

The Effect of Non-Government Organization Services on the Development of Entrepreneurship in Tanzania: A Case of Kite Tanzania

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Abstract

The study assessed the effect of Non-Governmental Organizations (NGOs) in contributing to the development of entrepreneurship in Tanzania. The specific objectives of this study were to examine the influence of training to the development of entrepreneurship in Tanzania, secondly to examine the influence of business counselling to the development of entrepreneurship in Tanzania. Lastly, was to assess the influence of credit to the development of entrepreneurship in Tanzania. This study was contributed with three theories, which are Human Capital Theory, Resource- Based View (RBV) Theory and Financial Capital Theory. The sample size included 71 entrepreneurs involved in various KITE Tanzania projects, while only 54 respondents responded to the questions. The findings of the study revealed that training has a positive significance influence on development of entrepreneurship in Tanzania. Also, the findings revealed business counselling has a positive influence on development of entrepreneurship in Tanzania. Additionally, the study found that credit has a positive influence on the development of entrepreneurship In Tanzania. Out of the findings, it is recommended that non-governmental organizations should focus on integrating comprehensive training programs into their support offerings for entrepreneurs as well as access to business counseling services to help entrepreneurs navigate challenges and optimize their business strategies.

Key Terms Non-Government Organization, Entrepreneurship, Training, Business Counseling and Credit

Introduction

In developing countries like Tanzania, entrepreneurship is crucial for promoting economic sustainability and growth (Malipula, 2023). It plays a significant role in driving employment, fostering innovation, and enhancing economic capabilities. Entrepreneurship stimulates economic growth by providing people with the knowledge skills and information for success. Bardasi *et al.* (2018). It not only spurs economic growth but also attracts talent and promotes entrepreneurial incentives Bardasi *et al.* (2018). The complex growth of new company initiatives involves both internal and external elements, such as the entrepreneur's thinking and policies, as well as the business environment and accessible resources (Cabrera & Mauricio, 2017). Structured training programs support entrepreneurs by capitalizing on favorable conditions and providing the necessary skills for success (Yanchovska, 2021). Training and development are pivotal in enhancing entrepreneurial capabilities. For example, Bardasi *et al.* (2018) found that targeted business training programs, especially those supplemented with individualized coaching, significantly improved business revenues and profits for women entrepreneurs in Tanzania. Sanchez (2010) also highlighted the positive impact of financial education and training on business planning and networking, thereby enhancing business success. However, there are reported mixed outcomes; while enhanced training with coaching

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improved the adoption of new practices, it had no effect on revenue or profits, benefiting mainly experienced entrepreneurs.

Business counseling is another crucial element in fostering entrepreneurship. Tutuba and Tundui (2022) explored the role of business incubators in the agriculture sector, noting their significant contribution through managerial advice, financial support, and networking opportunities. This support is vital for rural development. In contrast, Soi and Mkulu (2022) emphasized the importance of entrepreneurship education in secondary schools to address challenges such as negative attitudes and technological advancements. These studies illustrate different focuses: Tutuba and Tundui (2022) concentrated on agriculture incubators, while Soi and Mkulu (2022) focused on educational settings, highlighting the diversity in approaches to entrepreneurial support. Credit access is essential for the development of SMEs. Mnunka and Oyagi (2020) found that microfinance credit facilities positively impacted SMEs' financial performance, suggesting that more training should be integrated into microfinance services. Conversely, Chibvamindu (2018) pointed out that limited access to microfinance services, especially for women entrepreneurs, affects business performance. This indicates a need for more research into how credit access impacts various demographic groups and sectors within Tanzania, as well as improved financial services to support entrepreneurship.

Previous studies such as Bardasi *et al.* (2018) focused specifically on women entrepreneurs with established businesses, leaving a gap in understanding how training impacts startups and other sectors. Similarly, the findings of McQuaid and Egdell (2011) from Scotland may not be directly applicable to Tanzania due to different socio-economic conditions, highlighting the need for research on training effectiveness in diverse contexts. Additionally, while Tutuba and Tundui (2022) and Soi and Mkulu (2022) provided insights into business counseling and educational settings, a comparative analysis with urban incubators and other support programs is necessary. Lastly, research by Chibvamindu (2018) highlight the need for studies on how credit access affects various demographic groups and sectors, aiming to enhance financial services and support for entrepreneurs. Therefore, this study examine the effect of non-government organization (NGOs) in contributing to the development of entrepreneurship in Tanzania.

