THE CONTRIBUTION OF STAFF TRAINING TO THE ECONOMIC GROWTH OF SMALL AND MEDIUM ENTREPRISES IN TANZANIA:

A CASE OF SMEs AT MAGOMENI WARD, KINONDONI DISTRICT, DAR ES SALAAM REGION

THE CONTRIBUTION OF STAFF TRAINING TO THE ECONOMIC GROWTH OF SMALL AND MEDIUM ENTREPRISES IN TANZANIA:

A CASE OF SMEs AT MAGOMENI WARD, KINONDONI DISTRICT, DAR ES SALAAM REGION

By

Happyness Kuluwia

A Research Report Submitted to the School of Public Administration and Management in Partial Fulfillment of the Requirement for Award of Master of Science Degree in Human Resource Management at Mzumbe University

2015

CERTIFICATION

We the undersigned certify that we have read and hereby recommend for acceptance by Mzumbe University a research report entitled: **the contribution of staff training to the economic growth of SMEs a case of SMEs at Magomeni in Dar es salaam** in partial fulfillment of the requirements for the award of Master of Science Degree in Human Resource Management of Mzumbe University.

…………………………………………….

Major Supervisor

……………………………………………….

Internal Examiner

……………………………………………….

External Examiner

Accepted for the School Board…………………………………………………

DEAN/DIRECTOR, FACULTY/ DIRECTORATE/SCHOOL/BOARD

DECLARATION

I, **Happyness Kuluwia,** declare that this dissertation is my original work and that it has not been presented to any other institute for a similar or any degree award.

Signature ……………………………….

Date ……………………...….………

COPYRIGHT

AKNOWLEDGEMENT

I am grateful to all who assisted me in the preparation and production of this research report. The information which they shared with me was very useful and relevant. I am grateful to all those who helped me accomplish this work, and would like to mention a few of them.

Without the knowledge and inspiration accorded to me by the Almighty God, this research report could not have been written. My greatest debt is owed to Dr. Emmanuel Gibai for his invaluable critical and analytic supervision and constructive criticism that have enhanced this work. I express my deep appreciation and gratitude to him. I also thank all of my respondents who supplied me with the necessary data for the preparation of this work.

Since it is not practically possible to mention everyone who helped me, I would like to thank everybody who, on one way or another has supported me. These include my parents, friend, relatives, and family.

However, I remain personally full responsible for whatever shortcoming contained in this work. None of those acknowledge in any way responsible.

DEDICATION

This research report is dedicated to God the Almighty, to my lovely husband Mr. Lupyana Muhiche, my mother Jane Chagiye, my in laws Mr and Mrs Magnus Muhiche and to my sister in law Happiness Muhiche. Your continued support, advice and guidance have contributed a great deal to make this possible.

ABBREVIATIONS

CBN	-	Central Bank of Nigeria
GDP	-	Gross Domestic Product
HR	-	Human Resource
HRM	-	Human Resource Management
HRMP	-	Human Resource Management Practice
NESS	-	National Employer Skill Survey
OECD	-	Organisation for Economic Co-operation and Development
ROI	-	Return On Investment
SIDO	-	Small Industries Development Organization
SMES	-	Small and Medium Enterprises
TSHS	-	Tanzania Shillings
UNCTAD	-	United Nations Conference on Trade and Development

ABSTRACT

The purpose of the study was to assess the contribution of Staff training to the Economic growth of SMEs at Magomeni ward in Kinondoni District, Dar es salaam. The study took a descriptive and case study designs. Ten SMEs were selected where a total of fifty employees were involved for data collection by use of questionnaire. Observation and interview were used for additional information. The collected data was sorted out and coded, a likert scale of three levels was used to for ranking questionnaire responses where response were Agreed, neutral, disagree. Data was analyzed using the frequency tables and graphs. The analysis was done according to the respective objectives.

The findings showed that the level staff training is reasonable though more efforts need to be taken to make it more formal and planned. The level of economic growth of SMEs was also found to be relatively reasonable although some economic growth aspects like profits, acquisition of new technology and formation of mergers were highly realized than the acquisition of new firms and return on investments. The contribution of staff training to the economic growth of the SMEs included competent management, risk mitigation capacity, reduced turnover to enhance competitive advantage and enhancement of new technology utilization.

The study was concluded that staff training contributes highly to the economic growth of SMEs by enhancing growth strategy competence to the management, equipping the staff with growth related risk mitigation skills, enhancing the effective utilization of new technology, enhancing flexibility and commitment reducing turnover rate for ensuring competitive advantage. It was therefore recommended that staff training should be more formal and planned. Nevertheless multiple methods of training should be considered to make training more effective in terms of HR outcomes of skills development, ability to work, motivation and positive attitude building.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE

1.0 Introduction

This chapter looks at, the background of the study, statement of the problem, research question(s), research objective of the study, scope of the study, significance of the study and/or justification of the Study.

1.1 Background of the Study

Worldwide, Large organizations generally have a well defined human resource management practices (HRMP) to run their business operations, however, in the case of small to medium enterprises, they cannot afford to outsource their HRM or spend a lot in training and developing their HRM practices. Furthermore human resources management practices in the small and medium enterprises SMEs have been less researched which has created a white spot in this area as cited by (Rao, 2000).

In global conntext, to Ayyagari et. al (2007) argued that Small and medium scale enterprises have been long recognized as an instrument of economic growth and development. This growing recognition has led to the commitment of World Bank group on SMEs sector as core element in its strategy to foster economic growth, employment and poverty alleviation. In the year 2004 the World Bank group has approved roughly $2.4 billion in support of micro small and medium enterprises as cited by (World Bank, 2001).

In western countries a case of United Kingdom, 2009 National Employer Skills Survey showed that only 68% of employers provided training. The main reason for not providing training was that their staffs were “fully proficient”.

According to Shury et al., (2010b) this does not mean that there is no possibility of raising employers‘ ambition and hence their demand for skills. Indeed, a relatively high proportion of employers citing that their staff are “fully proficient” may be indicative of a lack of ambition to seek growth (SMEs growth) via high value-added SMEs.. The majority of employers reported that the recession had no impact on their training and development activity; however, amongst those where training had an effect, a greater proportion of employers reported a decrease in training than reported an increase. According to National Employer Skills Survey (NESS09) of the year 2007 reveals that in the 12 months prior to interview 38% of employers in England delivered both on-the-job and off-the-job training, 17% delivered on-the-job training only and 13% delivered off-the-job training only. This marked the continuation of the previous trend for an increase in the number of employers combining off-the-job and on-the-job training. Employers that train typically provide training for the majority of their workforce, although there is some evidence from a comparison of NESS09 data with NESS07 data (i.e. the comparable survey conducted in 2007) of a decrease in the proportion of establishments that train typically providing training for the majority of their workforce.

In Nigeria, according In Nigeria, the small and medium enterprises SMEs sub-sector has been growing, especially since the mid 1980s, following the prolonged recession in the economy which forced many large enterprises to lay off large proportion of their work-force, Gbajumo (2011). The sector accounts for 70 percent of industrial employment as cited by (World Bank, 1995). emerging and transitional economies rely on small businesses in replacing state-owned organizations and stimulate economic growth Mazzarol, Volery, Doss and Thein (1999).

A proper analysis of the developed economies of the advanced countries highlighted key imperatives needed to support the SME sector in its bid to opening the floodgates of economic prosperity. The key strategic imperatives identified, in order of priority, include training and skills development, technological adaptation and innovation and availability and access to funding and financial services. In advanced economies, the SME sector is acclaimed as the engine of economic growth and development however against international best practices Nigeria is rated poorly.

According to Doss and Thein (1999) Extensive efforts in terms of strategic programmes, policy and HRM practice will be required to elevate Nigeria to a leading position by 2020.According to Fajana (2006), Human resource management practices are connected with concepts, theories (including models), policies, plans, programmes, strategies, procedures, rules and regulations that must be employed in the acquisition and utilization of men towards the achievement of organizational goals, one of which is Training and development that involves developing skills and learning concepts which are aimed at improving productivity and therefore firm growth.

In the context of East Africa, SMEs are one of the strategies against poverty reduction. according to Omolo (2012), SMEs are one of the most effective and flexible strategies in the fight against Kenyan poverty because of their sustainability and capacity of implementation on massive scales to respond to the urgent needs of the world‘s poorest, with a positive impact far beyond the individual client. SMEs‘ growth and development, and performance in general, is therefore significant not only to the individual beneficiaries, but to the country as a whole. However, the performance of SMEs in Kenya has been poor, and SMEs in Kenya have witnessed relatively low performance. For instance in Kisumu, some newly registered 45 SMEs collapsed between 2009 and 2012, reflecting a collapse rate of 26.78% in three years, or 8.92% per year; and indication that most newly started SMEs in Kisumu Municipality do not develop to full maturity. Further, their profit margins also decreased by 12% and sales turnover by 9% within the same period. With the resultant increase in the levels of poverty and dwindling chances of formal employment, the contributions of the informal sector cannot be taken for granted, and one way to turn this around is to ensure that SMEs adopt and practice prudent training and development practices as cited by the International Journal of Human Resource Studies (2012).

In Tanzania point of view, According to Mfaume and . Leonard (2003), SMEs always ended up closing down or operating without a good return on their investment at different stages on their growth. According to Nkonoki (2010) the factors limiting the success of small and medium sized businesses among them being corruption, lack of education and training, government policy and in-access to finances. The SMEs contribute significantly to employment creation, income generation and stimulation of growth in both urban and rural areas, In-turn contributing to the development of the country as a whole economically, socially and even politically.

According to the informal sector survey of 1991, micro enterprises operating in the informal sector engaging 1.7 million small businesses consisted of about 20% of the labor force (3 million people then). Though data in Tanzania especially in the SME sector are somewhat unreliable and sketchy, the above data saves to show how crucial the SME sector is to the Tanzanian economy and since SMEs tend to be labse our intensive, they create employment at relatively low level of investment per job created.

1.2 Statement of the Problem

The studies on human resource practices have mainly been focusing on the identification of the formality and informality of HRM practices(Nkonoki,2010; Omolo, 2012, and Anderson, 1997). But the importance of individual practice remains un emphasized. Nevertheless SMEs have gained a global importance in the economy since they serve as the engine of economic growth, create employment opportunities and generate income. Such a global effect requires a better managerial capacity to maintain and sustain SMEs growth. An increased number of employees will therefore require human resource management which intends to make the human resource more competent and productive to meet the growth needs. This demand of labour productivity is not in isolation but rather a result of well trainedand equipped manpower. Geske ISS (2008) stated that increasingly training offers a way of developing skills, enhancing productivity and quality of work and building worker royalty to the firm, and most importantly increasing individual and organizational performance to achieve business results. Thus there was a need for conducting empirical study to assess the contribution of training to the growth of SMEs to laverage the impact of SMEs to the economic growth.

1.3 Research Objectives

1.3.1 Main Objective

The main objective of the study was to assess the contribution of Staff training to the Economic growth of SMEs at Magomeni ward in Kinondoni district, Dar es salaam.

1.3.2 Specific Objectives

i. To assess level of staff training in SMEs at Magomeni ward in Kinondoni district
ii. To assess the level of SMEs economic growth at Magomeni ward in Kinondoni district.
iii. To assess the contribution of staff training to SMEs economic growth at Magomeni ward in Kinondoni district

1.4 Research questions

This study intended to address the following specific questions

i. What is the level of staff training in SMEs at Magomeni ward in Kinondoni district?
ii. What is the level of SMEs economic growth at Magomeni ward in Kinondoni district?
iii. What is the contribution of staff training to SMEs economic growth at Magomeni ward in Kinondoni district?

1.5 Scope of the Study

The study was conducted at Magomeni ward in Kinondoni District, Dar es Salaam. The study focused on the contribution of staff training to the economic growth of SMEs. Specifically the study assessed staff training, economic growth of SMEs and the contribution of staff training to the economic growth of SMEs. The study took a case study design and the qualitative approach where ten SMEs were accessed for data. Data was obtained using self administered questionnaires. The gathered data was analyzed using percentage and frequency tables and graphs.

1.6 Significance of the Study

Basically from the literature review on both the HRM practices-staff training and economic growth of SMEs, most of the studies that have been done focused on identifying the HRM practices in SMEs (Nkonoki, 2010; Omolo, 2012; and Anderson, 1997), identifying lack of training as a limiting factor of SMEs growth (Sheehan, 2014), but none of these studies puts attention on the contribution of training as the HRM practice to the economic growth of SMEs. Nevertheless most of which (Edwards, 2010; OECD, 2013) were comparative surveys across developed countries which leaves the question of less developed countries unanswered since not only institutional frameworks that differ between the two but also the level of technology. With respect to these gaps it was therefore important to conduct a research that would answer the question of how staff training practices contribute to the economic growth of SMEs.

The findings of this study are significant in assisting the government and interested body to establish and improving capacity building plans for SMEs in order to increase the competence and productivity of human resource.

The study helps business men and women to know the significance of staff training to the economic growth of their enterprises, businesses and the resultant effect in the economic growth of the business locality and the community as a whole.

The study develops awareness among scholars, educationalists, workers and other interested parties in the countries about the contribution of staff training to the economic growth of SMEs.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter discusses the theoretical part, empirical part, and conceptual framework and research model hypotheses on the staff training and SMEs economic growth in relation to the study.

2.1 Definition of Key Terms

Training: is a planned and systematic effort to modify or develop knowledge, skills or attitude through learning experience, to achieve effective performance in an activity or range of activities (Chiaburu & Tekleab, 2005)

Off-the-Job Training: is a type of training which takes place away from the employee‗s immediate work position, whether on the employer‗s premises or elsewhere (OECD, 2009)

On-the-Job Training: is any other training activities which would be recognised as training by staff, but do not encompass the sort of learning by experience which would take place all the time (OECD, 2009)

Short Term Training: is staff development, which includes workshops, conferences, action research projects and graduate programs and can be initiated for a variety of reasons for an employee or group of employees (Horsley and Matsumoto, 1999)

Long-Term Training: is administrative, managerial, scientific, or technical training of a full-time or part-time nature extending longer than 120 calendar days (960 hours) that have been specifically equipped and staffed for training (Webster, 2009). SMEs: is the nomenclature is used to mean micro, small and medium enterprises (ministry of industry and trade in Tanzania (2002)

2.2 Theoretical Literature Review

2.2.1 Staff Training

Chiaburu and Tekleab (2005) defined training as “the planned intervention that is designed to enhance the determinants of individual job performance”. Moreover, “training and development is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees”

Buckley and Caple (2000) in a comprehensive definition, looked at training as a planned and systematic effort to modify or develop knowledge, skills or attitude through learning experience, to achieve effective performance in an activity or range of activities. Mclagan (1989) also observes that training focuses on identifying, assuring and helping development through planned learning, which is the key competencies that enable individuals to perform current jobs.

OECD (2009), In analyses of training activity one of the foremost distinctions made is that between: *off-the-job training* and *on-the-job-training. Off-the-job-training* takes place away from the employee‘s immediate work position, whether on the employer‘s premises or elsewhere. On the other hand *on- the-job training* is any other training activities which would be recognised as training by staff, but do not encompass the sort of learning by experience which would take place all the time. The former is sometimes referred to as “formal training” and the latter as “informal‖ training”.

