ability to recognize profitable opportunity

From the findings of this study, it can be noted that ability to recognize profitable opportunity is an important perceived benefits gained from training and technical assistance from SIDO. Table 5 shows that 47.2% of respondents were of the view that training and technical assistance helped them to have ability to recognize profitable opportunity in business and thus enabled growth of their ventures at medium level. About 37.7% respondents reported that training and technical assistance helped them to have ability to recognize training and technical assistance at low levels while 15.1% reported at low level. Opportunity identification has been identified as an essential capability of entrepreneurs and has become an important element of the scholarly study of entrepreneurship (Gaglio and Katz, 2001). A study by Ardichvili *et al.* (2003) contends that identifying opportunities for new businesses is one of the most important abilities of successful entrepreneurs. Gaglio and Katz (2001) claim that understanding the opportunity identification process represents one of the core intellectual questions for the domain of entrepreneurship.

Table 4.6: Perceived effectiveness of skills gained during training and technical assistance provided by SIDO

Skills	Low		Medium		High	
	N	%	N	%	N	%
Ability to communicate effectively	6	9.8	37	60.7	18	29.5
Ability to recognize profitable opportunity	20	37.7	25	47.2	8	15.1
Willingness to act on opportunity	3	9.4	12	37.5	17	53.1
Prior knowledge of customer needs	3	4.7	38	59.4	23	35.9
Confidence	11	42.3	9	34.6	6	23.1
Time management	19	48.7	14	35.9	6	15.4

4.4 Contribution of training and technical assistance provided by SIDO on the business performance of small entrepreneurs

Contribution of training and technical assistance on business performance for the respondents who received it was measured in terms of profit obtained from the business and monetary value of an enterprise's assets. This research question aimed at establishing the extent to which training and technical assistance contributed to the performance of microenterprise. Information on profit earned by an enterprise, type of assets the business managed to buy was collected. Comparisons were made between those received loan only and those with loan as well as training and technical assistance.

4.4.1 Profit

Table 7 shows the mean profit for the group of respondents with loan and training and technical assistance and those with loan only. Prior to testing for equality of means, the assumption of t test about equality of variance among the two samples was conducted using Levene's test (Levene 1960).

The results in table 7 Show that the Levene's test, p-value equals 0 .092. Because it is higher than 0.05 which used Equal variances assumed version of the t-test. The p-value for t test on the equality of mean on table 4 is 0.000. This results indicate that there are significant differences between the mean profit value for respondents who received a loan , training and technical assistance and those with loan only ($P<0.05$). The mean profit for respondents who received loan, training and technical assistance was higher than those who received loans only. These differences can be attributed to improved business performance due to increased business skills, assistance on marketing, and advice on business management as well as knowledge on how to run the business. These findings are in agreement with other studies such as Makombe (2006), Berge (2011) and Kahamba (2012) on the effectiveness of training in business.

Table 4.7: Statistical test for equality of means

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	P-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variance assumed	2.905	.092	-4.689	88	0.000	-895,020	21,857,700	-995,623	545,721
Equal variance not assumed			-4.772	72.276	.000	-895,020	10,511,800	-975,683	495,350

Table 4.8: Comparison of profit in Tshs on owned microenterprises for those who had received a loan and TTA and those who had received a loan only

Groups compared	n=90	Mean Profit in Tsh
Those who received loan, training and technical assistance	73	1,939,726.0274
Those who received loan only	17	1,044,705.8824

4.4.2 Assets accumulation in business

Mean group of the respondents with loan and training and technical assistance and those with loan only on assets were computed and the results are shown in Table 9. Before testing for equality of means, the assumption of t test about equality of variance among the two samples was conducted using Levene's test (Levene 1960). The results in table 6 Show that the Levene's test p-value equals to 0 .984. Because it is higher than 0.05 which used Equal variances assumed version of the t-test. The p value for t test 0.741. This implies that there no were significant differences in the asset value for micro entrepreneurs who received a loan and training and technical and those with a loan only (P>0.05).

This might be influenced by the fact some of that respondents use they use loan to boy some enterprise infrastructure such as Machine for enterprise, furniture.