Statement of the Problem

In developing countries like Tanzania, entrepreneurship is a key driver of economic sustainability and growth, playing a crucial role in generating employment, fostering innovation, and enhancing economic capabilities (Epaphra & Kiwia, 2021) Effective entrepreneurship hinges on providing individuals with the requisite knowledge, skills, and resources necessary for success (Bardasi et al., 2018). Structured training programs, alongside supportive business counseling and access to credit, are critical in equipping entrepreneurs to facilitated by developing essential skills (Cabrera & Mauricio, 2017; Yanchovska, 2021). Despite the recognized importance of these support mechanisms, existing research reveals significant gaps in understanding their effectiveness across different contexts. Bardasi *et al.* (2018) focused primarily on women entrepreneurs with established businesses, leaving unaddressed the impact of training on startups and entrepreneurs in various sectors. Moreover, the findings of McQuaid and Egdell (2011) from Scotland may not be applicable to Tanzania's unique socio-economic environment, highlighting the need for research tailored to diverse local contexts. Additionally, while Tutuba and Tundui (2022) and Soi and Mkulu (2022) explored business counseling and educational programs, their studies were limited to specific sectors and settings, a comparative analysis of various support programs, including urban-based incubators. Furthermore, Chibvamindu (2018) pointed out the limited access to microfinance services for

women entrepreneurs, emphasizing the need for further investigation into how credit access affects different demographic groups and sectors. The lack of research in examining the effect of non-government organization (NGOs) in contributing to the development of entrepreneurship in Tanzania. This study answered the following questions; what is the influence of training to the development of entrepreneurship in Tanzania, what is the influence of business counseling to the development of entrepreneurship in Tanzania. and what is the influence of credit to the development of entrepreneurship in Tanzania. This focus was guided by the following specific objectives:

- i. To examine the influence of training to the development of entrepreneurship in Tanzania;
- i. To examine the influence of business counseling to the development of entrepreneurship in Tanzania; and
- ii. To assess the influence of credit to the development of entrepreneurship in Tanzania.

Conceptualization of the Key Terms

Enterpreneurship is the process of starting a business or the willingness and capacity to plan, organize, and manage a commercial venture, including all of its risks, with the goal of turning a profit (Zătreanu, 2023). The creation of new companies is the most well-known instance of entrepreneurship (Mnunka & Oyagi, 2020). Innovations, the development of national economies and societies, and the creation of jobs all depend on entrepreneurship (Cabrera & Mauricio, 2017). The creation and recognition of opportunities, followed by the decision to take advantage of them, are at the center of this process. To put it another way, the goal of entrepreneurship is to accomplish goals or transform existing processes. Training refers to the structured process of imparting knowledge, skills, and competencies to entrepreneurs to enhance their ability to manage and grow their businesses (Surumbu & Kushoka, 2021). When discussing programs and activities aimed at enhancing entrepreneurial skills including business management, financial planning, marketing, and leadership, the term "training" in the context of entrepreneurial development is used.

Effective training provides entrepreneurs with the tools and experience they need to negotiate market problems, innovate, and achieve commercial success, promoting the overall development and sustainability of their businesses (Ng'ang'a & Gichira, 2017). On the other hand *Business Counseling and credit facilities can not be excluded when discussing the roles of NGOs in the development of entrepreneurship. In this case business counseling involves providing expert guidance and advice to entrepreneurs on various aspects of business management and development (Kusch et al., 2021). This support includes strategic planning, operational improvements, financial management, and problem-solving. In the context of development of entrepreneurship, business counseling helps entrepreneurs make successful decisions so as to overcome obstacles, and optimize their business practices (Zătreanu, 2023). On the other hand, credit refers to the provision of financial resources or capital by financial institutions or lenders to entrepreneurs, with the expectation of repayment over time, usually with interest (Mahat & Zannah, 2017). In the context of development of entrepreneurship, credit enables entrepreneurs to access funds necessary for starting, expanding, or sustaining their businesses. It supports activities such as purchasing equipment, investing in new projects, or managing cash flow (Ahmad, 2023).*

