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Business development services and performance of micro, small and medium enterprises: mediating effect of attitudes and perceptions of owners in Dodoma city

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**BUSINESS DEVELOPMENT SERVICES AND
PERFORMANCE OF MICRO, SMALL AND MEDIUM
ENTERPRISES: MEDIATING EFFECT OF ATTITUDES
AND PERCEPTIONS OF OWNERS IN DODOMA CITY**

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**MASTER OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF DODOMA
DECEMBER, 2020**

**BUSINESS DEVELOPMENT SERVICES AND PERFORMANCE
OF MICRO, SMALL AND MEDIUM ENTERPRISES:
MEDIATING EFFECT OF ATTITUDES AND PERCEPTIONS OF
OWNERS IN DODOMA CITY**

BY
WALTER GEORGE

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION

THE UNIVERSITY OF DODOMA
DECEMBER, 2020

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I, WALTER GEORGE, declare that this is my own original work and that it has not been presented and will not be presented to any other university for similar or other degree awards.

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CERTIFICATION

The undersigned certifies that she has read and hereby recommends for acceptance by the University of Dodoma, a dissertation entitled “**Business Development Services and Performance of Micro, Small And Medium Enterprises: Mediating Effect of Attitudes and Perceptions of Owners In Dodoma City**” in partial fulfillment of the requirements for the degree of Master of Business Administration of the University of Dodoma.

Dr. Salum Matotola

Signature:.......... Date.....07.12.2020.....

ABSTRACT

This study focused on the influence of business development services on performance of Micro, Small and Medium Enterprises (MSMEs) in Dodoma City when mediated with owner's attitudes and perceptions. Specifically, the study mapped business development services offered to the MSMEs, determine the influence of advisory services on the performance of MSMEs, determined the influence of technical supports on the performance of MSMEs and finally, determined the mediating effects of attitudes and perceptions of owners in the relationship between business development services and the performance of MSMEs. Data were collected and analyzed both qualitatively and quantitatively form a total of 90 business owners were involved in the study and the performance of their MSMEs was determined. Pearson correlations and multiple linear regressions were conducted and results revealed that business development services which were advisory services in terms of business, management, tax and financial services and technical support in terms of production skills, ICT skills and maintenance services determined the performance of MSMEs. Also, the presented results revealed that perceptions and attitudes of owners of MSMEs mediated the relationship between business development support and the performance of MSMEs. It was recommended that business owners should enhance the utilization of business development services and on the other hand positive attitudes and perceptions should be considered so as to improve the performance of their MSMEs. Finally, the study suggested for further studies on the challenges that MSMEs encounter on accessing to business development services and how the same affect the performance of MSMEs.

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DEDICATION

This work is dedicated to my father and mother; George Ndengerio Mushi and Spora Mushi, my uncle Mr. David George Mushi and my whole family.

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LIST OF ABBREVIATIONS AND ACRONYMS

BDS	Business Development Service's
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
MSMSE's	Micro, Small and Medium Enterprises
UDOM	University of Dodoma
UK	United Kingdom
USA	The United States of America
URT	The United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter provides detailed information on the background of the study, statement of the problem, research objectives including both general and specific objectives, research questions, significance of the study and organization of the study.

1.2 Background Information

Worldwide, The Micro, Small and Medium Enterprises (MSMEs) have been documented to be important for job creation (Zihinija, 2010). In the experience of European Union, MSMEs in 2008 has grown over 20 million enterprise in the United Kingdom (UK) of which about 43,000 were large scale enterprise and more than 99.8 percent of the enterprises were included in the group of MSMEs.

In the United States of America (USA) about 60 to 70 percent of the jobs created are facilitated by MSMEs. This number suggests that, MSMEs play a major role in jobs creation (Mlise, 2013). According to Zihinija (2010) , about 70% of the created jobs in Scandinavian are also contributed by the existence of MSMEs. This entails that MSMEs are vital for providing employment opportunities.

In developing nations such as India, MSMEs are connected to accelerate economic growth through creation of employment. These businesses have managed to expand to the development of export market (Shinozaki, 2012). It is also noted that, in Thailand, MSMEs composed of a large number of MSMEs that provide employment over its population, for this reason MSMEs has been acknowledge to be a major source of employment. In addition to that, MSMEs contribute much in industrial expansion with future skills development (Rochaa, 2012). Extensively, MSMEs tend to offer prominent opportunities in various sectors of the economy, in such a way are the major source of technological innovation, skills development and employment (Milošević et al., 2010).

In Africa MSMEs represents over 90% of all enterprise in which significantly, they have created over 50% of the employment opportunities. It is the solution of unemployment problems, improves living standard and provide goods and services to

the entire public. Countries such as South Africa and Malawi, MSMEs have played a vital role in the creation of employment, wealth and income generation (Fiseha & Oyelana, 2015).

Studies which were conducted by Zidana (2017) in Malawi and Fiseha and Oyelana, (2015) in South Africa have pointed that, existing of MSMEs have managed to employ over 1,050,320 people, which represent just around 41% of the country's MSMEs which play a pivotal role in the domestic economy. Generally, in Sub Saharan Africa, MSMEs is the source of employment of more than 80% of the population, in which labour has been utilized in various sectors of the economy (Fjose et al., 2010).

In East Africa, for example in Kenya, the MSMEs sector has significantly created over 50% new jobs, and eventually help to solve unemployment problem, raise citizen living standard and promoting economic growth (Ugoani, 2016). In addition, MSMEs in Uganda contribute over 70% of the economy in terms of job creation and significantly above 20% of Gross Domestic Product (GDP) are realized by the existing MSMEs (Ugoani, 2016).

In Tanzania, particularly MSMEs have significant contribution of more than 27% to the GDP and 23.4 of the full work drives (Isaga, 2012). Indeed, Micro, Small and Medium Scale Enterprises (MSMEs) is the source of employment which is aimed to promote economic expansion. Apart of these importance and contribution, MSMEs are confronted by a lack of access to finance, legal framework, formality, organization structure, these are the major barriers for performance (Gomez & Edgcomb, 2013). The business development services promote Micro, Small and Medium Scale Enterprises (MSMEs) thus promote market access and infrastructure created. This relates to the policy advocacy book keeping and legal advice (Musara & Fatoki, 2010).

Following to these challenges, various efforts have been initiated to improve the performance. This includes establishment of the policies and other regulatory institutions (Admassie & Matambalya, 2002). Other initiatives include provision of loans (Mori & Richard, 2012) and training to the MSMEs especially to the owners

and managers. However, regardless of these efforts, the performance of MSMEs is still questionable (Mchome, 2016). This provides a question as to whether the strategies employed are the best match or there is a need to initiate other strategies so as to increase performance.

Among the areas which need to be addressed by researches is the Business Development Services (BDS). This support which are provided by the organisation such as SIDO play a major role on development of the Micro, Small and Medium Scale Enterprises (MSMEs). According to Baba et al. (2012), researches are needed in this area so as to study the relationship between these services and the performance of MSMEs. However, this role is almost overlooked in the basis of market access, infrastructure facility, input supply and training needed by the Micro, Small and Medium Scale Enterprises (MSMEs).

The major problem identified is the involvement of the attitudes and perception of the owners especially in studying the way they accept the BDS offered by these institutions. In connection to these factors also technical assistance needed to the Micro, Small and Medium Scale Enterprises (MSMEs) for the business performance can work effectively if the attitudes and perceptions of the owners of MSMEs are involved in the designing of the BDS. This study therefore aims at analysing the influence of BDS on the performance of MSMEs when mediated by the attitudes and perception of the owners of MSMEs.

1.3 Statement of the Problem

The use of BDS especially the advisory services to the MSMEs is recognized as the source to financial management and performance of MSMEs (Kazungu et al., 2018).

However, in Tanzania more than 80% of the MSMEs do not seek business development services. This has been recognized as a major obstacle towards enterprise performance in terms of sustainability and profitability (Ellis et al., 2017). Various studies have pointed that, there are many factors associated by this problem such as lack of information, inadequate knowledge and management of resources (Isaya, 2018).

However, these studies have not focused on the attitudes and perception of Micro, Small and Medium Enterprises (MSMEs) owners. Studying the attitudes and perception of owners is important because, in order to accept and use effectively the BDS provided by the organisations, attitudes and perception are very important. Focusing the BDS such as advisory services will help the MSMEs to adopt the support services for the performance of the MSMEs. Therefore, this study aimed at analysing the attitudes and perception of Micro, Small and Medium Enterprises (MSME's) owners toward accepting the business development services provided by the support centres in Dodoma City because the area has experienced a shift of business and government activities to this area.

1.4 Research Objectives

The study intended to achieve the following objectives:

1.4.1 General objective

The general objective of this study was to analyze the influence of business development services toward the performance of MSMEs when mediated by the attitudes and perception of Micro, Small and Medium Enterprises (MSMEs) owners in Dodoma city.

1.4.2 Specific objectives

- i. To map the Business Development Services (BDS) offered to the MSMEs in Dodoma city
- ii. To determine the influence of advisory service on the performance of MSMEs in Dodoma city.
- iii. To determine the influence of technical support on the performance of MSMEs in Dodoma city.
- iv. To determine the mediating effects of attitude and perceptions of the MSMEs owners in the relationship between business development services and performance of MSMEs.

1.5 Research questions

- i. What are the business development services offered to the MSMEs in Dodoma city?

- ii. How advisory service influence performance of MSMEs in Dodoma city?
- iii. How technical support influence performance of MSMEs in Dodoma city?
- iv. How altitude and perceptions of the MSMEs owners mediate the relationship between business development services and the performance of MSMEs?

1.6 Scope of the Study

This study was conducted in Dodoma City, the study focused on the Business Development Services (BDS), the business performance and the attitudes and perceptions of the owners of MSMEs.

1.7 Significance of the study

The findings generated by this study would be relevant to the policy makers to facilitate the process of formulating effective strategies and policies to support MSMEs, purposely to equip them with relevant supportive business environment in Tanzania.

1.8 Organization of the study

This study is organized into six main chapters

Chapter one entails information based on the background of the study, statement of the problem, research objectives including both general and specific objectives, research questions, significance of the study and organization of the study.

Chapter two which is about a literature review deals with the review of related literature and it comprises of definitions of concepts and terms, theoretical literature review, empirical literature review and conceptual framework.

Chapter three shows the research methodology from which research design, study area, study population, sample size and sampling techniques, data collection methods, data analysis, reliability and validity issues are discussed in details.

Chapter four presents details about the presentation of findings of the study. This chapter presents what the researcher found out concerning the variables of the study. Therefore, the presentation is based on the specific objectives of the study.

Chapter five is all about discussion of the findings. This chapter discusses all the findings as presented in the chapter four. These findings are discussed with the consideration of the previous studies so as to find out if the research results contrary of are supported with the previous findings in relation to the study variables.

Chapter six discusses about summary of findings, conclusion, recommendations and suggestions on areas for further studies. The summary and conclusion of the study provided by the researcher is based on the findings of the study and areas that need further researches are suggested in this chapter

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter deals with the review of related literature on business development services, performance of MSMEs, attitudes and perceptions. It includes definitions of concepts and terms, theoretical literature review, empirical literature review and conceptual framework.

2.2 Definitions of Key Terms and Concepts

This part explains the definitions of key terms and concepts as used in the study.

2.2.1 Business Development Services

According to the Committee of Donor Agencies for Small Enterprise Development (2001) defined business development services as the service that focus on improving the overall performance of the employer, to promote markets and its capability to compete. These includes schooling, Outsourcing solutions for financial functioning, Specialized solutions for financial bodies and institutions, Advisory and liaison solutions for startup businesses, consultancy, marketing, facts, technology improvement and transfer. Enterprise development offering is basically designed to provide services to individual businesses towards the large network. This study defined business development service as the advisory services and technical services.

2.2.2 Micro, Small and Medium Scale Enterprises (MSMEs)

According to the Ministry of Industry and Trade in Tanzania, it is important first to define micro enterprise. It is collectively defined as in the context of its characteristics, in the large context it is sometimes known as micro, small and medium scale enterprises (MSMEs). It is known as that in Tanzania context small and medium enterprise engaging up to four people such as family members and with relatively investment that do not exceed 5 million Tshs, in majority fall under the informal sectors operation. Small enterprises are formalized business undertakings with 5 to 49 employees that ranged with capital investment of TSHS 5 million to 200 million. Medium enterprises on the other hand comprise of 50 to 99 employees with capital investment that ranged from 200 to 800 million TSHS (Admassie & Matambalya, 2002). This is indicated in the following tables below.