On the other hand training can also be categorized as short term or long term training. According to Horsley and Matsumoto (1999), short term training is staff development, which includes workshops, conferences, action research projects and graduate programs and can be initiated for a variety of reasons for an employee or group of employees. Long-term training meanwhile, has been defined as administrative, managerial, scientific, or technical training of a full-time or part-time nature extending longer than 120 calendar days (960 hours) that have been specifically equipped and staffed for training (Webster, 2009).

A study by Aswathappa (2000) points out that the term ‗training‘indicates the process involved in improving the aptitudes, skills and abilities of the employees to perform specific jobs. Training helps in updating old talents and developing new ones.

'Successful candidates placed on the jobs need training to perform their duties effectively'. He further argues that the principal objective of training is to make sure the availability of a skilled and willing workforce to the organization. In addition to that, there are four other objectives: Individual, Organizational, Functional, and Social; Individual Objectives – These objectives are helpful to employees in achieving their personal goals, which in turn, enhances the individual contribution to the organization, Organizational Objectives assists the organization with its primary objective by bringing individual effectiveness, Functional Objectives – are maintaining the department‘s contribution at a level suitable to the organization‘s needs, Social Objectives ensures that the organization is ethically and socially responsible to the needs and challenges of the society.

A study by Geske ISS (2008) found that increasingly, management recognizes that training offers a way of developing skills, enhancing productivity and quality of work and building worker royalty to the firm, and most importantly increasing individual and organizational performance to achieve business growth.

Arsran Ayub (2013) shows that employee training is associated with sustainable competitive advantage because it has long-term implications for employees and hence, enhances organizational performance (Soltani and Liao, 2010). Thus, there develops a strong link between employee training and his performance. Specifically, training practices in organizations influence organizational commitment, employee motivation (Meyer and Allen, 1991) and job satisfaction (Sahinidis and Bouris, 2008; Rowold,

2008).

2.2.2 Measurement of Training

Cosh, Hughes and Weeks (2000) Empirical studies, have used a wide variety of definitions of the training variable.

In general we can identify two types, based upon observing either a binary indicator of training provision, or some measure of the extent of training. The critical distinction between the two types of measurement concerns the information content of the different measures. The measure of the extent of training examines to what extent there exists considerable variation in the intensity of training, while a binary indicator is examining the presence, or absence, of training, the later often contains significant measure error of what type of training in presence of training and what alternative is in place in case of absence of training. A recent extensive review by Storey and Westhead (1997) reveals that the majority of studies examining the impact of training on firms use a limited dependent, or categorical, variable measure. This is usually based on whether or not training, or a particular type of training (formal/informal, part time/full time, government sponsored, etc.) has taken place; and on whether or not a particular group or groups of employees, or managers were involved. A more limited subset of the literature uses a continuous variable approach based on estimates of the intensity of training provided (e.g. hours per week spent in training, numbers of employees trained or training expenditures), or a combination of both categorical and continuous variables to provide much better results.

2.2.3 Economic Growth of SMEs

2.2.3.1 Definition of SMEs

According to Beckley (1989) the “definition of small and medium scale enterprises varies according to context, author and country”. In country such as USA, Britain and Canada small scale business is defined in terms of annual turnover and the number of paid employees. (Ekpeyong and Nyang, 1992) In Britain for example small scale business is conceive as that industry with annual turnover of 2 million pound or less with fewer than 200 paid employees. In the case of Nigeria hardly do you see a clear-cut definition that distinguishes between small and medium scale enterprises. However, the Central Bank of Nigeria in its monetary policies circular No. 22 of 1988 view small scale industry are those enterprises which has annual turnover not exceeding 500,000 naira.(CBN; 1988) Similarly in 1990 the Federal Government of Nigeria defined small scale enterprises for the purpose of commercial bank loans as those enterprises whose annual turnover does not exceed 500,000 naira or those enterprises with capital investment not exceeding 2 million naira (excluding the cost of land) or a minimum of 5 million naira.

According to Kozak, (2007), SMEs should be judged based on number of employees or annual turnover that fall bellow certain threshold. It is these indicators, number of employees and or rate of turn over that tend to define the context within which different countries and economies situate their understanding of small and medium scale enterprises.

There is no single uniformly acceptable definition of a small business. This is so because a small firm in one industry and one in another industry might have different levels of capitalization, sales and employment from a small firm in another industry, Nkonoki (2010). Thus, definitions which are objective in nature (considers size such as number of employees, sales, profitability , net worth etc) at a sect oral level, mean that in some sectors all firms may be regarded as small while in other sectors there are no possibly firms which are small (Storey 1994).

A study by McMahon et al (1993) refers to a small business as a 'vexing and enduring difficult' and went on to indicate that small enterprises are easier to describe than to define in precise terms. What small enterprises in fact have in common and what sets them apart from large enterprises, are other less tangible attributes that are more difficult or even impossible to measure. McMahon et al (1993) have summarized a common view that small firms are best identified by their inherent characteristics.

According to the ministry of industry and trade in Tanzania (2002), small businesses are collectively defined under the nomenclature SMEs. SMEs nomenclature is used to Small and Medium Enterprises. It is sometimes referred to as micro, small and medium enterprises (MSMEs). In the Tanzanian context, micro enterprises are those engaging up to four people in most cases family members or with an investment not exceeding 5.0 million TSHS the majority of which fall under the informal sector. Small enterprises are mostly formalized undertakings engaging 5 to 49 employees or with capital investment of TSHS.5.0 million to TSHS.200 million. Medium enterprises employ about 50 to 99 employees and use capital investment from about 200 to 800 million TSHS. (Tanzania SME policy 2002).

2.2.3.2 SMEs Economic Growth

(UNCTAD, 2005) Firms grow in two ways; by internal expansion and through integration. Internal expansion: To grow internally, a firm will need to retain sufficient profits to enable it to purchase new assets, including new technology. Over time, the total value of a firm‘s assets will rise, which provides collateral to enable it to borrow to fund further expansion. External expansion: The second route to achieve growth is to integrate with other firms. Firms integrate through mergers, where there is a mutual agreement, or through acquisitions, where one firm purchases shares in another firm, with or without agreement.

A study by Helsinki (2010) contends that although the significance of rapidly growing small businesses in creating employment (especially in a third world country like Tanzania) is very obvious to many, the empirical and theoretical understanding of the economic growth of small firms remains sketchy. This is partly accounted by the fact that small firms which makes the transition from small to large changes in character (Penrose 1959). What Penrose pointed out about small firms changing in characters encouraged a number of researches to be done on the changes in a firm associated with growth. This is how the stage models came to life.

A study by Scott and Bruce (1987) established the stage models which suggest that a small firm moves from one stage to another in pursue of growth. According to Scott and Bruce (1987) who infer that a small firm moves from stage 1 (inception) through to stage 5 (maturity). At each of the stages it is assumed that the role which top management plays, the management style and the organization, the stages are Inception, survival, growth, expansion and maturity. However Storey (1994) presents a comprehensive critique of stage models of SME development which acknowledges weaknesses of business growth conceptualizations.

Gerhart et al. (2000b) as organizations (SMEs) grow larger (in terms of number of employees) and more complex (in terms of more job categories, more sites, and more business units/divisions), HR practices are administered by corporate HR specialists and division specific generalists and thus become less readily accessible to top HR officers Scott (1995). According to Storey (1994) the best variables for measuring firm size and growth are therefore added value and the number of employees. The problem with added value is that there is usually a lack of information. The only problem with using the number of employees is that it does not consider the growth in labour productivity. This being the case both financial and non financial indicators need to be used to arrive at understanding the economic growth of the firm.

2.2.4 Measuring Economic Growth

Referring to Storey (1994) who suggested the best variables for measuring firm size and growth to be added value (financial) and the number of employees(non financial). Moreover Storey suggests that there are challenges associated with these variables: in added value there is usually lack of information while number of employee does not consider growth of labour productivity. Lack information is accounted by the fact that many firms are reluctant to provide their financial data due to competitive reasons, on the other hand many SMEs lacks competent employees with proper knowledge and skills to keep the organization financial records. The study took into account the suggestion by Storey (1994) to consider both financial and non financial indicators for arriving at understanding the economic growth.

2.2.5 The Contribution of Staff Training to the Economic Growth of SMEs

A study by Barrett and O‘Connell (2001) on assessing if training generally work argues that, general training has positive impact on firm performance whereas firm-specific training does not. Lynch and Black, (1995) focusing on the impact of training on organizational performance reveals that, only off-the job training improves performance whereas on-the-job training does not. Whereas Rothwell et al. (1995), argue that training increases employees‘propensity to perform and subsequently contributes to the firms' expansion. Companies that integrate training and development practices into their business planning enhances their own performance.

According to Collins et al. (2003) focusing on Enhancing SMEs business performance through the internet and e-learning platform, supported Evans and Lindsay (1999) by adding that, those organizations that train employees reduce employees turnover rate, raises subjective productivity and performance.

A study by Delery and Doty (1996) has found training as tool for cost cutting and value creation in organizations. Similarly, training facilitates the achievement of corporate strategy and improves organizational performance especially for learning organizations. So according to Delery training must be aligned to organizational strategy in order to result in high growth in those organizations.

2.3 Theories and Models

2.3.1 Human Capital Theory

The Human Capital Theory developed by Smith (1776) and revived by Schultz (1961) postulates that training is a form of investment in human beings. The underlying belief is that training creates assets in the form of knowledge and skills, which in turn increases the productivity of the worker. Schultz argued that skilled human resource has been able to acquire these skills as a result of staff development programs or investment in the existing human resource through appropriate on-the job training both within and outside the organization for example seminars, workshops, conferences, and by creating conducive environment through appropriate welfare care like promotion. According to Flamholtz & Lacey (1981), human capital theory proposes that people's skills, experience, and knowledge are a form of capital and that returns are earned from investments made by the employer or employee to develop these attributes.

Human capital theory presents a clear relationship between training performance of organizations (SMEs). The theory emphasizes that for the growth (increasing the productivity, sales, profits) of SMEs, employees should create assets in the form of knowledge through training thus makes training an indispensable tool for any SMEs seeking economic growth. The theory ascertain staff training as a human capital investment is an independent variable that affects SMEs economic growth (dependent variable) proportional hence forms the basis of this study.

2.3.2 Cybernetic Model

Wright and McMahan (1992), the model is based on the general systems models and includes input from the environment (i.e., inputs of HR knowledge, skills, and abilities), throughput (HR behaviours) and output systems (productivity, sale, job satisfaction and turnover). When the model is applied to strategic HRM, Wright and Snell (1991) focus on two major responsibilities: competence management (deals with individual skills required to implement a given organisational strategy) and behaviour management (activities that seek to agree and coordinate attitude and behaviour of individuals for organisational strategy and goals).

According to (Geske ISS, 2008 and Soltani and Liao, 2010) staff training should be traced in terms of HR outcomes of knowledge, skills, abilities, Attitudes, behavior, and motivation which are suggested by scholars to have an impact on increasing individual and organizational performance to achieve business growth. Therefore, training as input from the environment will improve knowledge, skills, abilities, attitudes, behavior and motivation of employees as a throughput for creating positive organisational outcomes (economic growth) as the output.

The model puts a foundation that for training to impact economic growth of SMEs it has to use throughput (HR outcome of knowledge, skills and abilities, Attitudes, behaviors and motivation) as intervening variables. With the aid of this model, the assessed the contribution of training(input from the environment) to the economic growth of SMEs (output) through HR outcome of knowledge, skills, abilities, attitudes, behavior and motivation (throughput or intervening variables).

2.3.3 Multi Level Model

It is a recently excellent analytical framework, which uses a multi level approach to link training and the organization outcome.

According to Kozlowski and Klein (2000) the multi level model bridges the gap between theoretical models of training needs assessment, design, and evaluation, and the higher levels at which training must have an impact if it is to contribute to organisational effectiveness (Kozlowski & Salas

1997). The model is focused on training transfer and is embedded in two distinct transfer types: horizontal and vertical transfer. Horizontal transfer concentrates on traditional models of training effectiveness. Vertical transfer examines the link between individual training outcomes and organisational outcomes. There are two distinctive forms of vertical transfer processes namely composition and compilation. Composition concentrates on individual contribution at the same content, while compilation focuses on individual contribution at the different or diverse content.

With reference to Kozlowski & Klein (2000) Lower-level phenomena tend to have more rapid dynamics than higher-level and emergent phenomena, which makes it is easier to detect change in lower-level entities. This is one reason why top-down models predominate in the literature. For example, efforts to improve organizational outcomes (for example, economic growth) through training (for example, management) assume emergent effects that originate at the individual level. Models of training effectiveness focus on the transfer of trained skills to the growth setting. Higher-level contextual support (for example, a transfer climate) enhances transfer in such a way that the effects of management training on economic growth are relatively immediate. However, the effect of individual-level management training on organizational outcomes is emergent and requires a much longer time scale. Individual cognition, attitudes, and behaviors must combine through social and work interactions. Depending on the nature of the vertical transfer process, individual outcomes will compose or compile to the group level and over longer time frames, will yield organizational outcomes (Kozlowski & Salas, 1997; Kozlowski, Brown, Weissbein, & Cannon-Bowers, 2000). These authors have put training on a set of HRM policies and consider training as an important and vital policy for improving knowledge, skills, attitude and motivation of employees. This review of theoretical models linking training to firm performance also suggests that it is explicitly recognised that no organisation including SMEs can attain its goals (economic growth) without labour that has the right knowledge, skills, abilities, behaviour, and attitudes.

From this model it is established that in order to have reliable study linking training and organization outcome (economic growth in this case) the time factor should be considered as to when the training took place and when the organization outcome is expected to be realized. This model helped this study to consider SMEs that will have been established enough time (not less than three years ago) to accommodate long time frame from training to realization of organization outcome (SMEs economic growth). Not only these but also the model helped the study to realize that, training plays an important role in improving the quality of employees directly and contributing to firm growth through HR outcomes of knowledge, skills, attitude and motivation.

2.3.4 Guest Comparative Model

Guest (1987) developed a theoretical framework to show how HRM policies can affect human resources and organisational outcomes. The strength of Guest‘s model is it is a valuable analytical framework for studying the relationship between HRM policies and organisational performance, because it expresses pathways for more careful, clear and ease of empirical testing. He saw commitment as a vital outcome, concerned with the goals linking employees with firm performance as the goal of quality is important to ensure the high quality of products and services. It holds that better training leading to more quality outcomes in terms of commitment and flexibility, will then affect organizational performance in that productivity will increase; innovation will be achieved as well as limited absences, labour turnover (training results into flexibility/adaptability resulting into low turnover), conflict or customer complaints. The financial outcomes of this are profits and return on investments as cited by (Thang, Quang& Buyens, 2010).

The model emphasizes the pathway of staff training outcomes to organizational outcomes. The relevance of the model to this study is based upon its explanation of how independent variable (staff training) will have immediate outcomes in form of commitment and flexibility of labour resource and therefore an assurance of high retention rate which implies a good return on human capital investment that guarantees for economic growth (dependent variable).

