

**THE EFFECTIVENESS AND SUSTAINABILITY OF  
ENTREPRENEURSHIP TRAININGS TO SMEs THE CASE STUDY  
OF: SMALL INDUSTRIES DEVELOPMENT ORGANIZATION  
(SIDO)-TABORA**

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OF: SMALL INDUSTRIES DEVELOPMENT ORGANIZATION  
(SIDO)-TABORA**

**By  
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**A Thesis Submitted to School of Business in Partial Fulfillment of the  
Requirements for the Award of Master of Business Administration  
(Corporate Management) Degree of Mzumbe University.**

**2014**

## CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/thesis entitled **Effectiveness and Sustainability of Entrepreneurship skill Trainings: The Case of Small Industries Development (SIDO) Tabora**, in partial/fulfilment of the requirements for award of the degree of Masters of Business Administration (Corporate Management) of Mzumbe University.

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## **DECLARATION AND COPYRIGHT**

I, Justin Simplis Msoffe, declare that this thesis 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**

This work is dedicated to my Wife Mary Amosy Nyankungo for her care and material support. It is also dedicated to my lovely daughter Precious Justin and my son Prince Justin who missed me a lot during my study absence.

## **LIST OF ABBREVIATIONS**

BDS	–	Business Development Services
BRELA	–	Business Registration and Licensing Agency
BTI	–	Beekeeping Training Institute
CD	–	Compact Disk
CoW	–	City of Windhoek
CSP	–	Corporate Strategic Plan
CSR	–	Corporate Social Responsibility
DCC	–	District Consultative Committee
DFID	–	Department for International Development
EST	–	Entrepreneurship Skills Training
FINCA	–	Foundation for International Community Assistance
GDP	–	Gross Domestic Product
ICT	–	Information Communication Technology
ILO	–	International Labour Organization
IYB	–	Improve Your Business Skills
MSMEs	–	Micro Small and Medium Scale Entrepreneurs
MSEs	–	Micro and Small Enterprises
NSGRP	–	National Strategy for Growth and Reduction of Poverty
ODOP	–	One District One Product
PRIDE	–	Promotion of Rural Initiative and Development Enterprises Limited
RCC	–	Regional Consultative Committee
SEDA	–	Small Enterprises Development Agency
SIDO	–	Small Industries Development Organization
SMEs	–	Small and Medium Scale Enterprises
SPSS	–	Statistical Package for Social Sciences
SYB	–	Start Your Business Skills
TEKUTABCE	–	Teofilo Kisanji University Tabora Centre
TV	–	Television
VAT	–	Value Added Tax
VETA	–	Vocational Education Training Authority

## **ABSTRACT**

This study intended to examine the Effectiveness and Sustainability of Entrepreneurship Skill Trainings in SIDO Tabora. The research was carried out to SMEs, SIDO Staffs and Training institution Stakeholders who were Vocational Education Training Authority (VETA) Tabora, Beekeeping Training Institute (BTI) Tabora, Teofilo Kisanji University Tabora Centre (TEKUTABCE). The study was conducted with the following objectives: To assess the Effectiveness and Sustainability of Entrepreneurship Skill Trainings in SIDO Tabora, To identify specific entrepreneurial and business skills that are essential for the success of SMEs; To establish the mechanism of assessing the sustainability of the skills to SMEs after the training; To identify the possible ways of making the training to be more effective and sustainable; To identify the reason behind the failure of many entrepreneurs after attempting to start their entrepreneurial venture; To find out if training in entrepreneurial and business skills is linked to the success of the SMEs.

Data were collected through Questionnaires, Interviews and Documentary Review, and focus group discussion. Questionnaires were both close ended and open-ended questions, which allowed individuals to express their views concerning Entrepreneurship trainings in Tabora. Interviews were conducted on the basis of predetermined interview guide.

The data has been analyzed by using frequency distribution tables and figures. After Analysis, data were presented in tables for easy interpretation. The following below are the findings revealed by the study.

Trainees who are having entrepreneurship background in their families are easily to become more entrepreneurial than those with no entrepreneurial background. In accessed respondents the ability to access funds in financial institutions is easier (47.9% SMEs) than in commercial banks (1.4% SMEs). However those with ability to access those financial services for their entrepreneurial activities (47.1%) while those who do not have ability to access financial services easily are many (66%).

Not only that but also government support and favorable regulation is at the minimal level though to some district like Sikonge where District Commissioner in collaboration with Regional Commissioner they have engaged SIDO to establishment of Youth Centre and conducting of trainings. It has been discovered that in Tabora region females (54.3%) attends trainings more than males (45.7%). Also those who attend trainings more than one time are more successful

than those who attended just once. For the case of business formalization 44.3% respondents have registered their business while 45.7% haven't yet registered their venture. Good numbers of registered venture were Sole proprietorship (47.7%) while those who do not find the need for registration were 34.3% while limited company were only 2.1%. However, for the case of application of the gained knowledge and skills as it has been revealed in findings that 82.7% applied the gained skills and knowledge while the remaining 17.1% were not applying. Not only that but also the findings shows that entrepreneurship trainings are great impact in livelihood improvement since 70% of SMEs have improved their livelihood while 24.3% haven't yet improved their livelihood.

The following were recommendations to enhance the enabling environment: awareness creation and provision of more funds, working facilities and refresher course, provision of Business Park and incubation programme should be given more funds so that the trained SMEs should be nurtured in incubation centre before leaving them independently to start their business venture. This study recommends that it is necessary to attract high quality training, tools and capital, as well as working premises to give room for immediate implementation of the gained skills. SIDO and other training stakeholders (particularly BTI and VETA) have been trying to attract SME through the provision of some incentives to encourage them to start their Business Venture. Tools and skills program is one of the solutions for effectiveness and sustainability of entrepreneurship trainings. This means that training should be backed up with tools to give room for SMEs to implement what they have gained in trainings. SIDO should not feel weary of giving different business advisory and consultancy services because through them SMEs have managed to initiate and improve their entrepreneurial ventures. Government and policy makers should make sure that they set the sufficient budget for conducting trainings to SMEs rather than assigning SIDO Tabora to collaborate with other stakeholders like Local Government Authorities (LGAs) to conduct trainings.

Trainings are to be backed up by other support services like incubation centres, loans with low interest rates and acceptable conditionalities, industrial clusters to nurture ideas and the gained skills in training, business advisory and consultancy services to advise SMEs and to assist them in making their entrepreneurial ideas or businesses come to reality; isolation of politics from implementation should be one of the strategy to reduce delaying for trainings and implementation of the gained entrepreneurial skills.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0. Introduction**

There are unique success factors that determine the efficiency and success of all large businesses. Small and Medium Scale Enterprises (SMEs) should apply these success factors to enable them survive and grow in an increasing ever economically challenging world. These success factors manifest themselves in the skills and leadership qualities that should be passed on by entrepreneurs and business owners to the employees and stakeholders for satisfaction of customer needs and service delivery.

According to Tanzania SME policy it is estimated that about a third of the GDP originates from the SME sector. According to the Informal Sector Survey of 1991, micro enterprises operating in the informal sector alone consisted of more than 1.7 million businesses engaging about 3 million persons, which was about 20% of the Tanzanian labour force. Though data on the SME sector are rather sketchy and unreliable, it is reflected already in the above data that SME sector plays a crucial role in the economy. Since SMEs tend to be labour-intensive, they create employment at relatively low levels of investment per job created. At present, unemployment is a significant problem that Tanzania has to deal with.

Estimates show that there are about 700,000 new entrants into the labour force every year. About 500,000 of these are school leavers with few marketable skills. The public sector employs only about 40,000 of the new entrants into the labour market, leaving about 660,000 to join the unemployed or the underemployed reserve. Most of these persons end up in the SME sector, and especially in the informal sector. Given that situation and the fact that Tanzania is characterized by low rate of capital formation, SMEs are the best option to address this problem of the Effectiveness and Sustainability of Entrepreneurship Skill Trainings to SMEs.

## **1.1. Background of the problem**

Employment in the private sector is mainly provided by small and medium sized enterprises (SMEs) in both industrialized and emerging economies. SMEs also tend to be the biggest employment creators. However, they have high failure rates and face challenges in providing quality jobs. Where formal employment markets do not provide enough job opportunities, people often turn to entrepreneurial activities for economic survival. Support needs to be provided to both groups of entrepreneurs, operating out of opportunity as well as out of necessity.

Opportunity entrepreneurs are a major source of job creation and growth while necessity entrepreneurs secure people's livelihoods. The keys to successful SME growth and employment creation include:

- A strong and responsible enterprise culture
- An enabling business environment with clear and simple-to-follow rules
- Access to finance and business development services.

While some of the constraints to SME growth relate to external factors over which the enterprise has no control, others relate to the capacity and knowledge of potential and existing entrepreneurs. Addressing these latter constraints has been the focus of SIDO / ILO support for SME development over the past 30 years. Through a wide range of tools for business management training and business services development, the ILO has helped build national SME support structures in more than 100 countries.

The ILO assists governments, employers' and workers' organizations, and others in scaling up management training and establishing support systems to address the needs of SMEs. Over the years, it has developed considerable expertise, credibility, networks, tools and experience, notably with its Start and Improve Your Business (SIYB) programme for start-ups, micro and small entrepreneurs. SIYB has been used in 100 countries and, due mainly to its widespread adoption in China, has trained more than 4.5 million people and generated an estimated 2.7 million new jobs, making it one of the biggest programmes of its kind.

In Tanzania during the previous Plan of 2008/2009 to 2010/2011, training in the following main areas was conducted: 374 Courses in entrepreneurship skills development; 725 Courses in Business Management Skills development; 347 courses in Technical skills and 284 in ICT basic requirements and use. The training addressed requirements of specific groups like pre starters, starters, existing and growth oriented SMEs. The programmes will cover all categories of skills such as entrepreneurship, business management, ICT and technical skills.

In addition to SIYB, the ILO has developed a number of support tools aimed at sustaining management training and other business service provision for SMEs over the long term. These include market assessment tools, trainer and master-trainer development and certification tools, and systems specifically developed for business management training. The ILO's training arm, the International Training Centre based in Turin, Italy, offers a broad range of distance and in-person courses related to business development services (BDS).

The ILO has also worked with commercial radio and television stations to develop radio and TV programme formats that can provide crucial market information and effective public-private dialogue, helping small businesses to take better decisions and influence reforms of the business environment

The numbers of entrepreneurship skills Trainings are conducted every day at every corner of the Developing countries as one of the strategy of getting them away from pathetic situation their people are living. However, the prevailing questionable thing is the relationship between the numbers of trained trainees and those who really practice the training after being trained. The research report will be worth of investigating and revealing whether there is effectiveness in provision of the skills and their sustainability after the training.

Different entrepreneurial skills have being conducted at the developing countries but their impacts have being seen to come slowly or somehow the skills are not being implemented by the trainees as a result people who were looked positively to get away of poverty or reducing their poverty level are still living in poverty or rather extremely pathetic poverty life with skills in their upstairs.

## **1.2. Statement of the Problem**

The success of SMEs after training is mainly attributed by their own desire to put into practice what they have learned immediately after the training. It has been discovered through empirical evidence that a dynamic and growing Micro and Small Enterprises (MSEs) sector can contribute to the achievement of a wide range of development objectives, including: the attainment of income distribution and poverty reduction (DFID, 2000); creation of employment (Daniels and Ngwira; 1993); savings mobilization (Beck et al, 2005); and production of goods and services that meet the basic needs of the poor (Cook and Nixson, 2000). While estimates vary greatly depending on definitions, recent work by the World Bank suggests that almost 30 per cent of employment in developing countries and Tanzania alike is generated by the informal economy, while an additional 18 per cent is provided by (formal) small and medium enterprises. Together these two groups contribute 63 per cent of the GDP (Ayyagari et al; 2003).

Despite of MSEs large contribution in country's development and economic growth, their growth and development in developing countries are mainly inhibited by access to finance, poor managerial skills, and lack of training opportunities and high cost of inputs (Cook and Nixson, 2000). However this study will examine the effects of training much since even those who are getting access to training are blamed of not putting them into practice.

The key challenges faced by Tanzania is how to promote and support the creation of more SMEs with growth potential; At the same time help those surviving SMEs to reach advanced levels of efficiency and profitability while they are not putting the knowledge into action (Darroch, M. and Clover, 2005). This study investigates key factors that cause some SMEs trained by SIDO not implementing what they have trained, to maintain profitability and to sustain employment opportunities. These factors may as well need to be acquired through assessing the effectiveness and sustainability of entrepreneurship skills training so that the SMEs acquire, initiate and embrace sustainability in their businesses

## **1.3. OBJECTIVES OF THE STUDY**

### **1.3.1. Main Objective**

The main objective of this study was to examine the effectiveness and sustainability of Entrepreneurship Skill Trainings and to find out whether an organization is conducting the trainings at the required standards with regard to the existing SMEs requirements.

### **1.3.2. Specific Objectives**

The study was guided by the following specific objectives:-

1. To identify types of entrepreneurship skill trainings provided by SIDO to SMEs
2. To making sure that the imparted skills and knowledge are implemented
3. To establish the mechanism of making trainings more effective and sustainable
4. Reasons behind failure of entrepreneurs after attempting to start their ventures
5. Linkage between the entrepreneurial training and business success.
6. Obstacles towards adequate entrepreneurship Skills trainings in Tabora Municipality

## **1.4. Research Questions**

The general question for this study is what are the factors that make entrepreneurial trainings effective and sustainable among trained SMEs?

From the above question then several specific questions were put forward to determine entrepreneurial effectiveness and sustainability in this study as follows:

1. What types of entrepreneurship skill trainings provided by SIDO to SMEs?
2. For how long they utilize the training skills imparted to them after trainings?
3. What possible ways can make the training more effective and sustainable to SMEs?
4. What are the critical reasons behind failure of entrepreneurs after attempting to start their ventures?
5. What is the linkage between the entrepreneurship training and SME success in business?
6. What were the obstacles towards adequate entrepreneurship Skills trainings in Tabora Municipality?

### **1.5. Rationale / Significance of the Study**

This research is of remarkable significance to the SMEs and policy makers. They will be in a position of knowing the factors or reason behind the failure of trained SMEs to start putting into practice the learned skills while considering for the sustainability of the initiated entrepreneurial ventures.

### **1.6. Scope of the Study**

The study has been done in Tabora Municipality with the sample size of 140 trained SMEs out of 344 population of SMEs trained in the year 2012/2013 Financial year at Tabora Region. The study will take only six months from January to June 2014 where data will be collected to different individuals and group entrepreneurs.

### **1.7. Limitation /Constraints of the Study**

The constraints which encountered this study were:

- Financial constraints are one of the expected setbacks in the research due to the nature of the topic itself that is why the number of trainees to be interviewed is limited to Tabora Region only.
- It is also expected that some of the participant will not respond promptly during filling of the questionnaire due to the nature of their entrepreneurial working environment, hence a need for follow up several times.
- Time will not be enough to cover the big area hence only small sample of about 182 entrepreneurs, trainers, and training institution stakeholders will be taken to represent the big area.

However, the researcher managed to overcome those challenges of financial constraints through personal saving and family assistance. For respondent who didn't respond promptly to the research interview due to their entrepreneurial activities, a repetitive follow up

strategy and making appointment to get good time for interview and filling of research questionnaire was done and making data collection successful. For the case of time the sample of SMEs has been taken to represent the large groups of SMEs which minimizes the amount of time to be taken.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0. Introduction**

In this chapter a detailed literature review on effectiveness and sustainability of entrepreneurship skill trainings is given. The chapter is divided into two parts, theoretical Literature Review and Empirical Literature.

This chapter presents theoretical and empirical literature that aims at developing an understanding of the effectiveness and sustainability of entrepreneurship skill trainings in the selected districts of Tabora, Igunga, Sikonge and Nzega.

Despite the discussion whether entrepreneurs are born or made, most accept that entrepreneurship, or certain facets on it, can be taught, or at least encouraged, by entrepreneurship education (Kuratko, 2005). There is a strong case to be made for the benefits of entrepreneurship education, for a variety of potential stakeholders (Wood, 2011). In this sense, a number of benefits are available to those who choose to be directly involved in the process.

According to Rae (2010) education is vital in creating understanding of entrepreneurship, developing entrepreneurial capabilities, and contributing to entrepreneurial identities and cultures at individual, collective and social levels. More, the role of education is to shape ideas of what it means to be an entrepreneur, not to promote an ideology of entrepreneurship, and to create critical alertness that contributes to the responsibility of entrepreneurs to society.