Table 2. 1: Categories of Micro, Small and Medium Scale Enterprises (MSMEs) in Tanzania

Category	Employees	Capital investment (Tshs)
Micro	1-4	Up to 5 mil
Small enterprise	5-49	Above 5 mil-200 mil
Medium enterprise	50-99	Above 200 mil. To 800 mil
Large enterprise	100+	Above 800 mil

Source: URT (2002)

2.2.3 Performance of MSMEs

Performance can be defined as the action or process of performing a task or function. In view of that performance can also be termed as the action or process of performing a task, it is consisting an objective phenomenon, which consisting of a set of attributes of a program and its measurable impact on MSMEs that operate under a certain society (Moullin, 2007).

Additionally, Literature suggested that performance of SMEs can be well defined in qualitative or quantitative forms. The former focused on goals achievement, employee's behavior or leadership style (Anggadwita & Mustafid, 2014). The quantitative approach focused on financial results, production level, and number of customers (*ibid*). Also, SMEs performance in terms of profitability, market share, productivity, costs and market shares (Zimon, 2018).

2.3 Theoretical review

It is first important to define the theoretical framework as a logical meaning to guide in the research study. It provides and gives an explanation of various variables that are used in the study through the use of theories (Kothari, 2004). Therefore, this part explains about different theories that have been done by various scholars and authors in previous studies that are relating to this study. This study contains two theories namely Resource Based View (RBV) theory and Knowledge Based View/Theory (KBT).

2.3.1 The resource-based view theory

The resource-based view theory (RBV) is basically rooted in the work of Penrose (1959), access to resource is the source of promoting supports to the Micro, Small and Medium Scale Enterprises (MSMEs), this is required to support through planning and effective implementation of strategies (Gebre-Egziabher & Ayenew, 2010).

The resource according to the RBV is generally termed to be organizational assets, capabilities, organizational processes, firm attributes, information, knowledge and firm control. This is directly focused on the implementation of the strategy towards promoting efficiency and effectiveness of the Micro, Small and Medium Scale Enterprises (MSMEs). The resource is the source of cost reduction while increasing organization income, through the implementation of strategies on the uses of resources (Barney & Arian, 2001).

According to Kamyabi and Devi (2011) most of MSMEs are not able to survive in the business environment that is characterized by intense competition due to the fact that they do not have the amount of resources required for surviving in this business environment. It is common for business that is in competition to need more resources than a business that is not in the competition (*ibid*).

However, enterprises may have adequate resources but with very limited knowledge Figurska (2009), in this aspect the RBV inadequately explained on knowledge that human resources have on utilization of other available resources. This provided a room for Knowledge Based Theory to be involved in the study.

2.3.2 Knowledge Based Theory

A knowledge-based view is developed in the basis of transaction cost economics by Coase in 1937. The central theme of the theory explained that the firm is optimizing the costs of transaction in the specific nature of mechanism (Kaplan et al., 2001). The firms may extensively develop through accessibility of some information and knowledge, such as to negotiate the contract. The firm exist because of monitoring condition and ability to fulfil condition, which is extensively related to the building of contract and operation towards a certain level of growth (Kimando et al., 2012).

The ability must be attained in the fulfilment of certain regulatory framework. The regulatory dimension explains firm knowledge activities which is required in the business performance in the existing resource base. Therefore, from the ground of this theory the firm need to access and utilize advisory services to access information, knowledge, experience and skills over the business undertakings.

Therefore, for the MSMEs that are in intense competition their business owners need specific knowledge on how to exploit resources that can enable them to be more competitive and productive in the competitive environment (Worrall, 2007). Employment of professional accounts for instance is one of the possible ways that these business owners can ease the competitive business environment (Kamyabi & Devi, 2011).

2.4 Empirical review

Kasim et al. (2018) emphasized on the impact of market orientation on Small and Medium Size Enterprise. The market orientation is connected to the market accessibility, which has positive relationship on the performance of organizations. Market access is connected to the market information through advertising facilities, market linkage through promotion of organization outreach. Although majority of Micro, Small and Medium Scale Enterprises (MSMEs) lack appropriate procedure to orient the market, simply because lack Business Advisory Services. The operation are limited to the existent are not participating in the procedure to orient the market.

Gomes and Wojahn (2017) conducted a study on the Organizational learning capability, innovation and performance. It was conducted through the application of structure equation model for data analysis, and sample size was 140 Micro, Small and Medium Scale Enterprises (MSMEs) in Turkish textile industry. This study found that organization lack business advisory services which have affected the learning, innovation and organizational performance.

The study conducted by Mokhtar et al. (2014) focused on the market support to the Micro, Small and Medium Scale Enterprises (MSMEs), the sample size was 140 Micro, Small and Medium Scale Enterprises (MSMEs), in Malaysia found that

market orientation was the support needed to the Micro, Small and Medium Scale Enterprises (MSMEs).

Shehu (2017) looked at the relationship between the extent that a firm utilization of business advices from professional accountants and employment growth. They classified three growth classes, declining/stable, medium growth, and fast growth. The Micro, Small and Medium Scale Enterprises (MSMEs) lack development that are required in the ground of business professional because less emphasis is pressed on the business advisory services.

The study conducted by Carey and Tanewski (2016) the provision of business advice to SMEs by External accountants. The purpose of the study was to examine the association between business advices and SMEs' performance. Their study did not find the positive association between business advices and MSMEs' performance. The majority of SMEs are less considered the search of business advisory services irrespective of its provision. The major factors are considered as lack of information, inadequate knowledge and management of resources.

Another study that was conducted by Berry et al. (2006) focused on emergency advices, business advices, statutory advices and financial management advices as advisory services provided by professional accountants on performance of MSMEs in terms of growth. The results revealed that the extent use of professional advices enhanced the performance of MSMEs positively.

2.4.1 Significance of small and medium enterprise in Tanzania

Micro, Small and Medium Scale Enterprises (MSMEs) is basically connected to the contribution of social and economic development in the context of Tanzania. It mainly contributes to create employment, income and promotion of economic growth in both urban and rural settings. This is generally reflected the concern of socially, economically and politically dimension.

The Micro, Small and Medium Scale Enterprises (MSMEs) are believed to create about a third of the GDP, the Micro, Small and Medium Scale Enterprises (MSMEs) operating in the informal sector are comprised of about 1.7 million small businesses that consisting about 20% of the labour force (3 million people). In Tanzania Micro,

Small and Medium Scale Enterprises (MSMEs) data are unreliable and sometimes not clearly stipulated. It is recognized that Micro, Small and Medium Scale Enterprises (MSMEs) are relatively the source of employment which is labour intensive, it is in low rate in comparison with job created.

The majority of entrepreneur stands on the Micro, Small and Medium Scale Enterprises (MSMEs) sector. It is really known that Tanzania is characterized by the low capital formation, Micro, Small and Medium Scale Enterprises (MSMEs) is the best option to address the concern of business performance. The Micro, Small and Medium Scale Enterprises (MSMEs) sector is more reliable on the utilization of local resources and affordable technologies in the production capacity. It means that Micro, Small and Medium Scale Enterprises (MSMEs) sector have significant contribution to add value to the local resources.

This facilitates in most instances the distribution of economic activities in promotion of equal distribution of resources. It is really recognized that Micro, Small and Medium Scale Enterprises (MSMEs) apply easy technologies that could be well transferred and adopted. It is clear that Micro, Small and Medium Scale Enterprises (MSMEs) is directly based on the satisfaction of limited demands in the localized and small markets dimension in the minimized overhead costs.

2.4.2 Business Development Services

Inadequate access to business development services was one among the difficult that most of the new start-ups entrepreneurs faced at the initial stage of their development of the business(Matotola, 2016; Terpstra & Olson, 1993). But access to business development services is not for the new start-up entrepreneurs as even those who have already established their businesses need them. Davis and Vladica (2005) found out that even the larger enterprises needed access to business development services.

Also, firms that are focused on growing were more interested in business development services that are provided by externals than those forms that were not interested in growing (Sheikh, 2003). Business development services are provided by various experts and consultants in specified business areas.

For instance, those intermediaries who act on behalf of sellers known as business brokers are among them but most of MSMEs owners do not include them very seriously as reliable source of business supports. This is not the case to accountants and lawyers who are considered important in providing supports to these MSMEs' owners (Massey et al., 2009).

Cravo and Piza (2016) identified tax simplification, support to innovation, local production systems, training, credit lines and matching grants as direct and indirect business development services that MSMEs get from various groups of professionals. These identifies support services were found to be important for the performance of firms in countries with in low and middle level income.

Kamyabi and Devi (2011) commented on the advisory services as business development services that enhanced performance of MSMEs, but the focus was on the advisory services that were provided by accountants who were considered professionals. The focus of study was on the advisory services and technical support as business development services that MSMEs received.

The use of advisory services mediated the association between decisions related to markets and the performance of the firm (Dyer & Ross, 2008). The study conducted by Devi and Kamyabi (2012) suggested that competence of manager or owner in terms of knowledge, marketing decisions, the utilization of professional accountants' services influenced the performance of firm.

Also, business consultants are vital for providing advice and support services that facilitate performance of firm and enhance competitive advantage(Gooderham et al., 2004). On the other hand, Braidford and Stone (2016) discussed on business supports that MSMEs receive so as to encourage firm's engagement. This study identified both strategic and technical support services that are provided for business planning and improvement.

2.5 Research Gap

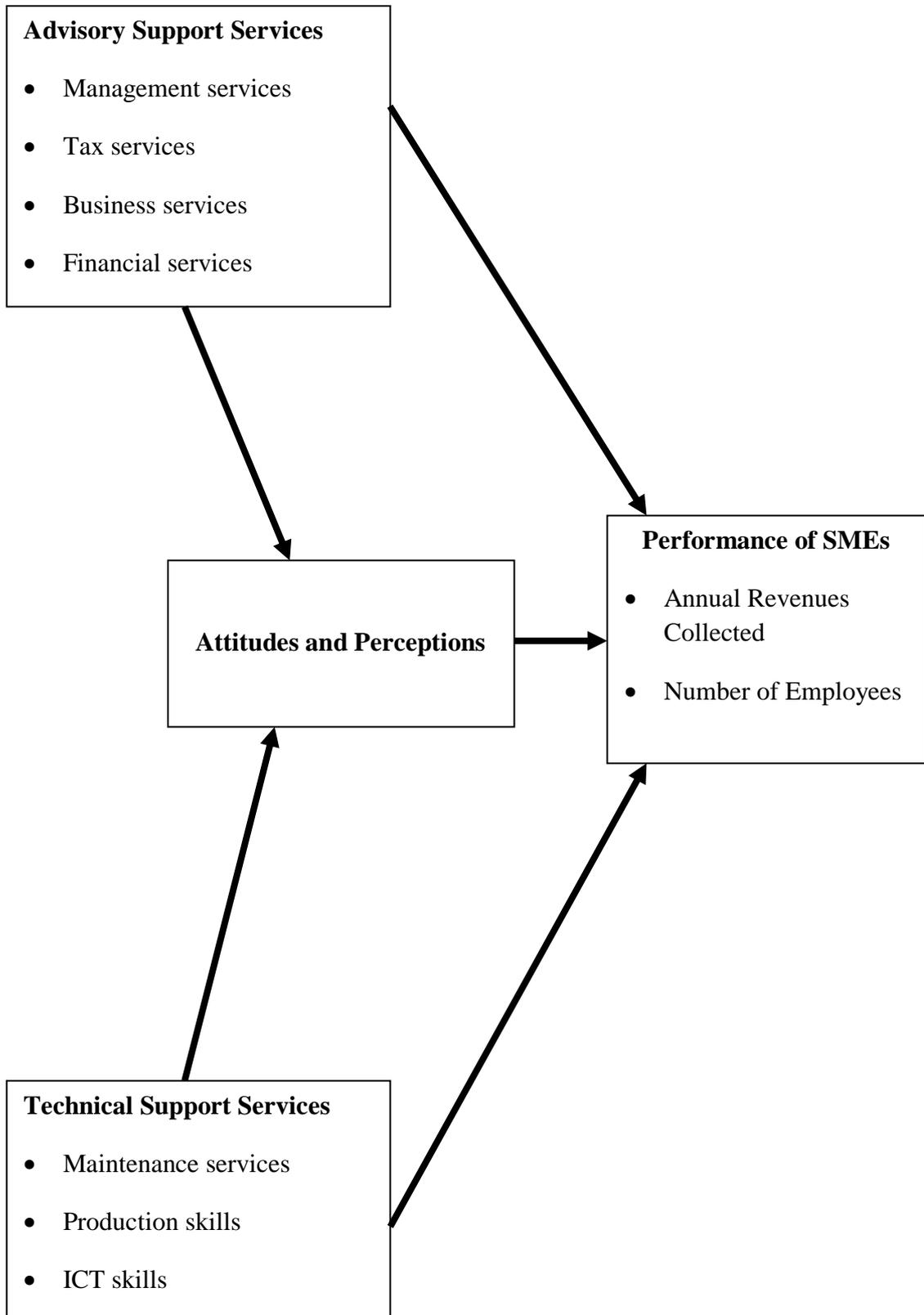
The application of BDS such as the advisory services to the MSMEs are relevant to the financial and business performance. The literature provided different firms and organization readiness and prepared to provide advisory services(Ellis et al., 2017;

Isaya, 2018; Kazungu et al., 2018). Nonetheless, the ability of MSMEs to search business development services are less minimized to the extent of the nature of business and awareness on the importance of BDS. Some of the literature mentioned the lack of information, inadequate knowledge and management of resources. This is the major limiting factors to business expansion and performance. Therefore, there is a need to address this gap.