2.4. Empirical Literature Review

2.4.1 Relationship between Training and Growth

Jane Bryan (2006) in the article on Training and Performance in Small Firms explores the relationship between training and growth in small manufacturing businesses. Research on training undertaken at the macro-level highlights a series of earnings and productivity returns. However, firm-level research has generally yielded more ambiguous results. A review of small firm researches indicates that the relationship between training and growth has rarely been considered within the wider context of other factors that may influence growth. Training literature also appears to be more concerned, perversely, with its impacts on firm inputs (employment growth) rather than output (sales) growth. Other considerations also complicate understanding of the relationship between training and firms‘ economic growth, since training may be provoked by employment growth (but not theoretically by sales growth), and has a tendency to be associated with larger firms. These considerations are examined with respect to two types of training, in-house training and ex-house management training.

According to Quartey (2012) in his study with the specific questions as what is the perception of employees in terms of the training awareness, frequency of training, and forms of training they receive and if does employee training have an effect on organizational performance (non financial growth of SMEs). Given the limited studies available on HRM, and on training in particular, in the Ghanaian context, it was observed that a case study approach was appropriate as cited by (Yin, 2003) to investigate organisational practices and employees‘ views. The study deployed questionnaire survey as the main method for primary data collection. This was supplemented by limited observation during site visits for survey and by secondary data collected from government gazettes and company documents, such as annual reports on staff training.

The study found that a sizeable body of research has examined the effect of employee training on organizational performance and confirmed the firms, growth and expansion to be a result of well planned employee training.

2.4.2 Factors Limiting Growth of SMEs

According to Nkonoki (2010) in the study on what are the factors limiting the success and/or growth of small businesses in Tanzania found that a few factors emerged stronger in limiting small firms‘ economic growth which among others include not only people factor/ lack of needed talent but also inadequate training. Those factors mentioned above are the key constraints which have emerged as the most influential in impacting the growth of small firms in Tanzania. In the study the researcher intended to identify the limiting factors for small businesses but this study will focus on the contribution of human resource management practices – training in particular in growth of not only small businesses but also medium enterprises (SMES).

2.4.3 Contribution of Staff Training to Economic Growth of SMEs

According to Radwan (2009) in his study on the determinants and impact of training: The case of SMEs in Jordan; a sample of 500 SMEs was surveyed at regional level using a questionnaire. Found that higher investment on employees as indicated by training expenditures improves the SMEs performance (economic growth) in the form of increases revenues, profits and number of employees. Radwan (2009) recommended that managers should be targeted in order to increase their awareness of the presence and benefits of training; which will eventually result into economic growth of the SMEs and the economy as a whole.

According to Jones (2005) in his study on the determinants of training in Australian manufacturing SMEs, confirms that increasing training efforts increases firms‘ growth in terms of sales volumes and revenues in support of Evans and Lindsay (1999) who reveal that organizations are committed to quality investment in training and development of its employees receive an exponential growth in customer delights, profitability and overall economic growth of those organizations. There is a huge return on those training investment (ROI).

A study by Dahi Emine (2012) on Financial Challenges That Impede Increasing the Productivity of SMEs in Arab Region found that trained workers are not only more productive, but they have more learning and innovative abilities, those SMEs which have more capable workers are likely to be more efficient. Thus a firm‘s efficiency is also dependent upon the abilities and how-know of the human capital of its employees. Human resources in Arab SMEs generally are weak in terms of their knowledge and skills of market analysis, marketing and product innovation as well as business planning and financial management. Therefore, the need is to develop capacity building programs to improve the entrepreneurial and business management skills of human resources in SMEs and enhance the effectiveness of SMEs. Entrepreneurial competencies may, therefore, be developed by education, know-how and training as cited by (Gibb 1986; Romjin 1989).

2.5 Research gap

From the empirical literature above, Jane Bryan (2006) and Quartey (2012), showed a causal relationship between staff training and firms‘ growth, but do not make a clear explanation of what training makes to the firm. A study by Nkonoki (2010) is limited to identifying lack of training as a factor limiting the growth of small business firms. A study by Radwan (2009) was a survey which involved a sample of 500 SMEs, the study has left a methodological gap since the case study design was not employed to assure for detailed information. In this study the researcher will use the case study design to show contribution of training to SMEs economic growth for catering the gap.

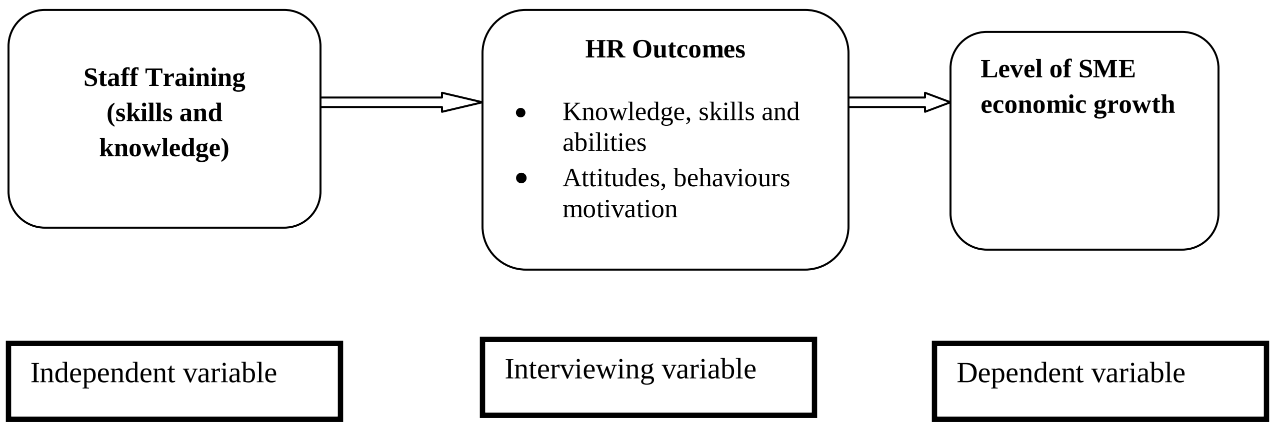
Nevertheless the most relevant studies remained a geographical gap since a study by Jones (2005) was conducted in Australia, Dahi Emine (2012) in Arab Region in a developed region thus there is a need for the study in the developing country like Tanzania.

This study intended to fill the gap by assessing the contribution of staff training to the economic growth of Small and medium enterprises in Tanzania particularly SMEs at Magomeni, Kinondoni District, Dar es Salaam.

2.6 Conceptual Framework and Research Model

Miles and Huberman (1994) defined conceptual framework as a usual or written product, one that explains graphically or in narrative form the main things to be studied, the key factors, concept or variables and the presumed relationships among them.

Figure 2.1: Conceptual Framework



Source: Researcher 2014

From the figure 2.1, the independent variable is Staff training in which both on-the-job and off-the-job training can contribute to the economic growth of SMEs through throughput (intervening variables) with respect to the cybernetic model by (Wright and McMahan, 1992). According to (Geske ISS, 2008 and Soltani and Liao, 2010) staff training should be traced in terms of HR outcomes of knowledge, skills, and abilities, Attitudes, behavior, and motivation which are suggested by scholars to have an impact on increasing individual and organizational performance to achieve business growth. Thus the figure above shows that staff training contribute to economic growth through HR outcome of knowledge, skills, abilities, attitudes, behavior, motivation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers type of the study, study area, study population, units of analysis, variables and their measurements, sample size and sampling techniques, types and sources of data, data collection methods, validity and reliability of the instrument, data analysis, and limitation of the study.

3.1 Study Design

The study work involved a descriptive and case study designs. According to Kothari (2004) Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group. In this case studies concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation are all examples of descriptive research studies. Descriptive research is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. In this study the researcher was interested in obtaining information concerning the current status of the staff training in selected SMEs and their economic growth as well. The evidence supported by Kothari (2006) theory in descriptive research design; the major emphasis is on determining the frequency with which something occurs or the extent to which two variables co vary.

According to Kothari (2004) the case study method is a very popular form of qualitative analysis and involves a careful and complete observation of a social unit, be that unit a person, a family, an institution, a cultural group or even the entire community. It is a method of study in depth rather than breadth. The case study places more emphasis on the full analysis of a limited number of events or conditions and their interrelations.

The case study deals with the processes that take place and their interrelationship. Since a case study design is an in-depth study of a particular research problem rather than a sweeping statistical survey often used to narrow down a very broad field of research into one or a few easily researchable examples. The case study research design was also useful since only ten SMEs were visited in Magomeni and the results served as representative of all SMEs.

3.2 Study Area

This research was conducted at Magomeni ward in Kinondoni district, Dare es salaam. The study was conducted in the above mentioned area, due to the fact that Many SMEs have their headquarters in Dar es salaam as the city is the heart of business, on the other hand head offices of SMEs with more than three years in Kinondoni district are situated at Magomeni. This made ease the collection of required data and the consent arrangements.

3.3 Study Population

According to (Gay 1996), population is the group of interest to the researcher, the group to which the researcher would like the results of the study to be generalized. The study focused on SMEs managers, supervisors and workers from ten SMEs in Magomeni ward. The small industries development organization (SIDO) was accessed for secondary data regarding the SMEs in Kinondoni district.

3.4 Unity of Analysis

This study adopted the definition of SMEs from Tanzania ministry of trade and industry. According to the ministry of industry and trade in Tanzania (2002), small and medium enterprises are collectively defined under the nomenclature SMEs. Micro enterprises are those engaging up to four people in most cases family members or with an investment not exceeding 5.0 million TSHS. Small enterprises are mostly formalized undertakings engaging 5 to 49 employees or with capital investment of TSHS.5.0 million to TSHS.200 million. Medium enterprises employ about 50 to 99 employees and use capital investment from about 200 to 800 million TSHS.

The study was conducted in the SMEs in Magomeni ward. From each SME the researcher picked few personnel including managers, supervisors and other workers. The research adopted such analysis to avoid the cost structure during the study and time constraints. Each sample provided the appropriate and sufficient information for the data collection, because the researcher used appropriate technique for selecting the sample for the purpose of data collection and analysis.

3.5 Variable and their Measurement

Table 3.1: Variable and their Measurement

Variables	Operational definition	Indicators	Measurement
Staff training	Is planned and systematic effort to modify or develop knowledge, skills or attitude Through learning experience, to achieve effective performance in an activity or range of activities	Employees have enough competence? Is there flexibility of employees between job	Work assignment success rate New products and services
On the job training	Training activities which would be recognized as training by staff, but do not encompass the sort of learning by experience which would take place all the time.	New skills, enhancing productivity and quality of work and building worker royalty to the firm	Job instructions Internship Training Job rotation Committee Assignment
Off the job training	Takes place away from the employee‘s immediate work position, whether on the employer‘s premises or elsewhere	Training budget Incentives for higher training	Programmed Instructions Class Room Lectures Workshop / Seminars
SMEs economic growth	SMEs economic growth is the increased size of the enterprise itself and the business transactions	Internal and external expansion	
Internal expansion	To grow internally, a firm will need to retain sufficient profits to enable it to purchase new assets, including new technology	Profits Returns on Investment New technology	Annual Increase in -Profits -Returns on investments Acquisition of new technology
External expansion (integration)	Firms integrate through mergers, where there is a mutual agreement, or through acquisitions, where one firm purchases shares in another firm, with or without agreement.	Mergers Acquisitions	Shares purchasing power The acquisition of other firms

Source: Research Variables 2015

3.6 Sample Size and Sampling Technique

According to Amin (2005), a sampling procedure involves by choice made about studying some people, object, situation or event rather than all. The research work basically selected SMEs managers, supervisors, and other employees because they are the custodian of daily activities that require training. Ten SMEs were selected at random. Sample sizes larger than 30 and less than 500 are appropriate for most research. Therefore, in this research a researcher included the sample size of 50 people as shown in the table 3.2.; For the purpose of obtaining equal number of respondents from each SME and considering that some SMEs had only one manager and one supervisor only one manager and supervisor were included in the sample to make 20 respondents, however for the case of workers a number greater than three would lead into missing respondents to include for some SMEs and therefore there was a need to take three workers from each SME to make 30 respondents. This made a total of 50 respondents to be accessed.

Table 3.2: Sample Distribution

Category of respondent	Population	Sample
Manager	10	10
Supervisors	15	10
Workers	50	30
Total	**75**	**50**

Source: Research Data (2014)

3.6.1 Purposive Sampling

This is a technique with regard to which item should be included or exclude in the sample rest on the researcher‘s judgment and intuition. According to Kothari (2004), purposive technique will enable the researcher to choose respondents basing on the fact that they have desirable characteristic and variables related to the issue being studied. In this study purposive sampling was used to identify the SMEs to be involved in the study. SMEs that had been established not less than three years ago were sought. At least one manager and one supervisor in each SME was necessarily included in the sample and since the sample included more than one SME a common number of managers and supervisors was included in the sample. This made a sample of 10 managers and 10 supervisors. For the purpose of avoiding biasness only three workers were included in the sample to avoid inconsistence in case of varying number of workers in SMEs.

3.6.2 Random Sampling

This technique has the property that every possible combination of objects in the population studied has an equal chance of being selected (Ndunguru, 2004). In that case the researcher includes everyone in the study considering that all respondents have common observable characteristics. In this study random sampling was used to select ten SMEs from a pool of qualified SMEs at Magomeni. Not only these but also in recruiting the workers this technique was used to obtain workers for each SME.

3.7 Types and Sources of Data Collection Methods

In order to attain adequate, appropriate and reliable information, the research work used both secondary and primary information. The following instruments were applied: Questionnaire, interview, observation and documentary review.

3.7.1 Primary Data

This information was received directly from the respondent based on the researcher needs.

3.7.1.1 Questionnaires

A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. The respondents have to answer the questions on their own (Kothar, 2004). This is a direct consultation to the concerned staff, concerning variables of interest to an investigation. This is an easiest way of collecting data that can help to get response from unreachable persons and give respondent enough time to think and give well thought out answers. Questionnaires were distributed to concerned staffs, and these questionnaires contain both closed and open questions so as to facilitate coding and data analysis. The questionnaires were provided to selected staffs from the management level supervisors and workers.

3.7.1.2 Interview

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method was used through personal interview (Kothar, 2004). This method was employed to find information necessary from the group more quickly just to allow individual self expression. The expert such as managers were involved interview.

3.7.1.3 Observation

Significant data should not be left behind/ ignored thus observation was put into practice, participatory and non-participatory observation. The aim of this technique was to obtain the primary data that laid the stepping stone for the secondary data which together produce a meaningful version for analysis.

3.7.2 Secondary Data

The collected data through documentation included a review from earlier studies on the topic, from the books, journals, reports, and some documents.

3.8 Validity and Reliability

In order to reduce the possibility of getting the wrong answer, attention need to be kept to the particulars on the research design, reliability and validity (Saunders et. al; 2003). Validity is concerned with whether the findings are really about what appear to be (Saunders et. al; 2003), validity defined as the extent to which data collection methods accurately measures what they were intended to measure (Saunder, et. al, 2003). Cooper and Schndler (2003) believe that validity refers to the extent to which a test measures what we actually want to measure.