To Bakotic and Kruzic (2010), entrepreneurship educational programmes contribute to increase the perception of important entrepreneurship aspects, as well as create a real vision of entrepreneurship problems. For this, the authors advocate the need for students' permanent education which should be focused on additional development of their competences and required skills needed later in the market context.

Today the field of entrepreneurship is to a large extent reformed. It has a recognized scientific community that expresses itself through large numbers of conferences and scientific journals

(Bull and Willard 1993a). However, the question rose by Sexton nearly 10 years ago (1988, p. 4) is still relevant: “Is the field of entrepreneurship growing, or just getting bigger?” The problem of defining the word “entrepreneur” and establishing the boundaries of the field of entrepreneurship has still not been solved. As Gartner (1990, p. 16) wrote: “Is entrepreneurship just a buzzword, or does it has particular characteristics that can be identified and studied?” Although it was possible in the 1980s to say the priority was to accumulate empirical data, we now believe, like many other authors (Vesper 1982; Brockhaus and Horwitz, 1986), that it is high time to begin developing theoretical tools to enable the field to progress.

## **2.1. Theoretical Literature Review**

### **2.1.1. Definition of terms**

#### **EFFECTIVENESS**

The term effectiveness means the degree to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means "doing the thing right," effectiveness means "doing the right thing."<sup>1</sup>

#### **SUSTAINABILITY**

Nonetheless, the definition of sustainability that this research has decided to side with, is that of Gro Harlem Brundtland (1987), which is “*sustainable development is development that meets the needs of the present without compromising the needs of future generations to meet their own needs*”.

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<sup>1</sup> <http://www.businessdictionary.com/definition/effectiveness.html#ixzz38kUyZkdL>

## **ENTREPRENEURSHIP**

Venkatraman (1997, p. 120) states that entrepreneurship as a scholarly field seeks to understand how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what consequences.

The term entrepreneurship has changed throughout time ever since its conception. Hebert and Link (1982) provide an overview of how the concept of entrepreneurship evolved - from initial concepts when military leaders in the pre-classical times banked on risk for substantial returns, to classical stage-philosopher Richard Cantillon bottling up this concept as an individual taking risk in return for profit, then changing that concept to a profit-seeking intellectual who knew to provide the right good at the right time. Then onto the neo-classical times of Max Weber and Joseph Schumpeter where Weber described the entrepreneur as the young individual that disrupted the traditional state of the economy, personally gaining customers and introduced lower prices - and Schumpeter's view that the person in charge of an entrepreneurship was in fact not a risk-taker, but an innovator and directly responsible for dynamic change. Harbison (1956) later on stated that a single individual could only perform all necessary entrepreneurial functions in a very small firm, and since most firms need a hierarchy of individuals to perform these functions, the entrepreneur is in essence an organization.

Many studies have established specific entrepreneurial and business skills essential for the success of SMEs. According to Botha (2006), the absence or low levels of key skills like motivation, ability to gather resources, financial management, human resource management, marketing and technical skills, may lead to zero performance, while weakness in a particular element would decrease effectiveness in the overall performance of the venture. This means that the increase in the capacity of any of these skills can lead to an increase in the entrepreneurial performance of the entrepreneur (Botha, 2006). Supportive skills on the other hand, their absence would reduce performance, yet not completely destroy the business. This also means that an increase in the capacity of any of these supporting skills will also assist with SMEs performance.

This gives a view that it is important to have all the core skills in place so as to get the desired performance and also the supportive skills to boost the business performance.

However, Small and Medium Enterprises (SMEs) Development Policy 2003 specific objective is “to foster job creation and income generation through promoting the creation of new SMEs and improving the performance and competitiveness of existing SMEs to increase their participation in the Tanzanian economy, thereby enhancing their contributions to economic growth, income and employment generation and reduction of poverty”. The aim of the policy is to create the conditions to encourage informal micro and small enterprises to move into formal sector, thereby creating more wage employment, while measures to enable the survival and expansion of formal small and medium enterprises in Tanzania as the basis of private sector – led growth will be a major objective.

More often than not, the National Strategy for Growth and Reduction of Poverty (NSGRP) has been developed in the context of the enhanced Highly Indebted Poor Countries Initiatives (HIPC). The Government has decided to confine its financial interventions mostly to social and economic sectors; entrepreneurial Skills education, health, agriculture, roads, water, judiciary and HIV/AIDS. In all these sectors, the Government has decided to promote private sector including micro, small and medium enterprises and civil society participation. It has emphasized the importance of private sector development as a means of overcoming income poverty while providing efficient and effective delivery of services.

### **2.1.2. Theories of Entrepreneurship**

Since its inception entrepreneurship is having many theories which have been posed by different scholars. The following are some of the theories:

**Economic Theory** – Entrepreneurship and economic growth would take place when economic conditions were favourable, economic incentives were the main motivators for entrepreneurship activities. Economic incentives include taxation policy, industrial policy, sources of finances and

raw material, infrastructure availability, investment and marketing opportunities, access to information about market conditions and technology (Scott, 1999).

Schumpeter (1934) had a different approach and emphasized the role of innovation. Clearly, Schumpeter was the first author to draw attention to the central role of an entrepreneur in the innovation process. According to Schumpeter, the entrepreneur is an innovator who implements change within markets as a result of carrying out new combinations. In his theory of economic development, the entrepreneur does not invent things but exploits them by carrying out new combinations such as the introduction of new products or processes, identification of new export markets or sources of supply, or creation of new types of organisation (Carrasco and Perez 2008).

Other scholars (e.g. Kirzner 1979) came up with other definitions of an entrepreneur. Kirzner (1985) considers an entrepreneur as someone who perceives profit opportunities and initiates action to fill currently unsatisfied needs. The author argues that the entrepreneurial process is always competitive and that an entrepreneur has nothing but his alertness (Kirzner 1979). For Kirzner, the role of the entrepreneur is to achieve

**Sociological Theory** – Entrepreneurship was likely to get a boost in a particular social culture. Society's values, religious beliefs, customs and taboo influences (Scott, 1999).

Culture and social capital have also been identified as promoting entrepreneurial activity. The network approach to entrepreneurship has its roots in sociology (Aldrich and Zimmer, 1986). According to this literature, social capital is an essential determinant of entrepreneurial activity. At the heart of these theories is the personal network perspective that has the premise that entrepreneurship is a social role, and is thus embedded in a social, political, and cultural context. In order to start a new business, social relationships must be activated and new ones created. Thus, "entrepreneurship is a relational task, and is inherently a networking activity" (Dubini and Aldrich, 1991, p. 306). Granovetter (1983) emphasized the importance of weak ties within a network. Such weak ties are assumed to provide valuable information.

Culture is an important element to be taken into consideration in the entrepreneurship effectiveness and sustainability discussions. Cultural factors have been considered by many as the causal factors behind the over-representation in self-employment of certain ethnic groups such as the South Asians in Britain (Ramand Jones 1998; Barrett, Jones, and McEvoy 1996). The cultural argument represents an attempt to attribute entrepreneurship to non-economic factors such as social networks and family influences.

Further to that, national culture that supports and encourages entrepreneurship is of great essence in the entrepreneurship growth and development. Berger,(1991) argued that individual personalities and behaviour, firms, political/legal systems, economic conditions and social mores are all intertwined with the national culture from where they originated. Lee SM and Peterson S.J (2000) proposed that culture foundation is the basis for a society ability to generate autonomous, risk taking, innovative, competitive aggressive and proactive entrepreneurs and firms. Basing on Hofstede (1980) and Trompenaars (1994) arguments, Lee and Peterson (2000) stated that culture that is low in power distance, weak in uncertainty avoidance, masculine in nature, individualistic, achievement oriented and universalistic will engender a strong entrepreneurial orientation characterized by autonomy, pro activeness, competitive aggressiveness, innovativeness and risk taking.

A strong entrepreneurial orientation culture (culture laden with characteristics of autonomy, pro activeness, competitive aggressiveness, innovativeness and risk taking) ultimately lead to increased entrepreneurial and global competitiveness.

Lee and Peterson (2000) stated that when entrepreneurs are able to seize new opportunities in the face of environmental cultural barriers then they can determine their nation's competitive position.

This study aimed at looking at the effectiveness and sustainability of entrepreneurial training people in SIDO Tabora. The study desired to investigate what can cause some trained entrepreneur utilize the gained skills while other entrepreneurs didn't or rather ignored the skills or just using the skills for a while.

**Psychological Theory** – Entrepreneurship would get a boost when society had sufficient supply of individuals with necessary psychological characteristics. Psychological characteristics include need for high achievement which is a vision of foresight. Characteristics were formed during individual's upbringing which stress on standards of excellence, self-reliance and low father dominance (Scott, 1999).

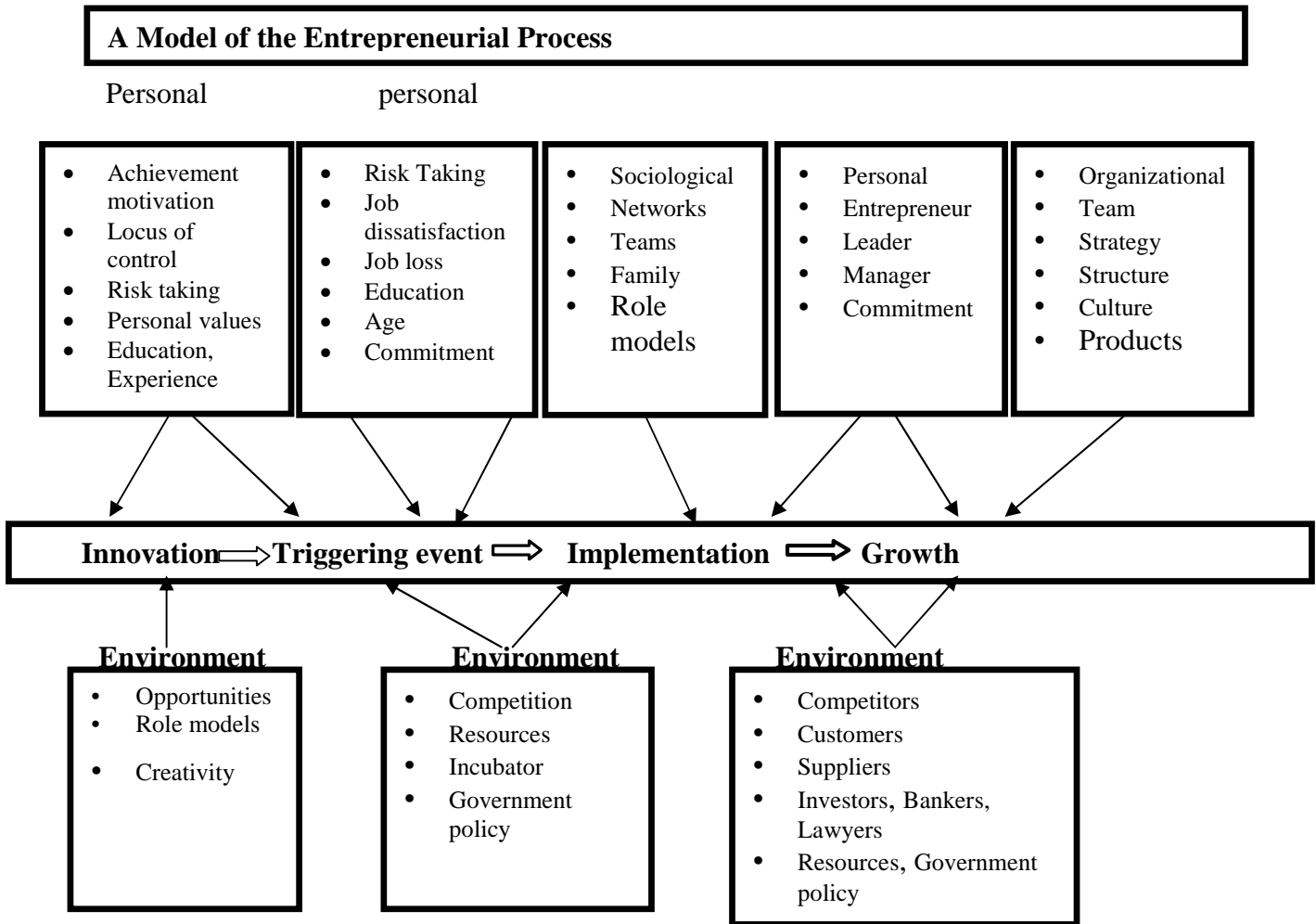
According to (Covin and Miles, 1999), entrepreneurship was the presence of innovation as well as the objective to rejuvenate or to purposefully define markets and industries in order to ensure smooth entry into such markets and industries. Through innovation, they would introduce something new to the market. Out of curiosity, customers would buy and test such products and services. Covin and Miles also suggest that entrepreneurs need to reflect capabilities and traits that will enable them to create and manage new venture creations successfully.

In order to establish an entrepreneurial environment, certain factors and leadership characteristics needed to be prevalent (Hisrich and Peters, 2002, as cited in Kunene, 2009). The following model explains the entrepreneurial process by (Hisrich & Peters, 2002,).<sup>2</sup>

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<sup>2</sup> *An evaluation of the effectiveness of training on entrepreneurship*  
[www.essa2013.org.za/fullpaper/essa2013\\_2773.pdf](http://www.essa2013.org.za/fullpaper/essa2013_2773.pdf) (assessed on 16<sup>th</sup> Feb, 2014)

Figure 2.0: Entrepreneurial process model by Hisrich & Peters



Source: Hisrich & Peters (2002) as cited in Kunene, 2009.

### 2.1.3. Entrepreneurship education

According to one study conducted in South Africa, entrepreneurship education in the country should be directed at the preparation of individuals who could be change agents for the next decade, simultaneously producing the much needed entrepreneurs required for the country. Entrepreneurship training and development as well as small enterprise training could be approached from different angles. They were business skills training, technical skills training and lastly entrepreneurial skills training (Kroon, 1997, as cited in Verheul, *et al.* 2001).

Business skills training covered all the conventional management training areas in a business. These include, strategy, planning, marketing, financial and project management as well as time

management. Technical skills training addressed the ability to use knowledge or techniques of a particular discipline to attain certain ends. Entrepreneurial training involved the creation and growth of a business enterprise and included, amongst others, creativity and innovation, risk propensity and need for achievement. Business training is formal training that covered all aspects of management which included leadership, motivation, delegation, communication and negotiation (Kroon, 1997, as cited in Verheul, *et al.* 2001).

Entrepreneurial skills training were defined as the skills which enhanced entrepreneurial performance (Wickham, 1998, as cited in Nieman, 1999). A skill was simply knowledge which was demonstrated by action. Entrepreneurial skills could be divided into two categories: general management skills (strategy, planning, marketing, financial, project management & time management) and skills in dealing with people, leadership, motivation, delegation, communication and negotiation (Wickham, 1998, as cited in Nieman, 1999). In addition, industry knowledge and personal motivation were also key contributors to entrepreneurial performance. Successful entrepreneurs must learn how to use these skills appropriately.

While others saw education and training as a potential for career change, entrepreneurs regarded education to be a vehicle for concrete problem solving, intimately associated with the operational activities of the venturing process. While most entrepreneurs had a limited basic education, they were keen on continuing education, as this might improve their abilities to perform better as they would be better equipped in terms of knowledge and technological know-how. This suggested that training should be organized as close as possible to the natural context of business operations, meaning that training be monitored to determine which programs and projects would be most suited and appropriate for the Namibian situation.

Training and development is a systematic process for analyzing and improving entrepreneurial performance in the SMME sector (Zoetemeer, 2001). It encompassed all of the entrepreneurial performance analysis, training, career development, and organization development activities provided by tertiary institutions to help entrepreneurs achieve their goals. With regard to the Tanzania SME sector in assisting entrepreneurs achieving their goals, Ministry of Industry and Trade (MIT) through their institutions SIDO being the main one is the one to spearhead the

entrepreneurial development. These institutions provided financial support and guidance to potential entrepreneurs.

These institutions provided financial support and guidance to potential entrepreneurs. Institutions of higher learning like the Polytechnic offered tailor-made training and development programs aimed at equipping these entrepreneurs with the necessary skills and knowledge to create business ventures. The MTI in conjunction with some local banks (Bank Windhoek and Standard Bank as well as Ned Bank), had implemented credit guarantee schemes for SMME's who wish to enter the sector.