2.6 Conceptual framework

A conceptual framework is relied on the system of framework that presented ideas and construct their relationship (Kotter, 1995). This study used three kind of variables; independent, mediating and dependent variables. The relevant independent variables is built on the business development services such as the technical services, advisory services and the training services. These factors are connected to the relevant dependent variable which is the performance of Micro, Small and Medium Scale Enterprises (MSMEs). In this study, the attitudes and the perceptions are used as the intervening variables. The relationship between the independent and dependent variables are provided in the context of Advisory Support Services such as Management services, Tax services, Business services and financial services once are provided to the SMEs tend to influence the performance of SMEs such as on the annual Revenues Collected and Number of Employees are expected to increase. Also Technical Support Services; Maintenance services, production skills and ICT skills once are provided the SMEs performance are realized. These depend on the attitudes and perceptions.

Figure 2. 1: Conceptual framework



Source: Researcher (2019)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter is all about the methodological aspect of the study from which presents the research design, the study area, study population, sample size, sampling techniques, types and sources of data as well as data collection methods are presented.

3.2 Area of Study

The study was conducted in Dodoma city, the selection of the study area based on the shifting of government activities and business entities in this city which resulted into the interaction of Micro, Small and Medium Scale Enterprises (MSMEs) business activities, this facilitated accessibility of data and information.

3.3 Research Design

According to Kothari (2004) research design is recognized as a way the research provide a direction and overall picture on the work structure with the overall goal to collect and manage data and information. This is source of the way study will be conducted and its methodological perspective, to provide results in a more efficient and effective way.

This study used a descriptive survey design, this research design was used because of the ability to provide accurate picture on the characteristics based on the behavior, opinions, abilities, beliefs and knowledge which is required from a particular individual or group. A descriptive research design is the source of explaining the characteristics of Micro, Small and Medium Scale Enterprises (MSMEs) on the basis of major three themes; attitude, perception and competence.

It relevant applicability is especially design to provide reliable and relevant data needed and required on the attitudes and perception of Micro, Small and Medium Enterprises (MSME's) on Business Development Services (BDS): The Role of Advisory services toward MSME performances in Dodoma.

3.4 Study Population

Study population is the total of items on the respect information gathering in terms of the desired and respected focus (Kothari, 2004). In this study the study population was all about the Micro, Small and Medium Scale Enterprises (MSMEs) owners and managers from the informal and formal sectors in Dodoma City which comprised of 1627 Micro, Small and Medium Scale Enterprises (MSMEs) (DCC, 2018).

3.5 Sample size and Sampling procedures

3.5.1 Sample size

The sample size is a finite part found in the statistical population in which the relevant properties are studied to provide information about the whole study (Fishman et al., 2014). The sample size is a small portion of population which is used to represent the existing total population, which needed to be studied. The sample size that that was used in this study was calculated as follows from the study population (Magigi, 2015).

$$n = N / (1 + N(e)^2)$$

Where n = sample size, N = the target population (1627) includes Micro, Small and Medium Scale Enterprises (MSMEs)

e= margin of error (10%)

$$n = 1627 / (1 + 1627(0.1)^2)$$

$$n = 94$$

3.5.2 Sampling Techniques

Sampling techniques these are the techniques that a researcher has selected in order to enable in collecting and obtaining relevant data that are needed in the study (Kothari, 2004). In this study, a researcher used convenience sampling. The convenient sampling was used because it was more convenient, fast, inexpensive and easy to access.

Convenient sampling was used to select Food vendors, *Bodaboda*, Market vendors, Shop retail sellers, On-road petty vendors/sellers as they were expected to be selected out of the population.

3.6 Data collection methods

Data collection methods are used to collect and facilitate the exercise of obtaining relevant data needed for the study. These methods facilitated to the study to obtain the required information. The following are data collection methods and tools that were used for data collection.

3.6.1 survey

Survey method is used by researcher to collect data from many respondents at once (Danielson et al., 2015; Schwarz et al., 1999). In this study, the selected respondents were surveyed to answer the research questions. A questionnaire is a tool of data collection consists of a number of questions that are addressed on the respondents to be answered (Kothari, 2004). Questionnaires were preferred due to the fact that questionnaires provided a high degree of anonymity for respondents, more convenient to respondents since it gives them ample time to analyse the questions and then answer them at their convenience (Kothari, 2004). Questionnaire was useful in the collection of information in a short period of time. The questionnaire in this study was structured in the form of a likert scale or a summated scale. The questionnaires were addressed to the Micro, Small and Medium Scale Enterprises (MSMEs) owners or managers.

3.6.2 Interview

Personal interview was conducted by the use of face to face conversation or through telephone (Kothari, 2004). The target for this method is the key informants such as staffs' deals with Micro, Small and Medium Scale Enterprises (MSMEs) in Dodoma City, the purpose for interview is to explore the views, experience, beliefs and motivations of individuals on specific matters. The interview method was developed in the main study themes and literature reviewed; interview consisted of several key questions that explored the areas of specific focus in order to obtain more response.

The interview was organized through interview guide to officers or staffs owning MSMEs in Dodoma City Council, to obtain deep responses on the attitudes and perceptions of Micro, Small and Medium Enterprises (MSME's) on Business Development Services (BDS): The Role of Advisory services toward MSME performances in Dodoma.

3.7 Data Analysis

According to Kothari (2004), data analysis is based on the computation of measures that provide the relationships exist among data groups. The analysis of data was conducted through the use of Statistical Package for Social Science (SPSS version 21). Multiple linear regression model was be used to examine the relationship independent variables and dependent variable(Schneider & Wagemann, 2010) . The model was useful in examine the influence of business development services on the performance of MSMEs. The structural equation modelling was used to determine the influence of business development services on performance of MSMEs when mediated by attitudes and perceptions of MSMEs' owners. The following are presentation of each specific objective and analysis techniques.

Objective one: To map the Business Development Services (BDS) offered to the MSMEs in Dodoma city. It was analysed by the use of content analysis, where by the documentary were reviewed and each content which are relevant to the study was take and presented in this study.

Objective two: To determine the influence of advisory service on the performance of MSMEs in Dodoma city. It was analysed by the use of SPSS version 21 in which multiple linear regression was used to study the relationship between Advisory Support on the annual revenue collected and performance of MSMEs and Pearson Correlation was used as a method.

Objective three: To determine the influence of technical support the on the performance of MSMEs in Dodoma city. The analysis in this objective was computed by the use of SPSS in which regression analysis was employed to model the technical supports and annual revenue collected.

Objective four: To determine the mediating effects of altitude and perceptions of the MSMEs owners in the relationship between business development services and performance of MSMEs. Regression analysis and correlation were used to find the relationship between business development services and performance of MSMEs.

CHAPTER FOUR

PRESENTATION OF THE FINDINGS

4.1 Overview

This part presents the comprehensive findings of the study. Out of the total targeted 94 respondents who received the questionnaire, 90 duly filled and returned the completed questionnaires which represents 95.7% response rate, during follow ups researcher found out that those unreturned questionnaires were from those who were discouraged to give feedback. The findings presented in this part include background information of the respondents and the relationship between independents variables and dependent variable.

4.2 General Information of Respondents

The study analyzed the general information of respondents; the main purpose is to get the general picture of the socio-economic characteristics of all respondents who were included in the study. Sex, education level, age and experiences of respondents in business operations were analyzed.

4.2.1 Sex of the respondents

The study intended to find out the gender of respondents, the question was posed where the respondents were required to identify themselves as to either male or female. The results as presented in Table 4.1 reveal that the number of Male participants is 64 out of all 90 respondents. This is about 71 percent; the remaining 29 percent was represented by females who were involved as respondents in this study.

Table 4. 1: Sex of the respondents

Sex	Frequency	Percent
Male	64	71
Female	26	29
Total	90	100.0

Source: Field Survey, 2019

4.2.2 Age of respondents

Under this aspect, the researcher wanted to find out the age of each respondents involved in the study. Results on table 4.2 show that majority of respondents, that is about 44 percent were having the age between 36-45 years, also those having the age between 26-35 constituted about 20 percent, followed by those having the age between 46-60 who constituted about 17 percent and the remaining 7 percent and 2 percent were having the age below 25 and above 60 respectively.

Table 4. 2: Age of the respondents

Age Category	Frequency	Percent
Below 25	6	7
26-35	18	20
36-45	40	44
46-60	24	17
Above 60	2	2
Total	90	100.0

Source: Field Survey, 2019

4.2.3 Education Level of respondents

The study found out the level of education of respondents, results on table 4.3 shows that majority of respondents that is 51 percent had reached a college level of education followed by secondary education level that constitute about 40 percent of all respondents while the remaining 9 percent was in primary level. These results simply imply that all respondents had formal education as none was found with no formal education. Also, majority had reached at least a college level.

Table 4. 3: Level of education of the respondents

Education Level	Frequency	Percent
No formal	0	0
Primary	8	9
Secondary	36	40
College	46	51
Total	90	100.0

Source: Source: Field Survey, 2019

4.2.4 Experiences of respondents on business

The researcher wanted to find out the level of experience of each respondent on the business affairs. Majority of respondents, that is about 47 percent of all respondents had experience on business affairs of between 11 to 15 years, followed by 27 percent who had an experience of between 6 to 10 years, the remaining 13 percent and another 13 percent were represented by those respondents with more than 16 years and between 1 to 5 years of experiences on business matters. These results imply that majority of respondents who were included in this study had more experience on business affairs and therefore relevant information were collected from experienced individuals.

Table 4. 4: Working experience of respondents in years

Category	Frequency	Percent
1-5 Years	12	13
6-10 Years	24	27
11-15 Years	42	47
16+	12	13
Total	90	100.0

Source: Field Survey, 2019

4.3 The Main Findings

4.3.1 Objective 1: Mapping the business development service

The study involved two major business development services namely technical support, and advisory services. In the body of literature, various business development

services mapped in Dodoma city namely; technical and advisory services. During the content analysis, two major factors were used, these included:

- i. The business development services offered by the organisation in Dodoma city of which advisory support and advisory support were identified. Generally, the technical supports found were management advice, tax advice, business advice and financial advice and the technical support were maintenance support, production skills development support and ICT skills development support.
- ii. The kind of business service support demanded by the organization. Generally, due to the needs and the environmental factors identified in the study area, the business service supports offered by the organizations were found to match with the needs of the organizations. Although there were some various in some areas, the study found this mismatch to be minor.

4.3.2 Objective 2: Influence of business development support on the performances of MSMEs in Dodoma city

In this study, performance of the MSMEs was measured using two indicators which are revenue collected and the number of employees the SME has managed to employee. Therefore, both advisory and technical supports were regressed against revenue collected and the number of employees. On the other hand, multiple linear regression model was used to study the relationship because, the dependent variables in this study were captured as continuous variables. Also, in objective three, structural equation modelling was used since, the objective involves complex relationship with mediating variables ‘attitude’ and ‘perceptions’.

4.3.2.1 Regression Model Results of the Influence of Advisory Support on the annual revenue collected

The analysis involved the regression of advisory support and the performance of MSMEs. Both annual revenues collected and number of employees was regressed to advisory service. Table 4.5 of the model summary of advisory support regression model shows that, the variables; management, tax, business and financing advices included in the model, explain the annual revenue collected by the surveyed MSMEs

in Dodoma city by 65.9%. This is indicated by R square which was found to be 0.659.