Theoretical Literature Review

In this paper, three theories, which are Human Capital Theory, The Resource-Based View (RBV) and Financial Capital Theory guided the study. Human Capital Theory was developed

by economists Gary Becker and Theodore Schultz. Becker's seminal work. According to the Human Capital Theory, spending on education and training increases a individual competencies, which boosts output and positive economic effects (Elsafty & Oraby, 2022). This idea holds that entrepreneurs with training are more likely to be innovative, adept in managing their companies, and flexible enough to adjust to shifting market conditions, all of which contribute to the sector's overall growth (Fix, 2021). This theory has explained the contribution of the influence of training on development of entrepreneurship and found statistical significance after a data analysis. The Resource-Based View (RBV) Theory was primarily developed by scholars Jay Barney and Edith Penrose. Business counseling provides entrepreneurs with expert advice, strategic insights, and problem-solving capabilities, which are considered valuable resources (Barney, 1991). This theory helps explain how business counseling contributes to Development of entrepreneurship by enhancing entrepreneurs' ability to make informed decisions, optimize their operations, and address business challenges effectively (Salsabila & Mauliza, 2022). The unique understandings and support offered through counseling can lead to better business performance and growth. In this study a Resource-Based View (RBV) Theory has successful explain the influence of business counseling on development of entrepreneurship. Furthermore, Financial Capital Theory is associated with the work of scholars such as Joseph Schumpeter and Richard. These scholars discusses the role of financial resources in facilitating innovation and business expansion (Leković, 2022). The main topic of financial capital theory is how financial resources support the expansion and operation of businesses. In the context of development of entrepreneurship, this theory explains how credit influences business success by providing the necessary capital for investment and development. In this study this theory has succesfull in explaining the influence of credit on development of entrepreneurship.

Emperical Review and Hypotheses Development

A study done by Bardasi *et al.* (2018) on designing Targeted Business Trainings for Impact: Insights from a Women Entrepreneurs' Program in Tanzania. In this study tested two kinds of trainings, one basic in-class training and one enhanced version supplemented with individualized coaching, to test their respective impact on women with established small businesses in Tanzania. The study evaluates the impact of basic training versus coaching on established women entrepreneurs in Tanzania, and the findings of the study revealed that training enhance business revenues and profits, particularly for female entrepreneurs (Bardasi *et al.*, 2018). The study conducted by McQuid and Egdell (2011) in Scotland conducted study concerning with financial capability training resources in their study they revealed that essential skills can be viewed as very significant to the achievement of a business organization. Therefore, its significant to examine the effect of financial skills training on the development of SMEs as it is often these vulnerable businesses affected by lack of financial capability. The effects of a lack of financial capability are not only financial but may lead to wider problems for the individual, household and away from, together with debt and higher stress (McQuaid & Egdell, 2011). Also Sanchez (2010) conducted study concerning with university training for entrepreneurial competencies, in his study he revealed that financial education training provides material capital to a business person empowering people to play a part in the economy, society and Microfinance educate entrepreneurs on financial supervision, business planning and projection. Another major advantage of training is that the owners develop networks, technology sharing, and learn skills to enhance their business by commercializing it to a bigger level. The basic reason behind acquiring all these skills is that such training are tailored to teach entrepreneurial skills among the owners of SMEs (Sanchez, 2010). All over the world importance of training has an effect on the financial performance. Based on theses studies this study hypothesed that;

H₁: Training has a positive influence on development of entrepreneurship in Tanzania.

Another study done by Tutuba and Tundui (2022) on entrepreneurship and Industrialization for Rural Development: Business Incubation Approach. In this study a qualitative case study used ten selected business incubators that support firms in the agriculture sector to analyze how rural development can be fostered. Triangulate sampling and data collection were used, and interpretative analysis shows that most incubators are in-house, operated by the Government in the manufacturing sector. The findings of the study revealed that business counseling provided by agriculture sector business incubators in Tanzania significantly influences Development of entrepreneurship by offering managerial advice, financial support, market access, and networking opportunities (Tutuba & Tundui, 2022). Furthermore, a study by Soi and Mkulu (2022) on enhancing entrepreneurship education in ordinary secondary schools to develop Employment opportunity in Kinondoni District. One hundred and nineteen (119) participants were conveniently sampled and heads of schools were interviewed within 6 weeks. The findings of the study emphasized on the importance of entrepreneurship education beyond capital strategies, highlighting the need for skills to navigate challenges like negative attitudes and technological advancements in Tanzania (Soi & Mkulu, 2022). The study in Tanzania found that enhanced business training with coaching positively impacted new practices but not revenue or profits, benefiting more experienced entrepreneurs, suggesting targeted programs can be more effective. Based on these studies this study hypothesized that;

H₂: Business counselling has a positive influence on development of entrepreneurship in Tanzania.