Most of these small businesses if not all, had succeeded in putting up profitable business ventures through the support they received from these initiatives. Training and development professionals perform such roles as program designer, trainer, organization development consultant, process analyst, and manager/administrator. The experience gained from classroom instruction and interaction provided the potential entrepreneur with the background and skills essential to better perform. Effective training programs had expanded networks of resources and contacts amongst entrepreneurs who shared the same interests, problems and needs (Haase; Lautenschlager and Rena, 2011).

“It is internationally accepted and acknowledged that the Small and Medium Enterprises (SME) sector is an essential factor in promoting and achieving economic growth and development and the widespread creation of wealth and employment” (Nieman, 1999). Efforts by small and medium scale entrepreneurs to succeed in business in Namibia have paid off, as many of these enterprises were now acknowledged by the Namibian government as employers. It was in recognition of the energy and passion that they devoted to their businesses, that small entrepreneurs were valued in their societies and beyond. Entrepreneurship and SMEs had got an extremely important function that was, that of picking up the rate of economic development of transition economies (Putkaradze & Abramishvili, 2009).

Entrepreneurship is common in many environments, but develops quickly and rapidly grew in conditions where it was appreciated and supported. Entrepreneurs and SME's were seen as

vehicles for economic and social development (Kirby & Watson, 2003). The City of Windhoek (CoW) better known as the Windhoek Municipality had in recent years embarked upon a Business Incubation Development Programme aimed at supporting potential entrepreneurs in sustaining and further developing their businesses. The programme was designed to specifically identify the critical success factors of each business and the long term and short term strategic action plans that each required succeeding.

#### **2.1.4. Entrepreneurship Education and Training**

Entrepreneurship education can be defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business. Alberti, Sciascia and Poli (2004) define entrepreneurship education as the structured formal conveyance of entrepreneurial competencies, which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth oriented ventures.

In its most basic modern definition, entrepreneurship is the act of an individual starting their own business. However, in economic terms, the majority would agree the general view that entrepreneurship involves the creation of a new business enterprise and bearing its risks in exchange for foreseen profit opportunities. Others would also agree with both of the following depictions of entrepreneurship: being the vessel for innovations hitting and shifting the market, or the act of simply monitoring the current market to satisfy demands that are presently unfulfilled.

The type of entrepreneurship that this research proposal mainly identifies, and sees as the most beneficial for revolutionizing progress for sustainability, is as defined by the infamous economist Joseph Schumpeter's "creative destruction". The entrepreneur, according to Schumpeter, is innovation-driven, whether by a totally-new concept or innovative change that renders the past methods and products obsolete. In this sense, wasteful and harmful products and production means are replaced by less resource-depleting or equally or enhanced substitution products. With the fact that the research will utilize business ownership survey data regardless of the level of innovation, it also implies the view of Gartner (1985) when he detailed a conceptual framework for new venture creation.

In theory, entrepreneurship is ideal for growth of the economy, as it creates new businesses, which in turn creates new jobs, intensifying the level of competition and possibly increasing productivity via technological change (Acs, 2006). Particularly if there is a necessity for change and the consumers in this market are willing to accept this change. Van Praag and Versloot (2007), strengthen this concurrence concretely with the importance of entrepreneurship with the conclusion that entrepreneurship creates ample amounts of job creation, productivity growth and is responsible for high quality innovations entering the economy. These benefits in turn even lead to technological spillovers that benefit the rest of the market by long-term employment growth rate increase. Stimulation of entrepreneurship may contribute to an economy that needs to be injected with a remedy, and in the case of this paper, it is to see if ecological operations can be viable, and it just may be so if it becomes the economical norm.

Innovators are usually the ones responsible for getting the ball rolling for advancement in a market where it is far easier to rely on the sales of the same successful product - especially when economies of scale come into play, all the while ignoring the ecological effects of using inefficient components and outdated means of production. As innovation is the main driver to entrepreneurship, if the entrepreneur is successful in his sustainable breakthrough and the market accepts this novelty and gravitates towards it, the rest of the competitive market will have no choice but to either conform or built upon their concept in order to remain relevant in the market. A model based on this concept of innovation versus imitation was created by Iwai (1983) which showed that although other firms' imitation may create equilibrium of technology in the economy, innovation's purpose is to perpetually disrupt this equilibrium, and it is this dynamic struggle that governs the level of technology in that particular economy.

#### **2.1.5. The Effectiveness of Entrepreneurship Trainings Intervention**

Many researchers, including Curran and Stanworth (1989), Gibb (1987), Block and Stumpf (1992), Cox (1996) and Young (1997), as quoted by Henry *et al.* (2003: 102), have identified the need for evaluating entrepreneurship education and training programmes. Hill and O'Conneide (1998: 3) have noted that only a few studies have investigated the effects of entrepreneurship

education. Falkäng and Alberti (2000:101) agree, suggesting that there is a need for much more research on methodologies for measuring entrepreneurship education effectiveness. McMullan, Chrisman and Vesper (2001:39) have argued that it is necessary to assess the effectiveness of entrepreneurship courses on a number of grounds:

- There is an expectation that the net benefits of entrepreneurship programmes should outweigh their costs and risks;
- Training programmes and courses can be expensive in terms of money from sponsors and time for participants;
- In addition to the more obvious costs highlighted by these authors there, are hidden costs which should also be taken into consideration when assessing a program's effectiveness. For example, extra costs might be borne by guest speakers, mentors and unpaid consultants associated with programme delivery; and
- Participants may take additional risks if they decide to implement advice from entrepreneurship programmes. Thus, they suggest that central to such evaluations is an assessment of the cost-effectiveness of a particular programme as well as its opportunity costs.

A further opinion is expressed by Friedrich, Glaub, Gramberg and Frese (2003: 3) who state that summarize several often-quoted stages of success measurements of small business training:

- Knowledge and skills required;
- Delivery of training;
- Learning occurring in recipient;
- Behaviour change as a result of learning;
- Behaviour leading to a change in business performance; and change in business performance measured.

To evaluate the effectiveness of a training programme, Kirkpatrick (1967: 98) suggests measurements on four different levels. In this paper, assessing training effectiveness of the SMEs is done in line with these suggestions under *Kirkpatrick Model Analysis*:

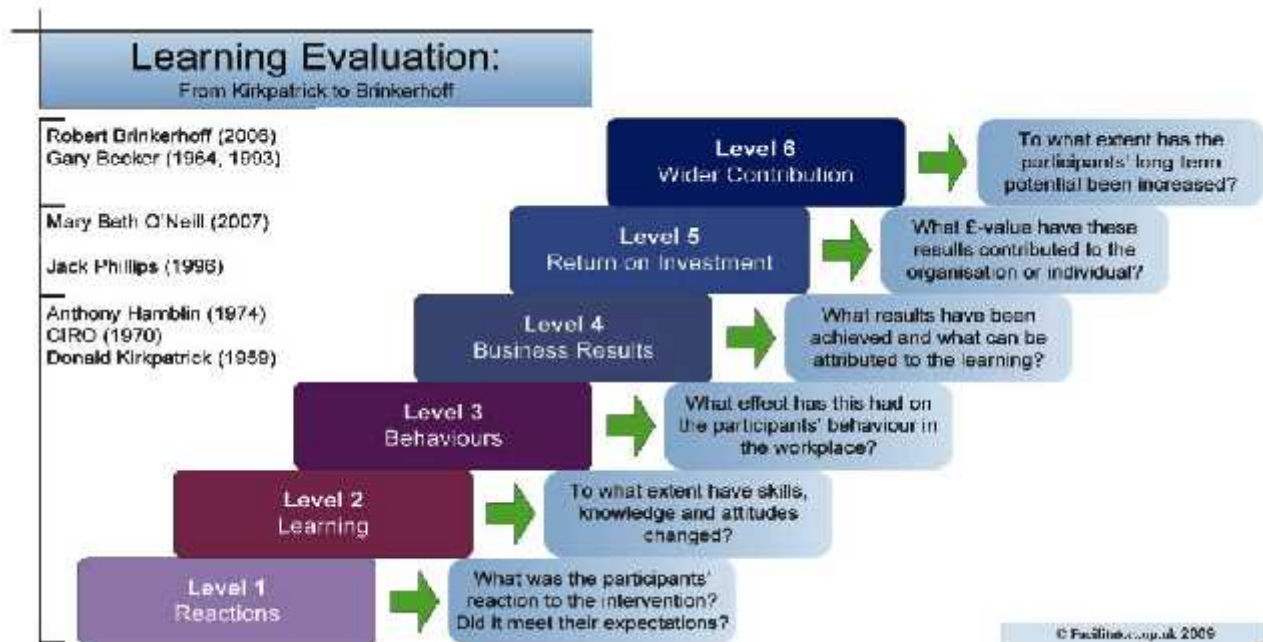


Figure 2.1: Kirkpatrick model of training evaluation

Reaction measures are used to find out trainees' satisfaction with the training programme. This evaluation is done at the completion of the training programme and consists of a number of questions about the course that participants' rate according to their level of satisfaction.

Learning measures and behavior measures assesses the effect of the training on the entrepreneurial factors. Learning measures are also used to assess the gain in training specific skills, increasing knowledge and changing attitudes.

Behaviour measures are conducted to find out whether the participants were able to apply these skills to job situations.

Post-training success measures are used to measure training outcomes in terms of economic factors such as profits, costs, productivity and quality. According to May, Moore and Zammit 1990: 172), this type of evaluation, although potentially useful, has not been conducted frequently. The apparent problem with results evaluation is the large number of variables that the researcher must identify and isolate in order to establish that a given result was indeed attributable to the training programme, as opposed to other corporate activities. Donkin (2004: 18) mentions that attempting to calculate return on investment is a step beyond the Kirkpatrick

model and usually involves some hard measuring. He suggests that the first step is to work out the desired results, such as increased output, more sales or reduced staff turnover or increased turnover. The next step is to quantify the costs associated with these issues.

Therefore, to measure the effectiveness of the entrepreneurship even further, this paper also made use of the key performance measures that were adopted from a study conducted by Kalleberg and Leicht (1991: 148) on 400 entrepreneurs; these are: Primary performance measures (number of employees, growth in employees, number of customers, sales/turnover and value of capital assets); Proxy performance measures (geographical range of markets – national versus international markets, formal business and VAT registration); Subjective measures (including the ability of the business to meet business and domestic needs – confidence in running a business); and Entrepreneurial performance measures (the desire to start a business or the desire for growth and the ownership of multiple businesses).

The reason why the measurement levels of Kirkpatrick (1967) and Kalleberg and Leicht (1991) are used is due to a literature study revealed that other authors in studies of effectiveness most frequently used these levels successfully. Some of these authors include Carter (2000: 330), Friedrich *et al.* (2003: 4) and Henry *et al.* (2003: 98).

## **2. 1.6. Sustainability**

In the literal sense, sustainable refers to, “*of relation to, or being a method of harvesting or using a resource so that the resource is not depleted or permanently damaged*”. Alternatively, it is “*of relating to a lifestyle involving the use of sustainable methods*”, both according to the Webster’s dictionary. The Chambers Concise Dictionary defines the root word of sustainability - **sustain** - among other things, as “*to hold up, to bear, to support, to provide for, to maintain, to prolong, to support the life of*” - selecting the definitions that fundamentally define sustainability at its core.

However, in the quest to determine the meaning of the term “sustainability” in an economic sense leads to an abundance of definitions, some straying far from others in terms of relation to each other, even more so than if a quest for the most plausible definition of an entrepreneur came about. Daly (1991), for example, conceded that there is no single distinct definition for

sustainability, but everyone should concur that it is “*both morally and economically wrong to treat the world as a business in liquidation*” – in other words, to treat the planet and its resources simply as something that comes and goes in the struggles of the economy. Heinen (1994) stated that no single approach to sustainable development is “consistently useful” - there are different structures, different societies, different conservation programs and different needs to be fulfilled in sustainability issues around the globe.

Nonetheless, the definition of sustainability that this research has decided to side with, is that of Gro Harlem Brundtland (1987), which is “*sustainable development is development that meets the needs of the present without compromising the needs of future generations to meet their own needs*”. Any organization that fully satisfies the terms of this statement truly adheres to what the foundation of sustainability should be all about, as it is an outlook that not only completely disregards present-time selfishness, and satisfaction without gluttony, but it ensures that upcoming prospectors can be given at the minimum equal opportunities from the pool of resources.

### **2.1.7. Sustainable Entrepreneurship**

Looking at the few, varied descriptions of sustainable entrepreneurship throughout various papers, they all convey the same definition: conducting business which commits to ethical standards and behavior, contributing to economic development, all the while maintaining a progressive upkeep of the well-being of society - including the labor-force and their families, their communities and the world on a whole, for the present and future inhabitants. Corporate Social Responsibility (CSR) is often brought up in comparison to sustainable entrepreneurship, but there is still a notable difference between the two. CSR focuses mainly on corporations and the responsibility of the corporation to be aware of the people and environment around it, and to give back to the local community in methods outside of its mandatory obligations. This, however, does not necessarily include the offerings of environment-friendly products and services like sustainable entrepreneurs do, nor does it specifically include the internal operations of the company in terms of personnel or production methods. This is why this

research proposal sides more with the terminology of sustainable entrepreneurship, which pertains to social, ecological and economical aspects both internally and externally, rather than corporate social responsibility. There may be overlap, but as this proposal focuses on SMEs, CSR is therefore not a main concern.

An entrepreneur with the mind-frame to solve an exact, particular sustainability problem (widely known as Sustainability Entrepreneurship, note the difference from Sustainable Entrepreneurship, which this paper focuses on) can be beneficial once an opportunity arises that the entrepreneur can put to use, but until then, the situation may remain the same – resources may still be used up in uneconomical ways, and it is a flawed way to conduct sustainable operations, however well-meant it may be. Sustainable Entrepreneurship, on the other hand, strives to set a universal mindset to practice sustainable methods throughout the organization, from internal personnel to purchased goods from partners, from top to bottom.

#### **2.1.8. Essentials of a Sustainable Entrepreneur**

Janssen (2001) presented a list of ten guidelines that he believed should be adhered to in becoming a sustainable entrepreneur. These ten guidelines will be presented in the following synopsis. According to him, the company should firstly begin with reducing environment damage, respect human rights and hold their employees in high regards in terms of well-being. Venturing into sustainable entrepreneurship should be crafted by their own resolution, and not just as a response from outside pressure – in other words, it should be a genuine yearning to engage in a sustainable enterprise, and not just because of, for example, new trends or competition. Commencing in sustainable entrepreneurship should have their targets and goals clearly outlined, and these targets and goals should be closely related to the enterprise's principles and activities, integrated into what it primarily does, and not be seen as a side-project.

#### **2.1.9. Sustainable Entrepreneurship Benefitting SMEs**

With the main concepts explained in the previous subsections, the purpose of this subsection is to show how the combination of sustainable entrepreneurship and SMEs can not only be beneficial

for SMEs themselves, but for the advancement of the economy on a whole. In addition to the previous points stated, Crals and Vereeck (2004) also brought up SMEs' significant impact on the economy in terms of growth and employment. Most noteworthy is the acknowledgement that individually, SMEs' impact on the economy is comparatively minute to its representation as a collective, which is responsible for around 95% of all private sector firms in most modern nations, forming a major portion of all economic activity (Schaper, 2002). Exports in major continents also owe SMEs a sizable portion of economical activity, anywhere between 26 to 60%, which even includes the most developed countries as well (Schaper, 2002).

Krueger (2005) took sustainable entrepreneurship and what is by definition sustainability entrepreneurship and made an interesting blend which took the opportunity element of entrepreneurship and "broadened" it – not just transforming economic opportunities, but opening them up to social and environmental frontiers as well. The area of sustainability entrepreneurship that he takes and changes to something that this research paper agrees with is opportunity seeking. Not just waiting for opportunities to arise and turn around into success, but to actively search for opportunities – construct or enact them – this is how he saw a solution for strategy planners who failed to see potentially rewarding ecological opportunities.

Entrepreneurs have this potential to establish trends that the rest of the market follow – it's in their nature to spot an opportunity, pursue it and profit from it, with other companies playing catch up if it grows. The dilemma is coming up with this opportunity in the first place, which is much easier said than done. Krueger (2005) defined how these environment-based opportunities can be found in the five statements in the following paragraph.