It is also supported by the adjusted R square which was found to be 0.642. These findings indicate that, the independent variables which are used to define advisory support, explain annual revenue collected by more than 64% and it further means that, the variables selected during the mapping process were statistically enough.

Table 4. 5: Model Summary of Regression Model of Advisory Support and Annual Revenue Collected

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782 ^a	.659	.642

Model summary bsu

a. **Predictors:** Management advice, tax advice, business advice and financial advice.

b. **Dependent Variable:** Annual revenue collected

Source: Analysis of Field data (2019)

i. Results of regression model of advisory supports and annual revenue collected

Table 4. 6: Results of the regression model on annual revenue collected

Model	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	
1 (Constant)	.765	.087		1.676	.093
Management advise	.675	.045	.956	1.321	.013
Tax consultancy	.548	.084	.854	2.435	.088
Business advice	.587	.011	1.323	1.641	.001
Financing advice	1.980	.032	.112	2.231	.015

Source: Analysis of field data, 2019

(a) Management advice

Table 4.6 shows that, management advices provided by the business development services organizations have a positive and significant association with the annual revenue collected by the MSMEs. This is indicated by the coefficient β of 0.956 which means that, one unit increase in management advice will increase the annual revenue collected by 0.956 units. The relationship between management advices and annual revenue collections was tested to be statistically significant at $p= 0.013$ less than 0.05, hence management advice was found to make a significant unique contribution to the annual revenue collected.

(b) Tax Advices

Tax service on the other hand was found to have a beta coefficient of 0.854, though the relationship between this variable and the annual revenues collected was found to be not significant and hence this variable is not a significant factor in explaining the variations in the dependent variable.

(c) Business Advices

The result on the model shows that business advice is the determinant of annual revenues collected. As the value of beta coefficient was 1.323 with a significant statistical value of 0.001 which means that the variable makes unique significant contribution in explaining the variation of the annual revenues collected.

(d) Financial Advices

Results on table 4.6 show that about 11.2 percent increases in the annual revenues collected is associated with one unit increase in financial services. This is explained by the value of $\beta = 0.112$. also, the relationship between financial services and annual revenues collected was significant at $p = 0.015$ indicating that a variable is making unique contribution in explaining the variations of the annual revenues collected with other factors being constant.

i. Results on the correlations of variables of advisory services to the annual revenues collected

Results presented are from the correlation of management advice, tax advice, business advice and financial advices as advisory services to the annual revenues collected as the indicator of MSMEs performance.

(a) Management advices and annual revenues collected

Table 4.7 shows that, Pearson correlation analysis indicated a positive and significant relationship between management advices and annual revenue collected by the organizations which receive the business service supports. This is because, the correlation coefficient was found to be 0.731 and the p value was 0.015. This means increasing management advices is associated with increasing in annual revenue.

Table 4.7: Relationship between management advices and annual revenues collected

		Management advices	Annual revenue
Management advices	Pearson Correlation	1	.731**
	Sig. (2-tailed)		.015
	N	90	90
Annual revenue	Pearson Correlation	.731**	1
	Sig. (2-tailed)	.015	
	N	90	90

Source: Analysis of field data (2019)

(b) Tax advices and annual revenues collected

Table 4.8 reveals the existing relationship between tax advices and annual revenues collected. The result shows that there is a positive but not statistically significant relationship between the two variables (tax advices and collected annual revenues). This is because, the correlation coefficient was found to be 0.673 and the p value was 0.085 which is greater than the required p - value of 0.05.

Table 4. 8: Relationship between tax advices and annual revenues collected

		Tax advices	Annual revenue
Tax advices	Pearson	1	.673**
	Correlation		
	Sig. (2-tailed)		.085
	N	90	90
Annual revenue	Pearson	.673**	1
	Correlation		
	Sig. (2-tailed)	.085	
	N	90	90

Source: Analysis of field data (2019)

(c) Business advice and annual revenues collected

Results on Table 4.9 show the Pearson correlation between business advices and collected revenues. It was revealed that there is a positive significant relationship between business advices and annual revenues collected as the p value is 0.032 (that is small than the statistical required p- value of 0.05) with a positive correlation of 0.512 indicating that an additional increase in business advices by a single unit will result into the 51.2 percent increase in revenues collected by these organizations annually.

Table 4. 9: Relationship between Business Advices and Annual Revenues Collected

		Business advices	Annual revenue
Business advices	Pearson Correlation	1	.512**
	Sig. (2-tailed)		.032
	N	90	90
Annual revenue	Pearson Correlation	.512**	1
	Sig. (2-tailed)	.032	
	N	90	90

Source: Analysis of field data (2019)

(d) Financial advice and annual revenues collected

Table 4.10 presents results on the relationship between financial services and annual revenues collected. The results show that there is a positive correlation between variables. As the P – value is 0.041 it means that the relationship is statistically significant as the p value is less than 0.05). The correlation of 0.882 means that a unit increases in financial services may result into 88.2 percent increase in annual revenues collected by organization accessing financial services.

Table 4. 10: Relationship between financial advices and annual revenues collected

		Financial advices	Annual revenue
Financial advices	Pearson	1	.882**
	Correlation		
	Sig. (2-tailed)		.041
	N	90	90
Annual revenue	Pearson	.882**	1
	Correlation		
	Sig. (2-tailed)	.041	
	N	90	90

Source: Analysis of field data (2019)

Table 4. 11: Advisory supports and annual revenue collected (n=90)

Statement	Mean score	SD
Organizations with management advices have high chances to increase annual revenues than those without management advices	2.977	1.001
Organization with tax advices have high chances to increase annual revenue than those without tax advices	2.191	1.112
Organization with business advices have high chances to increase annual revenue than those without business advices	2.932	1.016
Organization with financial advices have high chances to increase annual revenue than those without financial advices	2.638	1.002
AVG	2.684	1.032

Source: Surveyed data, 2019

Table 4.11, shows that, generally advisory support increases annual revenue collected. This is showed by the average mean scores and standard deviation (Mean = 2.684; SD= 1.032). On the other hand, all mean values have averaged to above 2.

4.3.2.2 Regression Model Results of the Influence of Advisory Support on the number of employees of MSMEs in Dodoma City

The performance of MSMEs was captured in terms of annual revenue collected and number of employees. Results on Table 4.12 show the model summary for the regression of advisory support to the number of employees as an indicator of MSMEs performance. The value of R square is 0.771 and that of R-adjusted is 0.768 indicating that, the variables; management, tax, business and financing advices included in the model, explain the depended variable (number of employees) of the surveyed MSMEs in Dodoma city by 77.1% for R-square and 76.8% for the adjusted R-square.

These results imply that the independent variables which include management advices, tax advices, business and financial advices explain the variation in number of employees of the surveyed MSMEs by 77.1 percent the remaining percent is explained by other variables which are not included in the study.

Table 4. 12: Model summary of regression model of the advisory support and number of employees

Mode summary ^b

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767 ^a	.771	.768

a. **Predictors:** Management advice, tax advice, business advice and financial advice

b. **Dependent Variable:** No of employees

Source: Field data (2019)

i. Results of regression model of advisory supports on number of employees

The study involved the regression of advisory services and the number of employees of which determined the performance of MSMEs. The results are presented in table 4.13.

Table 4. 13: Results of the regression model on number employees

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
1 (Constant)	.542	.073		0.121	.071
Management advise	.431	.031	.212	1.111	.063
Tax consultancy	.324	.031	.442	1.323	.018
Business advice	.121	.026	1.742	1.651	.044
Financial advice	.764	.064	.323	1.121	.075

a. **Dependent Variable:** No of employees

Source: Analysis of field data, 2019

Results on table 4.13 shows the coefficients of the regression model, all variables included in the model had a positive contribution in explaining the variations of the dependent variable which is the number of employees. Business advice with the beta standardized coefficient of 1.742 is the main contributor in explaining the variance in the dependent variable, followed by the variable; tax advice, financial service and management advice being the last in the list. The statistical value of 0.05 has been observed by business advice and tax consultancy only.

Therefore, these two variables make statistical significant contribution in explain the dependent variables if other things being constant. The business advice is the main statistical contributing variable with the beta coefficient of 1.742 indicating that a unit increase in business advice will result into 174.2 percent increase in number of employees. On the other hand tax advice contributes significantly to the number of employees by the beta coefficient of 0.442 indicating that a unit increase in tax advice increase number of employees by 44.2 percent.

ii. Results on the correlations of variables of advisory services to the number of employees

4.3.2.3 Management advice and the number of employees

Table 4.14 shows the existing relationship between management advices and number of employees. The result shows a Pearson correlation of 0.453 but the p value is greater than the required statistical value of 0.05. Therefore, the relationship is not statistically significant as the p value is 0.071.

Table 4. 14: Relationship between management advices and number of employees

		Management advices	Number of employees
Management advices	Pearson Correlation	1	.453**
	Sig. (2-tailed)		.071
	N	90	90
Number of employees	Pearson Correlation	.453**	1
	Sig. (2-tailed)	.071	
	N	90	90

Source: Analysis of field data (2019)

4.3.2.4 Tax advice and the number of employees

Results on table 4.15 shows that there is positive statistical relationship between tax advices and number of employees as the correlation is 0.663 and the value of p is 0.041. This result implies that a unit increase in tax advices increases the number of employees by 66.3 percent.

Table 4. 15: Relationship between Tax advices and number of employees

		Tax advices	Annual revenue
Tax advices	Pearson Correlation	1	.663**
	Sig. (2-tailed)		.041
	N	90	90
Number of employees	Pearson Correlation	.663**	1
	Sig. (2-tailed)	.041	
	N	90	90

Source: Analysis of field data (2019)

4.3.2.5 Business advice and the number of employees

Results on table 4.16 shows that the relationship between business advices and number of employees is significant as the p values is 0.033 with a positive Pearson correlation of 0.795 indicating that a unit increase in business advice may result into 79.5 percent increase in number of employees.

Table 4. 16: Relationship between Business advices and number of employees

		Business advices	Number of employees
Business advices	Pearson Correlation	1	.795**
	Sig. (2-tailed)		.033
	N	90	90
Number of employees	Pearson Correlation	.795**	1
	Sig. (2-tailed)	.033	
	N	90	90

Source: Analysis of field data (2019)

4.3.2.6 Financing advice and the number of employees

Table 4.17 shows that, Pearson correlation analysis indicated a positive and significant relationship between financial advices and number of employees. This is because, the correlation coefficient was found to be 0.527 and the p value was 0.001. This means increasing financial services by one unit is associated with increasing about 52.7 percent in number of employees.

Table 4. 17: Relationship between financial advices and Number of employees

		Financial advices	Number of employees
Financial advices	Pearson Correlation	1	.527**
	Sig. (2-tailed)		.001
	N	90	90
Number of employees	Pearson Correlation	.527**	1
	Sig. (2-tailed)	.001	
	N	90	90

Source: Analysis of field data (2019)

Table 4. 18: Advisory supports and number of employees (n=90)

Statement	Mean score	SD
Organisations with management advices have high chances to increase number of employees than those without management advices	2.786	1.254
Organisation with tax advices have high chances to increase number of employees than those without tax advices	2.986	1.265
Organisation with business advices have high chances to increase number of employees than those without business advices	2.563	1.669
Organisation with financial advices have high chances to increase number of employees than those without financial advices	2.876	1.222
AVG	2..803	1.353

Source: Surveyed data, 2019

Table 4.18, shows that, generally advisory support increases number of employees in the surveyed MSMEs. This is showed by the average mean scores and standard deviation (Mean = 2.803; SD= 1.353). On the other hand, all mean values except for have averaged to above 2.

4.3.3 Objective 3: Influence of technical support on the performance of MSMEs in Dodoma city

Same as the second objective, MSMEs was captured in terms of revenue collected and the number of employees the SME has managed to employee. Technical support were regressed to both the revenue collected and the number of employees

4.3.3.1 Regression Model Results of the technical Support on the annual revenue collected

Results on table 4.19 shows the summary of the regression model on the technical support and annual revenues collected. The R-square value i.e. 0.671 shows that the model is good as supported by the adjusted R-square value of 0.639. This finding

implies that the variables that were included in the model explain the variation of the dependent variable by more than 67 percent.

Therefore, maintenance, production skills and ICT skills which represent the independent variables explain the variation of about 67.1 percent of annual revenue collected. The other remain 32.9 percent is explained by other variables which were not included in the model.