With regards to the influence of credit on development of entrepreneurship, Mnunka and Oyagi (2020) assessed the effects of microfinance on financial performance of small and medium enterprises in Tanzania. The study used descriptive research design, the study used Slovene's Formula to obtain sample size of 356 SMEs from the target population of 3215 SMEs, structured questionnaire was used to collect primary data. The finding of the study concluded that microfinance credit facilities have positive effects to the financial performance of SMEs and recommended that microfinance institutions should consider more entrepreneurs training to entrepreneurs who do not have entrepreneurial skills (Mnunka & Oyagi, 2020). Furthermore, Chibvamindu (2018) in Zimbabwe conducted study concerning with the effects of microfinance loans on the growth of SMEs, in his study he revealed that people entrepreneurs, especially in developing countries, majority of women SMEs do not have access to microfinance services for their financing their business that lead to low business performance than their men SMEs counterparts, whereas the speed of their contribution in the informal division of the economy is superior than males, and microfinance issue could have positive effect on enterprise performance (Chibvamindu, 2018). Based on these studies this study hypothesized that:

H₃: Business counselling has a positive influence on development of entrepreneurship in Tanzania.

Conceptual Framework

This study explores the development of entrepreneurship in Tanzania through the effect of three independent variables: training, business counseling, and credit. Training includes various programs aimed at enhancing entrepreneurs' skills and knowledge. Business counseling involves support such as managerial advice, financial aid, and networking opportunities. Credit examines how access to financial resources affects business performance. The framework

provides a thorough knowledge of these components' combined effect on Tanzania's entrepreneurial environment by integrating them and evaluating how each contributes to entrepreneurial development.

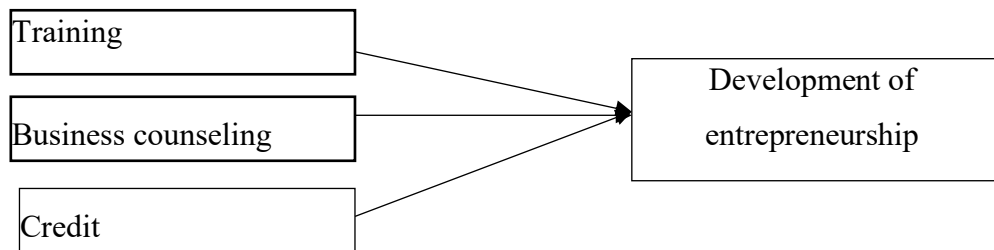


Figure 1: Conceptual Framework

Methodology of the Study

This study was guided by positivism philosophy, because it provides a scientific framework for testing hypotheses about training, business counseling, and credit's impact on development of entrepreneurship. By employing quantitative methods, positivism enables systematic data collection and statistical analysis to objectively assess how these factors influence entrepreneurial success (Saunders *et al.*, 2019). It supports hypothesis testing and theory validation through empirical evidence. This approach aligns with the study objectives, facilitating an objective, evidence-based assessment of how training, counseling, and credit contribute to the development of entrepreneurship in Tanzania. With regard to research design, the study used explanatory research design, in order to establish the existing relationship between training, counseling, and credit contribute to the development of entrepreneurship in Tanzania. The explanatory research design can be identified by the collecting and analysis of data which involves to explain causal relationship among the study variables (Saunders *et al.*, 2019).

The study was conducted in Dar es Salaam by focusing on NGO known as KITE Tanzania. The University of Cambridge and the University of Dar es Salaam collaborated to create Kite Tanzania, a division of Kite International, with the goal of initiating significant initiatives in impoverished Tanzanian villages. This study examines how different aspects KITE Tanzania as NGO in supporting training, business counseling, and credit that affect the development of entrepreneurship in Tanzania. Specifically, it explores how training programs enhance entrepreneurial skills, how business counseling provides strategic support and guidance, and how access to credit influences business growth. The population of this study was beneficiaries who were assisted in entrepreneurial development through training, counselling and later credit so as to grow. In total there are 320 beneficiaries from KITE Tanzania. In this case a sample size of 71 beneficiaries who participated in different projects under KiteTanzania in Dar es salaam and only 54 respondents were responded to the questionnaire, as calculated by using formula of Yamane which adopted by Uakarn *et al.* (2021) from Yamane (1967). The formula of Yamane technique is given by:

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

n = The sample size
 N = The population of the study
 e = The margin error in the calculation n =?
 N = 320
 e = 0.105
 $n = 320 / (1 + 320(0.105)^2) = 71$

This study used simple random sampling techniques to select entrepreneurs who participated in projects run by KITE Tanzania and got training, business counselling and credit to collect quantitative data. This is due to the existence of a list of all entrepreneurs under KiteTanzania. After selection of this sample, a structured questionnaires were used to gather information from beneficiaries who have got training, business counselling and credit from KITE Tanzania. This method ensures a comprehensive and unbiased collection of insights from 54 entrepreneurs who participated in different projects under KiteTanzania, with five points Likert scale responses stated that 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Data aangement and analysis procedures include all procedures concerning the management of gathered data to achieve the research objectives. The process involves several organised tasks including data processing, analysis and presentation. In this study, data processing was applied through preparation and organization of the data collected from the field of study. Using SPSS, thorough steps include conducting descriptive statistics, screening for outliers, and applying changes where necessary. Statistical analyses, which mainly adopted regression analysis was then performed to assess the influence of Non-Governmental Organizations (NGOs) in contributing to the development of entrepreneurship in Tanzania.

Findings and Discussion

Profile of the Respondents

The designed sample size for this study was 71 respondents; however in the actual dat collection, 54 questionnaires were successful collected and considered to have a quality required to be used in this study. This therefore make a response rate of 76.1% response rate. Different demographic characteristics of the respondents, including age of the respondents, gender, marital status, experience in business and business sector were assessed in this study. The findings on the age distribution of respondents show that broad range of experience levels. A substantial portion of the sample, 40.7%, falls within the 35-44 age group, indicating that a significant number of participants are likely to have considerable professional experience and possibly more established businesses. The next largest group, 37.0%, is aged 25-34, suggesting that younger but still experienced professionals are also well-represented. This age diversity among respondents provides a comprehensive view of the entrepreneurial experiences across different stages of career development. With regards to gender, the findings show a slight majority of males (55.6%) compared to females (44.4%). This gender disparity reflects broader industry trends where males often hold a slight edge in entrepreneurial representation. However, the relatively close percentage between males and females indicates a substantial involvement of both genders in the study. This balance is beneficial for ensuring that the findings capture diverse perspectives and experiences from both male and female entrepreneurs, thereby enhancing the reliability of the results across gender.

The respondents' level of education reveals that 55.6% fall into the secondary category, which likely includes those who are married or in long-term relationships. This high proportion suggests that many respondents may benefit from family support systems, potentially influencing their entrepreneurial decisions and stability. In contrast, 27.8% of respondents are in the primary category, likely single, which may reflect different support dynamics and risk-taking behaviors. The tertiary category, representing 16.7% of respondents, may include those in more complex or less traditional relationship statuses. This diverse marital status distribution helps understand how personal relationships might impact business ventures. With regards to the experience in business, 44.4% of the respondents had more than five years in the field. This indicates a considerable portion of the sample comprises seasoned entrepreneurs who have navigated

various business challenges and opportunities. The 3-4 years category, with 37.0%, represents individuals who are still relatively experienced but not as seasoned. The least represented category is those with 1-2 years of experience, at 18.5%, suggesting that newer entrepreneurs are less prevalent in the sample. This distribution provides insight into the experience levels within the study and helps in understanding the depth of knowledge and practical experience among the respondents. The business sector distribution highlights the diversity of industry involvement among respondents. The services sector is the largest group at 38.9%, which may include a range of businesses from consulting to personal services. Retail follows closely with 33.3%, reflecting a significant portion of respondents engaged in selling goods. Manufacturing, representing 27.8% of the sample, indicates a presence of those involved in producing goods. This sectoral distribution provides a well-rounded perspective on the various types of businesses represented in the study and helps in understanding sector-specific challenges and opportunities faced by the respondents. These results are summarised in Table 1.

Table 1: Profile of the Respondents

Variables	Categories	Frequency	Percent (%)
Age	18 – 24	12	22.2
	25 – 34	20	37.0
	35 – 44	22	40.7
Gender	Male	30	55.6
	Female	24	44.4
Level of Education	Primary	15	27.8
	Secondary	30	55.6
	Tertiary	9	16.7
Experience in business	1 -2 years	10	18.5
	3 - 4 years	20	37.0
	5 years and more	24	44.4
Business Sector	Retail	18	33.3
	Manufacturing	15	27.8
	Services	21	38.9

Source: Field Data (2024).