Firstly, he acknowledged that "*organizations do not see opportunities, individuals do*" – in order for an organization to consider itself one with a strong allegiance to visualize potential opportunities, it must consist of members that are strong opportunity seekers. Secondly, using our natural tendency to categorize everyday situations to categorize environmental issues into opportunities and threats as an entrepreneur would do for any other market; and continue onwards in distinguishing those categories, determining feasibility of success step by step. In

other words, creating multiple opportunities, and then comparing them with each other to make the decision(s) for the best choice in terms of viability and value. Thirdly, he states that recognizing opportunities are a reflection of an intentional process. Meaning that, as intentions are driven by desires and what is determined to be feasible, a sustainable-minded entrepreneur is the type of person to be able to solve and start the trend of resolving for economical problems. If they truly are eco-minded, their solution, in addition to entrepreneurship tendencies, will kick off an economically-growing trend that is social and environmentally friendly as well. Fourthly, he brings up the mental mold that all entrepreneurs (in this case, innovators) share regardless of their field of vision, and the steps of planning execution that distinguishes entrepreneurs from non-entrepreneurs – he shows confidence in the idea that entrepreneurs have mental approaches that are either opportunity- or threat-based, the order depending on perception of the environment. Finally, he brings up that many literature sources on entrepreneurship and innovation are in unison about the concept of intentionality (being focused towards a subject or goal) and self-efficacy (the belief that you can accomplish anything you set your mind to).

In short, SMEs' almost total occupation of market operations show that they are at the head of the pack for today's hope for innovations - combined with the monetary and reputational benefits (as opposed to reputational risks) to sustainable entrepreneurship, it is a worthwhile venture to take on despite the disadvantages that SME tend to encompass. The key to this is to retain the opportunity-seeking prowess of an entrepreneur while still upholding the social and environmental aspects on all fronts. Finally, by honing these entrepreneurial skills and turning opportunity into produce with the will of a truly eco-minded entrepreneur, appealing trends can optimistically catch on to transform the market to employ a more sustainable atmosphere.

Crals and Vereeck (2004) then continue to define the three P's that sustainable development is said to deal with, introduced by Elkington (1997): People, Planet and Profit. These three, even including the last one, Profit, must all be achieved before the business can be considered sustainable according to the vision of this paper.

### **People, Planet, Profit**

The following three P's are essentially the backbone to this research, as they can be seen as the pillars of sustainable entrepreneurship. All of the authors that have given their piece on

sustainable entrepreneurship have commonly incorporated these three in some shape or form, deliberately or not. These three basic pillars, once all fulfilled together, are essential to what not only constitutes to a successful example of sustainable entrepreneurship, but an enterprise that promotes perpetuation.

These three P's, or collectively the 'The Triple Bottom Line', are introduced by Elkington (1997). The research will be in full agreement with Crals and Vereeck (1994) for the focus on the three P's of Elkington (1997) as they serve as the main pillars for sustainable entrepreneurship. The following paragraphs will explain the three P's in short detail.

**People:** referring to the social and ethical aspects of a company and how they are handled and prioritized, i.e. the people that the company includes in its circle. Aspects such as human rights and their enforcement, the waiver of fraud and corruption in the business, condemning of child labor use, gender stance and discrimination in the work space, share of profits amongst management and labor, behavior rules and tolerance, etc. Hereafter referred to as social aspects.

**Planet:** Crals and Vereeck (2004) acknowledge that the Earth was not passed down from people before us, but in actuality it is entrusted to us by the future generation – in other words, we in the present are responsible for making sure that there is a more-than-adequate amount of natural resources from the planet for future inhabitants to, at the bare minimum, live as comfortably as we are right now. Therefore, the second P, Planet, refers to the effect and solutions that a company has on the natural resource supply and the landscape. Areas such as environmental care, eco-efficiency, and development of sustainable technology, eco-design and the like are the main issues that are looked at in this component of the three P's. They state that in a business sense, there are two conclusions: either environmental upkeep becomes a priority in the same intensity as profit maximization, or the maintenance of environmental upkeep becomes an obstruction to profit maximization, which is why it is exceedingly important to create a proper integration between the two to ensure success. Hereafter referred to as environmental aspects.

**Profit:** This P on the contrary, does not focus solely on the word in the literal sense of financial gains, but instead covers the allocation of excess funds into meaningful, helpful ways aside from self-gratification in cost-efficient ways and more into supplementary progression, such as investing into upgraded sustainable means of production and distribution, sponsoring and donating, allocation into labor remuneration and so on. They conclude this section by stating that

there is no definition of sustainable entrepreneurship that is set in stone seeing as how ideas and the world are dynamic in nature, and while the first two P's give the attention to the social and ecological views of the people and planet, the final P is what the ideal business venture should be in nature. It also directly ties into the viability aspect of this research, which is key to its goal of determining if sustainable entrepreneurship is viable. Hereafter referred to as economical aspects.

## **2.2. Empirical Literature Review**

There are number of studies that were done on effectiveness and sustainability of entrepreneurship skill trainings to SMEs. All the studies aimed at investigating the entrepreneurial flair that exists to the university students. Some of these studies are (Kristiansens and Indart, (2004)), a study that aim at identifying determinants of entrepreneurial intention among young people. This survey was done to Indonesia and Norwegian students. The study found that the level of entrepreneurship intention was high in one society and low in another society. The reason for this was found to be high economic remuneration enjoyed by employees in one country and high in another due to economic challenges found in Indonesia.

According to the research which was conducted by Ms. Egelsers S. (2009) at Telecom Namibia, in Windhoek city, attempt has been made to identify the strengths and weaknesses of the existing training programmes and the challenges facing SME's. It was shown that circumstantial factors potentially shape entrepreneurial orientation and that certain entrepreneurial orientation dimensions and background factors were associated with entrepreneurial performance. The research provided evidence that certain trainings potentially contributed to shaping of SME's and increased earnings to them.

SME's should further be made aware of the benefits of training programs. The following were the major findings:

- 1] SME business is dominated by the young and energetic entrepreneurs that are contributing to national GDP.
- 2] Many SME's are undertaken for survival of the entrepreneurs and their respective families and to help reduce national unemployment rate of the country.

- 3] Some are in entrepreneurial business to create jobs for men and women in the streets.
- 4] The Ministry of Trade and Industry and the City of Windhoek provide haphazard training courses to entrepreneurs by non-committed consultants.
- 5] The training programmes are not well publicized and if available they are poorly organized.

Taking into consideration the findings and conclusions of the research, a few of the following recommendations were made:

- 1] The study has revealed that SME's needs more training to develop their businesses.
- 2] SME's training courses are well organized by committed consultants.
- 3] Government and the City of Windhoek (CoW) should provide effective training so that SME's will thrive in their venture.
- 4] Training programmes should be well publicized in advance for participants to get all the necessary documents in time for active participation at such training programmes.

According to the research which was conducted by Afolabi B. (2012) in the Plastic Manufacturing Industry in the Eastern Cape Province, South Africa, the major conclusions from this study are that the SMEs in the Plastic Manufacturing Industries depend on the entrepreneurial and business skills for their success. This study also found out that SMEs in this industry need training in these skills so as to succeed and most of the respondents indicated that they have not yet under gone training. This was major concern for the development of this study on the effectiveness and Sustainability of Entrepreneurship Skills Training to SMEs in SIDO Tabora.

The findings indicated that SMEs depend on the entrepreneurial and business skills for their success. This study also found out that SMEs in this industry need training in these skills so as to succeed and most of the respondents indicated that they are in need for more training course as well as working tools and capital.

Moreover, the paper written by schaltegger & wagner (2011) titled sustainable entrepreneurship and sustainability innovation have introduced a framework of sustainable entrepreneurship and

explored its links to sustainability innovation. The business implications of our analysis especially relate to important conditions that pioneer, social and institutional entrepreneurs and other start-ups and incumbents need to consider when deciding on the type of sustainability innovation. First of all, these concern the industry life cycle, since the innovation requirements change over time when a dominant design emerges (Utterback, 1994). Because of this, product and process innovation need to be understood as jointly determined. To enable them to react to this, firms should carefully monitor the market for changes, for example as concerns technologies or context.<sup>3</sup>

The field of entrepreneurship is the examination of how by whom and with what effects opportunities to create future goods and services are discovered, evaluated and exploited Venkataraman (1997) ; sustainable entrepreneurship may seem odd as entrepreneurship is principally associated with accomplishing certain goals while maximizing profits in the most efficient way possible. Shane and Venkataraman (2000) make it a point to highlight this characteristic in their paper where they create a conceptual framework for entrepreneurship. Projecting a sustainable outlook for their business venture strays from profit maximization due to the added costs of sustainable goods and practices that entrepreneurs can forego by simply going for the cheapest alternative. Intuitively, sustainable goods and services are typically known to be more costly, sometimes extraordinarily so, than non-sustainable counterparts.

Entrepreneurship with sustainability as a main ingredient can be concluded to be less common by definition, but fortunately there have been several economists with the foresight to see how entrepreneurs with a sustainable mindset can help improve the economy while at the same time include social developments, help reduce consumption of the world's limited resources and possibly create new, optimal substitutions for them.

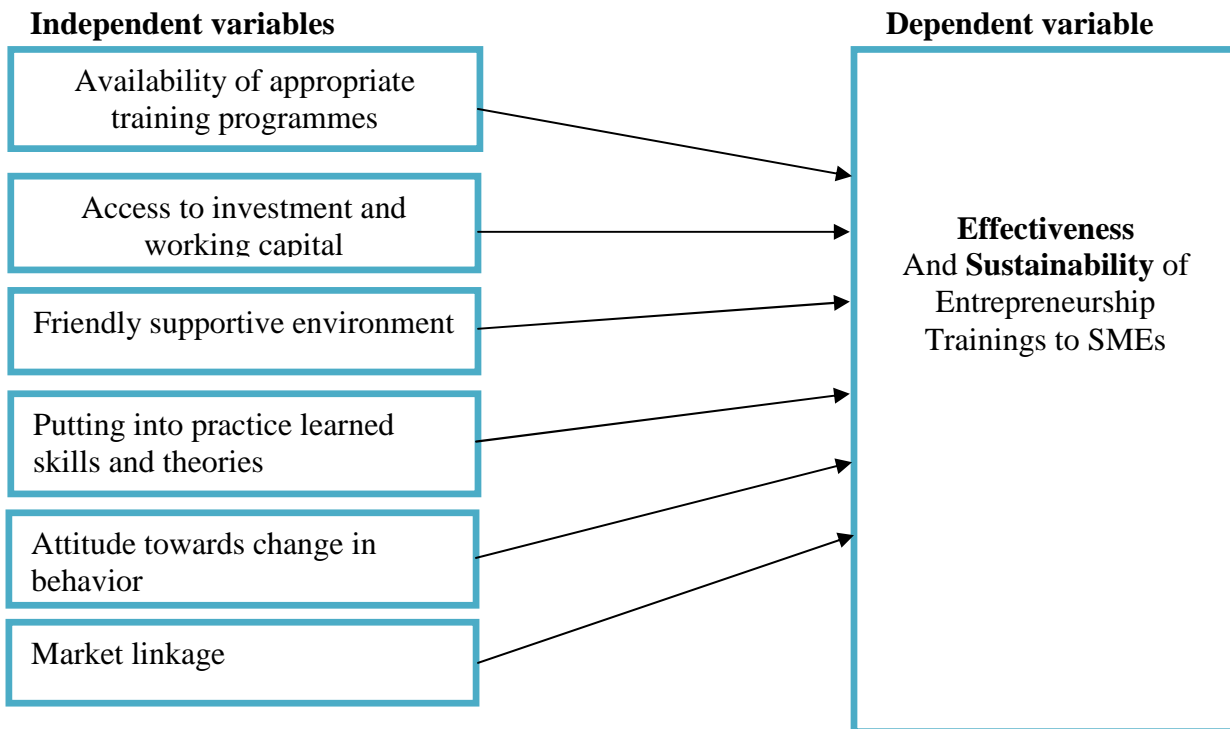
To properly set this literature review in motion, it is only right to define the terms that are the main columns to the infrastructure of this research report, which are: the entrepreneur, sustainability, sustainable entrepreneurship and viability.<sup>4</sup>

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<sup>3</sup> [www.bwl.uni-wuerzburg.de/.../Wagner - Sustainable Entrepreneurship](http://www.bwl.uni-wuerzburg.de/.../Wagner-Sustainable-Entrepreneurship) accessed on 16th Febr,2014

<sup>4</sup> <http://www.greenlodgingnews.com/survey>

**Figure: 2. 2: Conceptual framework of the study.**



### **2.2.1. Measurement of variables**

In this study, there were six independent variables and two dependent variables. The dependent variables are effectiveness and sustainability and Independent variables are availability of appropriate training programmes, access to investment and working capital, Friendly supportive environment

Putting into practice learned skills and theories, Attitude towards change in behavior and Market linkage Services. With effectiveness and sustainable Entrepreneurship Skills Trainings businesses mortality rate will be reduced, SMEs will start to implement the gained skills immediately after the training, government will provide enabling environment to start new business venture, and different financial institution will provide capital. Descriptive statistics, frequency tables, and Mean will be used to measure the relationship and central tendency between variables

## **CHAPTER THREE**

### **RESEARCH METHODOLOGIES AND PROCEDURES**

#### **3.0. Introduction**

**Research methodology** is the systematic way to solve the research problem. It may be understood as a science of studying how research is done scientifically. This chapter presents the methodology and procedures used in the study, which include research design, types of data, and methods of data collection, analysis and presentation. Research methodology is important in a research work because it specifies the sampling design (Zindiye, 2008). Below is the research design of the study.

#### **3.1. Research Design**

According to Bryman and Bell (2007), a research design provides a framework for the collection and analysis of data in a research process. A choice of research design reflects decisions about the priority given to a range of dimensions of the research process. Both staffs and trainees will be interviewed to get the required information for this research paper.

In this study, a cross-sectional (survey) design was used. The design found appropriate because it entailed the collection of data on more than one case at a single point in time in connection with many variables which were examined to detect patterns of association (Bryman and Bell, 2007). Typically surveys attempts to describe what was happening or to learn the reasons for a particular activity. This cross-sectional study is designed to explain the exploratory characteristics that constitute of entrepreneurial skill trainings and their sustainability in Tabora municipality.

#### **3.2. Area of the Study**

The area of the study confined to Tabora municipality at Small Industries Development Organization (SIDO) and trained Entrepreneurs at the municipal and surrounding outskirts for more convenience in getting data and entrepreneurship trained people.

### 3.2.1. Research Method

The research technique that was used to collect primary data was the self-administered questionnaire. A self-administered questionnaire is a form containing a set of questions, usually presented to the respondent by an interviewer or a person in an official capacity that explains the purpose but does not actually complete the questionnaire (Cooper & Schindler,2006). This technique reduced interview bias as well as saving time and money. Data was collected within a short period of time because many respondents could answer the questionnaire at the same time.

### 3.2.2. Population and Sampling

According to Baumgartner (2002), population is the focus of a researcher’s effort. The target population for this study will be 344 SMEs who are individuals and small scale enterprises that had benefited from SIDO Entrepreneurship Skill Trainings Programme in Tabora Municipality, Nzega and Igunga in Tabora region since 2012/2013, training institutions (SIDO, TEKU, VETA, and BTI). The accessible population will be Artisans, Soap makers, Food processors, Micro and small scale manufactures, Tinsmiths, Honey& honey products Processors, handloom weavers.

### 3.3. Sampling Techniques

Cluster sampling technique was used where cluster sampling is a sampling technique used when “natural” groupings are evident in statistical population as indicated in table 3.1 below. It is used where homogenous population is dispersed over a wide geographic area which is costly to travel & access all regions for the study. There were two samples for the study; the entrepreneurs sample of 156 respondents and 4 SIDO entrepreneurship skills (ES) trainers, 10 Teofilo Kisanji University (TEKU) ES trainers and students, 7 VETA Tabora ES trainers, 5 Beekeeping Training Institute (BTI) ES trainers to give a total of 182 sample size.