Table 4. 19: Model summary of regression model of the technical support and annual revenue collected

Mode summary ^b

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.489 ^a	.671	.21897

a. **Predictors:** Maintenance, production skills and ICT skills

b. **Dependent Variable:** Annual revenue collected

(i) Results of regression model of technical supports and annual revenue collected

Results on table 4.20 shows the contributions of each variable that was included in the regression model on the beta columns of standardized coefficients. All variables make positive contributions on the model with ICT skills being the leading contributor with the beta coefficient of 2.213 followed by production skills with 1.138 and maintenance being the last with 0.198 as the p values for ICT and production skills being statistical accepted these are the only two variables that make a statistically significant contribution to the variations of the dependent variable (annual revenue collected).

For instance, ICT skills with other factors being constant contributes about 221.3 percent in the variations of annual revenue collected while production skills contribute about 113.8 percent of annual revenue collected. Therefore, these two variables are the main contributors to the variance of the annual revenue collected for the survey MSMEs.

Table 4. 20: Results of the regression model technical supports and annual revenue collected

Model	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	
1 (Constant)	.654	.034		1.734	.068
Maintenance	.127	.011	.198	1.182	.087
Production	.162	.031	1.138	1.243	.016
ICT	.091	.012	2.213	1.123	.001

a. Dependent Variable: Annual revenue collected

Source: Analysis of field data, 2019

(ii) Results on the correlation between advisory supports and annual revenues collected

(a) Maintenance and annual revenues collected

The relationship between maintenance and annual revenues collected is not statistically significant as the p value of 0.067 is greater than the required p value of 0.05, although the Pearson correlation is positive with the value of 0.983.

Table 4. 21: Relationship between maintenance and annual revenues collected

		Maintenance	Annual revenue
Maintenance	Pearson Correlation	1	.983**
	Sig. (2-tailed)		.067
	N	90	90
Annual revenue	Pearson Correlation	.983**	1
	Sig. (2-tailed)	.067	
	N	90	90

Source: Analysis of field data (2019)

(b) Production and annual revenues collected

Table 4.22 shows that the relationship between production skills and annual revenues collected is statistically significant as the p value is 0.003 which is statistically acceptable as it is smaller than 0.05. Also, the correlation is positive at 0.992 which indicates that a unit increase in production skills is associated with 99.2 percent increase in annual revenues collected by the surveyed MSMEs.

Table 4. 22: Relationship between production and annual revenues collected

		Production	Annual revenue
Production	Pearson Correlation	1	.992**
	Sig. (2-tailed)		.003
	N	90	90
Annual revenue	Pearson Correlation	.992**	1
	Sig. (2-tailed)	.003	
	N	90	90

Source: Analysis of field data (2019)

(c) ICT and annual revenues collected

Results on Table 4.23 show that ICT skills are vital for MSMEs in explaining the variation of their annual collected revenues. There is a positive correlation of 0.834 at the p value of 0.011 between ICT skills and annual collected revenues. These results imply that a unit increase in ICT skills results into 83.4 percent increases in annual revenue collected by the MSMEs surveyed in the Dodoma city.

Table 4. 23: Relationship between ICT and annual revenues collected

		ICT	Annual revenue
ICT	Pearson Correlation	1	.834**
	Sig. (2-tailed)		.011
	N	90	90
Annual revenue	Pearson Correlation	.834**	1
	Sig. (2-tailed)	.011	
	N	90	90

Source: Analysis of field data (2019)

**Table 4. 24: Statements of technical supports and annual revenue collected
(n=90)**

Statement	Mean score	SD
Organisations with maintenance supports have high chances to increase annual revenues than those without maintenance supports	2.456	1.156
Organisations with production supports have high chances to increase annual revenues than those without production supports	2.264	1.143
Organisations with ICT supports have high chances to increase annual revenues than those without ICT supports	2.265	1.189
AVG	2.328	1.163

Source: Surveyed data, 2019

Table 4.24, shows that, generally technical support increases annual revenue collected. This is showed by the average mean scores and standard deviation (Mean = 2.328; SD= 1.163). On the other hand, all mean values have averaged to above 2.

4.3.3.2 Regression Model Results of the technical Support on the number of employees

The value of R-square and adjusted R-square on Table 4.25 show that the model is good in explaining the variation of the dependent variable. The results show that about 61.3 percent of variation in number of employees is explained by maintenance, production skills and ICT skills (other things being constant). About 38.7 percent of the remaining variations on the dependent variable is associated with other factors that were not included in the model.

Table 4. 25: Model summary of regression model of the technical support and number of employees

Mode summary ^b

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 ^a	.613	.608

a. **Predictors:** Maintenance, production skills and ICT skills

b. **Dependent Variable:** Number of employees

Source: Field data (2019)

(i) **Results of regression model of technical supports and number of employees**

Table 4. 26: Results of the regression model on number of employees

Model	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	
1 (Constant)	.375	.154		1.745	.012
Maintenance	.219	.019	.176	1.952	.023
Production	.316	.198	.786	1.176	.098
ICT	.154	.112	1.276	1.167	.007

a. **Dependent Variable:** Number of employees

Source: Analysis of field data, 2019

The regression model is statistically significant in explaining variance in the dependent variable (number of employees). All the independent variables that were included in the model (maintenance, ICT skills and production skills) have positive contributions on explaining the variations of the number of employees. ICT skills being the main contributor with the beta standardized coefficient of 1.276 implying that with other variables held constant a unit increase on ICT skills will result into the 127.6 percent increase in number of employees. This was followed by production skill with beta coefficient of 0.786 and maintenance with 0.176.

But, ICT skills and maintenance are the only two variables that make a statistically unique contribution on explain the variations of the number of employees in surveyed MSMEs in Dodoma city. The p value of ICT skills is 0.007 and that of maintenance is 0.023 which is smaller than the statistical value of 0.05.

(ii) The Results on correlation between technical supports and number of employees

(a) Maintenance and number of employees

Results presented on table 4.27 show that the relationship between maintenance and number of employees is significant at p value of 0.004 with a positive Pearson correlation of 0.351. This finding implies that a unit increase in maintained may result into 35.1 percent increase in number of employees.

Table 4. 27: Relationship between maintenance and number of employees

		Maintenance	Number of employees
Maintenance	Pearson Correlation	1	.351**
	Sig. (2-tailed)		.004
	N	90	90
Number of employees	Pearson Correlation	.351**	1
	Sig. (2-tailed)	.004	
	N	90	90

Source: Analysis of field data (2019)

(b) Production and number of employees

Tables 4.28 show the Pearson correlation between production and number of employees was 0.654 and a significant relationship between the two variables. The relationship is at the p value of 0.014 which is statistically acceptable. The Pearson correlation of 0.654 indicated that a unit increase in production will result into 65.4 percent increases in the number of employees within the surveyed MSMEs.

Table 4. 28: Relationship between production and number of employees

		Production	Number of employees
Production	Pearson Correlation	1	.654**
	Sig. (2-tailed)		.014
	N	90	90
Number of employees	of Pearson Correlation	.654**	1
	Sig. (2-tailed)	.014	
	N	90	90

Source: Analysis of field data (2019)

(c) ICT and number of employees

Results on table 4.2 indicates that there is a positive correlation between ICT skills and number of employees but the p9 values of 0.076 justifies that the relationship is not statistically significant as the p value if greater than the accepted value of 0.05.

Table 4. 29: Relationship between ICT and number of employees

		ICT	Annual revenue
ICT	Pearson Correlation	1	.659**
	Sig. (2-tailed)		.076
	N	90	90
Number of employees	of Pearson Correlation	.659**	1
	Sig. (2-tailed)	.076	
	N	90	90

Source: Analysis of field data (2019)

Table 4. 30: Statements of technical supports and number of employees (n=90)

Statement	Mean score	SD
Organisations with maintenance supports have high chances to increase number of employees than those without maintenance supports	2.136	1.345
Organisations with production supports have high chances to increase number of employees than those without production supports	2.143	0.916
Organisations with ICT supports have high chances to increase number of employees than those without ICT supports	2.935	1.108
AVG	2.405	1.123

Source: Field data (2019)

Table 4.30, indicates that technical supports generally increases the number of employees of the surveyed MSMEs. This is showed by the average mean scores and standard deviation (Mean = 2.405; SD= 1.123). On the other hand, all mean values have averaged to above 2.

4.3.4 Objective 4: Relationship between business service supports and performance when mediated by attitudes and perceptions

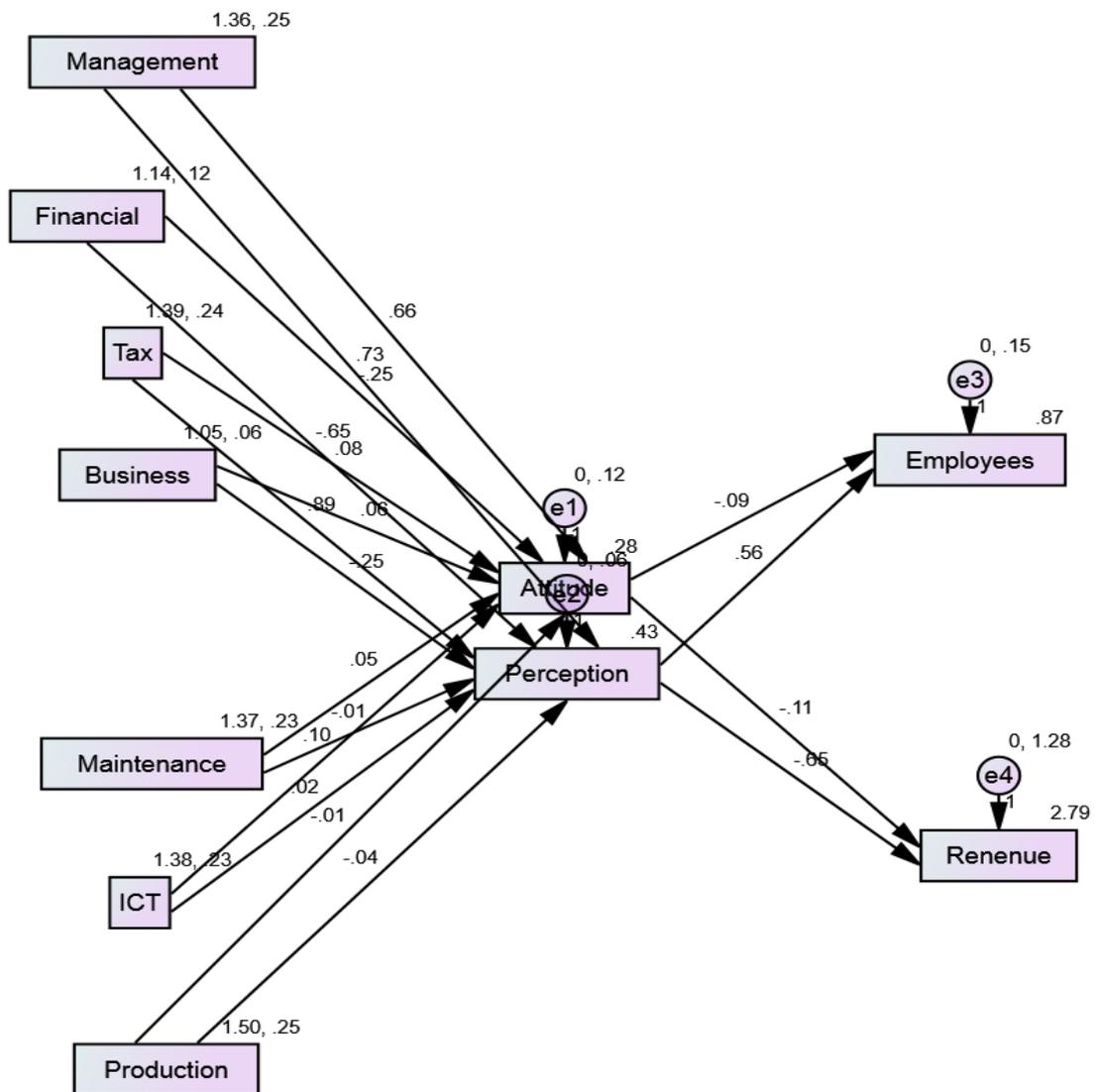
In order to check if the collected data explain the statistical relationship analyzing the model fit indices was vital. After the analysis the model fit indices values were presented on table 4.30 which are NIF = 0.718, RFI = 0.933, IFI = 0.882, CIF = 0.765 as Hooper *et al.*, (2008) recommended that the values for these model fit indices should be approaching to 1, in this aspect, the indices support the model for further analysis of determining the relationship through structural equation modeling.