Supervisor helped the researcher to ensure the validity of the questionnaire and the response to the objectives of the study. Content validity was used to establish whether the questionnaire measured what it should measure. The content validity was found by considering the number of items declared relevant divided by total number of items presented. The face validity was assured by logically consistent questions to guarantee relevant.

According to Saunder et al; (2003), reliability refers to the degree to which data collection method will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from source. Cooper and Schindler (2003) have defined reliability as many things to people, but in most contexts the notion of consistency emerges. The degree of stability was tested by comparing the results of repeated measurements. Equivalence of measurements was tested by comparing observations of two investigators of the same events.

Reliability was improved in the following two ways:

(i) By standardizing the conditions under which the measurement took place i.e., we had to ensure that external sources of variation such as boredom, fatigue, etc., were minimized to the extent possible. That improved stability aspect.

(ii) By carefully designed directions for measurement with no variation from group to group, by using trained and motivated persons to conduct the research and also by broadening the sample of items used. This improved equivalence aspect.

3.9 Data Analysis and Presentation Technique

After data collection, the researcher sorted out questionnaires. After coding, data was analyzed using the frequency tables and graphs. The analysis was done according to the respective objectives, and research question. The following mean ranges were used to arrive at relevant interpretation of responses:

Table 3.3: Interpretation of Responses

Mean Range	Response	Interpretation
1.0 – 2.5	Disagree	Low
2.6-3.3	Not sure	Neutral
3.4-5.0	Agree	High

Source: Research Response

3.10 Limitation of the Study

In conducting this research, the researcher faced some problems such as difficult to identify SMEs that have more than three years since they have been established.

Also the study faced problems in obtaining financial data of SMEs for assessing some aspects of SMEs economic growth. Many SMEs were reluctant to give their financial data for competitive reasons.

Language which was used in this research and data collection also was another barrier to the respondents. The researcher interpreted the questionnaire in Swahili for ease of understanding.

CHAPTER FOUR

PRESENTATION OF FINDINGS ANALYSIS AND DISCUSSION

4.1 Profile of the Respondent

This part presents the background information of the respondents who participated in the study. The demographic characteristics of the respondents were characterized by gender, age, education level, work experience, marital status and the working level.

Findings in the table 4.1 shows that 75% were males and the remaining 25% were females, by age wise 41.6% were aged between 29-39 years, followed by 37.5% who were aged 18-28 years. The age group between 40 – 50 years were 16.7% while the rest were above 50 years. The age distribution implies that youth are more employed or running SMEs. The year of working experience results shows that majority(58.33%)had 1-3 years of working experience while 29.16% have 4-6 years. This implies that respondents were well informed staff who gave reliable information about staff training, SMEs economic growth and the contributions of staff training to economic growth of SMEs. By working level 62.5% were workers, 20.83% were supervisors and 16.67% were managers; which imply that all working groups were proportionately included to cater for getting information symmetry.

Table 4.1: Profile of the Respondents

No	Item		Number	Percentage
1	Gender			
		Female	12	25
		Male	36	75
	Total		**48**	**100**
2	**Age**	18-28	18	37.5
		29-39	20	41.6
		40-50	8	16.7
		50+	2	4.2
	Total		**48**	**100**
4	**Working**	**Experience**		
		1-3 Years	28	58.33
		4-6 Years	14	29.16
		7-10 Years	4	8.33
		11+ Years	2	4.16
	Total		**48**	**100**
5	**Working**	**Level**		
		Manager	8	16.7
		Supervisor	10	20.83
		Worker	30	62.5
	Total		**48**	**100**
6	**Education Level**			
		Certificate	30	62.5
		Diploma	4	8.33
		Degree	10	20.83
		Above	4	8.33
	Total		**48**	**100**

Source: Field Data 2015

4.2 The level of staff Training in SMEs at Magomeni Ward in Kinondoni, District.

The study intended to determine the level of staff training in selected SMEs at Magomeni in Dar es Salaam. This was determined through identifying type of training and which staff members were engaged in staff training. The study further identifying different staff training methods employed by the management in respective SMEs. The findings are presented in section 4.2.1 to 4.2.3.

4.2.1 Existence of Staff Training

The findings revealed that SMEs' managers recognize staff training as an important aspect of career development and therefore mainstream and align strategic planning with staff training matters. The results in table 4.2 shows that the management included staff training in scheduling the day to day activities of the enterprises; this was supported by all 48 respondents. 50% said that both on the job training and off the job training were considered important, 37.5% said that only on the job training is considered important and the remaining 12.5% said that only off the job training is considered important.

Table 4.2: Type of Staff Training

Important type of training	Frequency	Percentage
On the Job	18	37.5
Off the job	6	12.5
Both on the job and off the job	24	50
Total	**48**	**100**

Source: Field Data 2015

The implication of the findings in table 4.2 is that, the predominant form of staff training in SMEs is On-the-job staff training. This type of training is also referred to as "informal" training in which according to the findings of OECD (2009) is less motivating compared to the “formal” training since on the job training is not associated with promotions and training allowances.

For example one of the supervisors commented that:-

> *“Sometimes workers do complain to the management why they are not given after training reward while supervisors and managers are given promotions ,bonuses and recognition after a series of training. What the workers actually want is, they should be rewarded after being trained and performing better”*

4.2.2 Staff Engagement in Training

The results in table 4.3 shows that all managers and supervisors receive both off the job and on the job training. On the other hand 70% of the workers participated in on the job training on the job training while the remaining 30% participated in both on the job and off the job training. For the supervisors 80% reported to participate in both types of training while all the managers participated on both on the job and off the job training.

Table 4.3: Staff Engagement in Training

	Managers		**Supervisors**		**Workers**		**Total**	
Type of training Engaged in	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
On the job	-	-	1	10	21	70	22	45.8
Off the job	-	-	1	10	-	-	1	2.1
Both on the job and off the job	8	100	8	80	9	30	25	52.1
Total	**8**	**100**	**10**	**100**	**30**	**100**	**48**	**100**

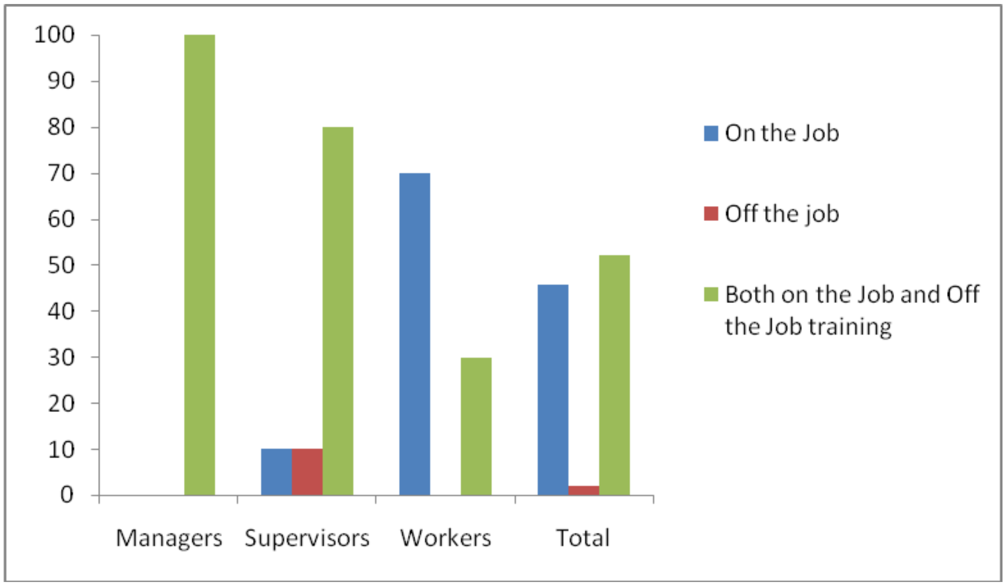
Source: Field Data 2015

The overall results shows that 52.1% of all employees on SMEs participated in both on job and off the job training while 45.8% participated in on the job training. It was interesting to find that majority of workers received on the job training in comparison with supervisors and managers, this may serve a prediction that HR outcomes of enhanced job motivation is less realized among majority of employees in SMEs, this is due to the fact that informal training is less motivating compared to formal training. This notion is built upon the cybernetic model in which according to (Geske, 2008 and Soltani and Liao, 2010) staff training should be traced in terms of HR outcomes of knowledge, skills, abilities, attitudes, behavior, and motivation which are suggested by scholars to have an impact on increasing individual and organizational performance to achieve business growth.

With respect to this notion, it means a combination of both on the job and off the job staff training is necessary to all employees to assure achievement of all HR outcomes. Using only one dominant form of training make it hard to realize some HR outcomes among employees in SMEs.

From the figure 4.1 below is a comparative figure showing staff engagement in training. Referring to the total figures (most right hand sided figures) majority (52.1%) employees engaged in both on the job and off the job staff training and the remaining 45.8% engaged in on the job staff training alone. This means on average SMEs at Magomeni make a combination of staff training among most of employees which implies that HR outcomes of training should be evenly distributed among employees. To have a fully understanding of status of training among SMEs it was important to understand different training methods employed by management of SMEs at Magomeni.

Figure 4.1: Engagements in Staff Training



Source: Field Data 2015

4.2.3 Methods of Staff Training

Different training methods serve different purposes and have different implications. This was why the study intended to know different staff training methods employed by SMEs. Methods of staff training were grouped based on either it is staff training or off the job staff training. A lickert scale of three scores was used where responses were required to indicate if they Agree, Neutral, Disagree. The findings are presented in the tables below.

4.2.3.1 Methods of On the Job Staff Training

Job Instructions

From table 4.4 below, the findings show that out of 48 respondents majority (75%) agreed that job instructions is used as a method of on the job staff training.. Only 25% disagreed that job instructions are used as a method of on the job staff training. This implies that at least 75% of employees get job instructions in SMEs at Magomeni.

Internship Training

From table 4.4 below, the findings show that majority (87.5%) agreed that internship is used as a method of staff training. This implies that most of employees go through a probation period of staff training.

Job Rotation

From table 4.4 below, findings show majority (50%) disagreed that job rotation is used as a method of training. This implies that employees engage in specialized training than general training.

Committee Assignment

From table 4.4 below, findings show that majority (50%) disagreed that committee assignment is used as a method of training. However 12.5% of the respondents agreed that committee assignment is used as a method of training. This implies that committee assignments are targeting a few specific employees.

The implications of the findings in Table 4.4 show that the most highly employed methods of on the job staff training were job instructions and internship training. The two methods were found to apply mainly due to the fact that most of employees are employed under temporary bases. This makes it difficult for the management to allow job rotations, and committee assignments since these methods would let the temporary employees access the confidential information of the enterprises. Few permanent staff are allowed to make job rotations and form committees when a need arises to fulfill a certain assignment. This reveals that majority of staff are trained on job specific matters (more specialized knowledge) rather than integrated knowledge which few among managers and supervisors get.

Table 4.4: Methods of on the job staff training

Method	Job Instructions		Internship		Job Rotation		Committee assignment	
Responses	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Agree	36	75	42	87.5	18	37.5	6	12.5
Neutral	-	-	6	12.5	6	12.5	18	37.5
Disagree	12	25	-	-	24	50	24	50
Total	**48**	**100**	**48**	**100**	**48**	**100**	**48**	**100**

Source: Field Data 2015

4.2.3.2 Methods of Off the Job Staff Training

Programmed Instructions

From Table 4.5 below, the findings show that majority (83.3%) agreed that programmed instructions are used as a method of staff. This implies that programmed instructions are popular used methods of off the job staff training.

Class Room Lectures

From table 4.5 below, the findings show that out of 48 respondents majority (70.8%) disagreed that class room lecture are used as a method of off the job staff training and 20.8% were neutral. This implies that programmed class room lectures are none common methods of off the job staff training in SMEs at Magomeni.

Workshop/Seminars

From table 4.5 below, the findings show that all respondents (100%) agreed that Workshop/seminars are used as a method of staff training. This implies that workshop and seminars are common methods of off the job staff training in SMEs.

The implications of the findings in Table 4.5 revels that SMEs at Magomeni employ methods of programmed instructions and workshop/seminars highly compared to classroom lectures. Seminars and workshop are attended on representative basis, for instance the respective department would be represented by one or two employees when seminar occurs. The main reason was stated to be limited resources, since such training require allowances and sometimes per diems. Some managers commented that:-

“When there is a need for training related to work managerial task changes, goals setting review we conduct seminars in which the invitation is made to all respective managers and other employees from targeted branches of our enterprise” (Manager, Alluminium Closet).

”class room lectures depend on special occasions of emergence changes in placements of employees or especially when recruiting new staff and it is not a common method we should always use” (Manager, TVS Motors and parts).

Table 4.5: Methods of Off the Job Staff Training

Method	**Programmed instructions**		**Class room lectures**		**Workshop/Seminars**	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Agree	40	83.3	-	-	48	100%
Neutral	8	16.7	14	29.2	-	-
Disagre	-	-	34	70.8	-	-
Total	**48**	**100**	**48**	**100**	**48**	**100**

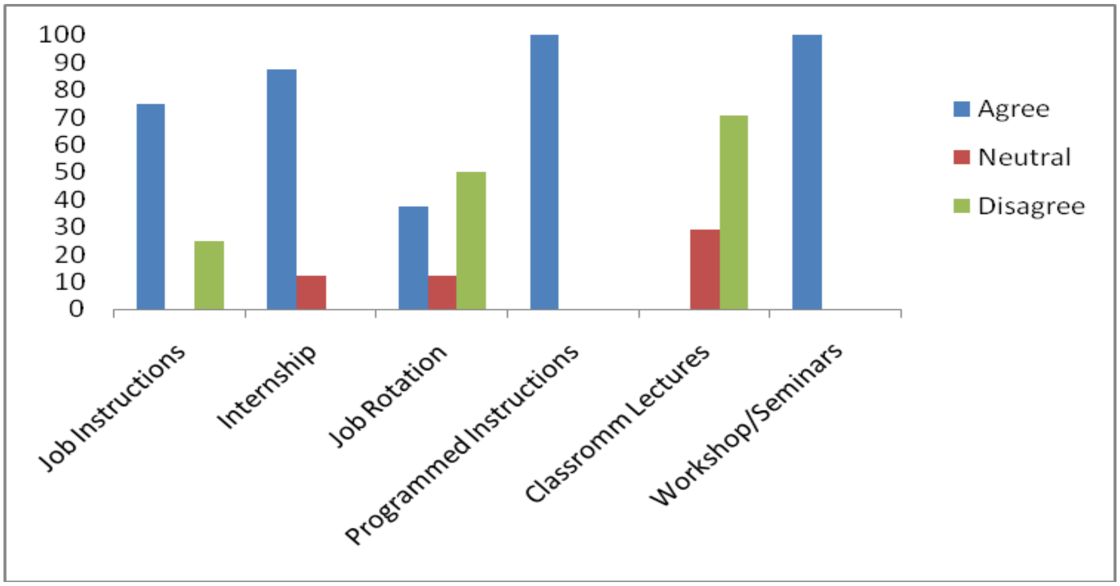
Source: Field Data 2015

The figure 4.2 below shows the comparison between off the job and on the job staff training methods.