Table 3.0: Distribution of questionnaire

	<b>Trained SMEs</b>	<b>Training stakeholders</b>				<b>Total</b>
Number		<b>SIDO</b>	<b>TEKU</b>	<b>VETA</b>	<b>BTI</b>	
	156	4	10	7	5	182

*Source: Researcher’s findings*

Questionnaires for data collection were distributed as follows: 156 were distributed to SMEs, 3 SIDO management staffs, others to other training stakeholders to know their views on the effectiveness and sustainability of entrepreneurship skill trainings. These questionnaires to stakeholders were 10 to TEKU, 7 to VETA and 5 to BTI. These are purposively selected stakeholders because of having pertinent information regarding the research. These people have pertinent information concerning the study topic. For more clarifications table 3.1 below can be cited.

Table 3.1: Distribution of the Sample Size from SMEs

<b>Category of entrepreneurship skills Trainings provided</b>	<b>Population</b>	<b>Sample to be taken</b>	<b>Actual respondent</b>
Start/ Improve Your Business Skills	30	13	13
Food processing skills	20	9	9
Soap making Skills	20	8	8
Handloom weaving skills	30	9	9
Quality Improvement Skills	20	10	10
Credit and Financial Management Skills	18	12	12
Start Your Business Skills	32	13	13
Improve your Business Skills	28	13	0
Honey& honey products Processing	12	8	8
Group Formation and strengthening Skills	40	15	15
Leather processing Skills	18	8	8
Management staffs	4	3	0
More than 1 training	72	35	35
<b>Total</b>	<b>344</b>	<b>156</b>	<b>140</b>

*Source: researcher findings*

### **3.5. Data Collection Methods / Instruments**

In this study, a cross-sectional (survey) design was used. As a survey design, this study accomplished the data collection process through the following technique:

#### **(a) Interview**

Interview was conducted to collect qualitative information such as opinions and views of the study. Interviews were guided by interview guide questions (see appendix ii). SIDO Tabora Staffs, SMEs and stakeholders officials were interviewed during data collection; they were able to come up with the answers on interview questions. The advantages of using interview was quick method of gathering information, the researcher would know whether the respondents

understands the questions and the method was not restricted to educated class alone. Three interview guides were used to collect data from respondents. These were Trainers' interview guide and trainees' interview guide and Stakeholders interview guide. The reason for using the interview guides is because Kvale (1996) indicated that an interview guide is an essential component for conducting interviews. He explained that "an interview guide is the list of questions, topics and issues that the researcher wants to cover during the interview". This assertion fits directly into how the interview guides were structured. Each of them had sections that corresponded with the research questions for the study. The questionnaire has been answered with the guidance of the researcher for getting primary data.

David and Sutton (2004) reached somewhat different conclusions by designing a study that was less dependent on subjective judgment than previous studies where on their part likened the interview guide to a structured interview and gave the strengths of interview guide as that the researcher has control over the topics and the format of the interview. Besides, "there is a common format, which makes it easier to analyze code and compare data. In addition, a detailed interview guide can permit inexperienced researchers to do a structured interview. Above all, promptings also included in the course of questioning and if responses are inappropriate further explanations were sought from the interviewee. However different magazines, journals and SMEs policy, SIDO Regional Office Business Plan, SIDO Habari News letter, and SIDO Corporate Strategic Plan (CSP 2011/2012 to 2013/2014) have been used in getting secondary data. Not only that but also observation method applied while taking different photo by digital camera to give data a sense of strength and easy way of remembering.

#### **(b) Questionnaire**

Is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives (Kothari, 2001).

Questionnaires were having both closed and open-ended questions, which allowed individuals to express their views concerning effectiveness and sustainability of Entrepreneurship Skill trainings (see appendix I). The questionnaires were distributed to respondents aimed at getting information regarding the effectiveness and sustainability of Entrepreneurship Skill trainings.

One of the set of questionnaires was designed for various trained SMEs, SIDO staffs, and other training Stakeholders.

Numbers of respondents were 140 (89.7%) out of 156 interviewee who were visited and interviewed from the sample population of 344 trained SMEs. The table 3.1 above shows the categories of respondents.

Not only that but also observation method was used during interview and visitation to trained SMEs as indicated in the attached photos.

From table 3.0: 140(89.7%) among 156 trained SMEs responded to distributed questionnaire. 22 Questionnaires were distributed to purposively selected stakeholders because of having pertinent information regarding the research as shown in table 3.2 above, 18(81.8%) of them responded.

### **3.5.1. Data Collection Procedures**

Both secondary and primary data were employed. Questionnaires and interviews were employed in the collection of primary information. Secondary data obtained from SIDO Tabora Regional Office, SMEs, and from various stakeholders. These include but not limited to Corporate Strategic plan, SME Policy (2003), Regional Office Business Plan (2012/2013) and different quarterly business plan implementation reports.

The researcher traced and contacted respondents for the interviews in their enterprises and production centres. The face to face interviews commenced with self introduction and explanation of the purpose of the study and the co-operation of some key personalities at the organization (particularly SIDO, BTI, VETA and TEKUTABCE staffs). The cooperation which received at this stage of data collection, the interviewing of respondents has lasted exactly four months for all respondents who have taken part in the study. Client respondent who have not been interviewed were automatically indisposed during the period of data collection. During the interviews a digital camera was used to capture accurate record of the interactions and discussions with permission from the interviewee.

### **3.5.2. Pilot-Testing of Instruments**

In order to check the inconsistency of responses given in the items in the two interview guides, it will be imperative to pilot test them. In view of this, a sample of 20 clients who are not part of the main data administration will be selected purposefully for the pilot testing of the client interview guide.

The rationale for using part of the intended population for the pilot test is justified by what Tuckman (1992), states. He indicated that a pilot test may be conducted on a group of respondents who should have been part of the intended test population but will not be part of the main sample for the study. They could be used to test the reliability of the data collecting instruments. In view of the background given, a period of one month was used to interview the 156 clients and 4 management staffs. A self-addressed letter was written and used to introduce the researcher to the respondents. Initially, the respondents were not ready to be interviewed but upon persistent persuasion they eventually agreed to be interviewed.

### **3.6. Data Analysis Method**

Findings have been presented by using statistical procedure/models such as tables and percentages, which were used to summarize the results in order to draw conclusion on the Effectiveness and sustainability of Entrepreneurship trainings particularly in Tabora. The study applied both qualitative and quantitative analysis techniques. The researcher used Statistical Package for Social Science in analyzing both primary and secondary data. With the aid of SPSS the researcher were able to analyze the information from the findings easily and quickly. The analysis was guided by research objectives and research questions.

Stake (1994), explains that in analyzing research data, the main task is to understand the case through teasing out relationships, probing issues and aggregating the data categorically. Stake advocated thematic approach to data analysis where themes and patterns are developed from the data collected based on the research questions backing the study, therefore thematic analysis have been used to analyze the data collected. To be able to get all data into compatible format, all responses from respondents were grouped taking into consideration items that demanded those responses. In effect, there was manual and electronic analysis of data. Manual analysis was

mainly editing and coding of responses. With regards to the electronic analysis tool, the Statistical Package for Social Science (SPSS) has been used as an aiding tool. It is having the variable view and data view. The variable view were the first stage where data coding format is input to pave way for the second and main data input stage. All these processes dealt with and eventually, data inputted were transformed into simple frequencies, relative frequencies and percentages.

### **3.7. Research Quality Issues**

Before data entry into computer a series of pretest were conducted, the data scanning and scrutiny technique employed from available questionnaires from respondents to examine and validate the survey instrument so as to ensure content validity and reliability.

**Validity:** To ensure validity study will apply the triangulation technique by using interviews, questionnaires and secondary data analysis concurrently and this will be done through piloting of the data collection instruments used to collect data. The data collection instruments will be designed in such a way that they measure attitudes and opinions of respondents towards Effectiveness of Entrepreneurship Skills Training and its degree of sustainability. Issues developed from conceptual framework will be compared with issues obtained during interview and answers obtained from questionnaires so as to ensure construct validity, statistical analysis such as correlation will be used.

**Reliability:** Data reliability is a cornerstone of making a successful and meaningful study. In order to collect reliable data, the researcher will designed the interviews and questionnaires through an elaborate procedure which involved a series of revisions under the guidance of the study supervisors to ensure that fieldwork will be conducted by use of high quality data collection. Also quotes from interview and statement from questionnaires will be used as references to ensure reliability. In order to measure internal consistency, researcher will use Cronbach's alpha method. Researcher will use checklist of questions when making personal interviews with respondents so as to achieve data consistency and completeness.

However pretest questionnaire will be done in order to check for correctness of data collection before the starting data collection.

## **CHAPTER FOUR**

### **PRESENTATION AND DISCUSSION OF FINDINGS**

#### **4.1. Introduction**

In this chapter the analysis and discussion of the findings are presented. The analysis and discussion in this chapter is based on the responses from research questionnaires, focus group discussion, interview questions and secondary data information. The research intended to assess the effectiveness and sustainability of Entrepreneurship skill trainings. Main areas of concern in the research are the identification of various entrepreneurship skill trainings, their effectiveness as well as its sustainability to trained SMEs in Tabora, the challenges toward their failure to initiate the new business venture immediately after training and the contributions of entrepreneurship to social economic development, and this was according to the research objectives. It is a chapter where the results and outcome of research are displayed vividly. Moreover, it is a chapter that tries to answer the research questions and assess the applicability and validation of the research. Analysis was done in order to show what was put forward by the data and their subsequent interpretation was accurate through the research results.

The study was guided by the following specific objectives:-

1. To assess the types of entrepreneurship trainings skills provided by SIDO to SMEs
2. To examine whether SMEs are applying the knowledge and skills gained
3. To assess whether SIDO evaluate the trainings provided
4. To find possible ways of making the training more effective and sustainable

#### **4.2. Respondents Profile Information**

##### **4.2.1: Characteristics of trained entrepreneurs and Preliminary Descriptive Findings.**

As the name of the study refers, “The effectiveness and sustainability of entrepreneurship skills training, it is a study on how trainings are provided to SMEs and the impact of the provided skills after the training; the respondents were 140 trainees out of 344 trained SMEs by SIDO Tabora 2012/2013 (Tabora Municipality, Igunga, Sikonge and Nzega Districts). Those who responded percentagewise are as follows: Tabora Municipality 108 (77.1%) respondents, Igunga 16 group representatives were randomly selected (11.4%), In Sikonge 8(5.7%) groups’

representatives were randomly picked, likewise Nzega 8(5.7%) respondent were randomly taken to get their views and a sense of comparison on the effectiveness and sustainability of the received EST to their groups.

However, 22 were training stakeholders (other training institutions) who were purposively taken due to availability of Entrepreneurship information at their institution: 3 entrepreneurship Development tutors and 7 students from Teofilo Kisanji University (Tabora Centre), 5 Entrepreneurship trained SMEs from VETA and 2 instructors from VETA – Tabora, 5 instructors from Beekeeping Training Institute(BTI – Tabora) which makes a total of 140(89.7%) questionnaire filled from 156 questionnaire entrepreneurs. For comparison purpose table 4.1 below can be cited.

**Table 4.1: SAMPLE SIZE DISTRIBUTION IN DISTRICTS**

	Frequency	Percent
TABORA MUNICIPALITY	108	77.1
IGUNGA DISTRICT	16	11.4
SIKONGE DISTRICT	8	5.7
NZEGA DISTRICT	8	5.7
Total	140	100.0

*Source: Researcher's findings*

The survey had 140 respondents (trainees) out of 344 trained SMEs by SIDO. However the following additional representative from different training institution were purposively taken due to availability of pertinent Entrepreneurship information at their institution: 3 entrepreneurship Development tutors and 7 students from Teofilo Kisanji University (Tabora Centre), 5 Entrepreneurship trained SMEs from VETA and 2 instructors from VETA – Tabora, 5 instructors from Beekeeping Training Institute(BTI – Tabora) which makes a total of 140(86.4%) filled questionnaire out of 162 distributed questionnaire.

However for 22 questionnaires which were distributed to stake holders who are having pertinent information pertained to this research, 18 (81.8%) questionnaire were filled and returned. All respondents qualified for answering the questionnaire as the questionnaire aimed at getting a sense of comparison on other training institution to see whether they are confronted by the same

challenge or receiving the same benefit on the Effectiveness and sustainability of Entrepreneurship skill trainings.

**4.2.2: Entrepreneurs distribution by Gender**

In this survey, female respondents were 76(54.3%) and Male counter parts were 64 (45.7%) respondents as cited in table 4.2 below. This doesn't concurred with Mazzarol etal (1999) who found that females were generally less likely to be the founders of new businesses than males, see figure 4.0 of Ma Mtaba Leather processing and leather product shop owned by a woman (Mwasiti Mtaba) below. It is not only the matter of ownership of small leather processing firm but also an employer of more than four people as you can see some of them in figure 4.0 below at her leather products shop. About the propensity of putting to practice the gained entrepreneurship skills among people in Tabora, it was found that females were more entrepreneurial than males. Women are more enthusiastic to attend different training and making application of the gained knowledge than men in Tabora. Moreover the study has shown that female had exhibited higher level of attending entrepreneurship trainings than male in Tabora.

**Table 4.2: Entrepreneurial trainings distribution by sex**

	Frequency	Percent
MALE	64	45.7
FEMALE	76	54.3
Total	140	100.0

*Source: Researcher's findings*

The photo below shows one of the successful Leather Processor and leather product manufacturer shop at Igunga who was visited and interviewed during data collection at her products show room. Those in photo were some of her employees.



Figure 4.0: banner and shop for leather processing and leather products  
 These are leather products from one of trained SMEs in leather tanning and leather products making as it has been observed during data collection.

#### 4.2.3: Education level

It was also discovered that among all respondents, primary school leavers attended entrepreneurship training were 72(51.4%), Secondary school leavers trained on entrepreneurship skills were 40 (28.6%), Those with vocational skills trainings who were trained on entrepreneurship were 24 (17.1%), those who were graduate from college and universities trained on entrepreneurship were 4(2.9%). For further reference see table 4.3 below.

4.3: EDUCATION LEVEL

	Frequency	Percent
PRIMARY LEVEL	72	51.4
SECONDARY LEVEL	40	28.6
VOCATIONAL SKILLS	24	17.1
COLLEGE / UNIVERSITY LEVEL	4	2.9
Total	140	100.0

### 4.3. Business Information

#### 4.3.1: Entrepreneurial Venture Formalization Status

About 62(44.3%) of respondents have registered their businesses while 64(45.7%), their businesses are not registered, 14 (10%) of SMEs didn't respond to that question. This means that a good number of businesses have registered with BRELA in Tabora district. These results have an implication to policy makers in which are advised to increase awareness creation to make sure

that the number of formalized business should increase simultaneously with the number of trained SMEs. For further details see table 4.4 below.

**Table: 4.4: BUSINESS REGISTRATION**

	Frequency	Percent
NOT RESPONDED	14	10.0
YES	62	44.3
NO	64	45.7
Total	140	100.0

*Source: Researcher's findings*

Nevertheless the following below are trained SMEs businesses registrations: Those who did not answer the question (they don't know about registration) were 48(34.3%), sole proprietorship 67(47.9%), partnership 11 (7.9%), cooperatives 2(1.4%), and others were 9 (6.4%) businesses. With regard to effectiveness of Entrepreneurship trainings to SMEs most of the businesses are failing because of financial predators. People are working harder but they don't get ahead. They are making money but missing education on how to manage money, how to protect their money from financial predators, how to leverage their money, and how to increase their financial information. One of the financial predators to SMEs is lack of business formalization to BRELA and being certified by Tanzania Revenue Authority with Tax Payer Identification number to pay tax. Those who have failed to do that have led to increase in operation cost due to bribing and penalty which they are charged for running unregistered undertaking without paying tax. For more details see table 4.5 below.

**Table 4.5: TYPES OF REGISTRATION**

	Frequency	Percent
NO NEED FOR REGISTRATION	48	34.3
SOLE PROPRIATORSHIP	67	47.9
LIMITED COMPANY	3	2.1
PARTNERSHIP	11	7.9
COOPERATIVE	2	1.4
OTHERS	9	6.4
Total	140	100.0

*Source: Researcher's findings*

Furthermore, it has been shown through replies from respondents that 50(35.7%) trainees are about to start to utilize the gained skills by starting their business venture but they have been encountered by different challenges which hinder their initiatives. The challenges are like: Lack of permanent premises, shortage of capital, cumbersome registration procedures as well as forgetting what they have been trained after staying for a long period without putting it to practice. However they appreciated SIDO for caring them during training and declared that it was their fault since SIDO has invited them in its Incubation programme to nurture their gained skills. Nevertheless these trained SMEs lasted there for only few days and departed themselves (declared one of the trainee in handloom weaving – Dorcas Kabendera). Despite of all the support, they haven't visited SIDO again though they were given premise, raw materials and machines to be used freely. Another trainee claimed that it was the duty of SIDO to make sure that they make follow up to ensure that the skills are fully utilized; declared Shukuru Kayege one of the trainees.