Table 4. 31: Baseline Comparisons of the model fit

Model	NFI	RFI	IFI	CFI
Default model	0.718	0.933	0.882	0.765
Saturated model	1.000		1.000	1.000
Independent model	0.000	0.000	0.000	0.000

Source: Analysis of data (2019)

Figure 4. 1: Structural model of the relationship between business service supports and the performance of MSMEs with mediating effects of attitudes and perception



Source: Field data (2019)

Table 4. 32: Regression Weights

Variables			Estimate	S.E.	C.R.	P
Attitude	<---	Management	.655	.068	9.673	***
Attitude	<---	Financial	-.250	.096	-2.606	.009
Attitude	<---	Tax	.081	.069	1.172	.041
Attitude	<---	Business	.057	.132	.428	.668
Perception	<---	Management	.733	.048	15.126	***
Perception	<---	Financial	-.654	.069	-9.506	***
Perception	<---	Business	-.251	.095	-2.645	.008
Attitude	<---	Maintenance	.051	.070	.735	.043
Perception	<---	Maintenance	-.010	.050	-.193	.847
Attitude	<---	ICT	.102	.070	1.470	.042
Perception	<---	ICT	.022	.050	.433	.665
Attitude	<---	Production	-.013	.068	-.190	.849
Perception	<---	Production	-.039	.048	-.814	.015
Perception	<---	Tax	.889	.049	17.981	***
Employees	<---	Attitude	-.087	.091	-.958	.038
Revenue	<---	Perception	-.655	.192	-3.413	***
Revenue	<---	Attitude	-.109	.262	-.417	.676
Employees	<---	Perception	.561	.067	8.399	***

Results on table 4.32 show the regression weights of the relationship between business service supports and performance when mediated by attitudes and perceptions. As attitudes and perceptions were the mediators to mediate the existing relationship between business service supports and the performance of MSMEs.

Results revealed that the relationship between management and attitude is significant with the positive correlation, as the p value is 0.0001 with a correlation of 0.655. This result implies that a unit increase in management resulting into 65.5 percent increase in attitude. On the other hand, there is a significant relationship between management and perception ($p = 0.0001$) with a positive correlation of 0.733. This result implies that a unit increase in management may increase the perception by

73.3 percent. Therefore, management is the determinant of both attitude and perception.

Financial services is significant related to attitude ($p = 0.009$) but with a negative correlation of -0.250 . This implies that a unit increase in financial service may decrease the attitude by 25 percent. Also, financial service is significant related to perception with a negative correlation of -0.654 indicating that a unit increase in financial service decrease perception by 65.4 percent. Also, financial service is the determinant of both attitude and perception.

Results show that tax services is related to attitude as there is significant relationship between these variables at the p value of 0.041 with a positive correlation of 0.081 indicating that a unit increase in tax services may increase attitude by 8.1 percent. Also, the relationship between tax services and perception is significant as $p = 0.001$, the correlation is positive at 0.889 . This result implies that a unit increase in tax services results into 88.9 percent increases in perception. Therefore, tax services also is a determinant of attitude and perception.

Business services and attitude are not significant related as the p value of 0.668 is greater than the required statistical p value of 0.05 , although they do correlate in a positive direction (0.057). This result implies that business service is not a determinant of attitude. On the other hand, business services and perception are significant related as the p value is 0.008 however, the direction of the relationship is negative (-0.251). These results imply that a unit the increase of business service by a unit may result into a decrease in perception by 25.1 percent.

Also, maintenance is significant related to attitude as $p = 0.043$ with a positive correlation of 0.51 indicating that a unit increase in maintenance may result into a unit increase in attitude. However, on the side of perception the results show that maintenance is not significant related to perception as the p value of 0.847 is greater than the statistical p value of 0.05 .

On the relationship between ICT skills and attitude results revealed that the two variables are statistically related as the p value is 0.042 with a positive correlation of 0.102 showing that as a single unit increase in ICT skills may result into 10.2 percent increase in attitude. Although, findings showed that ICT skills and perception are not statistically related. In this aspect, an ICT skill is a determinant of attitude but not perception.

The relationship between production and attitude is not statistically significant at p value of 0.05 while the same variable is significant related to perception as p value is 0.015 with a negative correlation of -0.039. This finding implies that a unit increase in production may affect the perception by decreasing it to about 3.9 percent. Production is the determinant of perception but not attitude.

Results on table 4.31 show that both attitude and perception are significant related to number of employees of surveyed MSMEs in Dodoma city. The p value of 0.038 shows the significant statistical relationship between attitude and number of employees with a negative direction of -0.087 indicating that an increase in attitude reduces the number of employees in surveyed MSMEs by 8.7 percent. On the other hand, perception and number of employees are significant related at p value of 0.001 in a positive correlation of 0.561 indicating that a unit increase in perception leading to 56.1 percent increase in number of employees.

The relationship between attitude and annual revenues collected by MSMEs is not statistically significant as $p = 0.676$. But, there is a significant relationship between perception and annual revenues collected by MSMEs ($p = 0.0001$). Although, the relationship is in negative correlation of -0.655 indicating that a unit increase in perception decreases collected annual revenues by 65.5 percent. Between perception and attitude the former is the only determinant of annual revenues collected by MSMEs.

CHAPTER FIVE

DISCUSSIONS OF THE FINDINGS

5.1 Overview

The chapter includes the discussions of the results as presented in the previous chapter (chapter four). The general objective of this study was to analyze the influence of business development services toward the performance of MSMEs when mediated by attitudes and perceptions of MSMEs owners in Dodoma city as per specific objectives the chapter includes discussion on each specific objective.

5.2 Background Information

Before discussing the results from each specific objectives it is important to discuss background information as it is crucial in any business study. In this study the background information covered a range of important variables like age of the respondent, gender and level of education.

Results on the gender of respondents and their ages revealed that most of MSMEs are characterized by the majority of males compared to females with the age between 36-44 years. As the surveyed MSMEs had about 71 percent of all respondents to be males. The remaining percent was represented by females. Majority of respondents had their ages between 36 to 44 years followed by those with 26 to 35 years. These results imply that MSMEs are characterized by males who were neither very young nor aged as Kumar (2017) suggested that youth in MSMEs are very important as they possess entrepreneurship skills which are vital for the start up or betterment of the advancement of new business.

With regard to the level of education of respondents, majority of them had reached a college level and followed by those in secondary level. Therefore, the study involved majority of educated respondents as results show that about 09 percent did have any formal education. As the study focused on the business services with regard to the performance of MSMEs, the education level of respondents was very crucial. As Matama (2016) opined that education level is vital for the growth of MSMEs. Thus, with this representation, it is clear that the informers in this study were well knowledgeable and could understand issues about advisory and technical supports which were required in this research.

Also, the researcher wanted to find out the level of experience of respondents in business operations, the results showed that majority of respondents were knowledgeable enough on business matters. Bengesi (2013) commented that business experience is vital for the growth of small businesses which are owned by entrepreneurs, by considering the importance of business experience the study involved experienced individuals as a matter of fact their opinions were relevant.

5.3 Mapping the Business support service

The analysis of various literatures ended up having two main business development services and these supports were found to be usefully for most of surveyed MSMEs in Dodoma city. Advisory supports such as management advice, tax advice, business advice, financial advice and technical supports such as maintenance support, production and ICT skills. These kinds of business development services were found to be vital for most of MSMEs which were surveyed. Concerning advisory support services one respondent said that

“...it is important for business managers to seek advisory services as they are important for the growth of our firms, for example, we have few business consultants who are capable to help us and advise us on the day to day operations, like in planning and preparation of business records, in estimating amount of taxes that we should pay, so advisers especially in business matters are very important to us”

With regard to technical supports, the following response was reported during interview with MSMEs owners.

”.....supports we get in terms of technical services are vital for our day to day activities, as for instance ICT skills that are imparted through training sessions enable the performance to be improved as the ICT plays an important role in enhancing the performance of our enterprise”

5.4 The Influence of Advisory Support on the Performance of MSMEs in Dodoma City

The second specific objective of the study was to determine the Influence of Advisory Support on the Performance of MSMEs in Dodoma City. The analysis involved the regression of various advisory services to the main indicators of MSMEs performance.

Therefore, multiple regression analysis was conducted on the management advice, tax consultancy, business advice and financing advice against the annual collected revenues of MSMEs as one among the indicator of performance. Also, the same variables under advisory services were regressed to number of employees of MSMEs as another indicator of performance o MSMEs.

5.4.1 Results on the influence of advisory support on annual revenues collected by MSMEs in Dodoma City

Results presented in the previous chapter concerning the multiple regression of advisory services and annual collected revenues had a value of R of 0.659 supported by adjusted R square of 0.642. These results indicate that the multiple regression model that constituted Management advice, tax consultancy, business advice and financing advice as independent variables explained the variation of collected annual revenues by more than 64 percent and the remaining percent was explained by other variables that were not included in the study. These results imply that advisory services that were included in the study are vital for explaining the annual collected revenues of surveyed MSMEs.

On beta coefficients, business advice was the first variable that made a strongest unique contribution on explaining the dependent variable with the value of about 132.3 percent; management advice was second with the contribution of about 95.6 percent followed by financial advice with about 11.2 percent. The remaining variable was tax advice which is the only variable that did not contribute uniquely to the dependent variable.

5.4.1.1 The influence of management advices on annual revenues collected

On the correlation between management advices and annual revenues collected, it was found out that the two variables are significant related ($p = 0.015$) with a positive correlation of 0.731. This finding indicates that a unit increase in management advice increases annual revenues collected by 73.1 percent. In this matter, management advice is important determinant of annual revenue collected and if the focus of management is on increasing performance through boosting their annual collected revenues more management advices are needed.

These findings are supported by Cravo and Piza (2016) who found out that management attributes that are obtained through training programs are important for making sure that the productivity of the respective firm is improved. In this matter, MSMEs improve their annual collected revenues when their managements are supplied with the needed training programs. One respondent said that

“.....sometimes management is the one responsible for pushing all employees so as the enterprises can achieve the maximum benefits on its operations, the kind of advices that the management get from experts improve our operations and enable our enterprise to collect enough at the end of the year”

5.4.1.2 The influence of tax advices on annual revenues collected

Results on the correlation between tax advices and annual collected revenues was found to be statistically insignificant as the p value was greater than the required statistical value of 0.05. therefore, tax advices as an indicator of advisory support services was found to be not a determinant of MSMEs performance in terms of annual revenues collected. Although, Kamyabi and Devi (2011) found out that tax advices are important advisory services that accountants can offer to the MSMEs so as they can improve their performance. Therefore, Tax advices are vital for the performance of MSMEs. During data collection one respondent said that

“.....the status of the economy of nowadays in Tanzania, it is very important for us small business owners to be well equipped with all matters associated with taxes as when you are not performing well or you are performing well still you have to pay taxes which in turn affect the amount that we get as profit at the end of the day”

5.4.1.3 The influence of business advices on annual revenues collected

The presented result showed that business advices is the determinant of collected annual revenues as the relationship between these two variables is statistically significant at $p = 0.032$. The direction is in positive correlation of 0.512 whereby a unit increase in business advices resulting into 51.2 percent increases in collected annual revenues. The finding is supported by Blackburn et al. (2018) who found out that business advices that accountants are providing to MSMEs enable them to conduct well their activities. Also, opinions from the field suggested that business advices received by the MSMEs helped them to perform well. As one responded said that

“.....business advices that awe get from professional consultants through trainings and well point of views we get from our peers are helping us to perform well as sometimes you may see a problem that affect your business and the solution of that problem you get from experts as we are aware of the importance of training programs especial on revenues that are provided by business consulting firms.”

5.4.1.4 The influence of financial advices on annual collected revenues

It was found out that financial advices and annual collected revenues are statistically related and they correlated to the positive direction of 0.882 which indicates that a unit increase in business advice may lead to 88.2 percent increase of collected annual revenues. Therefore, financial advice is the determinant of annual collected revenues. Also, Battisti and Williamson (2015) found out that financial advices that help MSMEs to manage well their financial matters are the on that are highly needed by those MSMEs that want to grow steadily on financial affairs. One respondent said that

“.....MSMEs need to perform well financially so as the can survive in this competitive environment, as no one wants to operates under losses most of managers are focusing on performing in financial aspect other than any other aspect, if you are not doing well financial you can run the business any more, you cannot pay your employees at the end of the day the business will die.”