Table 4.9: Statistical test for equality of means

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	P value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variance assumed	.001	.984	-.332	88	.741	-987397	2975640	-6,900,850	4,926,060
Equal variance not assumed			-.432	36.353	.668	-987397	2284560	-5,619,130	3,644,340

Table 4.10: Comparison of asset accumulation among entrepreneur owned microenterprises

Groups compared	n=90	Mean of asset values in Tsh
Those who received loan, training and technical assistance	73	5,287,397.2603
Those who received loan only	17	4,300,000.0000

4.5 Constraints that limit application of Entrepreneurship skills obtaining from the financial institution on the SMEs

Small businesses in Tanzania and the rest of the developing world are plagued with a lot of challenges which slow down their capacity to grow and develop. They are, therefore, not able to contribute meaningfully to the economy. This section discusses some of the challenges facing these micro entrepreneurs.

4.5.1 The Financial Challenges

The study enquired into the difficulties that little entrepreneurs were confronting concerning start-up, development and supportability. The real test they confronted was financing. The little entrepreneurs had a considerable measure of challenges getting to back in the nation. All respondents (100.0%) demonstrated that entrance to back be one of the real difficulties restricting utilization of Business aptitudes acquiring from the SIDO. They assist called attention to that however SIDO give credits, however, they don't meet the basic necessities to run organizations. It was noticed that the vast majority of the business people regularly have less chances to access credit for different reasons, including absence of insurance, unwillingness to acknowledge family unit resources by the advance officers. These finds are like those of Mahbub, (2000) which found that, absence of access to reasonable advance was the test confronting miniaturized scale business visionaries.

As per small scale business visionaries the expense of getting was too high which makes credits from other money related establishments ugly. All the little entrepreneurs specified loan fees as being too high in the nation. Another test worth specifying needs to do with time. It requires a long investment to secure fund from monetary establishments by little entrepreneurs notwithstanding when every one of the conditions, for example, insurance have been satisfied. At the end of the day, the time between application for credit and the issue of the credit is too long and requires a lot of documentation.

The impact is that more often than not the credit comes at the wrong time. Timing is imperative in business and little organizations specifically. In business, time is of extraordinary substance. On the off chance that credit offices in this way come at the wrong time, it vanquishes the go for getting to the credit office which does not help in the working of money related limit for development and advancement of little organizations in Ghana (Cook and Nixon, 2000). Besides, the little entrepreneurs grumbled about the way that they don't get the measure of credit they apply for.

A few reactions that rose when small scale business people were requested that demonstrate their difficulties in getting to money related offices respondents said, "The difficulties we confront in getting stores from the banks are that they charge too high financing cost, and they request insurance which debilitates me to go ahead to apply for credits".

Therefore, loan fee in Tanzania and other developing nations, for example, Kenya, Ghana has represented a major money related test to miniaturized scale business visionaries such that they are not ready to develop as it should be. Different studies show that, right now there are sufficient money related organizations that are prepared to loan to smaller scale business people in Tanzania however these little organizations proprietors stresses far from these monetary offices in view of the high financing costs charged by the banks. From this study it was additionally noticed that larger part little organizations proprietors don't have tittle deeds which are requested by budgetary foundations before advances are dispensed. Consequently lion's share little entrepreneurs are not in the position to get to credits. Others said that it is a test of getting an underwriter.

4.5.2 Poor National Infrastructure

Among the other challenges mentioned was a poor national infrastructure (13.3%). Small businesses in Tanzania also identified poor infrastructures as yet another challenge they face. The low level of infrastructural improvement in Tanzania has influenced a great deal of small scale business visionaries' organizations execution. High cost of utilities, especially power was a major test to the small scale business visionaries to apply preparing and aptitudes procured from SIDO. Some specified the way that they couldn't pay their staff well due to the high cost of utilities that influence their benefits levels adversely. Amid Center Gathering Exchange one respondent specified in addition to other things that, "There is additionally issue with base, for example, power", where it was said they encounter power blackout or changes.

Administrations, for example, power, transportation, water and media transmission are exceptionally basic or vital for the advancement of business Tanzania and rest of creating nations. The lacking supply of these utilities and power specifically has constrained a great deal of little organizations to utilize their little salaries to buy power creating plant. Those that can't bear the cost of are all the more frequently bankrupt for the duration of the season of the force blackout.

4.5.3 High Tax Collected by the Government

One other sensitive challenge encountered by majority of Tanzania entrepreneurs is taxation. Findings indicate (5.6%) of respondents reported that high tax challenges their ability to apply entrepreneurial education acquired from SIDO. Although entrepreneurs in a country have a responsibility of funding the government through paying taxes, most of the taxes charged on enterprises are high compared to what they are getting from business, thus have the effect of increasing the cost of doing business.