Those who started their businesses were 63(45%). Agness Mahanyi was one of the women who trained and started her handloom weaving business. The lady was invited in focus group discussion to give her views on how she managed to get her own handloom machine and started her project while others are still waiting to be awaked. The lady encouraged others who have not yet started their business by saying that *“After my training on handloom weaving, I have taken handloom machine loan in form of higher purchase. I finished paying for machine after two years and now I am fully enjoying the fruits of the gained skills and the machine I bought in higher purchase”*

#### **4.3.2: Newly established business venture after trainings**

Those who didn't start and they are not having even a plan to start business were 27 (19.3%); who declared that that they are now dealing with other activities like tobacco plantation hence there is no need to start another business (See table 4.6 below).Moreover, some were the beginners who were not having any business venture, and some of them are just those who widened the scopes of their activities. The findings indicate that new businesses are few compared to those which were existed before training. However some SMEs fears that if they

show that they have started any business they will be excluded from getting support from the government, and being harassed by the tax collectors. It is better for government to provide working premises which can be used in incubation as well as seed capital to encourage SMEs to start their business immediately after training.

**Table 4.6: NEW BUSINESSES ESTABLISHED AFTER TRAININGS**

	Frequency	Percent
ABOUT TO START	50	35.7
YES	63	45.0
NO	27	19.3
Total	140	100.0

The business activities started ranged from trade, agribusiness, manufacturing, services etc. Those who responded that they haven't yet started the business because they were in dilemmatic situation of the types of business to start were 61(43.6%), trade 9(6.4%), agribusiness 28(20%), manufacturing 25(17.9%), services 3(2.1%), others who comprises of Auto mechanics and general maintenance were 11 (7.9%). The table 4.12 below shows the categories of businesses started. In relation to assessment of the effectiveness and sustainability of entrepreneurship trainings the results revealed that though some of SMEs are in dilemma on the profitable entrepreneurial venture to undergo, a good number of SMEs takes step to start their venture. However 61 (43.6%) SMEs needs consultancy and advisory services on the type of profitable entrepreneurial venture they can undergo. However these advisory and consultancy services are provided by SIDO to nurture the business at grass root level through incubation and industrial cluster services.

Despite of the hardship encountered by the training institutions like SIDO and other training stakeholders like (VETA, BTI and TEKU) the trainings are still worth to be conducted to both trained SMEs and those who are to be trained afresh; because 56.4%(Trade, agribusiness, manufacturing, services, and others) of the trained SMEs started and developed their business ventures as shown in table 4.7 below.

**Table 4.7: TYPES OF BUSINESSES ACTIVITIES STARTED**

	Frequency	Percent
IN DILEMMA	61	43.6
TRADE	9	6.4
AGROBUSINESS (FOOD PROC, VEGETABLE PRESERVATION AND DRYING)	28	20.0
MANUFACTURING(HANDLOOM WEAVING AND MAKING,WELDING AND FABRICATION,BLACKSMITH, TIN SMITH)	28	20.0
SERVICES (EDUCATION, HEALTH, TOURISM ETC)	3	2.1
OTHERS	11	7.9
Total	140	100.0

*Source: Researcher's findings*

#### **4.4. Factors Influencing Entrepreneurial Performance**

##### **4.4.1. Family Background**

The 76 family culture survey by (Gurol & Atsan 2006) came out with the findings that parents have great influence on entrepreneurship intention of their children. A good example can also be cited in Tabora where the most successful entrepreneurs are not the indigenous people but people from outside like Wachaga, Hindus, Waha, Wapare and Wasukuma with entrepreneurial background from their families.

##### **4.4.2. Entrepreneurial orientation/traits**

Fridoline (2009) stated that individuals who possess entrepreneurial personality traits such as need to achieve, risk taking propensity and a strong desire to be independent, are much more likely to engage in entrepreneurial activity than those who do not possess such traits.

It was revealed that trainees with entrepreneurial traits are likely to be trained, start and endure to their business compared to those who lack entrepreneurial traits and do not attend trainings. Therefore, entrepreneurship traits/orientation is one of the causes of entrepreneurship among trainees. These were the replies for the research question where most of the SMEs who were in need of achievement attended different trainings. Not only that but also putting into practice the gained skills and attending different exhibitions organized by SIDO so as to learn from others.

#### 4.4.3. Ability to access fund and Source of funds

The descriptive findings from respondents showed that access to finance for entrepreneurship activities implementation was not easy to most of the trained SMEs (52.9%), and those who have access to finance are (47.1%). Most of the expected and reliable source of funds were mainly from financial institutions. For further details see table 4.8 below.

**Table 4.8: ABILITY TO ACCESS FINANCING**

	Frequency	Percent
YES	66	47.1
NO	74	52.9
Total	140	100.0

*Source: Researcher's findings*

However, the research has revealed that some SMEs are not aware of different ways of funding their business venture. The results indicated that 49(35%) declared that they do not know anything on sources of funds, 6 (4.3%) they are just funding their entrepreneurial venture by taking loans from individual money lenders, 67(47.9%) are funded by loans from financial institution like SIDO, FINCA, PRIDE, SEDA, and JIDA, 2 (1.4%) from commercial banks, 6(4.3%) from friends and family members, 10 (7.1%) are taking loans from more than one source. With regard to this study on the effectiveness and sustainability of entrepreneurship trainings, financial institutions are more helpful to SMEs than commercial banks (see table 4.9 below).

However, as it was pointed out by Mardsden, (1992), and Steel(1994) and reported by Kristiansens and Indart,(2004) that: Lack of access to capital and credit schemes and the constraints of financial systems are regarded by potential entrepreneurs as main hindrances to business innovation. Not only that but also hindrance to success in developing economies since the potential sources of capital was personal savings, extended family networks and informal sources of credit, with high interest rates ranging from 18 to 36%.

**Table 4.9: SOURCE OF FUNDS**

	Frequency	Percent
THEY DON'T KNOW	49	35.0
JUST MONEY LENDERS	6	4.3
MICRO FINANCE INSTITUTION(SIDO,FINCA,PRIDE,SEDA,ETC)	67	47.9
COMMERCIAL BANK	2	1.4
OTHERS (families and friends)	6	4.3
MORE THAN ONE SOURCE	10	7.1
Total	140	100.0

*Source: Researcher's findings*

On access to finance, one can concur with Nkya (2003) that access to finance in Tanzania is incompatible with liberalized financial markets as they create technical disincentives which tend to raise the transaction costs of enterprises. Such constraints are high interest rates, the prohibitive requirement of collateral, the requirement of sophisticated project write ups, short or zero grace periods and the requirement of short repayment periods. Therefore access to finance has correlation to effectiveness of entrepreneurship skills trainings among trainees. This is because to start project is subjected to availability of initial capital which if not available, the trainees will not be in a position to start their new projects.

#### **4.4.4. Government support and favourable regulation**

In Tanzanian environment, favorability of Government Policies towards self employment is not smooth, meaning that there are many hurdles in Tanzania as far as favorability of Government Policies towards self employment is concerned. This can as well be confirmed by (Nkya, 2003) who described business environment in Tanzania as “un leveled playing field” in both the input as well as output markets as adverse practices in which cheaper untaxed imported goods are cited as having intensified the unfair competition. Apart from that Nkya (2003) described rules, regulations, laws and administration practices in Tanzania as adversely affecting the small scale entrepreneurs that own and manage enterprises in terms of multiplicity of taxes, duties and fees as they are too many and too high. Therefore Government support and favourable regulation had positive influence to the entrepreneurial skills training among trained SMEs in Tabora. This is because for those who trained and given loans and tax exemption, they managed to establish their business. Good examples of these SMEs are Tabora food processors.

SIDO trained and awarded SMEs in different tools and skills trainings. One of them is shown in figure 4.1 below where Mwasiti Mtaba one of the trained and supported SME has been awarded certificate of participation after successful accomplishment of the training. Mwasiti Mtaba is one of the women who owns a leather processing and leather product manufacturing small firm. She also owns a leather product shop as shown in figure 4.0 above. The shop and processing centre is located at Igunga town.



Figure 4.1: Awarding of Certificates in Tools and skills training to artisans

*Honorable Fatma Mwassa, Tabora Regional Commissioner awarding certificate to Mwasiti Mtaba (The owner of Ma Mtaba Leather Processing and Leather Products Making) after successful completion of Quality Management (Tools and Skills training) to entrepreneurs.*

#### **4.5: The types of entrepreneurship skill trainings:**

In assessing the types of entrepreneurship skills provided by SIDO below in table 4.10 the following were the results: food processing skills 9(6.4%), leather processing 8(5.7%), honey processing and packaging 8(5.7%), Improve Your Business Skills 13 (9.3%), Credit Management Skills 12 (8.6 %), quality management skills to artisans 10(7.1%), handloom weaving and making 9(6.4%), those who received more than one trainings are 35(25%).

However, through empirical observation it has been revealed that those who received various type trainings more than once are doing well than their counterpart. A good example is ROBI and Ma Mtaba Leather Processing and Leather Products who said that “*our business are doing well with a lot of customers because of the trainings we received several times from SIDO on*

*Leather processing and entrepreneurship*". Another trainee is JACANA natural Products who said that, "I am so grateful to SIDO for training and advising me several times. It is through SIDO trainings, I managed to start my own soap and detergent making industry. Now I have bought my own soap extractor machine to simplify my work". This information shows that, those who were trained more than once and started their businesses are many compared to those who have just been trained once.

In relation to assessment of the effectiveness entrepreneurship trainings to SMEs, the results revealed that trainings are conducted effectively and efficiently starting from conducting the training needs assessment (TNA), preparation of training modules, purchasing of training materials, weighing and leveling of expectation, conducting training, evaluation of the training in each day and at the end of the training, Setting the way forward and monitoring and evaluation. These were answers responded by one of the SIDO trainers and likewise other training stakeholders. According to primary and secondary data the following are some of the types of entrepreneurship skill trainings in SIDO Tabora as shown in table 4.10 below:-

**Table 4.10: ENTREPRENEURSHIP SKILLS TRAINING RECEIVED**

	Frequency	Percent
FOOD PROCESSING	9	6.4
LEATHER PROCESSING SKILLS	8	5.7
HONEY PROCESSING SKILLS	8	5.7
IMPROVE YOUR BUSINESS SKILLS	13	9.3
CREDIT MANAGEMENT SKILLS	12	8.6
GROUP FORMATION AND STRENGTHENING SKILLS	15	10.7
QUALITY MANAGEMENT SKILLS TO ARTISANS	10	7.1
SOAP MAKING SKILLS	8	5.7
START YOUR BUSINESS SKILLS	13	9.3
MORE THAN ONE TRAININGS	35	25.0
HANDLOOM WEAVING AND MAKING	9	6.4
Total	140	100.0

*Source: Researcher's findings*

#### **4.6: Application of the gained skills and knowledge**

SMEs that were trained in Entrepreneurship Skills Training (EST) applied them to their business and increased both production and number of customers compared to those who didn't attend trainings. The findings indicated that 116 (82.9%) trainees were having different entrepreneurial

activities while the 24 (17.1%) were not having any entrepreneurial undertaking as shown in table 4.11 below.

**Table 4.11: Trained SMEs with Business activities before EST**

	Frequency	Percent
YES	116	82.9
NO	24	17.1
Total	140	100.0

*Source: Researcher's findings*

Furthermore SIDO in collaboration with Tools for Self Reliance (TFSR –UK) has initiated a tools and skills program. Under this program SMEs are given training accompanied with working tools to make sure that the imparted skills are put into practice through the provided tools. Below in figure 4.2 is Tabora Regional Commissioner officiating the toolkit distribution during one of the closing ceremony.



Figure 4.2: RC Tabora (*Honorable Fatma Mwasa*) distributing tool kits to tailoring and embroidery groups after successful attending Tools and Skills Training for improved Livelihood, at her left is SIDO Tabora Regional Manager (*Mr. Samwel Neligwa*)

However, those who were having their own undertakings after attaining training and started to apply them in their business, the following are the findings on the impacts: Those who answered that they don't know whether there is an impact of the ES training to their business were 15 (10.7%), those with no changes were 24 (17.1%), those with slight expansion to their business were 24 (17.1%), those which expanded after the ES trainings were 44 (31.4%), those with more than double expansion were 33 (23.6%) which indicates that the training was effective to them and their business venture. These information means that a large number of trained SMEs are having their own entrepreneurial venture which simplifies the application of the gained skills and knowledge. However some of them due to their notion of being familiar to the types of venture they are undertaking they are just thinking that they are doing well while they are making loss day after day due to lack of creativity, hence a need for undergoing a diagnostic studies and health check for the project.

The findings indicated that if the existing business ventures SMEs are trained, their business will have expansion and even double expansion as it can be seen in table 4.12 below. Their businesses have grown in terms of capital, number of customers, and increase in product lines. Before training their capital was small, but after being given training and tools they increased number of produced products which increases their products as well as profit to their business. Mwasiti Mtaba said that before training my capital was less than Tanzania shillings (Tshs.) 800,000 in 2008; but currently after SIDO trainings I secured loans and grants which all of them worth 6,000,000. My business now is worth more than Tshs.12 millions. The reason behind this is that most of the existing business ventures they just need entrepreneurial skills, advisory and consultancy services and not initial capital which are not provided by most of the financial service providers and banks. You can get capital from banks and financial institution only when you have taken initiatives to start the business by your own effort. For further details see table 4.12 below

**Table 4.12: EST impact to existing business after training**

	Frequency	Percent
THEY DON'T KNOW	15	10.7
NO CHANGES	24	17.1
SLIGHTLY EXPANDED	24	17.1
IT JUST EXPANDED	44	31.4
MORE THAN DOUBLE EXPANDED	33	23.6
Total	140	100.0

*Source: Researcher's findings*

The following supports provided by SIDO should be given more priority to increase the effectiveness and sustainability of the imparted knowledge; tools and skills for improved livelihood, incubation program, market and market linkages through different zonal exhibitions, financial services, and consultancy and advisory services. Below is the photo of trained SMEs supported with tools to start putting the skills into practice.



*Figure 4.3: Heavy duty leather sewing machine distributed to entrepreneurs Honourable Fatma Mwassa (Tabora Regional Commissioner), SIDO Tabora Regional Manager Mr Samwel Neligwa in the closing Ceremony for quality management Training and tool kits distribution to entrepreneurs to enhance quality of their products.*

After training SIDO assists newly entrepreneurs on how to pack, label and marketing of their products through different zonal exhibitions, trade fairs and mini exhibitions which conducted in their graduation ceremonies during closing of the trainings showing the new beginning of implementation of the gained skills as shown in figure 4.4 and 4.5 below.



Figure 4.4: *Mini exhibition on Food processing and Entrepreneurship trained SMEs in their graduation day.*



Figure 4.5: *mini exhibition photo  
Tabora Regional Commissioner (Ag) Honorable Bushiri enjoying products which produced by SMEs during practical training in one of the EST.*

The business performances after the EST are as follows: businesses which their respondents said they don't know their performance were 48(34.3%), those who started businesses which failed and closed were 7(5.0%), the declined business were 9(6.4%), stagnated business were 18(12.9%), businesses that expanded were 52 (37.1%), and those with more than double expansion were 5(3.6%). With respect to the effectiveness of entrepreneurship training to SMEs, the trainings are effective and sustainable. This can be revealed in table 4.13 below where 37.1% of businesses have expanded while 3.6% are having double expansion. This has been revealed by SMEs like Leah Hosea Mawe who said that, "Through training and financial services from SIDO my business has expanded than ever before; I have also increased my income through the knowledge and skills I gained from SIDO trainings. Formally my business was worth only Tshs 600,000 in the year 2006 but currently it is worth more than 15 million".

Furthermore, these findings revealed that it is inevitable to provide business diagnostic and health check to started business ventures so as to reveal the existing problems to provide tailor made trainings, advisory or consultancy services to secure those stagnated and declining venture before their demise.