Since the results presented on the multiple regression model are supported with the individual correlations of variables of advisory services on the annual collected revenues from which Management advice, business advice and financing advice were found to correlate with the dependent variable annual collected revenues except tax consultancy which was not statistically significant to relate with the dependent variable. These results imply that as advisory support services increase the same effect occur to the annual collected revenues. Therefore, if MSMEs are struggling to increase their annual collected revenues the focused should be on advisory services which were found to correlate positively to their collected annual revenues.

5.4.2 The influence of advisory services on the number of employees of MSMEs in Dodoma City

Results on the multiple regression model for advisory services and the number of employees of surveyed MSMEs in Dodoma City revealed that advisory services in form of Management advice, tax consultancy, business advice and financing advice explain the variations of MSMEs performance in terms of number of employees.

The value of R was found to be 0.771 which was supported by the adjusted R square of 0.768. These results imply that about 76.8 percent of variation of dependent variable (number of employees) is explained by advisory services in terms of Management advice, tax consultancy, business advice and financing advice.

The analysis also, involved beta coefficients for the relationship between advisory services and number of employees as an indicator of MSMEs performance. The results showed that all variables for advisory services had positive contributions in explaining the variations of the number of employees in surveyed MSMEs. However, the presented results had business advice and tax advice as the only two variables that makes unique contribution on explaining the variation of MSMEs performance. The variable business advice was the main contributor followed by tax advice as these variables are the only ones with a statistical significant value of smaller than 0.05.

5.4.2.1 The Influence of Management Advices on the Number of Employees of MSMEs

The result showed that the relationship between management advices and performance of MSMEs in terms of number of employees is not statistically significant ($p = 0.071$). Therefore, management advice is not a determinant of number of employees in surveyed MSMEs in Dodoma City. The finding is contrary to that of Forth and Bryson (2018) who found out that management practices that are enhanced from management advices are vital for MSMEs performance. During data collection one respondent said that

“.... you know that our enterprise is not that much big, this makes the decisions that are associated with business operations to be on hands of the manager. Therefore, decisions to employ as to increase the number of employees or to reduce are in hand of the management. In this case, depending on the economic status sometimes management advices are focusing on increasing or decreasing the number of employees”

5.4.2.2 The influence of tax advices on number of employees of MSMEs

The presented results revealed that the relationship between tax advices and number of employees of MSMEs is statistically significant as the p value is 0.041. The direction of correlation is in positive direction at 0.663. This result implies that a unit increase in tax advices results into 66.3 percent increases in number of employees. This finding is in line with that of Sifuni (2017) who found out that tax advices are important for MSMEs performance. One respondent said that

“.....in most cases paying more taxes means that business operations are many, if the organization still want to be in the business it has to make sure that a number of employees is enough so as to ensure that business operations are increasing so as the organization can pay the required taxes. Hired accountants who are providing advices concerning taxes enable the management to consider the issue of expanding business operations”

5.4.2.3 The influence of business advices on number of employees of MSMEs

Results presented on the previous chapter show that number of employees in surveyed MSMEs is influenced by business advices as there was a significant relationship between business advices and number of employees of MSMEs. The relationship was correlating to the positive direction of 0.795 which emphasizes that improving business advice by a single unit resulting into 79.5 percent increase in number of employees.

These findings are supported by that of Berry et al. (2006) who found out that business advisers play important role in making sure that the MSMEs are well performing. Also results from key informants suggested that business advices are the seed for the new ideas to MSMEs so as they can expand their operations. As one respondent said that

“.....sometimes we are facing problems in terms of our business conducts, which in turn rise the need for hiring business consultants, the advices we get from these experts enable to improve our operations. There was an incidence were we needed to increase the number of our distributors so as we can achieve the intended targets. The idea of getting new distributors which in turn increased a number of employees was generated from business experts. The ideas was very effectively as it improved our business operations tremendously.”

The presented results suggest that technical supports influence the performance of surveyed MSMEs in Dodoma city. As majority correlations between variables of technical supports and variables of MSMEs performance were found to be significant. These findings are in line with that of Daines (2016) who found out that technical assistances that MSMEs receive are the key determinants for the growth of those MSMEs.

5.4.2.4 The influence of financial advices on number of employees of MSMEs

The presented results show that there was a significant relationship between financial services and performance of MSMEs in terms of number of employees of those MSMEs. The relationship is significant at p value of 0.001 with a positive correlation of 0.527 indicating that a unit increase in financial advices results into 52.7 increases in performance of MSMEs in terms of number of employees. The result is in line

with that of Song et al. (2018) who discussed the ideas of financial services providers on the performance of MSMEs. During data collection activity one informant said that

“.....financial advices that we get from experts who are mostly accountants affect the number of employees as sometimes when business is not doing well there is the need to reduce costs associated with paying our staffs, also, when we want to increase our operations the management may decide to employ more people in short term basis so as business operations can be improved.”

The correlations between variables are in line with the beta coefficients as all but one variable (management advices) correlate significantly to the dependent variable which is the number of employees in MSMEs. These results show that as advisory services are increasing the number of employees of the MSMEs increases. Therefore, advisory services influence the performance of surveyed MSMEs in Dodoma city in terms of number of employees.

The results presented suggested that advisory services are vital for the performance of MSMEs in Dodoma city, these findings are in line with that of (Mnenwa & Maliti, 2008)and Devi and Kamyabi (2012) who found out that advisory services enable MSMEs to conduct their activities effectively which in turn have a b better performance.

5.5 The Influence of Technical Support on the Performance of MSMEs in Dodoma City

The third specific objective of the study was to determine the Influence of technical support on the performance of MSMEs in Dodoma City. As per second objective various variables under technical support were regressed to indicators of MSMEs performance. In this aspect, maintenance, production and ICT skills were regressed to annual revenues collected and the same variables were regressed to number of employees of surveyed MSMEs. For both analyses multiple regressions was applied.

5.5.1 Results on the influence of Technical support on the annual revenues collected of MSMEs in Dodoma city

The multiple regressions model was used to analyze the influence of technical support on the performance of MSMEs in terms of the annual revenues collected. The presented results based on the model summary show that the model is good in explaining the influence of maintenance, production and ICT skills on the revenues collected by surveyed MSMEs in Dodoma city.

The value of R square is 0.671 which is supported by the adjusted R square of 0.639 the value of R square, this finding implies that about 63.9 percent of the variation of annual revenues collected by MSMEs is explained by the independent variables which included maintenance, production and ICT skills (technical support). The other remaining percent is explained by other variables which were not included in the model.

Beta coefficients for each independent variable were showing that all variables in terms of technical support were making positive contribution in explaining the variations of the dependent variable. However, maintenance was not making a statistically significant contribution to the explanation of the dependent variable. It is only ICT skills which is the leading contributor that makes a unique significant contribution, followed by production skills.

5.5.1.1 The influence of maintenance on annual revenues collected by MSMEs

The results on the correlation between maintenance and annual revenues collected by MSMEs are in positive direction. However, the same results showed that the relationship between these variables is not statistically significant as the p value of 0.067 which is greater than 0.05. Therefore, the finding suggested that maintenance is not a determinant of annual revenues collected by MSMEs.

This result is contrary to that of Baglee et al. (2007) who suggested that an increasing importance of maintenance enables MSMEs to perform due to the fact that a high productivity and product quality is achieved through well organized and developed maintenance strategies. Opinions obtained during data collection suggested that

maintenance services that are obtained from professional consultants were very important for operations of the firm as one responded said that

“.....regular maintenance services are important to make sure that operations are not interrupted as sometimes production activities are affected when maintenance are conducted poorly.”

5.5.1.2 The influence of production skills on annual revenues collected by MSMEs

Production skills as one among variables for technical support influenced annual revenues collected by MSMEs as the relationship was found to be statistically significant as $p = 0.003$ and the direction of the correlation is positive with correlation of 0.992. This result implies that a unit increase in production skills increases revenues collected annually by about 99.2 percent. As suggested by Matt and Rauch (2020) production planning enables MSMEs to do well in their operations.

5.5.1.3 The influence of ICT skills on annual revenues collected by MSMEs

The results presented suggested that the MSMEs performance in terms of annual revenues collected by MSMEs is determined by ICT skills. The correlation result was found out to be 0.834 and the relationship between variables was significant as the p value was 0.011. The finding implies that about 83.4 percent in annual revenues collected by surveyed MSMEs is associated with a unit increase in ICT skills. The results are in line with those of Tarutė and Gatautis (2014) who found out that ICT plays an important role in enhancing the performance of MSMEs. Also, during data collection activity one respondent said that

“.....nowadays, our organization has enough number of individuals who are capable to assist the enterprise in it day to day operations. They are capable as they possess the needed ICT skills which assist the enterprise to automate its operations. It is easy now to manage the collected revenues as computers help us in storage and management of data related to revenues collected.”

5.5.2 Results on the influence of Technical support on the number of MSMEs in Dodoma city

The multiple regressions model was used to analyze the influence of technical support on the number of employees of MSMEs in Dodoma city. The results on the model summary revealed that the value of R square and adjusted R square are 0.613 and .608 respectively. The result implies that about more than 60 percent of variations of dependent variable is explained by the independent variables which were included in the model.

Beta coefficients that show the positive contribution of each independent variable included in the model in explaining the variation of dependent variable. Despite the fact that all variables were making contributions in explaining the variations of number of employees as the dependent variable of the model, only ICT skills and maintenance were making unique significant contributions in explaining the variations of the dependent variable.

5.5.2.1 The influence of maintenance on number of employees of MSMEs

The relationship between maintenance and number of employees of MSMEs was found to be statistically significant with a positive correlation as the value of $p = 0.004$ with the correlation of 0.351. The result suggested that about 35.1 increment of number of employees is associated with the unit increase in maintenance. These results support that of Baglee et al. (2017) who opined that MSMEs that are focusing on manufacturing operations need advance maintenance strategy so as to improve their operations as these MSMEs have production equipment that represent huge capital investment and maintenance is vital.

5.5.2.2 The influence of production skills on number of employees of MSMEs

The finding suggested that a production skill is a determinant of MSMEs performance in terms of number of employees. The relationship between the variables is statistically significant as the p value of 0.014 with a positive correlation of 0.654 indicating that a unit increase in production skills increases the number of employees by 65.4 percent.

The results are supported by Matt and Rauch (2020) as in their study they found out that production skill especially production planning is vital for MSMEs as those which had limited financial options are the ones which are poor in production planning. The performance of MSMEs is in line with the production skills of its employees. One respondent said that

“.....it is more important for personnel involved in the production activities to have skills related to the same, as these activities are the important operations of our organization. The way we produces our products is considered important depending on the production skills that the staff responsible for production have.”

5.5.2.3 The influence of ICT skills on number of employees of MSMEs

The correlation results showed that ICT skills and the number of employees of MSMEs were found to be positive; however the relationship was found to be significant. In this aspect, the ICT skill was found to be not a determinant of number of employees. This result is in contrary with that of Ezekiel (2019) who found out that ICT has got significant role in the performance of MSMEs. Opinions from the respondents suggested that ICT skills are vital for the MSMEs performance in terms of increasing number of e employees. One respondent said that

“.....it is obvious that ICT plays a significant role in making sure that our enterprise is well performing, the increase of number of employees in our organization for instance is due to increasing number of young people who possess some sort of skills associated with information and communication technology.”

5.6 Relationship between business service supports and performance when mediated by attitudes and perceptions

The structural equation model was used to analyze the relationship between business supports and performance of MSMEs when mediated by attitudes and perceptions. On the side of business service supports advisory services which included management advice, tax consultancy, business advice and financing advices and technical services that included maintenance, production and ICT skills were regressed to dependent variable which performance of MSMEs in terms of annual

revenues collected and number of employees but mediated with attitudes and perceptions (mediating variables).