Causal Effect of Predictor and Dependent Variables

Inferential statistics were used to analyse the relationship between the predictor variables (training, business counselling and credit) and the dependent variable (development of entrepreneurship) in the study. Key testing for regression conditions were carried out in this analysis. A test to assess multicollinearity was conducted to ensure that each predictor variable was not highly correlated with others. As indicated in section 2, the results revealed variance inflation factors (VIF) below 5 for all three predictor variables (training, business counselling and credit). This indicates that each predictor is relatively independent of the others, suggesting no significant issues with collinearity within the model. The observed VIF values are within an acceptable range, affirming the validity of the predictors’ relationships with the dependent variable.

Table 2: Collinearity Statistics (VIF)

Construct	Indicators	Tolerance	VIF Values
Training	TRN	0.596	1.677
Business counselling	BCN	0.465	2.150
Credit	CRT	0.437	2.286

Source: Field Data (2024)

Furthermore, Table 3 presents the model summary for predicting the development of entrepreneurship based on training, business counseling, and credit. The model has an R value of 0.728, reflecting a strong and a positive relationship between the predictors and the development of entrepreneurship. This high R value indicates that the combined effect of training, business counseling, and credit has a significant relationship with entrepreneurial development. These results are also reflected in R-square which is 53%, indicating that 53% of variation in entrepreneurship development is explained by predictor variables, while the remaining percentages, which is 47% is explained by other variables not covered in this study. High explainable power indicates that the predictor variables are good to explain dependent variable (Table 3).

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.728a	.530	.524	.580	1.849

a. Predictors: (Constant), Training, Business counselling, and Credit
CreditCredit

b. Dependent Variable: Development of entrepreneurship

Source: Field Data (2024)

Table 4 presents the results of the ANOVA for the regression model assessing the goodness of fit for predicting development of entrepreneurship based on training, business counselling, and credit. Also, the regression model fits the data rather well with a significance results such as ($F(5, 378) = 85.312, p < 0.001$). This indicates that the predictors jointly explain a significant amount of variance in development of entrepreneurship. The Regression Sum of Squares (143.282) exhibits a statistical significance from the Residual Sum of Squares (126.970), indicating the model's ability to explain the observed variations in the dependent variable. Therefore, the significant F-statistic and low p-value indicate that the regression model provides a good fit for explaining the relationship between training, business counselling, and credit, and development of entrepreneurship in Tanzania.

Table 5: Goodness of Fit of Regression (ANOVA^a)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	143.282	5	28.656	85.312	.000 ^b
	Residual	126.970	378	.336		
	Total	270.252	383			

a. Dependent Variable: Development of entrepreneurship

b. Predictors: (Constant), Training, Business counselling and Credit

Source: Field Data (2024)

The findings on Table 6 provides a detailed assessment of the model's path coefficients, examining the relationships between independent variables (Training, Business counselling, Credit) and the dependent variable (development of entrepreneurship) in the study. Each coefficient (β) highlights the direct relationship, with standardized coefficients (Beta) indicating the relative importance of each independent variable in influencing development of entrepreneurship. The results indicate significant findings across all variables, as evidenced by their respective t-values well above the critical threshold of 1.96 for a two-tailed test at a 5%

significance level ($p < 0.05$) as explained by Hair *et al.* (2022). Specifically, the coefficients show that Training ($\beta = 0.165$, $t = 3.501$, $p = 0.001$), Business counselling ($\beta = 0.223$, $t = 5.339$, $p = 0.000$), and Credit ($\beta = 0.273$, $t = 6.250$, $p = 0.000$) all have statistically significant positive relationships with development of entrepreneurship in Tanzania.

Table 6: Model Assessment through Path Co-efficient

Model	Unstandardized Coefficients		Standardized Coefficients		
	β	Std. Error	Beta	t	Sig.
1 (Constant)	1.147	.255		4.494	.000
Training	.165	.047	.181	3.501	.001
Business counselling	.223	.042	.271	5.339	.000
Credit	.273	.044	.323	6.250	.000

a. Dependent Variable: Development of entrepreneurship

Source: Field Data (2024)

Hypotheses Testing and Remarks from the Results

The Table 7 presents the results of path coefficient analysis assessing the impact of various factors on development of entrepreneurship in the study. Each coefficient (β) represents the strength of the relationship between the independent variables (TRN, BCN, CRT) and the dependent variable (development of entrepreneurship). The results indicate significant findings as all coefficients have t-values well above the critical threshold of 1.96 for a two-tailed test at a 5% significance level and this shows a positive significance between study variables in this study. These findings were used to make final conclusion on whether the tested hypotheses were significant or not. As indicated, all hypotheses were supported by findings, which indicate that there were perfect prediction of literature on these hypotheses (Table 7).