4.5.4 Lack of integrity

The challenge of integrity on the part of customers with regards to payment of bills was brought to the fore. Study results as shown in Table 9 reveal that 3.3% of respondents accepted that there is a lack of integrity among customers; this includes late payment from the customer. Small business owners complained about the poor attitude of customers when it comes to payment of bills.

This poor attitude of customers goes to compound the already bad financial situations of some of the enterprises. This is connected to what Bartlett and Bukvic (2001) refer to as late payment of bills. Late payment of bills by business customers of small businesses and even the government has been hindering the growth and improvement of entrepreneurship in the developing world. This locks up their small working capital and slows down the growth and development of enterprises even after acquiring training and technical assistance.

4.5.5 Importation of poor goods

During an in-depth interview about 51.1% of respondents explained that there some good which are imported that are sold at low price compared to their products although their quality is doubtful. It was further elaborated that some customers opt for cheap product rather than those with quality.

Table 4.11: Constraints that limit application of Entrepreneurship skills

Constraints	N	%
Lack of access to affordable loans	90	100.0
Importation of poor goods	56	51.1
Poor National Infrastructure	12	13.3
Poor government support and assistance	8	8.9
High tax collected by the government	5	5.6
Lack of integrity	3	3.3

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5. 1 Introduction

This chapter presents the conclusion and recommendations of the study and gives suggestions on the area for further research.

5.2 Summary of the Main Findings of the Study

Based on the findings from the data interpretation of the study on the contribution of training and technical assistance provided by SIDO to the performance of SMEs in Arusha Region, the following can be concluded from this study.

It has been revealed that training and technical assistance improved micro entrepreneurs' business and entrepreneurship skills. The business training micro entrepreneurs received, enabled them to identify new business opportunities, to run and well manage their businesses and finances as well as retain customers. From this it can thus be concluded that, training and technical assistance are an essential component towards the growth and development of small and medium enterprises.

Findings show that many entrepreneurs did not receive SIDO's formal training apart from the training they obtained at the time when they were in the process of receiving loans. This therefore suggests that not all micro entrepreneurs do receive training and technical assistance from institutions like SIDO, simply because others miss out on the opportunity to participate or at times they themselves don't see the importance of receiving the offered training.

Insufficient access to finance for investing in business inhibits many micro entrepreneurs to expand their business ventures. The main reason as to why most entrepreneurs do not access loans from MFIs is because they lack collateral and at times most of these financial institutions have insufficient funds enough to fund everyone according to their needs.

5. 3 Recommendations

The research findings of this study show that the business management training received by the respondents had impacts on the small and medium-sized enterprises growth. The researcher makes the following recommendations:

Microfinance and other supporting institutions should offer more continued training and technical assistance to their various clients so as to enable their improved business performance.

Micro entrepreneurs should seek for adequate capital to ensure proper establishment of their businesses and make use of the skills they obtain through training from institutions.

The government to work towards minimizing constrains which hinders best performance like the high interest rates imposed on micro entrepreneurs by financial institutions that infringe upon the growth and development of entrepreneurs who are just growing in the market.

Major Key stakeholders in the country working in the SME sector should encourage and support training and technical assistance programs provided by different institutions through different Stakeholders forums and media advertising among others so as to create awareness and show the importance of such training programs for the development of entrepreneur's micro enterprises.

There should be reliable and affordable infrastructure such as electricity and water which are most used inputs by entrepreneurs doing activities such as batik making, food vending, food and fruits processing and the like, which will enable small entrepreneurs run their activities smoothly.

The government should put restrictions against imported goods which kill our home markets. This will help solve the challenge entrepreneur's encounter of producing goods that lack home market because of the importation of goods from outside the countries. To overcome this, government should reinstate dormant industries which may employ the well skilled and experienced entrepreneurs who have received various trainings from SIDO and other organizations of the same base. Through the application of the skills and technology to produce in home industries, there could be a good market for the goods produced locally.

5.4 Areas of Further Research

This study only focussed on an aspect of training and technical assistance, which is looking into the contribution of training and technical assistance to the performance of SMEs. It's recommended that further researches should focus on researches that can be conducted to institute the sources of challenges fronting micro entrepreneurs in benefiting from innovative business training to enhance growth and turn up with policies to alleviate such challenges.

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APPENDICES

Appendix I: Questionnaire for Entrepreneur Own Micro Enterprises in Arusha City

My name is DAINES ERNEST, a student at Mzumbe University pursuing a Master degree in Business Administration (corporate management). I am currently collecting data for my dissertation entitled ‘’**Contribution of Training and Technical Assistance Provided to Entrepreneur:” A Case of Sido, Arusha City**

I am humbly asking for your time and willingness to supply me with some information in order to be used for academic purposes only. You are ensured of the anonymity and confidentiality of data.