From the figure 4.2 the most predominant forms of training methods among SMEs at, Magomeni included job instructions, internship, programmed instructions and workshop/seminars. Out of 48 employees who were involved in the study majority (52%) were found to engage in both on the job and off the job which implies that such a combination of formal and informal training which in turn guarantee for a complete HR outcome realization among workers.

Since the study was focusing on the contribution of staff training to the economic growth of SMEs, a cybernetic model was adopted in which the concept of contribution of staff training to economic growth is indirect through HR outcomes. This necessitated the need to study the HR outcomes among employees at SMEs in Magomeni.

Figure 4.2: Staff Training Methods Compared



Source: Field Data 2015

4.3 HR Outcomes of Staff Training

With respect to the Cybernetic model by Wright and McMahan (1992), staff training as an input from the environment will impact output systems (economic growth in this case) through HR outcomes which according to (Geske, 2008 and Soltani and Liao,

2010) include job skills, ability to work, attitude and motivation which increasing individual and organizational performance to achieve business growth. The following were the findings of HR outcomes of staff training among employees in SMEs at Magomeni ward in Kinondoni District, Dar es salaam.

From table 4.6 below, the findings show that all respondents (100%) agreed that increasing job skills is an HR outcome of staff training. This implies that job skills are a result of either on the job staff training or off the job staff training or both of them.

Table 4.6 Increasing Job Skills

Response	Frequency	Percentage
Agree	48	100
Neutral	-	-
Disagree	-	-
Total	**48**	**100**

Source: Field Data 2015

From table 4.7 below, findings show that 50% were neutral on item that advancing working ability is an HR outcome of staff training. However 25% agreed advancing working ability is an HR outcome of staff training and the remaining 25% disagreed on the same. The findings reveal that while others‘ working ability is enhanced through staff training other employees‘ working ability will depend on the relevance of training and work itself. This implies that staff training alone cannot guarantee an advanced working ability.

Table 4.7: Advancing Working Ability

Response	Frequency	Percentage
Agree	12	25
Neutral	24	50
Disagree	12	25
Total	**48**	**100**

Source: Field data 2015

From table 4.8 below, findings show that 45.8% agreed that staff training result into job motivation. This implies that they were motivated with staff training. However while 20.8% were neutral which implies that job motivation as a result of staff training is not easily felt and recognized among employees, other 33.3% disagreed that staff training result into job motivation. This implies that job motivation is not necessarily enhanced by staff training that means job motivation is a function of many factors and not staff training in isolation.

Table 4.8: Enhanced Job Motivation

Response	Frequency	Percentage
Agree	22	45.8
Neutral	10	20.8
Disagree	16	33.3
Total	**48**	**100**

Source: Field Data 2015

From table 4.9 below, the findings show that out of 48 respondents 75% agreed that staff training enhances their positive attitude. This implies that staff training is very important for enhancing employees with positive attitude. On the other hand 25% which include some who engaged in occasional committee assignments disagreed that staff training enhances positive attitude. This implies that the matter of positive attitude in the working environment is a gradual process and continuous training is more likely to enhance positive attitude compared to occasional and less frequent training.

Table 4.9: Enhances Positive Attitude

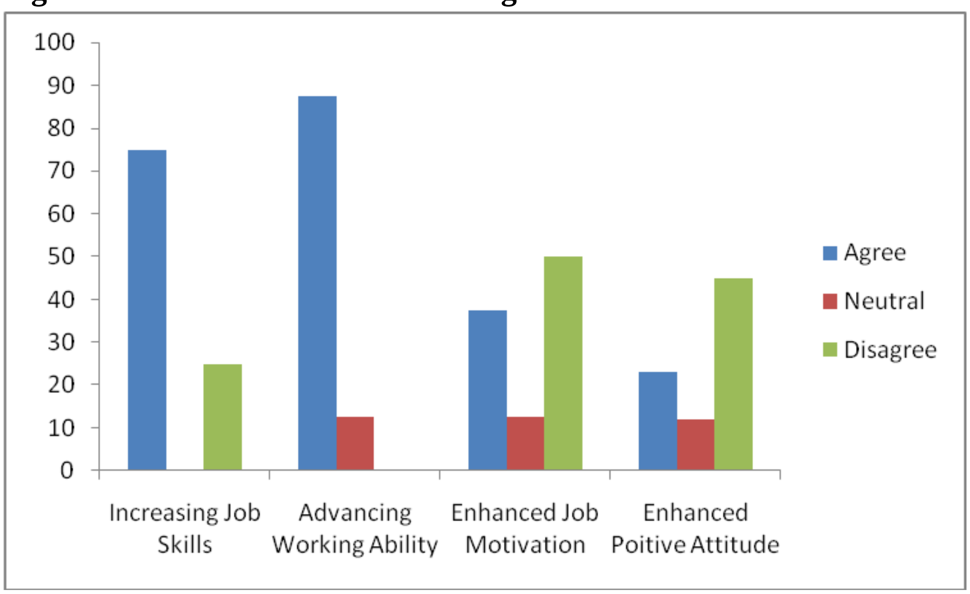
Response	Frequency	Percentage
Agree	36	75
Neutral	-	-
Disagree	12	25
Total	**48**	**100**

Source: Field Data 2015

From figure 4.3 below, the findings show that all respondents (100%) agreed that increasing job skills is an HR outcome of staff training. This implies that job skills are a result of either on the job staff training or off the job staff training or both of them.

Also the findings show that 50% were neutral on item that advancing working ability is an HR outcome of staff training. However 50% agreed advancing working ability is an HR outcome of staff training. The findings reveal that while others‘ working ability is enhanced through staff training other employees‘ working ability will depend on the relevance of training and work itself. This implies that staff training alone cannot guarantee an advanced working ability. On the other hand 45.8% agreed that staff training result into job motivation. This implies that they were motivated with staff training. However while 20.8% were neutral which implies that job motivation as a result of staff training is not easily felt and recognized among employees, other 33.3% disagreed that staff training result into job motivation. This implies that job motivation is not necessarily enhanced by staff training that means job motivation is a function of many factors and not staff training in isolation. Moreover the findings show 75% agreed that staff training enhances their positive attitude . This implies that staff training is very important for enhancing employees with positive attitude. On the other hand while 25% disagreed that staff training enhances positive attitude. This implies that the matter of positive attitude in the working environment is a gradual process and continuous training is more likely to enhance positive attitude compared to occasional and less frequent training.

Figure 4.3: HR Outcomes of Training



Source: Field Data 2015

More generally, the findings show that employees have increased their job skills, advanced their working abilities and achieved positive attitudes as a result of staff training. However while some workers were motivated by their jobs others were not.

This was revealed in the findings on staff engagement in staff training where supervisors and managers would be motivated than subordinate staff members who participate in informal training which is less associated with promotions, recognitions and allowances. This is in support of Guest (1987) better training leading to more quality outcomes will then affect organizational performance in that productivity will increase; innovation will be achieved which in turn presumes organizational performance (economic growth).

4.4 The Level of SMEs Economic Growth

This was the second research objective. The study aimed at discovering the level/status of the economic growth of the selected SMEs at Magomeni ward. This served the purpose of linking HR outcomes to the SMEs growth. The study qualitatively measured both internal and external expansion indicators of economic growth. Managers of SMEs could not disclose the financial documents of their enterprises but when interviewed they gave some useful information to compare with primary data.

The results in table 4.1.0 revealed that SMEs are experiencing economic growth. The growth of SMEs is realized through both internal and external expansion. The implications of these findings is that in order to have a reasonable assessment of the economic growth of SMEs the study had to explore both internal and external expansion which was also suggested by (UNCTAD, 2005) that firms grow in two ways; by internal expansion and through integration (external expansion). The findings are presented and discussed in section 4.4.1 and 4.4.2

4.4.1 Internal expansion

From table 4.10 findings show 75% agreed that SMEs are experiencing annual profits growth, the remaining 25% were not sure. This implies that the SMEs economic growth goals are realized through profits made in each year by SMEs at Magomeni. Profit being an important financial indicator determines the financial direction of any firm. When profits decline it implies deterioration of the economic growth and vice versa, in this case selected SMEs were experiencing annual growth of profits which means the same on economic capacity of the firm. This was found to be the central focus of SME managers, as one manage explained:-

> *"profits are the heart of business, no profit no business, no job, that is why we emphasize on sales maximization, innovations and use highly well trained personnel on top positions" (Manager, TVS Motors and Parts)*

Table 4.10: Profits Increase Annually

Response	Frequency	Percentage
Agree	36	75
Neutral	12	25
Disagree	-	-
Total	**48**	**100**

Source: Field data 2015

From table 4.11 below, the findings show that 50% of respondents disagreed that SMEs are experiencing annual increase of returns on investment. On the other hand, 25% agreed that SMEs are experiencing annual increase of returns on investment. When return on investment on training was explored all managers were confident to agree that there was an increasing return on investments committed on staff training. This was an implication of the fact that staff training had something to contribute on economic growth. For instance:-

> *"we annually increase the number of employees under permanent contract bases, this is triggered by the outcomes of training which motivates the employer to retain the well trained and equipped staff to win the competitive advantage" said the zone manager of Kazimoto Safaris."*

Table 4.11: Returns on investment increase annually

Response	Frequency	Percentag
Agree	12	25
Neutral	12	25
Disagree	24	50
Total	**48**	**100**

Source: Field data 2015

This was in support of the human capital theory adopted in this study (Flamholtz & Lacey, 1981) in which it was stated that employees should create assets in the form of knowledge through training thus making training an indispensable tool for any SMEs seeking economic growth. And Ayub (2013) showed that employee training is associated with sustainable competitive advantage because it has long-term implications for employees and hence, enhances organizational performance (meeting economic growth goals).

From table 4.12 below, the findings show that 83.3% agreed that SMEs are acquire new technology, the remaining and 16.7% were not sure. In the current world of modern technology, technological innovations are a predominant feature in expanding firms. The realization of technology acquisition by SMEs at Magomeni proved that there is significant economic growth among them. However technological innovations go hand in hand with staff training to equip the workers with new working skills and working ability relevant to the newly acquired technology. This is the reason why one cannot separate acquisition of new technology from its related staff training. For example The Kazimoto safaris enterprises on acquisition of the project evaluation and monitoring system had to mainstream the system training programme in the project management department.

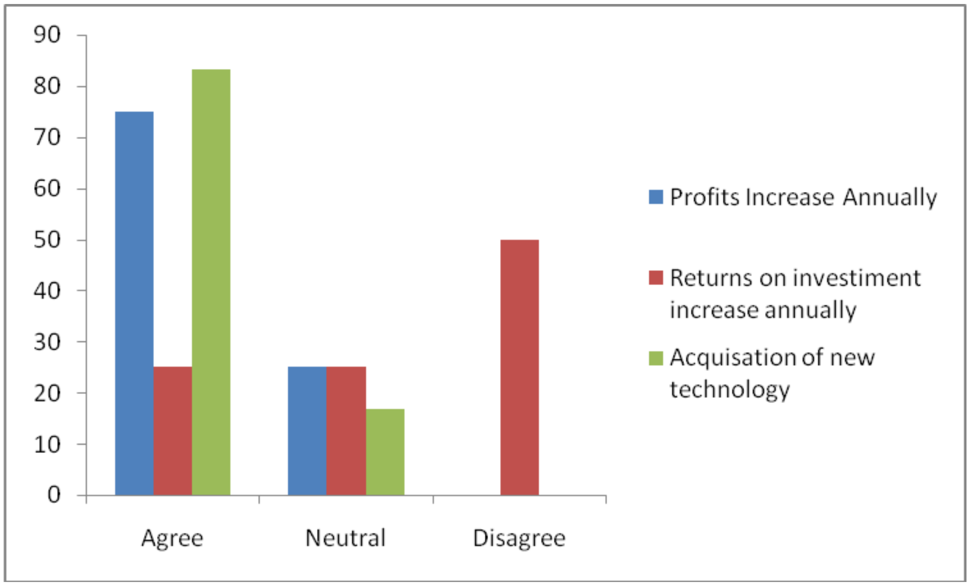
Table 4.12: There is Acquisition of New Technology

Response	Frequency	Percentage
Agree	40	83.3
Neutral	8	16.7
Disagree	-	-
Total	**48**	**100**

Source: Field Data 2015

The figure 4.4 below shows the comparison between internal expansion indicators of economic growth (profits, return on investment and acquisition of new technology). From the figure it is shown that SMEs are realizing internal growth of profits which implies SMEs ability to acquire and workers to cope with new technology. In turn the HR outcomes of training (skills, ability to learn and cope with new technology) generate return on the investments made previously. This is to say staff training is inevitable if economic growth of SMEs is to be guaranteed for. The findings are in line with Geske (2008) who found that Increasingly, management recognizes that training offers a way of developing skills, enhancing productivity and quality of work and building worker royalty to the firm, and most importantly increasing individual and organizational performance to achieve business growth.

Figure 4.4: Internal growth



Source: Field Data 2015

Notwithstanding the status of internal economic growth of SMEs, the study assessed the external expansion aspects of economic growth as well.

4.4.2 External Expansion

From table 4.13 below findings show that 91.7% agreed that SMEs are forming mergers, the remaining 8.3% were not sure. This implies that the SMEs at Magomeni were economically growing and come together to make more competitive SMEs. For example the now called Kazimoto Safaris was a merger formed by Kazi (an enterprise that was holding the caterpillars for lease) and Motor Garage (an enterprise that was holding Scania garages in Dar es Salaam) the two formed a merger called Kazimoto Safaris in which staff members had to switch to different working conditions. The manager said during this period intensive training programmes were held to cope the staff with new realm of working.

Table 4.13: Formation of Mergers

Response	Frequency	Percentage
Agree	44	91.7
Neutral	4	8.3
Disagree	-	-
Total	48	100

Source: Field Data 2015

From table 4.14 below, findings show that all respondents (100%) disagreed that their SMEs acquire new firms. This implies that although SMEs at Magomeni are economically growing but they are not capable of acquiring new firms. When interviewed the managers said SMEs are more competitive which makes it difficult for one firm to purchase another firm, on his emphasize the manager of one SME said *unless you dominate the market, you cannot acquire the other firm"* this implies that acquisition of new firm could be limited by the market competitiveness regardless of the economic size of the SME.

Table 4.14: Acquisition of New Firms

Response	Frequency	Percentage
Agree	-	-
Neutral	-	-
Disagree	48	100
Total	48	100

Source: Field Data 2015

From table 4.15 below, findings shows that out 91.7% of respondents agree that SMEs purchase shares of other firms, the remaining 8.3% were not sure. This implies that the SMEs at Magomeni were economically growing and with profits they purchase other firms' shares. After studying the external economic growth the researcher was interested to compare them in order to have a clear picture of the level of external economic growth of SMEs at Magomeni. The figure 4.5 shows the comparative picture of the same.