Table 7: Model Assessment and Results on Hypotheses

Effects	Coefficient (β)	T-values	p-values	Hypothesis	Result
TRN -> Development of entrepreneurship	0.165	3.501	0.001	H1	Supported
BCN-> Development of entrepreneurship	0.223	5.339	0.000	H2	Supported
CRT -> Development of entrepreneurship	0.273	6.250	0.000	H3	Supported

Source: Field Data (2024)

Note: $p < 0.05$, $t > 1.96$ at a 5% significant level, 2-tail test, meaning that training ($\beta = 0.165$, $t = 3.501$, $p = 0.001$), business counseling ($\beta = 0.223$, $t = 5.339$, $p = 0.000$) and Credit ($\beta = 0.273$, $t = 6.250$, $p = 0.000$) both are statistically positively significant.

Discussion of Findings

As indicated above, the findings of the study corroborate with the previous studies and therefore considered to perfectly predict the relationship between predictor and dependent variables. The findings show a significant positive relationship between training and the development of entrepreneurship in Tanzania, with statistical results indicating a strong effect ($\beta = 0.165$, $t = 3.501$, $p = 0.001$). This finding is in line with Bardasi *et al.* (2018), who examined how different types of training impact women entrepreneurs in Tanzania. Their research found that both basic and enhanced training improved business revenues and profits, particularly for women, suggesting that effective training can lead to noticeable improvements in business performance. Supporting this view, McQuaid and Egdell (2011) investigated financial capability training for SMEs in Scotland. Their study revealed that financial training is crucial for addressing challenges such as poor financial management, which can lead to debt and increased stress.

Their results reinforce the current study's findings by highlighting that financial training helps mitigate these issues, emphasizing the importance of financial skills in business development. Sanchez (2010) also adds to this discussion by showing that university training for entrepreneurial skills provides valuable knowledge in financial management, business planning, and networking. His study found that such training not only equips entrepreneurs with essential skills but also aids in scaling and commercializing their businesses. These results are consistent with the current study results. The study also aimed to examine the influence of business counseling to the development of entrepreneurship in Tanzania. The findings revealed a positive relationship between the business counseling and Development of entrepreneurship in Tanzania, as indicated by the statistical results ($\beta = 0.223$, $t = 5.339$, $p < 0.001$).

This indicates that business counseling plays a crucial role in fostering entrepreneurial growth. The findings are consistent with those of Tutuba and Tundui (2022), their study highlighted that business counseling provided by agricultural sector incubators significantly influences entrepreneurship by offering essential services like managerial advice, financial support, market access, and networking opportunities. This reinforces the idea that business counseling is vital for supporting and enhancing entrepreneurial ventures. Therefore, Soi and Mkulu (2022) explored entrepreneurship education in secondary schools in Kinondoni District and their findings support the current study by emphasizing that business counseling should not only focus on financial aspects but also equip entrepreneurs with a broader range of skills and knowledge to navigate various business challenges effectively.

Furthermore, the findings of the study revealed a positive significant between credit and development of entrepreneurship in Tanzania. This suggests that access to credit is a crucial factor in enhancing entrepreneurial growth. Entrepreneurs who have access to the financial credit are better positioned to invest in their businesses and expand their daily operations. The findings align with the results of Mnunka and Oyagi (2020), who found that microfinance credit facilities positively impact the financial performance of SMEs in Tanzania. Their research shows that microfinance could offer enterprises and the critical money they need, enhancing their financial stability and expansion opportunities. This supports the current findings by highlighting that access to credit plays a vital role in the success and development of entrepreneurship to the benefited ones. Furthermore, Chibvamindu (2018) found that access to microfinance loans positively affects the growth of SMEs, particularly in developing countries. Although, the study noted that women entrepreneurs often face more significant barriers to accessing microfinance compared to male, this is consistent with the study findings that highlights the importance of credit in driving enterprise growth and highlights the need for increased access to financial resources to support entrepreneurs, especially women, in improving their business outcomes.