**Table 4.13: BUSINESS PERFORMANCE AFTER EST**

	Frequency	Percent
THEY DON'T KNOW	48	34.3
CLOSED	8	5.7
DECLINED	9	6.4
STAGNATED	18	12.9
EXPANDED	52	37.1
HAD MORE THAN DOUBLE EXPANSION	5	3.6
Total	140	100.0

*Source: Researcher's findings*

However, there are other questions which have been posed to look on the impacts of EST to livelihood, and the following are responses from respondents: those who agreed that the EST have somehow improved their livelihood were 8(5.7%), those who their livelihood has tremendously improved through EST were 98(70%), while those with their livelihood not improved were 34(24.3%).

The findings imply that the government and donors should inject more funds to SIDO and other training stakeholders to conduct entrepreneurship trainings. The reason behind this is that there is a saying which says; “*It is better to train people how to fish rather than giving them more fishes day after day*”. The saying means that through training SMEs earn something from their venture for their daily subsistence rather than waiting for the government to provide everything for them. As a result a good number of SMEs will be independent and stop blaming the government for lack of employment and pathetic poverty level. Table 4.14 below can be cited to see how the received trainings have improved SMEs’ livelihood.

**Table 4.14: IMPACTS OF THE RECEIVED TRAININGS TO LIVELIHOOD**

	Frequency	Percent
SOMEHOW IMPROVED	8	5.7
IMPROVED	98	70.0
NOT IMPROVED	34	24.3
Total	140	100.0

*Source: Researcher’s findings*

SIDO is one of the leading business developments supporting organization in Tabora Region. It provides effectively and sustainable quality services that unlock potentials for growth and competitiveness of SME in rural as well as in urban areas.

Among others, one of the SIDO strategies is to enhance technology development and transfer, provide technical services by increasing enterprise productive capacity, and product quality. SIDO identifies and enhance development of products which have good market potential and support entire district if they are commercialized. Technologies sourced are SME demand driven which enable SMEs in rural areas to develop their skills and utilize available resources in their districts. This strategy is called ODOP – One District One Product aiming at speeding up rural economic development. SIDO Tabora started to implement the programme in year 2008.

These results imply that, the government should set aside a budget for construction of incubation centres, business parks and putting more strength on One District One Product Program (ODOP) to make sure that available raw materials can immediately converted with appropriate technology

into semi or finished products. SIDO should invest more on training, business centres, incubation centres and industrial clusters for strengthening entrepreneurship and employment creation. SIDO Tabora in collaboration with other district council stakeholders were given opportunity to select one product basing on available local resources as shown in table 4.15 below.

**Table 4.15: ODOF DISTRIBUTION FOR TABORA REGION**

District	Product
Tabora Municipality	Sunflower Oil
Nzega	Sunflower Oil
Igunga	Leather shoes
Sikonge	Honey
Urambo	Honey
Uyui	Honey

*Source: Researcher's findings*

#### **4.7 Possible ways of making the training more effective and sustainable**

On making the training more effective and sustainable the question was posed targeting on the quality of the training material, facilitation skills of the trainers, and the general comments on Entrepreneurship trainings. Those who indicated that the quality of the training material were excellent were 94 (67.1%), those who indicated that the quality of the training material were good were 39 (27.9%). and those who indicated that training material quality is fair are 7 (5%) respondents. The responses are as indicated in table 4.16 below:

**Table 4.16: QUALITY OF THE TRAINING MATERIAL**

	Frequency	Percent
EXCELLENT	94	67.1
GOOD	39	27.9
FAIR	7	5
Total	140	100.0

*Source: Researcher's findings*

Furthermore, the researcher investigated whether the training material should be improved and some views were given by respondents. The results show that 36 (25.7%) suggested that the training manual should be improved, 1(0.7%) suggested the module to be translated in their vernacular (Sukuma language), 90 (64.3%) suggested no improvement to the training manual; while others 13(9.3) were asked to be given recorded CDs, or to be given in MP3 modes.

In relation to effectiveness and sustainability of entrepreneurship trainings the trainings should be maintained and slightly improved to go with time. However, the available training manual and modules are improved with time to make sure that they are up-to-date.

However, one of the trainees suggested that they are to be nurtured in incubation program for at least three months before full released to start or develop their entrepreneurial ventures. The good example of this incubation system is like one which established by SIDO in collaboration with Tabora Regional Commissioner (Honorable Fatma Mwasa) and Sikonge District Commissioner (Honourable Hanifa Salengu). The established incubation program was given the name Youth Pathfinder Green Village famous Maisha Plus Village in Sikonge as shown in figure 4.6 below. At this village trained youths are nurtured for about three to five months to equip them with relevant vocational and entrepreneurial skills. After that particular period of time they are given area to construct their own working premises and supported by government to build the low cost residential house. This is one of the good examples to be adopted for effectiveness and sustainability of entrepreneurship trainings.

**Table 4.17: IMPROVEMENTS IN TRAINING MATERIALS**

	Frequency	Percent
IMPROVE CONTENTS	36	25.7
TRANSLATE INTO LOCAL LANGUAGES	1	.7
NO IMPROVEMENTS	90	64.3
OTHERS	13	9.3
Total	140	100.0

*Source: Researcher's findings*



Figure 4.6: *Honorable CCM General Secretary Abraham Kinana officiating SIDO Toolkits distribution ceremony at Sikonge Youth Pathfinder Green Village.*



Figure 4.7: *SMEs displaying their products at Mini exhibition in Sikonge Youth Pathfinder Green Village during toolkit distribution ceremony*

Also the researcher investigated whether the provided training material are easily understandable to trained SMEs. SMEs who declared that material were easily understandable are 106(75.7%), those who declares that the material were a bit complex are 18 (12.9%), while those who

declares that material was just relevant are 16 (11.4%). However, with respect to effectiveness and sustainability of entrepreneurship training, some minor improvement on the training material should be made to keep pace with those who didn't understand the training material easily as shown by the findings table 4.18 below.

**Table 4.18: UNDERSTANDABILITY OF TRAINING MATERIALS**

	Frequency	Percent
EASILY UNDERSTANDABLE	106	75.7
A BIT COMPLEX	18	12.9
RELEVANT	16	11.4
Total	140	100.0

*Source: Researcher's findings*

Furthermore, to make training more effective and sustainable the following were comments and suggestions given by the trained SMEs: the respondents said that it is better to be given refresher courses on what they have been trained since the SMEs sector is not static were 26 (18.6%), those who suggested to be trained more on new entrepreneurship skills trainings were 39(27.9%), those who commented that the training should be accompanied with fund package to kick start the implementation of the gained skills and knowledge were 56(40%). The findings indicate that the training is still demanded for the SMEs development though not all of them are putting it to practice. Likewise fund and capital for skill implementation is very important for the imparted knowledge to be implemented as it can be seen in table 4.19 below. Not only that but also they have advised to be in groups immediately after trainings so as to pull up their efforts and capital to start utilizing the gained skills and knowledge.

**Table 4.19: OTHER COMMENTS ON IMPROVEMENT OF TRAININGS**

	Frequency	Percent
GETTING REFRESHER COURSE	26	18.6
TO BE TRAINED MORE ON NEW ES	39	27.9
TRAINING AND FUNDS/CAPITAL FOR SKILLS IMPLEMENTATION	56	40.0
NO COMMENTS/ SUGGESTION	5	3.6
REGULAR VISIT FOR MONITORING AND EVALUATION	14	10.0
Total	140	100.0

*Source: Researcher's findings*

However, awareness creation on the trainings provided by SIDO is very important for SMEs to know the types of trainings and their availability. It has been noted that SMEs who comes to entrepreneurship skill trainings receives information from trainers in different events like trainings, meetings and different congregation. Others get information from forums like Regional Consultative Committee (RCC), District Consultative Committee (DCC) where SIDO is also given opportunities to give a brief report on its Regional Business Plan implementation.

SIDO SMEs are getting training information mainly through trainers. It is better to use other means of awareness creation to advertise these trainings. The advertisements can also be made through local radios like CG FM and Voice of Tabora (VOT) FM. All these efforts can be done to make sure that even others in areas with poor accessibility can attend training to enhance their entrepreneurial ventures. Other means of awareness creation are brochures distribution, loud speaker advertising, and invitation letter circulation. For more details see table 4.20 below.

**Table 4.20: KNOWING ABOUT ES TRAININGS**

	Frequency	Percent
FROM FRIEND	16	11.4
NEWS PAPERS	1	.7
RADIO & TVs	12	8.6
TRAINERS / FACILITATORS	94	67.1
OTHERS	1	.7
MORE THAN ONE SOURCE	16	11.4
Total	140	100.0

*Source: Researcher's findings*

Conclusively from above, this study was related to matters that regards to the effectiveness and sustainability of entrepreneurship Skill Trainings and guided by the following specific objectives:

- To assess the types of entrepreneurship skill trainings provided by SIDO to SMEs, To examine whether SMEs are applying the knowledge and skills gained, to find possible ways of making the training more effective and sustainable

The types of entrepreneurship skill trainings provided have assessed and revealed that those who received various type trainings more than once are doing well than their counterpart. This information showed that, those who were trained more than once and started their businesses are many compared to those who have just been trained once. However, on the Application of the

gained skills and knowledge, SMEs who were trained in Entrepreneurship Skills Training (EST) applied them to their business and increased both production and number of customers compared to those who didn't attend trainings.

Moreover, these findings imply that the government and donors should inject more funds to SIDO and other training stakeholders to conduct entrepreneurship trainings for employment creation. This is because, through training SMEs can create money from their venture for their daily subsistence rather than waiting for the government to provide everything for them.

Nevertheless, in relation to effectiveness and sustainability of entrepreneurship trainings the training materials should be maintained and slightly improved to go with time. However, SMEs are to be nurtured in incubation program for at least three months before full released to start or develop their entrepreneurial ventures. The good example of this incubation system is like one which established by SIDO in collaboration with Tabora Regional Commissioner (Honorable Fatma Mwasa) and Sikonge District Commissioner (Honourable Hanifa Salengu).

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS, AND POLICY IMPLICATIONS

#### 5.1. Introduction

This chapter provides summary of the findings, conclusion, recommendations, and limitations of the study together with proposed areas for further study. The summary of the findings is based on the research objectives and conclusion is based in areas of policy implication, effectiveness of entrepreneurship trainings. Recommendations are provided to the government, SIDO and other stakeholders.

#### 5.2. Summary of the findings

The study was guided by the following specific objectives: To assess the types of entrepreneurship trainings skills provided by SIDO to SMEs, to examine whether SMEs are applying the knowledge and skills gained, to find possible ways of making the training more effective and sustainable.

#### 5.3. Ability to access fund and Source of funds

The descriptive findings from respondents showed that access to finance for entrepreneurship activities implementation was not easy to most of the trained SMEs, and those who have access to finance are few. Most of the expected and reliable sources of funds were mainly from financial institution.

However, the research has revealed that some SMEs are not aware of different ways of funding their business venture. The results indicated that many SMEs are getting loans from financial institutions like SIDO, FINCA, PRIDE, SEDA, and JIDA. Few of them are getting loans from commercial banks, friends and family members. Not only that but also some of them are taking loans from more than one source. With regard to this study on the effectiveness and sustainability of entrepreneurship trainings, financial institutions are more helpful to SMEs than commercial banks. Not only that but also other hindrance to SMEs development was lack of reliable potential sources of capital. Most of their funding was personal savings, extended family networks and informal sources of credit, with high interest rates ranging from 18 to 36%.

However, through empirical observation it has been revealed that those who received various type trainings more than once are doing well than their counterpart. A good example is ROBI and Ma Mtaba Leather Processing and Leather Products makers who said that, their business are doing well with a lot of customers because of the trainings they have received from SIDO on Leather processing and entrepreneurship”. Another trainee was JACANA natural Products who said that, “she is so grateful to SIDO for training and advising her several times. She said that, it is through SIDO trainings, she have managed to start her own soap and detergent making industry.

In relation to assessment of the effectiveness entrepreneurship trainings to SMEs, the results revealed that trainings are conducted effectively and efficiently starting from conducting the training needs assessment (TNA), preparation of training modules, purchasing of training materials, weighing and leveling of expectation, conducting training, evaluation of the training in each day and at the end of the training, Setting the way forward and monitoring and evaluation. Furthermore, it has been revealed that, in starting to utilize the gained skills they have been encountered by different challenges like: Lack of permanent premises, shortage of capital, cumbersome registration procedures as well as forgetting what they have been trained after staying for a long period without putting it to practice.

The findings also indicated that if the existing business ventures SMEs are trained, their business will have expansion and even double expansion. The findings revealed that, SMEs businesses have grown in terms of capital, number of customers, and increase in product lines. Before training their capital was small, but after being given training and tools they increased number of produced products which increases their products as well as profit to their business. The reason behind this is that most of the existing business ventures they just need entrepreneurial skills, advisory and consultancy services and not initial capital which are not provided by most of the financial service providers and banks. You can get capital from banks and financial institution only when you have taken initiatives to start the business by your own effort.

The following supports provided by SIDO should be given more priority to increase the effectiveness and sustainability of the imparted knowledge; tools and skills for improved

livelihood, incubation program, market and market linkages through different zonal exhibitions, financial services, and consultancy and advisory services. Despite of the hardship encountered by the training institutions like SIDO and other training stakeholders like (VETA, BTI and TEKU) the trainings are still worth to be conducted to both trained SMEs and those who are to be trained afresh in order to maintain and develop their business ventures.

The findings imply that the government and donors should inject more funds to SIDO and other training stakeholders to conduct entrepreneurship trainings. The reason behind this is that, through training SMEs earns money from their venture for their daily subsistence rather than waiting for the government to provide everything for them. As a result a good number of SMEs will be independent and stop blaming the government for lack of employment and pathetic poverty level.

On making the training more effective and sustainable, the quality of the training material, facilitation skills of the trainers, and the general comments on Entrepreneurship trainings was assessed. The findings revealed that; the qualities of the training material were good. However, one of the trainees suggested that they are to be nurtured in incubation program for at least three months before full released to start or develop their entrepreneurial ventures.

#### **5.4. Policy and Guidelines on Entrepreneurship Skill Trainings**

Entrepreneurship training model has proved relevant to SMEs development for rural and urban areas in Tanzania because the model has shown positive economic and social impacts with the usage of available raw material as captured in the literature review. In this case therefore I recommend to SIDO and other training stakeholder (BTI, VETA, and TEKU) to dialogue with the Government and donors to join hands for funding entrepreneurship training projects regional wise. Not only that but also government and public related microfinance loan programs (like SIDO, PRIDE, and Local governments) and commercial banks should reduce their conditionalities in order to benefit most of the poor for sustainable income poverty reduction through economic empowerment. Also it is recommended that the SME policy should include training on networking with financial institution in order to establish and use the existing financial banks. However, the government promised to promote entrepreneurship development

through facilitating improved access of SMEs to financial and non-financial services. Not only that but also the government should review the school curricula to accommodate entrepreneurship trainings as one of the strategies in SME policy. Not only that but also to introduce entrepreneurial programmes in vocational and technical training to be one of the government strategies to impart entrepreneurial skills to SMEs. Not only that but also to facilitate entrepreneurship development programmes for selected target groups/sectors e.g. school leavers should be one of the government strategy though resources are very limited. To facilitate capacity building in entrepreneurship development is also one of the proposed strategies in SME policy but it has become difficult to meet the demand which is increasing day after day.

## **5.5. Conclusion**

This study has been a very interesting learning ground. It has proved the fact that effectiveness and sustainability of entrepreneurship skill trainings can be achieved in presence of effective training programmes as well as provision of supporting system like incubation programmes, tools and working facilities or equipments, financial services as well as market linkages.

This study has contributed to the body of knowledge on the effectiveness and sustainability of Entrepreneurship skills related studies and this work could as well be replicated to other groups in the society and not to trained SMEs alone. As this study concluded it is recommend to Ministry of Industry and Trade (MIT) to provide sufficient fund for provision of trainings or skills as well as incubation system to nurture the gained skills till they develop their products. A good example is Tabora Regional Commissioner in collaboration Sikonge District Commissioner (Hon. Hanifa Salengu) who collaborated with SIDO Tabora to train about 100 youths. The training to them accompanied with tools as well as creating an incubation system which was renamed as Pathfinder Green Village to nurture the youth skills till the time when they become independent. It is recommended that the training institution should provide training with tools and financial support after the training so as to start and nurture the imparted skills. However now it is imperative for the government and to all her training institutes to include entrepreneurship studies to their entire programme as enterprising spirit is needed in all walks of

life. Not only in setting up the business venture, but also in keeping up with unexpected changes that keeps happening in the contemporary world.