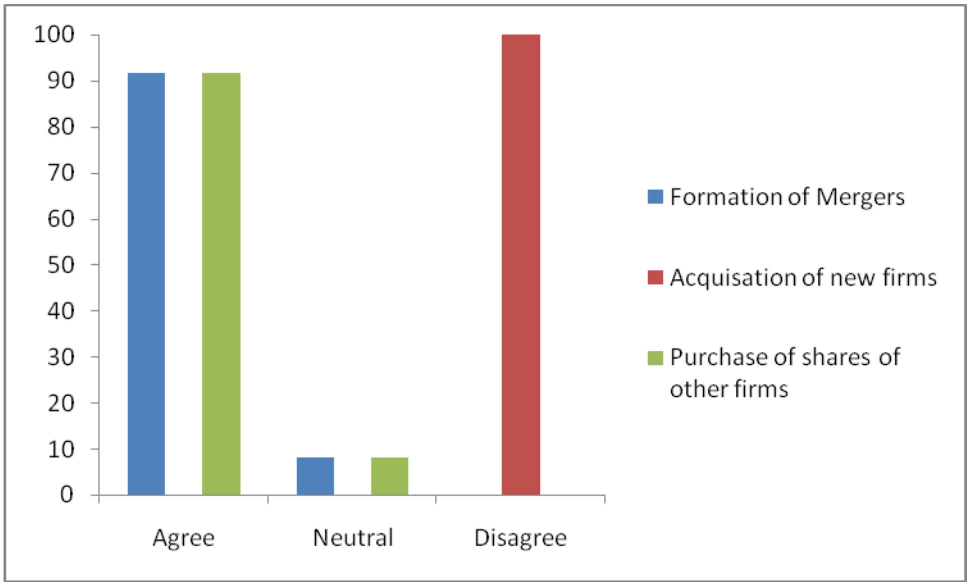
Table 4.15: Purchase of Shares of other Firms

Response	Frequency	Percentage
Agree	44	91.7
Neutral	4	8.3
Disagree	-	-
Total	**48**	**100**

Source: Field Data 2015

The figure 4.5 below shows that the prevailing forms of external economic growth are realized through formation of mergers and share purchase than acquisition of other firms. The former is associated with restructuring of the job tasks and positions which must be accompanied by intensive staff training in terms of job instructions, workshops, programmed instructions and job rotations to cope the staff with new working environment and building new relations while the later will require investment choice training to only decision makers to equip them with equitable knowledge of choosing the right company to buy the shares from. The findings on both the level of staff training and economic growth of SMEs have highlighted on the contributions of staff training on economic growth of SMEs. The following are specifically the findings showing the details on the contribution of staff training to the economic growth of SMEs.

Figure 4.5: External Growth



Source: Field Data 2015

4.5 The Contribution of Staff Training to Economic Growth of SMEs at Magomeni

The study adopted the Multi level model by Kozlowski and Klein (1997) which bridges the gap between theoretical models of training needs assessment, design, and evaluation, and the higher levels at which training must have an impact if it is to contribute to organisational effectiveness as cited by (Kozlowski & Salas 2000). With the aid of the model this study considered Vertical transfer which examines the link between individual training outcomes (in this case HR outcome) and organisational outcomes (in this case economic growth).

From table 4.16 the findings show that 79.2% agreed that staff training in SMEs contributes to the economic growth of SMEs at Magomeni. This implies that staff training and SMEs economic growth are inseparable in a sense that staff training positively impact economic growth which in turn requires staff training to keep moving and growing internally and externally. Specifically staff training contributes to economic growth in different ways as shown in subsequent tables:-

Table 4.16: Does Staff Training Contribute to the Economic Growth of SMEs at Magomeni?

Response	Frequency	Percentage
Yes	38	79.2
No	-	-
Don‘t know	10	20.8
Total	**48**	**100**

Source: Field data 2015

From table 4.17, the findings show that all respondents agreed that staff training makes a competent management that can strategically set, implement and evaluate economic growth goals. This implies a competent SME management that presets implement and evaluate growth goals is a result of the extent and nature of staff training offered to the management by the firm. For example staff training of financial managers on investment portfolios making would result into proper decisions of share purchase and formation of mergers which in turn mergers would necessitate staff training to cope workers with new working environment and technological changes, such a merger would eventually result into economic growth on the other hand.

Table 4.17: Staff Training Creates Competent Management that Strategically Set, Implement and Evaluate Economic Growth Goals

Response	Frequency	Percentage
Agree	48	100
Neutral	-	-
Disagree	-	-
Total	48	100

Source: Field data 2015

From table 4.18 below, findings show that out 87.5% of respondents agreed that Staff training equips the staff with capacity to mitigate growth risk and therefore a guaranteed achievement of preset economic growth goals, while 12.5% were neutral. This implies the capacity to mitigate growth risk depends on specialized staff training. One of the most important things in economic growth management is not only about investment skills but also how different risks could be dealt with to guarantee for economic growth.

Table 4.18: Staff Training Equips Staff with Capacity to Mitigate Growth Risk Guaranteeing for Achievement of Economic Growth Goals

Response	Frequency	Percentage
Agree	42	87.5
Neutral	6	12.5
Disagree	-	-
Total	**48**	**100**

Source: Field Data 2015

From table 4.19 below, findings shows that all respondents agreed that Staff training provides for new technology utilization capacity of employees. This implies that the utilization of new technology depends highly on the level of staff training. It was found that economic growth is associated with acquisition of new technology. Newly acquired technology demands staff training on the usage, and handling of the technology innovations of the enterprises. Moreover technological innovations go hand in hand with staff training to equip the workers with new working skills and working ability relevant to the newly acquired technology. This is the reason why one cannot separate acquisition of new technology from its related staff training.

Table 4.19: Staff Training Provides for New Technology Utilization Capacity of Employees

Response	Frequency	Percentage
Agree	48	100
Neutral	-	-
Disagree	-	-
Total	**48**	**100**

Source: Field Data 2015

From table 4.20 findings show that all respondents agreed that Staff training enhances the flexibility of employees which fixes turnover effects on economic growth of an entity. This is in support of the Guest comparative model holding that better training leading to more quality outcomes in terms of commitment and flexibility, will then affect organizational performance in that productivity will increase; innovation will be achieved as well as limited absences, labour turnover (training results into flexibility/adaptability resulting into low turnover), conflict or customer complaints. The financial outcomes of this are profits and return on investments as cited by (Thang, Quang & Buyens, 2010)

Table 4.20: Staff Training Enhances Flexibility of Employees which Fixes Turnover Effects on Economic Growth

Response	Frequency	Percentage
Agree	48	100%
Neutral	-	-
Disagree	-	-
Total	**48**	**100**

Source: Field data 2015

From table 4.21 findings show all respondents agreed that Staff training enhances commitment of employees that utilizes knowledge and skills that guarantees a competitive advantage. This implies that the level of commitment is high when staff training is aligned within the organizations activities. This results into lowered turn-over rate and therefore realization of competitive advantage for stead economic growth by the SMEs that embrace staff training. This is in support by Ayub (2013) that employee training is associated with sustainable competitive advantage because it has long-term implications for employees and hence, enhances organizational performance (meeting economic growth goals)

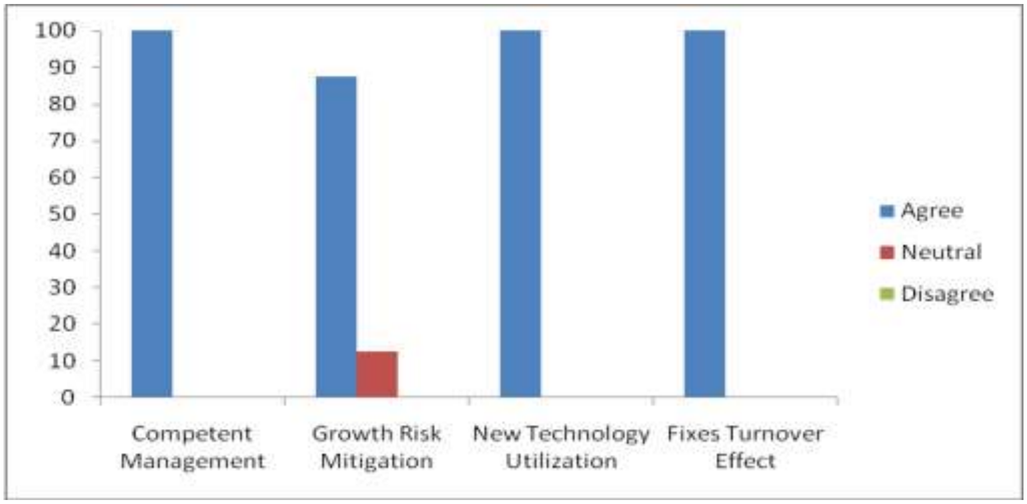
Table 4.21: Staff Training Enhances Commitment of Employees that Utilizes Knowledge and Skills Guaranteeing for Competitive Advantage

Response	Frequency	Percentage
Agree	48	100
Neutral	-	-
Disagree	-	-
Total	**48**	**100**

Source: Field data 2015

To have a clear knowledge of the contribution of staff training to economic growth of SMEs the study gathered the contributions together for comparisons in the figure 4.6.

Figure 4.6: Contribution of Staff Training to Economic Growth of SMEs



Source: Field Data 2015

From the figure 4.6 above findings show that staff training is of a multipurpose and useful aspect in guaranteeing for SMEs economic growth. While the major contributions of staff training to economic growth of SMEs were competent managemet, growth risk mitigation skills, new technology utilization capacity building, fixing the turnover effects and commitment of employees other contributions were analysed below.

Other Contributions of Staff Training to the Economic Growth of SMEs

The suggested contributions of staff training to the economic growth of SMEs include; The findings revealed that 50% of respondents suggested that staff training triggers the morale of working when economic growth goals (profits) manifest the impact of previous training (on profit maximization), 39.6% of respondents suggested that staff training cultivates punctuality and free workers from laziness that could jeopardize economic growth, 83.% of respondents suggested that staff training enhances cooperation among workers and facilitates team building and as a result team working assuring for economic growth achievement.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This chapter looks at the research findings and shows the summary of the findings, conclusion, recommendations and the area for further research.

5.1 Summary of the Findings

The purpose of the study was to assess the contribution of Staff training to the Economic growth of SMEs at Magomeni ward in Kinondoni district, Dar es salaam. The study was guided by three specific objectives which include, assessment of the level of staff training in selected SMEs, assessment of the level of SMEs economic growth and to assess the contribution of staff training to SMEs economic growth.

5.1.1 The Level of Staff Training in SMEs at Magomeni

With the first research objective the researcher was interested to know the status of staff training in selected SMEs at Magomeni in Dar es Salaam.

The findings revealed that although off the job training was useful, the predominant form of staff training in SMEs was on the job staff training. This type of training is also referred to as "informal" training in which according to the findings of OECD (2009) is less motivating compared to the "formal" training since on the job training is not associated with promotions and training allowances. For example one of the supervisors commented saying that;-

> *"Sometimes workers do complain to the management why there is no after training recognition while for supervisors and managers after a series of training promotions, bonuses and recognition follow, What the workers actually want is as they are trained and perform better they should be rewarded"*

These findings were also relevant to the findings about staff engagement in training as shown below.

The findings showed that majority (52%) employees engaged in both on the job and off the job staff training and the remaining 48% engaged in on the job staff training alone. This means on average SMEs at Magomeni make a combination of staff training among most of employees which implies that HR outcomes of training should be evenly distributed among employees. To have a fully understanding of status of training among SMEs it was important to understand different training methods employed by management of SMEs at Magomeni where:-

The findings showed that the most predominant forms of training methods among SMEs at, Magomeni include job instructions, internship, programmed instructions and workshop/seminars. Majority of workers in SMEs at Magomein were found to engage in both on the job and off the job and implies that such a combination of formal and informal training which in turn guarantee for a complete HR outcome realization among workers.

Since the study was focusing on the contribution of staff training to the economic growth of SMEs, a cybernetic model was adopted in which the concept of contribution of staff training to economic growth is indirect through HR outcomes. This necessitated the need to study the HR outcomes among employees at SMEs in Magomeni.

HR Outcomes

With respect to the Cybernetic model by Wright and McMahan (1992), staff training as an input from the environment will impact output systems (economic growth in this case) through HR outcomes which according to (Geske ISS, 2008 and Soltani and Liao, 2010) include job skills, ability to work, attitude and motivation which increasing individual and organizational performance to achieve business growth. The following were the findings of HR outcomes of staff training among employees in SMEs at Magomeni-Dar es Salaam.

The findings showed that majority of employees have increased their job skills, advanced their working abilities and achieved positive attitudes as a result of staff training. This is in support of Guest (1987) better training leading to more quality outcomes will then affect organizational performance in that productivity will increase; innovation will be achieved which in turn presumes organizational performance (economic growth). However while some workers were motivated by their jobs others were not. This was revealed in the findings on staff engagement in staff training where supervisors and managers would be motivated than subordinate staff members who participate in informal training which is less associated with promotions, recognitions and allowances.

On the other hand, the study endeavored to know the level/status of economic growth of SMEs before analyzing the data on the contribution of staff training to the economic growth of SMEs as this would make a sense in bridging the HR outcomes of staff training to the economic growth of SMEs.

5.1.2 The Level of SMEs Economic Growth

Generally in supporting the managers‘opinion on the economic growth of SMEs out of 48 respondents, 75% said that SMEs at Magomeni are experiencing economic growth, the respondents who said that SMEs at Magomeni are experiencing economic growth also said that economic growth of SMEs is realized through both internal and external expansion. The implications of these findings is that in order to have a reasonable assessment of the economic growth of SMEs the researcher had to explore both internal and external expansion which was also suggested by (UNCTAD,
2005) that firms grow in two ways; by internal expansion and through integration (external expansion). The following are the findings showing the realization of internal and external economic growth of the SMEs at Magomeni.

The findings revealed that comparison between internal expansion indicators of economic growth (profits, return on investment and acquisition of new technology). Findings showed that SMEs were realizing internal growth of profits which implies SMEs ability to acquire new technology and workers to cope with new technology. In turn the HR outcomes of training (skills, ability to learn and cope with new technology) generate return on the investments made previously. This is to say staff training is inevitable if economic growth of SMEs is to be guaranteed for. The findings were in line with Geske ISS (2008) who found that Increasingly, management recognizes that training offers a way of developing skills, enhancing productivity and quality of work and building worker royalty to the firm, and most importantly increasing individual and organizational performance to achieve business growth.

Notwithstanding the status of internal economic growth of SMEs, the study assessed the external expansion aspects of economic growth as well the findings showed that the prevvailing forms of external economic growth were realized through formation of mergers and share purchase than acquisition of other firms. The former is associated with restructuring of the job tasks and positions which must be accompanied by intensive staff training in terms of job instructions, workshops, programmed instructions and job rotations to cope the staff with new working environment and building new relations while the later will require investment choice training to decision makers to equip them with equitable knowledge of choosing the right company to buy the shares from. The findings on both the level of staff training and economic growth of SMEs have highlighted on the contributions of staff training on economic growth of SMEs. The following are specifically the findings showing the details on the contribution of staff training to the economic growth of SMEs.