Conclusions and Recommendations

Different observations emanated from this study. In this case it can be concluded the predictor variables which are training, business counseling, and credit play a significant role in fostering the development of entrepreneurship in Tanzania. The significant positive relationships identified in the study training, business counseling and credit highlight the significant impact these factors have on entrepreneurial growth. Training help entrepreneurs with essential skills and knowledge, business counseling provides critical managerial and strategic support, and access to credit enables entrepreneurs to invest in and expand their businesses. These findings collectively suggest that a comprehensive approach, integrating training, counseling, and financial support, is essential for nurturing entrepreneurship. Effective training programs, effective business counseling services, and improved access to credit are all vital components

for supporting the development of entrepreneurship in Tanzania. Practically, the findings suggest that NGOs should tailor their approaches to better meet the diverse needs of entrepreneurs. This includes enhancing support mechanisms in areas such as mentorship, access to finance, and skills development. Strengthening collaboration with governmental and private sectors could also increase their impact, ensuring sustained support and growth of entrepreneurial ventures.

On the hand, the current study supports the Human Capital Theory by demonstrating a significant positive relationship between training and the development of entrepreneurship. The statistical results, confirm that training contributes meaningfully to entrepreneurial growth, aligning with the theory's premise that investing in human capital enhances skills and knowledge, which in turn fosters business development. Moreover, results are consistent with the Resource- Based View (RBV) Theory, which highlights the significance of internal resources in attaining the development in entrepreneurship. The positive relationship between business counseling and entrepreneurial development ($\beta = 0.223$, $t = 5.339$, $p < 0.001$) highlights how strategic support and guidance serve as valuable resources for entrepreneurs, helping them to use their capabilities effectively to foster business growth. The study further supports Financial Capital Theory by illustrating the significant role of credit in entrepreneurial development. The positive relationship existed between access to credit and business development highlights how financial resources are more important for the investment and expansion of entrepreneurship industry as the theory supports the findings of this study.

Based on the significant positive relationships observed between training, business counseling, and credit, several key policy recommendations. Policymakers should prioritize the development and expansion of comprehensive training programs for entrepreneurs. These programs should cover essential areas such as business management, financial literacy, and market analysis. Also, policies should support the establishment and funding of counseling centers that provide strategic guidance, managerial advice, and networking opportunities for entrepreneurs. Moreover, access to financial resources is critical for entrepreneurial success. This could include supporting microfinance institutions, offering interest subsidies, or providing credit guarantees to reduce the risk for lenders. Policymakers should encourage partnerships that bring together government agencies, financial institutions, educational institutions, and business support organizations. These collaborations can lead to more integrated and effective support systems for entrepreneurs, combining resources and expertise from various stakeholders. From these findings and conclusions, the following are recommendations emanated from this study:

Recommendation to NGOs: Non-governmental organizations should focus on integrating comprehensive training programs into their support offerings for entrepreneurs. By providing targeted training that addresses specific skills and knowledge gaps, NGOs can significantly enhance the effectiveness of their entrepreneurship support programs. Additionally, NGOs should facilitate access to business counseling services to help entrepreneurs navigate challenges and optimize their business strategies.

Recommendation to Government: Policies that facilitate easier access to finance for business owners especially those in underprivileged areas should be given top priority by the government. Through the facilitation of loan availability and the provision of financial literacy initiatives, the government may assist company owners in obtaining the capital they need to expand. Furthermore, investing in business counseling initiatives and integrating them into public entrepreneurship support programs can enhance overall business development.

Recommendation to Entrepreneurs: Entrepreneurs are advised to aggressively pursue possibilities for business advice and training in order to strengthen their capacity in performing business development. Engaging in continuous learning available counseling resources can provide valuable insights and support, aiding in the effective management and expansion of their enterprises. Additionally, exploring and utilizing available credit options can facilitate business investment and growth.

Limitations of the Study and Areas for Further Studies

A limitation of this study is the focus on a specific geographical area (Dar es Salaam) and a limited sample size of 71 entrepreneurs has restricted the generalizability of findings to broader Tanzanian contexts. Also, future research could explore longitudinal studies to assess the sustained impact of NGO involvements on entrepreneurship beyond immediate outcomes. Investigating the role of cultural and regional factors in influencing the effectiveness of NGO support programs would provide deeper insights into contextual variations. Additionally, comparative studies across different NGO models and sectors could elucidate best practices and strategies for enhancing entrepreneurial development.

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