Name of District..... Ward.....Street/Village.....

Section A: Basic Information of the Respondent

1. Name of the respondent (*option*)……
2. Age……..
3. Sex 01. Male [ ] 02. Female [ ]
4. Marital status of the respondent (Write the appropriate number in the box)

   1). Single [ ] 2). Married [ ] 3). Divorced [ ] 4). Widowed [ ]

5. Education level of the respondent (Write the appropriate number in the box)

   a). Not attended formal education

   b). Primary education

   c). Secondary education

   d). Higher education/ college and university

6. What type of an enterprise do you own? (Write the appropriate number in the box)

   1) Food vending (cooking food for selling)

   2) Textiles, Batik making, weaving and tailoring

   3) Selling clothes (used and not used clothes)

4) Soap making

5) Food Processing (mango pickle, peanut butter, bread maker.)

6) Decorating and Catering

8) Wholesaling trade and retail trade

9) Selling fruits and Vegetables

10) Selling charcoal

11) Chalks making

12) Selling Furniture

13) Others, please specify----------

7. Location of the enterprise (Write the appropriate number in the box)

1) Home

2) Market

3) Roadside

4) Commercial town

5) Industrial area

6) Mobile

7) Other (Specify)----------

8. How long have you been doing this enterprise?----------

9. What was your initial capital of the enterprise?----------

10 How many numbers of employees do you have in your enterprise?----------

11. What is the main source of your household income? (Write the appropriate number in the box)

1) Microenterprise only

2) Employment

3) Agricultural and Livestock activities

4) Other (specify)----------

Section B: Skills obtained by entrepreneurs from SIDO in the study area through training and technical assistance

12. What kind of services does SIDO offer to you? (Write the appropriate number in the box)

    1) Loan only

    2) Loan, Training, and Technical assistance only

    3) Other (specify)----------

13. If you receive loan what is the amount……

14. What type of training and technical assistance (support services) do you receive from SIDO? (Write the appropriate number in the box)

    1) Business management training

    2) Marketing assistance such as displaying product on SIDO catalogue, show room, magazine and website together with marketing exhibition

    3) Assistance on selection of machine and arrangements of equipment on workshop.

    4) Business advice.

    5) Assistance on products labels

    6) Other (specify)----------

15. How many times have you received those trainings and technical assistance identified in number .....above? ----------per year.

16. What kind of skills did you gain in the training and consultancy?

Skills	
Ability to communicate effectively	
Ability to recognize profitable opportunity Willingness to act on opportunity	
Ability to align resources to produce opportunity	
Prior knowledge of customer needs and meeting them	
Management skills (managing a business)	
Confidence	
Time management	
Other(mention)	

Section C: Impact of training and technical assistance provided by SIDO on the business performance of small entrepreneurs

17. How much do you earn as profit from your business having benefited from credit, training and technical assistance provided by SIDO? (Tsh)----------per day/month

18. What type of assets have you managed to purchase in your business after being benefited from loan, training and technical assistance provided by SIDO?

Please indicate enterprise assets (and their value) which were purchased using income obtained after receiving credit and other services such as training and technical assistance from SIDO

Type of assets	Number of assets	**Current Value in Tshs**
1 Machine for enterprise		
2 Land		
3 Furniture e.g. chair, table, of enterprise		
4. Bank account		
5Other specify.....		

Section D: constraints that limit application of Entrepreneurship skills obtaining from the financial institution on the SMEs

19. What constraint limit your ability to apply entrepreneur skills you obtain from financial institution

Constraints	
Lack of access to affordable loans	
Importation of poor goods	
High tax collected by the government	
Poor National Infrastructure	
Poor government support and assistance	
Lack of integrity	
Other(mention)	

Appendix II: Interview guide for SIDO staffs

1. What kind of Trainings do you provide to your clients?
2. How many times do you provide these kinds of Trainings?
3. What kind of Technical Assistances (support services) do you provide to your clients?
4. How many times do you provide technical assistance support services)?
5. How do you know that the trainings and technical assistance are helpful to your clients**?**
6. What challenges do you face in providing the services?

Appendix III: A cheque list for clients Focus Group Discussion

1. What are the benefits gained from training?
2. How do you manage your business?
3. What are the assosiated contreints in your entrepreise?