5.1.3 The Contribution of Staff Training to Economic Growth of SMEs at Magomeni

The study adopted the Multi level model by Kozlowski and Klein (1997) which bridges the gap between theoretical models of training needs assessment, design, and evaluation, and the higher levels at which training must have an impact if it is to contribute to organisational effectiveness as cited by (Kozlowski & Salas 2000). With the aid of the model this study considered Vertical transfer which examines the link between individual training outcomes (in this case HR outcome) and organisational outcomes (in this case economic growth).

The findings showed that out of 48 respondents 79.2% said that staff training in SMEs contributes to the economic growth of SMEs at Magomeni.

This implies that staff training and SMEs economic growth are inseparable in a sense that staff training positively impact economic growth which in turn requires staff training to keep moving and growing internally and externally. Specifically staff training contributes to economic growth in the following ways:-

5.1.3.1 Staff training Makes a Competent Management (skilled) that Can Strategically Set Implement and Evaluate Economic Growth Goals

The findings showed that all respondents agreed that staff training makes a competent management that can strategically set, implement and evaluate economic growth goals. This implies a competent SME management that presets implement and evaluate growth goals is a result of the extent and nature of staff training offered to the management by the firm. For example staff training of financial managers on investment portfolios making would result into proper decisions of share purchase and formation of mergers which in turn mergers would necessitate staff training to cope workers with new working environment and technological changes, such a merger would eventually result into economic growth on the other hand.

5.1.3.2 Staff Training Equips the Staff with Capacity (ability to work) to Mitigate Growth Risk and Therefore a Guaranteed Achievement of Preset Economic Growth Goals

The findings showed that out 87.5% of respondents agreed that Staff training equips the staff with capacity to mitigate growth risk and therefore a guaranteed achievement of preset economic growth goals, 12.5% were neutral. This implies the capacity to mitigate growth risk depends on specialized staff training. One of the most important things in economic growth management is not only about investment skills but also how different risks could be dealt with to guarantee for economic growth.

5.1.3.3 Staff Training Provides for New Technology Utilization Capacity of Employees

The findings showed that all respondents (100%) agreed that Staff training provides for new technology utilization capacity of employees. This implies that the utilization of new technology depends highly on the level of staff training. It was found that economic growth is associated with acquisition of new technology. Newly acquired technology demands staff training on the usage, and handling of the technology innovations of the enterprises. Moreover technological innovations go hand in hand with staff training to equip the workers with new working skills and working ability relevant to the newly acquired technology. This is the reason why one cannot separate acquisition of new technology from its related staff training

5.1.3.4 Staff Training Enhances the Flexibility of Employees Which Fixes Turnover Effects on Economic Growth of an Entity

The findings revealed that all respondents agreed that Staff training enhances the flexibility of employees which fixes turnover effects on economic growth of an entity. This is in support of the Guest comparative model holding that better training leading to more quality outcomes in terms of commitment and flexibility, will then affect organizational performance in that productivity will increase; innovation will be achieved as well as limited absences, labour turnover (training results into flexibility/adaptability resulting into low turnover), conflict or customer complaints. The financial outcomes of this are profits and return on investments as cited by (Thang, Quang & Buyens, 2010).

5.1.3.5 Staff Training Enhances Commitment of Employees that Utilizes Knowledge and Skills that Guarantees a Competitive Advantage

The findings showed that all respondents agreed that Staff training enhances commitment of employees that utilizes knowledge and skills that guarantees a competitive advantage. This implies that the level of commitment is high when staff training is aligned within the organizations activities. This results into lowered turnover rate and therefore realization of competitive advantage for stead economic growth by the SMEs that embrace staff training as found by Ayub (2013) that employee training is associated with sustainable competitive advantage because it has long-term implications for employees and hence, enhances organizational performance (meeting economic growth goals).

Other suggested contributions of staff training to the economic growth of SMEs include; staff training triggers the morale of working when economic growth goals (profits) manifest the impact of previous training (on profit maximization), staff training cultivates punctuality and free workers from laziness that could jeopardize economic growth, staff training enhances cooperation among workers and facilitates team building and as a result team working assuring for economic growth achievement.

5.2 Conclusion

With respect to the findings of the study the level of staff training in SMEs at Magomeni was found to be relatively high since majority engaged in either of the staff training where more than one training methods is being used.

However the HR outcomes of training revealed that training plays an important role in building skills, increasing working ability, motivation and creating positive attitude. In relation to the level of economic growth of SMEs revealed through growing profits, return on investment, acquisition of new technology and capacity to purchase other firms‘ shares it can be concluded that staff training contributes highly to the economic growth of SMEs by enhancing growth strategy competence to the management, equipping the staff with growth related risk mitigation skills, enhancing the effective utilization of new technology, enhancing flexibility and commitment reducing turnover rate for ensuring competitive advantage which is in line with Collins et al. (2003) who focusing on ―Enhancing SMTEs business performance through the internet and e-learning platform, supported Evans and Lindsay (1999) by adding that, those organizations that train employees reduce employees‘ turnover rate, increasing work morale and team working.

5.3 Recommendation

Since the study evidently found that staff training contributes to the economic growth of SMEs, and regarding emphasize on staff training by majority of the respondents; this study recommends the following:-

i. SMEs management should consider all staff members in off the job training which significantly provides specialized skills. This will enhance high ability to work which is found to be low.

ii. Both SMEs and training consultants should seek to use a multiple training methods in order to fix the weaknesses of each by the strengths of the other

iii. Irregularities in the time frame for training activities should be dealt with to enhance continuous involvement in training.

iv. The management should align training with training allowances to sustain motivation and commitment in training issues.

5.4 Areas for Further Research

The areas for further research should focus on the training strategies pertaining to SMEs economic growth, the direct and indirect effects of training to the organization performance and on understanding the training needs of different staff groups for example managers, supervisors and other subordinate staff.

REFERENCES

Amin, A. (2005). Social science research, conception, methodology and analysis: Kampala: Makerere University Printery.

Anderson (1997) '*Developing a Knowledge Strategy*'. *California Management Review*, 41 (3), 125-145

Approach; *European Journal of Business and Social Sciences*, Vol. 2, No. 1, pp 33-42, April 2013

Arsran Ayub (2013), A Conceptual Framework On Examining The Influence Of Behavioral Training & Development On Csr: An Employees' Perspective

Aswathappa, K. (2000), Human resource and Personnel Management, New Delhi: Tata Mcgraw-Hill Publishing Company Limited, 2000, p.189)

Ayyagari, M., T., Beck and A., Demirguc-Kunt (2007).Small and Medium Enterprises across the Globe. A New database. World Bank, Development Research Group. Working Paper.NO.3127, Washington. DC

Barrett, Alan, Philip, O'Connell (2001), "Does Training Generally Work? The Returns to In- Company Training" *Industrial and Labour Relations Review,* 54 (3), 647-662

Becker, G. S. (1962). Investment in human capital: A theoretical analysis. *Journal of Political Economy*, 70(1), 9-49.

Beckley, P. (1989). Foreign direct investment by small and medium-sized enterprises: The theoretical background. University of Bradford Management Centre, Bradford, United Kingdom

Black, S. E., and Lynch, L. M. (1995), "Beyond the incidence of training: evidence from a national employers survey"

Buckley, B. & Caple, J. (2000). Theory and practice of training (4th ed.). London: Kogan

Chapman, P.G. (1993). The economics of training. (1st edition.). Exeter, UK: BPCC Whearons Ltd.

Chiaburu, D. S. & Tekleab, A. G. (2005). Individual and contextual influences on multiple

Collins, C., Buhalis, G., and Peters, F. (2003), "Enhancing SMEs business performance through the internet and e-learning"

Cosh, A. Hughes and M. Weeks (2000), The Relationship Between Training and Employment Growth in Small and Medium-sized Enterprises; Clements House, Norwich

Dahi Emine (2012), Financial Challenges That Impede Increasing the Productivity of SMEs in Arab Region; Journal of Contemporary Management Submitted on 12/July/2012 Article ID: 1929-0128-2012-02-17-16 Dahi Emine ~ 17 ~ dimensions of training effectiveness. *Journal of European Industrial Training*, 29(8).

Delery and Doty (1996), "Investment in Training and Small Firm Growth and Survival," Research Report, ESRC Centre for Business Research, University of Cambridge.

Dijkstra .A. Geske ISS (2008) *Managing talent during a period of crisis*. Retrieve d AOctober 15, 2014, from http://www.wharton.universia.net/index.cfm?fa=viewArticle&id=1597&language=english

Eden, D., and Leviatan, U. (1975), 'Implicit Leadership Theory as a Determinant of the Factor Structure Underlying Supervisory Behavior Scales,' *Journal of Applied Psychology*, 60, 736–741

Edwards P. (2010) *Skills and the Small Firm: A Research and Policy Briefing*, UK Commission for Employment and Skills, Wath-upon-Dearne and London. employee attitudes. *Journal of European Industrial Training*, 32(1).

Ekpeyong and Nyang, (1992), Modeling the informal sector in African economies. Paper presented at the *Annual Conference of the African Econometric Society* (AES), Retrieved October 13, from http://www.krepublishers.com/02-Journals/JSS/JSS-18-0-000-09-Web/JSS-18-2-000-2014-Abst-PDF/JSS-18-2-113-14-715-Monday-O-S/JSS-18-2-113-14-715-Monday-O-S-Tt.pdf

Enock Nkonoki (2010), An empirical study on small business growth, Arcada University of Applied Sciences International business Helsinki

Evans, J. R., and Lindsay, W. M. (1999), *'The management and Control of Quality'* (4th ed.), Cincinnati, Ohio: South- Western College Publishing.

Evans, J. R., and Lindsay, W. M. (1999), *'The management and Control of Quality',* (4th ed.), Cincinnati, Ohio: South- Western College Publishing. To employee attitudes. *Journal of European Industrial Training*, 32 (1).

Fajana ((2006). Skill requirements, earnings and labour demand in Nigeria's urban informal sector. In B. Guha-Khasnobis, & R. Kanbur (Eds.), *Informal Labour Markets and Development*. Palgrave Macmillan, 180-195, prepared for the joint WTO-ILO Workshop on Global Trade and Employment, August 31-September 1, 2009, Geneva, Switzerland.

Flamholtz, E. G. & Lacey, J. (1981). The implications of the economic theory of human capital for personnel management. California: Personnel Review.

Gay, L.R. (1996). *Educational Research.* (5th Edition). New Jersey: Prentice Hall Inc. Reprinted by S.T. Printers, Rawalpindi (2000).

Gbajumo (2011) The Challenges of Human Resource Management Practices in the Informal Sector in Nigeria

Gerhart, B., Wright, P.M., McMahan, G.C., and Snell, S.A. (2000b), ‘Measurement Error in Research on Human Resources and Firm Performance: How Much Error is There and How Does It Influence Effect Size Estimates?,’ Personnel Psychology, 53, 803–834.

Gibb, A. A. (1986), “Education for enterprises: training for small business initiation. Some contrast”, *Journal of Small Business and Entrepreneurship,* Vol. 4, No. 3.

Guest, D. E. (1987). Human resource management and industrial relations. *Journal of Management Studies*, 24(5), 503-521.

Helsinki (2010) "A review on New firm growth and performance", in Churchill, N.C., Hornaday, J.A., Kirchoff, B.A., Krasner C.J. and Vesper K.H. (eds), Frontiers of Entrepreneurship Research, Babson college, Boston, Mass.

Huang, T. C. (2001), “The relation of training practices and organizational performance in small and medium size enterprises”, *Education and Training*, 43 (8/9), 437-444.

Huselid, M.A., and Becker, B.E. (2000), ‘Comment on “Measurement Error in Research on Human Resources and Firm Performance: How Much Error is There and How Does it Influence Effect Size Estimates?,’ by Gerhart, Wright, McMahan, and Snell, Personnel Psychology, 53, 835–854

International Journal of Human Resource Studies ISSN 2162-3058 2012, Vol. 2, No. 3 invaluable means for employees? Some evidence from Iran. *European Business Review*, 22(2).

Jane Bryan (2006), Training and Performance in Small Firms; *International Small Business Journal, December 2006;* vol. 24, 6: pp. 635-660

Jonathan W. Omolo (2012), Effect of Recruitment and Selection of Employees on The Performance of Small and Medium Enterprises in Kisumu Municipality, Kenya; *International Journal of Human Resource Studies* ISSN 2162-3058 2012, Vol. 2, No. 3

Jones, J.T. (2005), "The determinants of training in Australian manufacturing SMEs" *Education and Training,* 47(8/9), 605-615.

Kelly, H.H. (1973), 'The Process of Causal Attribution,' American Psychologist, 28, 107–128

Kharabsheh Radwan (2009) Determinants and Impact of Training: The Case of SMEs in Jordan; *International Journal of Economics and Finance* Vol. 3, No. 5; October 2011 www.ccsenet.org/ijef

Kothari, C.R (2004), *Research Methodology:* Methods and techniques. 2nd Revises Ed. New Age International. India

Kozlowski, S. W. J., & Klein, K. J. (2000). A multilevel approach to theory and research in organizations: Contextual, temporal, and emergent processes. In K. J. Klein & S. W. J. Kozlowski (Eds.), *Multi-level theory, research, and methods in organizations: Foundations, extensions, and new directions* (3- 90). San Francisco, CA: Jossey-Bass Publishers.

Kozlowski, S. W. J., & Salas, E. (1997). An organizational systems approach for the implementation and transfer of training. In J. K. Ford, S. W. J. Kozlowski, K. Kraiger, E. Salas, & M. Teachout (Eds.), *Improving training effectiveness in work organizations* (247-287). Mahwah, NJ: Erlbaum.

Kozlowski, S., Brown, K., Weissbein, D., Cannon-Bowers, J., & Salas, E. (2000). A multi-level approach to training effectiveness. In K. Klein, & S. Kozlowski (Eds.), *Multi-level theory, research, and methods in organizations: Foundations, extensions, and new directions* (157-210). San Francisco, CA: Jossey-Bass Publishers.

Krueger, A., & C, Rouse. (1998). The impact of workplace education on earnings, turnover and job performance. *Journal of Labor Economics*, 16(11), 61-94.

Maura Sheehan (2014), Human resource management and performance: Evidence from small and medium-sized firms, *International Small Business Journal* 2014 32: 545 originally published online 6 January 2013

Mazzarol, T., Volery, T., Doss, N., & Thein, V. (1999). Factors influencing small business start-ups: A comparison with previous research. *International Journal of Entrepreneurial Behaviour & Research*, 5(2), 48-63.

Mclagan, P. (1989). The models for human resource development Practice. Alexandria: American Society for Training and Development.

McMahon R.G.P. 1993, Stage models of SME Growth reconsidered, School of Commerce, The Flinders University of South Australia

Merriam Webster Dictionary Online Dictionary. Retrieved on May 2, 2009 from http: //www. Merriam- webster.com/ dictionary/performance.

Meyer and Allen, (1991). Personnel Administration. New York: McGraw-Hill Education.

Mfaume, R.M. (2004), Small business entrepreneurship in Dar es salaam–Tanzania: Exploring problems and prospects for future development, 2004, Mzumbe University

Norman, W.T. (1963), ‘Toward an Adequate Taxonomy of Personality Attributes: Replicated Factor Structures in Peer Nomination Personality Ratings,’ *Journal of Abnormal and Social Psychology*, 28, 574–583.