Results showed that mediating variables which are attitudes and perceptions were relating to management advices as the relationships of both variables were found to be highly statistically significant with the p value of 0.0001. The results are supported by those of Medjedel (2013) who found out that perceptions and attitudes of managers toward adoption of electronic commerce so as to improve the performance of MSMEs were found to be positive. Therefore, positive attitudes and perceptions of managers are important factors in enhancing the SME Performance. Also, one respondent said that

“.....it is very important for managers to have positive attitudes and perceptions on the business operations and decisions that employees make, as bad attitude or negative perception may affect the business operations and in the other hand affecting the overall performance of personnel involved in initiating the ideas”

Financial advices as advisory services was found to be related to the mediating variables as the relationships between this variable and both attitudes and perceptions were found to be statistically significant as the p values were smaller than 0.05. However, the correlation of relationship between financial advices and both mediating variables (attitudes and perceptions) was negative. The result is supported by Ključnikov and Sobeková-Majková (2016) who found out that perceptions of business owners on financial aspects of business especially financial risks has an impact on various dimensions of the SME. One respondent said that

“.....the way a manger perceive or his attitudes is influenced a lot with the financial advices what are obtained from financial experts especially accountants who are responsible for giving advices to the management concerning business operations of the enterprise.”

Tax advice was found to be significant related to mediating variables which are attitudes and perceptions, the correlation for both relationships were found to be positive indicating that an increase in tax advice increases the attitudes and

perceptions. Therefore, tax advice as independent variable is related to mediating variables of the study.

This finding is supported to that of Sifuni (2017) who found out that perceptions of managers from different MSMEs is related to taxes in terms of tax rates and penalties towards tax compliance. Therefore, tax advices provided by consultants are related to towards and perceptions related to that issues. These results are in line with the opinions of respondents, as one respondent said that

“.....attitudes and perceptions of taxes are affected by advices concerning taxes that are provided to the managers through trainings. In this aspect, attitudes and perceptions are highly affected by tax advices that consultants provide to the managers.”

Moreover, results showed that attitude as a mediating variable is not statistically significant to business advice as the p value is greater than 0.05. However, perception and business advice are significant related in a negative direction of -0.251. This implies that an increase in business advice by a single unit decreases perception by 25.1 percent. This result is contrary with that of Hudáková and Masár (2018) who found out that MSMEs are facing challenges related to business and financial risks and the perceptions on these risks affect the MSMEs performance.

Maintenance as among the technical support and attitude which also act as moderating variable, were tested to be statistically significant and the correlation of 0.51 which is in positive direction. Perceptions as moderating variable was not relating to maintenance as the relationship tested to be insignificant. Therefore, maintenance was found to relate with attitudes but not perceptions. As Baglee et al. (2007)commented that maintenance strategy is important for the MSMEs operations.

The relationship between ICT skills and attitude was tested to be significant as $p = 0.042$ with a positive correlation of 0.102. This result implies that a unit increase in ICT skills results into 10.2 percent increase in attitude. However, perceptions as among moderating variable was found to not significant relate to ICT skills. The results suggested that ICT skills and attitude are related but there is no relationship between ICT skills and perceptions.

These findings are in line with that of Babic and Golob (2018) who found out that MSMEs managers' attitudes differ significantly towards on the use of ICT in their enterprises also; the findings suggested that the ICT skills are vital for MSMEs performance. The results obtained during data collection activity revealed that ICT skills enabled personnel to perform well on their day to day activities. One respondent said that,

“.....ICT skills has facilitated my day to day activities that enable me to get more customers, for example last month in the previous year it was possible to get 58 customers due to the fact that I was capable to make successful follow ups as I have a smartphone that enabled me to find and allocate prospectus customers for our produced food stuffs, some of our colleagues failed to do the same as they are not well conversant with the usage of smartphones.”

The relationship between production and attitude was not statistically significant as the p value is greater than 0.05. However, perceptions as mediating variable was tested to be significant related to production skills. The direction of correlation was negative (-0.039) which implies that a unit increase in production skills decreases perception by 3.9 percent. Perceptions of MSMEs managers on the production skills is important for instance Giancarlo and Wojahn (2017) suggested that production planning skills are vital for employees to enhance the performance of MSMEs.

Both attitudes and perceptions as moderating variables are significant related to performance of MSMEs in terms of number of employees. However, the correlation between attitudes and number of employees is negative (-0.087) indicating that a unit increase in attitudes reduces number of employees by 8.7 percent. On the other hand, perception was correlated positively with the number of employees with a correlation of 0.561 indicating that an increase in perception increases number of employees by 56.1 percent.

Results on the relationship between attitudes and annual revenues collected was tested to be insignificant as p value is greater than 0.05. The other moderator, that i.e. perceptions was found to be statistically significant to annual revenues collected by

MSMEs. However, the correlation was -0.655 indicating that a unit increase in perceptions decreases annual revenues collected by 65.5 percent.

The finding implies that perception is the determinant of annual revenues collected by MSMEs. These results are in line with that of Smékalová et al. (2014) who studied the perceptions of MSMEs and found out that negative and positive perception of MSMEs activities which in turn affect the performance of MSMEs. Also, results found during data collection suggested that the attitude of MMSMEs' owners on the received business development services affected the performance of MSMEs in terms of annual revenues collected. One respondent said that,

“.....our manager is more focusing on how the received business development services will increase the annual revenues. For instance, the attitude changes depending on how the received business advices and management advices given by professionals will enhance the amount of revenue received at the end of the year. If the received supports do no enhance performance. The attitude of the owner towards those services will change accordingly.”

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter provides detailed information on the summary of the findings, conclusions of the study, recommendations suggested by the researcher by relying on the main findings of the study and finally suggestions on the areas for further studies.

6.2 Summary of the study findings

General the study involved respondents with different characteristics as both males and females were considered. However, male respondents were many compared to female respondents as majority of respondents who were involved that is about 71 percent were males. Also, most of the respondents involved in the study were neither very young nor old as they were in the age group of 36 to 45 years followed by those in the age group of 26 to 35 years. Therefore, most of contacted MSMEs' owners were falling under those ages.

Also, most of respondents who were included in the study had an adequate level of education that enabled them to participate fully in giving out their opinions concerning the subject matter. As results showed that majority of them had reached college education followed by those who had reached secondary formal education. On the other side, their business experience was adequate as majority of them had an experience in business affairs between 11 to 15 years followed by those having an experience of about 6 to 10 years. Therefore, the study considered respondents who were educated and with enough experiences.

The first objective of the study was to map out business development services that MSMEs' owners had received in their business undertakings. The results showed that most of the respondents received major two categories of business services which were advisory services and technical support services. The former included management advices, tax advices, business advices and financial advices while the later included maintenance services, production skills and ICT skills.

The second objective was to determine the influence of advisory services on the performance of MSMEs. The multiple regression analysis was used to measure this

objectives and the dependent variable which was performance of MSMEs was measured in terms of annual revenues collected and number of employees. Therefore advisory services which included management advices, business advices, tax advices and financial advices were regressed to the performance of MSMEs in terms of annual revenues collected and number of employees. In this aspect two multiple regression analysis produced two model results.

The first multiple regression results revealed that with other things held constant business, management, financial, and tax advices influenced the annual revenue collected by more than 65 percent which implied that a unit increase in these variables will improve annual revenue collected by more than 65 percent. However, management advices, business advices and financial advices were the only three variables that made unique contributions on explaining the variance of the dependent variable which was the annual revenue collected.

Another multiple regression results that involved all the same variables but with number of employees as the dependent variables showed that more than 77 percent of variance in the number of employees is due to the increased in the management advices, business advices, tax advices and financial advices. Although, the results on the model showed that only tax advices and business advices made unique contributions in explaining the variance of the dependent variable which was the number of employees. Therefore, management advices and financial advices were not determinants of the performance of MSMEs in terms of number of employees.

The third objective was to determine the influence of technical support services on the performance of MSMEs. As per the second objective, the multiple regression analysis was conducted and the presented results showed that technical support services that included maintenance services, production skills and ICT skills influenced annual revenue collected by more than 67 percent. This implies that a unit increase in these variables influenced the annual revenues collected by more than 67 percent. But, maintenance services as a variable was found to be not making unique contribution in explaining a variance of the dependent variable which was annual revenue collected.

Another multiple regression model showed that variables which included maintenance services, production skills and ICT skills contributed about more than 61 percent in the variance of the number of employees. Therefore, these variables influenced the dependent variable (number of employees). However, the variable production skill was found not to make unique contribution in explaining the variance of the number of employees of the surveyed MSMEs.

The last and fourth objective was to determine the mediating effects of attitude and perceptions of the MSMEs owners in the relationship between business development services and the performance of MSMEs. The structural equation modelling was used to analyse this objective.

Results showed that mediating variables that included perceptions and attitudes were significant related to the management advices as an advisory service. A financial advice was significant related to attitudes and a perception, tax advices also was found to relate with both perceptions and attitudes of MSMEs' owners. Results also showed that business advice's was only related to perceptions but not to attitudes of MSMEs' owners.

Maintenance services and attitudes of owners were tested and found to be significant the result of which was the same with the relationship between ICT skills and attitudes. Therefore, a perception was not significant related to both maintenance services and ICT skills. Finally, the variable production skill was only significant related to perception and not with the attitude of owners.

Lastly, the relationship between attitude of MSMEs' owners and performance of MSMEs in terms of number of employees was tested to be statistically significant. Also, perception as a mediating variable was tested to be significant related to both indicators of MSMEs performance which included number of employees and annual revenues collected by the surveyed MSMEs.

6.3 Conclusion

The study concluded that most of MSMEs' owners of the surveyed MSMEs were males with adequate education and experience which enabled them to receive business development services that included advisory services and technical support

services. Their general information was important in the study as this study involved the influence of business development services on the performance of the MSMEs when mediated with attitudes and perceptions of these owners.

It was concluded that advisory services determined the performance of MSMEs in terms of number of employees and annual revenues collected. Also, technical support services influenced the number of employees and annual revenues collected as indicators of the performance of MSMEs. Generally, attitudes and perceptions of MSMEs' owners had mediated effect on the relationship between business development services and performance of MSMEs.

6.4 Recommendations

Based on the main findings of the study, it was recommended that business owners to embrace business development services in form of advisory services and technical support services which were found to have an impact on the performance of MSMEs. More concentration should be given to management advices, business advices and financial advices which are the only advisory services that improved annual revenues collected by the surveyed MSMEs.

Business owners are recommended to embrace tax advices and business advices when they wish to improve their business performance by increasing the number of employees. As these advisory services which were found to be significant related to the performance by relying on the number of employees of the surveyed MSMEs.

Also, this study recommended that technical support services in form of production skills and ICT skills should be well considered so as to improve the performance by increasing the annual revenues collected by the surveyed MSMEs. Furthermore, maintenance services and ICT skills are the only technical support services that could improve performance of surveyed MSMEs thorough increasing the number of employees.

Lastly, the study recommended to the business owners to consider their perceptions and attitudes as these variables are significant in facilitating the relationship between business development services in terms of advisory services and technical support

services and the performance of MSMEs in form of annual revenues collected and number of employees of the surveyed MSMEs.

6.5 Areas for further studies

The study focused on analyzing the influence of business development services on the performance of MSMEs in Dodoma city when mediated by owners' perceptions and attitudes. The following are areas that this study recommended for further studies:

- i. This study focused on the performance of MSMEs in terms of annual revenues collected and number of employees of the surveyed MSMEs. Other studies can be conducted on the quality of services and products that these MSMEs provide and produce.
- ii. Further studies can be conducted on the challenges that MSMEs encounter on accessing to business development services and how the same affect the performance of MSMEs.

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APPENDICES
QUESTIONNAIRE

SECTION A: PERSONAL INFORMATION

A1: Name and Sex of respondents

Name of respondent	
Sex	Put (✓) against the appropriate
Male	
Female	

A2: What is your age?

Age category	Put (✓) against the appropriate
18- 25 years	
26-35 years	
36-45 years	
45 - 55 years	
Above 55 years	

A3: What is your education level?

Education level	Put (✓) against the appropriate
No formal education	
Primary education	
Secondary education	
College education	

SECTION B

4 Indicate by putting a (✓) against the appropriate extent to which business development services influences performance of your MSMEs

Business support services	3 point scale		
	Effective	Neutral	Not effective
Management Advices			
Business Advices			
Tax Advices			
Financial advices			
Maintenance services			
ICT Skills			
Production skills			

5 Indicate by pputting a (✓) against the appropriate extent to which attitudes and perceptions influences the performance of MSMEs

Variable	3 point scale		
	Effective	Neutral	Not effective
Attitude			
Perception			

6 Indicate by putting a (✓) against the appropriate level of performance based on the following criteria

Performance	3 point scale		
	Increasing	Constant	Decreasing
Annual Revenues Collected			
Number of Employees			

SECTION C: Perceptions of the MSMEs manager on the business support services

1. What is your perceptions on the influence of business support services.....
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THANK YOU FOR YOUR COOPERATION