### **5.6. Limitation of the study**

This study has its own limitation; that is data are from Tabora district with some few people from other district for the findings to gain a sense of comparison. It is also limited to training institutions, trained entrepreneurs, and trainers only, therefore the same results may not necessarily be the same to other groups of people in Tanzania society. Another limitation is shortage of time and the amount of interviewee to be covered. These are therefore the limitation challenges that this study faced. The study conducted only in Tabora because of lack of sufficient resources in terms of finance. A cross-region study could be done covering all regions to add more value in the findings.

### **5.7. Recommendations for Entrepreneurship Effectiveness and Sustainability**

SIDO should improve their trainings in order to attract more SMEs, by doing these trainees will be attracted to start their own business. However there is no objection that politics and implementations are two antagonistic powers. As it has been said by one of the respondent that SIDO is implementing their Corporate Strategic Plan by Regional Business Plan prepared and submitted to HQs to be presented before the board of directors. These plans are interfered by Member of Parliament since if you want to implement your plans they make sure that their politics plans are fulfilled through your activities.

Moreover loans with low interest rate should be offered to entrepreneurs after training for implementing their newly imparted skills. Most of the newly trained SMEs claims that they are failing to utilize their newly imparted skills due to failure to get loans because most of the financial institution and banks finances ongoing business and not for establishing new business as a result a good number of newly trained SMEs fail to put into practice their skills.

Budget for Incubation Program should be given more funds so that the trained SMEs should be nurtured in incubation centre before leaving them independently to start their business venture.

Good examples of these incubation centres are in SIDO offices where SMEs are given services like refresher training course, soft loans, business and technical advisory and consultancy services, raw materials, premises, and security for their newly nurtured ideas and products.

Not only that but also industrial clusters should be given budget to accommodate these newly trained SMEs. A cluster is the collection of industries which produces product which goes together or which are used together for example shoes, sole, shoes polish and sox.

Moreover, every trained SMEs should mind his/her own business since a good number of trained SMEs are blocking their mind of creativity by thinking to be employed rather than employing themselves,

Furthermore, tools and skills program is one of the solutions for effectiveness and sustainability of entrepreneurship trainings. This means that training should be accompanied with tools to give room for SMEs to implement what they have gained in trainings. A good example can be cited in tools which are provided by SIDO after Tools and Skills for Improved Livelihood. However, the government and policy makers should make sure that they set the sufficient budget for conducting trainings to SMEs rather than assigning SIDO Tabora and other Regional Offices to collaborate with other stakeholders like Local Government Authorities (LGAs) to conduct trainings. Collaboration with LGAs to conduct trainings while having your own funds is better than just asking collaboration without having any training funds. To researcher's view it will reach a point where SIDO will be like slave of LGAs if the Ministry of Industry will not have a further outlook on it.

Conclusively from above, trainings are to be backed up by other support services like incubation centres, loans with low interest rates and acceptable conditionalities, industrial clusters to nurture ideas and the gained skills in training, business advisory and consultancy services to advise SMEs and to assist them in making their entrepreneurial ideas or businesses come to reality; isolation of politics from implementation should be one of the strategy to reduce delaying for trainings and implementation of the gained entrepreneurial skills; SIDO budget cannot be left behind to be discussed since the government just pays salary and increase loan portfolio for

SMEs while the training budget is left blank or with just a peanut amount to conduct one or two training annually.

### **5.8. Suggestions for Future Study**

The end of this study paves the way for the future studies and researches. The researcher recommends that future studies could focus on exploring about the intensity of financial predators to entrepreneurship trained SMEs to enhance sustainability of their entrepreneurial venture. Besides provision of all the above mentioned services the growth and implementation of the training are still taking place slowly hence the need to look on the intensity of financial predators for sustaining the entrepreneurial ventures.

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**EFFECTIVENESS AND SUSTAINABILITY OF ENTREPRENEURSHIP SKILLS  
TRAININGS SURVEY – SIDO TABORA**

**Trainee Entrepreneur Questionnaire**

**A. Personal Particulars**

QA1. : Name of Trainee: First Name.....Surname.....

QA2. : Sex..... QA. 3: Email.....

QA4. : Job.....

QA5. : District..... QA6: Education Level.....

QA.7: Telephones: Mobile .....

**B. Business Particulars (if you own or partly own business) – Tick as appropriate**

QB1. : Were you undertaking any business activity before the Entrepreneurship Skills (ES) training?

1: Yes      2: No

QB2. : If yes to QB1, what was the impact of the ES training on your business?

1. No changes
2. Slightly expanded
3. It just expanded
4. It more than double-expanded

QB3. : If No to QB 1, have you started a business since the ES training?

1. Yes      2. No

QB4. How long have you taken to start your business after the training?

1. 0 – 3 months, 2. 4 – 6 months, 3. 7 – 9 months,
4. 10 – 12 months, 5. More than 12 months 6. Not yet started

QB5. : If yes to QB 3, what kind of business have you started?

1. Trade
2. Consultancy
3. Agribusiness (Food and Processing, vegetable preservation and drying)
4. Manufacturing (welding and fabrication, black and tin smiths, food processing)

- 5. Services (e.g. education, health, tourism, clearing, etc).....
- 6. Others (specify).....
- .....

QB6. : How has the new business that you started after the ES training performed?

- 1. Closed
- 2. Declined
- 3. Stagnated
- 4. Just expanded
- 5. had more than double expansion

QB7. : Is your business formally registered? 1. Yes 2. No

QB8. : If yes to QB.6, what type of business registration is it?

- 1. Sole Proprietor
- 2. Limited Company
- 3 Partnerships
- 4. Cooperative / CBO
- 5. Others (specify).....

QB9. : What is the location of your business?

- 1: Centre of the city with clear visibility
- 2: Centre of the city with no clear visibility
- 3: Outside the city with clear visibility
- 4: Outside the city with no clear visibility
- 5: No permanent premise

**C. Entrepreneurship Training Programme (ETP) Outcomes - Tick as appropriate**

QC9. : Have you been able to access any funding after the ES Training?

- 1. Yes 2. No

QC10. : If yes to QC9, from which source?

- 1. Money Lenders 2. Micro Finance Institution (SIDO/FINCA/PRIDE etc)
- 3. Commercial Banks 4. Development Banks 5. Others.....

QC11. : Have you found it necessary to write a Business Plan after ES training?

- 1. Yes 2. No

QC12. : If yes to QC11, did you write the Business Plan yourself?

1. Yes 2. No

QC13. : If no to QC.12, who developed the business plan for you?

1. By consultant 2. By friend 3. By Student  
4. By family member 5. Other (specify).....

QC14. : How much did they charge you for developing the Business Plan?

1. Tshs 0 to 100,000                      2.Tshs 100,001 to 200,000  
3. Tshs 200,001 to 300,000            4.Tsh 300,001 to 400,000  
5. Tshs 400,001 and above            6. It was free

QC15. : Did you get access to any financial support for the development of the Business Plan?

1. Yes 2. No

QC16. : If yes to QC15, from where?

- 1.Banks            2. Financial Institution    3.Friends 4.SACCOS    5. Family members  
6. Others .....

QC17. : Were you maintaining business records before ES training? 1. Yes 2. No

QC18. : If yes to QC17, has your record keeping improved? 1. Yes 2. No

QC19. : If no to QC17, have you started keeping records after the ES Training?

1. Yes 2. No

**D. Training Materials - Tick as appropriate**

QD.20.: What type of entrepreneurship training did you receive?

- 1: Food processing                      2: Leather Processing    3: Honey processing skills  
4: Business Management Skills       5: Financial management Skills  
6: Credit Management Skills          7: Group formation and strengthening skills  
8: Quality management to artisans    9: Soap Making skills  
10: Candle making Skills              11: Others.....  
12: More than one training            13: Handloom weaving and making

QD.21.: What were the impacts of the received training to your livelihood?

- 1: Somehow improved  
2: Improved  
3: Not improved  
4: worse than before

QD.22.: How did you know about ES? (tick correct ones)

1. from a friend
2. Newspapers
3. Radio or Television
4. Tanzania Investment Centre
5. Trainers
6. Others (specify).....

QD.23.: Were the training materials

1. Easily understandable
2. A bit complex
3. Relevant
4. Precise

QD.24.: What was the quality of the training/facilitation skills of the trainers?

1. Excellent
2. Good
3. Fair
4. Poor

QD.25.: What improvements would you like to see in the training materials?

1. Improve content
2. Translate into local language (which one) ...
3. No changes

QD.26.: What other comments would you like to make?

.....

THANK YOU!

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**QUESTIONNAIRE ON THE EFFECTIVENESS AND SUSTAINABILITY OF  
ENTREPRENEURSHIP SKILL TRAININGS – SIDO TABORA**

**E. Stakeholder Interview Guide**

Name of the Officer: First Name.....Surname.....

Designation..... Email.....

Name of the Institution.....

QE.27. : What has been your role in Entrepreneurship Training Programme (ETP)?

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

QE.28. : In your view, what do you think has been the contribution of Entrepreneurship Skills (ES) to Tanzania (particularly in Tabora)?

.....  
.....

QE.29. : Do you perceive that the performance and implementation of ES has been

(a) Below expectation (b) As expected (c) Above expectation

QE.30. : What improvements to ES would you wish to recommend?

.....  
.....

QE.31. : What do you think should be the future of ES?

(a) Should be scaled up, or (b) Should be scaled down

QE.32. : Would you recommend that more funding be provided to training institutions by:

(a) Government (b) Development Partners (donors) (c) Both government and donors (d) By no one

QE.33. : Why do you think more funding should be provided?

.....  
.....

QE.34. : What other general comments would you like to make on ES?

.....

**F. Questionnaire for Trainers**

**1.0: Demographic data**

Names of Trainer \_\_\_\_\_

Date of interview: \_\_\_\_\_ Location: \_\_\_\_\_

Contact: Tel: \_\_\_\_\_ Email \_\_\_\_\_

**Details of the Trainer**

Gender: 1. Male 2. Female

**Education** level: 1. Primary 2. Graduate 3. Postgraduate

Other (specify) \_\_\_\_\_

**Occupation:** \_\_\_\_\_

**2.0 Program Issues**

QG.35.: How were you selected as a trainer? \_\_\_\_\_

\_\_\_\_\_

QG.36.: Where were you trained (location)? \_\_\_\_\_

QG.37.: In which year were you trained? \_\_\_\_\_

QG.38.: Are there other areas of training you think should have been beneficial to the trainees?

\_\_\_\_\_

QG.39.: Do you think you need to undergo refresher training?

1. Yes 2. No

QG.40.: Do you think your skills level improved as a result of the Training of Trainers?

1. Yes 2. No

QG.41.: Which skills improved most?

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

QG.42.: Have you identified any gaps in your skills since being trained as a Trainer?

1. Yes 2. No

QG.43.: If yes to QG.42, what specific skills gaps have you identified?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

### **Analysis of the Trainings**

QG.44.: Do you think the content for the training modules was sufficient to the trainees?

1. Yes 2. No

QG.45.: Were the course materials easy to read and understand by the trainees?

1. Yes 2. No

QG.46.: Were the trainings accorded enough time? 1. Yes 2. No

QG.47.: If no to QG.46, how much time do you think should have been accorded to each Module? \_\_\_\_\_

QG.48.: Did the participants understand the content? 1. Yes 2. No

QG.49.: If no to QG.48, why? Explain! \_\_\_\_\_

QG.50.: Was there any communication problem (language) between you and the participants?

1. Yes 2. No

QG.51.: If yes to QG.50, what do you recommend to improve on communication?

1. Translate the materials into vernacular;
2. Hold the trainings in only vernacular;
3. Invite only secondary and post-secondary level participants;
4. Other (Specify) \_\_\_\_\_

QG.52.: Did the participants genuinely understand the purpose of the training?

1. Yes 2. No

QG.53.: After the trainings, would the participants generate action plans on the way forward?

1. Yes 2. No

QG.54.: Has any of the people you trained contacted you again for any Business Development Support? 1. Yes 2. No

QG.55.: If yes to QG.54, what kind of support do they generally want?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

QG.56.: What challenges have you faced during the Training of entrepreneurs?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

QG.57.: What recommendations would you make for improving the programme?

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Thank you for your cooperation.

Contact:

SIDO TABORA BUSINESS DEVELOPMENT DEPARTMENT

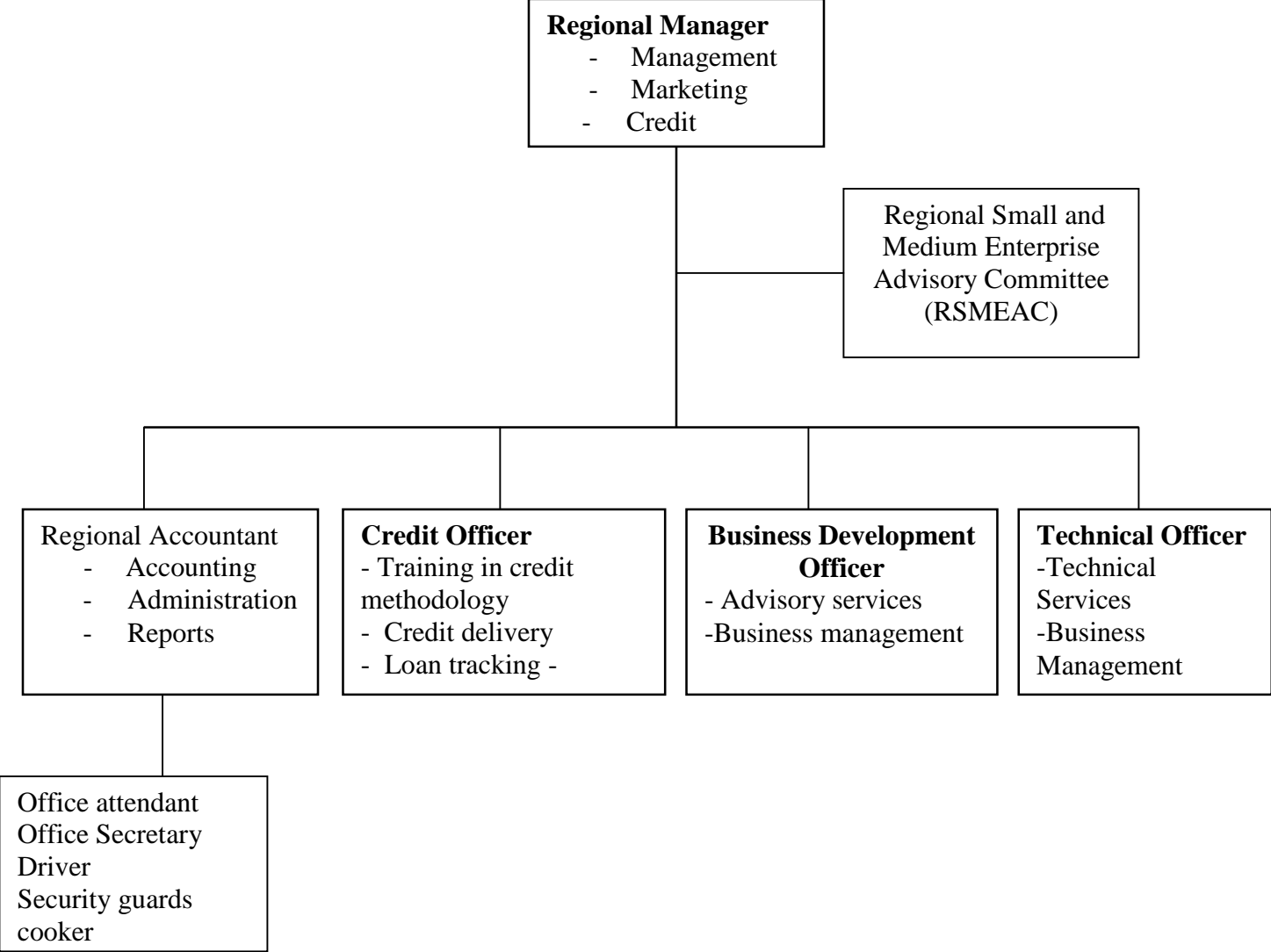
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SIDO TABORA ORGANIZATION STRUCTURE



SIDO Tabora Organizational Chart