O‘Connell, Barrett, Alan and Philip (2001), “Does Training Generally Work? The Returns to In- Company Training,” *Industrial and Labour Relations Review*, 54 (3), 647-662

OECD (2009) “Leveraging training and skills development in SMEs; Proposal and Methods”, OECD LEED programme, no published document, Paris.

OECD (2010) Leveraging training, Skills development in SMEs; An Analysis of the West Midlands, England, UK

OECD (2013), *Skills Development and Training in SMEs*, Local Economic and Employment Development (LEED), OECD Publishing. http://dx.doi.org/10.1787/9789264169425-en platform, *Education and Training*, 45(8/9), 483 – 494.

Pallavi p. Kulkarni (2013), A literature review on training & Development and quality of work life; *Journal of Arts, Science & Commerce* Vol.–IV, Issue–2, April 2013[137] NBER *Working Paper*, 5231. New York

Rao (2000), Literature Review of Human Resource Management in SMEs, Venture House, Cross Street, Arnold, Nottingham

Robert Kozak, (2007), Small and Medium Forest Enterprises: Instruments of Change in the Developing World, http://www.rightsandresources.org

Romjin, H. A. (1989), "Selected issues in entrepreneurship training for small business in developing countries"; Working Paper Series No. 46. Institute of Social Studies, Hague.

Rothwell, W. J. (1994), *"Effective succession planning: Ensuring leadership continuity and building talent from within,"*

S. H Quartey (2012). Effect of Employee Training on the Perceived Organisational Performance: A Case Study of the Print-Media Industry in Ghana; European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol 4, No.15, 2012

Sahinidis, A. G. & John, B. (2008). Employee perceived training effectiveness relationship

Saunders, M. Lewis, P and Thornhill, A. (2003), "Research methods for business students", 3th Edition, Peasons Education, England.

Schultz, T. W. (1961). Investment in human capital. American Economic Review, 51(1), 1-17.

Scott, W.R. (1995), Institutions and Organizations, Thousand Oaks, CA: Sage.Shury J., Winterbotham M., Davies B., Oldfield K., Spilsbury M. and Constable S.

(2010b) *National Employer Skills Survey for England 2009:* Main report, Evidence Report 23, UK Commission for Employment and Skills, Wath-upon-Dearne and London.

Small and medium enterprises development policy, (2002), ministry of industry and trade, Tanzania

Smith, A. (1937). Wealth of nations. New York: Random House. (Original work published 1776)

Soltani, E. & Liao, Y. Y. (2010). Training interventions: fulfilling managerial ends or Proliferating

Storey, D.J. (1994), Understanding the small business sector, Thomson

Thang, N. N., Quang, T. & Buyens, D. (2010). The Relationship Between Training and Firm Performance: A Literature Review, *Research and Practice in Human Resource Management*, 18(1), 28-45.

World Bank (1995).Bank financing to small and medium enterprises. Survey results from Argentina and Chile. Mimeo.

World Bank (2001).World development report .Washington .Oxford University Press for the World Bank.

Wright, P. M., & McMahan, G. C. (1992), Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320.

Wright, P.M., & Snell, S.A. (1991). Toward an integrative view of strategic human resource management. *Human Resource Management Review*, 1(3), 203-225.

Yin (2003), *Manpower development in Nigeria: Conceptual and methodological perspectives.* Retrieved August 13, from http://www.krepublishers.com/02-Journals/JSS/JSS-18-0-000-09-Web/JSS-18-2-000-2014

APPENDICES

APPENDIX I: Questionnaires

Dear Sir/Madam,

My name is Happyness Kuluwia, a student at Mzumbe University, the field work and report is part of my course for the fulfillment of the award of Master of Science in Human Resource Management You are kindly requested to respond to these questionnaires to help me to accomplish the study topic of "Contribution of staff training to the economic growth of SMEs". The required information will be treated with confidentially and is only for academic purpose and not otherwise. I thank you in advance for your good cooperation, assistance, time and effort that you will spend in the completion and return of these questionnaires.

QUESTIONNAIRES

SECTION A [PERSONAL INFORMATION]

Please tick (√) your appropriate choice in the boxes provided.

1. Gender

   Male ☐ Female ☐

2. What is your Age [year] ……………..

3. Marital status

   Married ☐ Single ☐ Separated ☐ Widowed ☐ Divorced ☐

4. What is your Working experience with this entity? [years] ………………..

5. What is your working level in this organization

   Manager ☐ Supervisor ☐ Normal worker ☐

6. Academic level

Certificate ☐ Diploma ☐ Degree ☐ Above degree ☐

SECTION B [OBJECTIVE ONE]

Questionnaires to establish the level of staff training in SMEs at Magomeni ward in Kinondoni

District.

In this question show your choice by the use of a tick (√)

A- Agree, **NS**- not sure, **D**- Disagree

1. The management of this enterprise includes staff training in scheduling the day to day activities.
   a) Yes
   b) No

2. Which type of staff training being considered important by this enterprise?
   a) On-the-job
   b) Off-the-job
   c) Both of them
   d) None of the above

3. Have you ever engaged in the staff training enhanced by this enterprise?
   a) Yes
   b) No

4. Which type of staff training were you engaged in?
   a) On-the-job
   b) Off-the-job
   c) Both of them
   d) None of the above

5. This enterprise accomplishes on-the-job training through the following methods

Method	A	NS	D
Job instructions			
Internship Training			
Job rotation			
Committee Assignment			

6. This enterprise accomplishes on-the-job training through the following methods

Method	A	NS	D
Programmed Instructions			
Class Room Lectures			
Workshop / Seminars			

7. How many hours you spend on training per week

Less than 1 hour ☐ 1-2 hours ☐ 3-4 hours ☐ above 4 hours ☐

8. Training cultivates your competence and therefore:-

HR outcomes	A	NS	D
Increase your skills			
Advances your working ability			
Motivates you			
Enhances your positive Attitudes			

SECTION C [OBJECTIVE TWO]

Questionnaires to establish the level of SMEs economic growth at Magomeni ward in Kinondoni District.

In this question show your choice by the use of a tick (√)

A- Agree, **NS**- not sure, **D**- Disagree

1. This enterprise is experiencing economic growth through time
   a) Yes
   b) No

2. The economic growth of this enterprise is realized through internal and external expansion

   a) Yes
   b) No

3. The internal growth of this enterprise is realized in the following

	A	NS	D
Annual Increase in Profits			
Annual Increase in Returns on investments			
Acquisition of new technology			

4. External expansion of this enterprise is realized in the following

	A	NS	D
Formation of mergers			
Acquisition of new technology			
Purchase of shares of other			

SECTION D [OBJECTIVE THREE]

Questionnaires on the contribution of staff training to economic growth of SMEs at Magomeni ward in Kinondoni district.

In this question show your choice by the use of a tick (√)

A- Agree, **NS**- not sure, **D**- Disagree

1. Is it relevant that staff training contributes to economic growth of SMEs?
   a) Yes
   b) No

2. Staff training contributes to economic growth of SMEs through

	A	NS	D
Competent management that can strategically set, implement and evaluate economic growth goals			
Commitment of employees that utilizes knowledge, skills and abilities that guarantees a competitive advantage			
Flexibility of employees which fixes turnover effects on economic growth of an entity			
New technology utilization capacity of employees			
Capacity to mitigate growth risk and therefore a guaranteed achievement of preset economic growth goals			

3. In what other ways staff training is contributing to economic growth of SMEs?

i) ……………………………………………………………………………

ii) ……………………………………………………………………………

iii) ……………………………………………………………………………

[SWAHILI TRANSALATION OF QUESTIONNAIRES]

Ndugu,

Jina langu ni Happyness Kuluwia, mwanafunzi wa chuo kikuu mzumbe, kufanya kazi utafiti in sehemu yangu ya shahada ya udhamiri ya utawala wa rasimili watu Naomba unisadie kujaza dodoso hili litakolo nisadia kufanikisha utafiti wenye lengo lenye kichwa cha habari “Mchango wa mafunzo kaizini katika ukuaji wa uchumi wa makampuni madogo na ya kati”. Taarifa utakazo toa zitachukuliwa kwa siri kubwa na zitatumika kwaajili ya sababu za masomo tu na si vinginevyo. Napenda kutanguliza shukrani zangu kwa ushirikiano wako mzuri, msaada, muda na jitihada zako utakazotumia katika kukamilisha na kurudisha dodoso hili.

DODOSO

SEHEMU A [TAARIFA BINAFSI]

Tafadhali wekea tiki (√) katika kiedwali chenye jibu uonalo sahihi.

1. Jinisia

   Mume ☐ Mke ☐

2. Una umri gani? [miaka] ……………..

3. Hali ya ndoa

Umeoa/Olewa ☐ Msela ☐ Tengana ☐ Mjane/mgame ☐ Achika ☐

4. Umefanya kazi kwa muda gani katika kampuni hii? [miaka] ………………..

5. Una cheo gani hapa kazini?

   Meneja ☐ Msimamizi ☐ Mfanyakazi wa kawaida ☐

6. Kiwango cha juu cha elimu

Cheti ☐ stashahada ☐ shahada ☐ shahada za juu ☐

SEHEMU B [LENGO LA KWANZA]

Dodoso la kutambua kiwango cha mafunzo kazini katika makapuni madogo na ya kati katika kata ya Magomeni wilaya ya Kinondoni.

Katika Swali hili onesha jibu lako kwa kutumia tiki (√)

K- Kubali, **SH**- Sina Hakika, **S-** Sikubali

1. Utawala wa kampuni hii huratibu na kufanya mafunzo kwa wafanyakazi katika kufanya shughuli zao za kila siku.
    a) Ndio
    b) Hapana

2. Ni mafunzo gani hupewa umuhimu zaidi katika kampuni hii?
    a) Mafunzo yanayofanyika katika mazingira ya kazi
    b) Mafunzo yanayofanyika nje ya mazingira ya kazi
    c) Aina zote mbili
    d) Hakuna jibu

3. Je, umewahi kuhuzuria katika mafunzo ya kampuni hii?
    a) Ndio
    b) Hapan

4. Ni aina gani ya mafunzo uliyowahi kuhuzuria?
    a) Mafunzo yanayofanyika katika mazingira ya kazi
    b) Mafunzo yanayofanyika nje ya mazingira ya kazi
    c) Aina zote mbili
    d) Hakuna jibu

5. Kampuni hii hufanya mafunzo ya ndani ya mazingira ya kazi kupitia:

Njia	K	SH	S
Maelekezo ya kazi			
Mafunzo ya awali kabla ya kuajiriwa			
Mzunguko wa kazi/ofisi			
Kazi za kamati			

6. Kampuni hii hufanya mafunzo yanayofanyika katika mazingira ya nje ya kazi kupitia:

Njia	K	SH	S
Maelekezo ya kiprogram			
Masomo ya darasani			
Washa/Semina			

7. Ni wastani wa masaa mangapi huyatumia kwa mafunzo katika wiki

Chini ya saa 1 ☐ masaa 1-2 ☐ masaa 3-4 ☐ zaidi ya saa 4 ☐

8. Mafunzo ya kazi huboresha umahiri wako na kukusaidia:-

“HR outcomes”	K	SH	S
Kuongeza Ujuzi			
Kuongeza uwezo wako wa kufanya kazi			
Kukupa hali ya kazi zaidi			
Kuhuisha mtazamo wako			

SEHEMU C [LENGO LA PILI]

Dodosa la kutambua kiwango cha ukuaji wa uchumi wa makampuni madogo na ya kati katika kata ya Magomeni wilaya ya Kinondoni.

Katika Swali hili onesha jibu lako kwa kutumia tiki (√)

K- Kubali, **SH-** Sina Hakika, **S-** Sikubali

1. Kampuni hii inaonesha ukuaji wa kiuchumi kadri muda uendavyo
   a) Ndio
   b) Hapana

2. Ukuaji wa kiuchumi wa kampuni hii ujionesha kupitia kupanuka ndani na nje
   a) Ndio
   b) Hapana

3. Ukuaji wa ndani wa kmapuni hii huonekana kupitia yafuatayo:

	K	SH	S
Ongezeko la faida ya mwaka			
Ongezeko la faida ya kuwekeza kwa mwaka			
Upatikanajai wa tekinolojia mpya			

4. Kupanuka kwa nje kwa kampuni hii huonekana kupitia yafuatayo:

	K	SH	S
Kufanyika kwa ushirikiano wa kibiashara na makampuni mengine			
Ununuaji wa makampuni mapya			
Ununuaji hisa za makampuni mengine			

SEHEMU D [LENGO LA TATU]

Dodoso la kutambua mchango wa mafunzo ya wafanyakazi katika ukuaji wa uchumi wa makampuni ali madogo na ya kati katika kata ya Magomeni, wilaya ya Kinondoni.

Katika Swali hili onesha jibu lako kwa kutumia tiki (√)

K- Kubali, **SH-** Sina Hakika, **S-** Sikubali

1. Je ni kweli kuwa mafunzo ya wanafanyakazi huchangia ukuaji wa uchumi wa wajasiriamali wadogo na wa kati?

   a) Ndio
   b) Hapana

2. Mafunzo ya wafanyakazi huchangia ukuaji wa uchumi kupitia:

	K	SH	S
Umahiri wa utawala unaoweza kupanga, kutekeleza na kutathmini malengo ya ukuaji wa kiuchumi			
Udhatiti wa wafanyakazi wanaotumia maarifa, ujuzi, na uwezo unao hakikisha kuwepo kwa faida ya ushindani wa kibiashara.			
Unyumbulikaji wa wafanyakazi unaosadia kutatua athari za nafasi zilizo achwa wazi katiaka ukuaji wa uchumi wa kampuni.			
Uwezo wa wafanyakazi kutumia tekinolojia mpya			
Uwezo wa kutibu hatari za ukuaji na hivyo kuhakikisha kufikiwa kwa malengo ya ukuaji wa kiuchumi yaliyowekwa.			

3. Ni kwa njia zipi nyingine Mafunzo kazini huchangia ukuaji wa uchumi wa wajasiriamlai wadogo na wakati?

i) …………………………………………………………………………

ii) ………………………………………………………………………

iii) ………………………………………………………………………

APPENDIX II: Research Budget

Item	Transaction	Amount(Tshs)	Total(Tshs)
Stationers	Purchase of materials and binding	150,000	150,000
Communication	Telephone	40,000	
	Internet services	70,000	110,000
Meals	Breakfast	60,000	
	Lunch	200,000	260,000
Transport	To visit supervisor	150,000	
	Submission cost	100,000	250,000
Secretarial Services	Photocopies	40,000	
	Printing	100,000	
	Typing	100,000	240,000
Other Related Costs	Any Other Related Costs 1,010,000 x 10%	101,000	101,000
Supervision costs		300,000	300,000
Total			**1,411,000**

APPENDIX III: Time Schedule

WEEK	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Orientation/Familiarization																
Research design																
Data collection																
Answering research questions																
Data analysis& interpretation																
Documentation & submission																